

**Economics E516:
Institutional Setting for Nonprofit/Philanthropic Economics**

Instructor: TBA
(Revised, 12/15/09)

COURSE DESCRIPTION AND RATIONALE: This course serves as the prerequisite for ECON E667 and ECON E668*, and thus is required for those students choosing to specialize in the field of nonprofit/philanthropic economics. The course provides a broad overview of nonprofit institutions and philanthropic practices, along with a discussion of available data sources on each. We discuss the size and scope of nonprofit organizations, revenue and cost structures, governance practices, regulation and taxation, and relations between nonprofit organizations, for-profit firms, and government agencies. Then we look at patterns of philanthropy B who gives, to what, and in what form B and public policies that affect giving behaviors. There are no prerequisites, but enrollment is restricted to students in the Economics PhD program except when approved by signature of instructor. (1.5 credit hours).

*Special note for curriculum review committees: E667 and E668 have not yet been submitted for approval, as they will not be offered prior to Fall 2011. These proposed courses are briefly described in the approved plan for a new doctoral program in economics at IUPUI. The first covers advanced topics in the economics of nonprofit organizations, and the second covers advanced topics in the economics of philanthropy. Together, E516, E667, and E668 fulfill the requirements of a designated field of expertise required of our students.

SHOULD YOU TAKE THIS COURSE?:

- a) Students cannot take both this course and SPEA V521, or this course and PHST P521, for credit.
- b) Students who wish to take a class on those parts of SPEA V521 that do not overlap with this course are encouraged to sign up for a special section of SPEA V580 offered in conjunction with a regularly-scheduled SPEA V521 course. They should contact the SPEA instructor to make arrangements for this option.
- c) Although there are no formal pre-requisites, students are assumed to have background knowledge of microeconomics equivalent to or exceeding that provided by an undergraduate course in intermediate microeconomics. They are also assumed to have a background in statistical methods that enables them to specify a regression model and understand hypothesis testing in that setting.

EDUCATIONAL OBJECTIVES: Upon successful completion of this course, the student will:

- a) Be able to assess the relevance and generalizability of published research in the area.
- b) Understand some of the tradeoffs involved when complex problems are simplified for mathematical tractability.
- c) Identify researchable problems and issues of importance to nonprofit organizations, philanthropists, and policymakers.
- d) Become familiar with data sets useful for research in this field.

TEXT: The main text for this course is *The Nonprofit Sector: A Research Handbook, 2nd Ed.*, edited by Walter W. Powell and Richard Steinberg. In addition, required and optional readings are detailed below in the course outline. Optional readings vary from Afor future reference@ to Aread now if you have time.@ In that spirit, *Nonprofit Organizations: Theory, Management, Policy* by Helmut Anheier serves as an optional textbook.

GRADING: Classroom participation counts for 30% of your grade. To assess your participation, the instructor will look for evidence that required readings are done in advance of classroom discussion and that you are actively engaged in that discussion. Good attendance is required to receive full credit for classroom participation. Two data exercises, counting 20% each, will be structured as problem sets. You will also make a brief presentation to the class on a topic of your choosing, subject to the instructor=s approval (30%). Presentations will enable us to discuss a few smaller topics in more detail, and will be graded on the basis of attention to nuance, clarity of presentation, and quality of supplemental materials (handouts or slides). Late work will not be accepted except by prior agreement with the instructor. Superior performance results in a grade of A or A-, satisfactory performance in a grade of B or B+, and unsatisfactory performance will result in a grade below that.

Grading subjective items on a 100 point scale requires more precision than is reasonable. But for purposes of creating a weighted average, I will assign a numerical grade of 98 to any assignment that is truly exceptional, 95 to a superior performance, 91 to a borderline superior performance, 88 to a more than satisfactory performance, 85 to a satisfactory performance, and 82 to a borderline satisfactory performance. Then I will apply the standard grading scale to the weighted result:

Letter grade	Percentage
A+	97-100
A	93-96.99
A-	90-92.99
B+	87-89.99
B	83-86.99
B-	80-82.99
C+	77-79.99
C	73-76.99

POLICIES ON ACADEMIC MISCONDUCT: Students must follow the Code of Student Rights, Responsibilities, and Conduct (<http://life.iupui.edu/rights/docs/CodeofConduct.pdf>). Please note that these policies are not just words B they are stringently enforced and violations have severe consequences such as receiving a failing grade for the course or expulsion from the university. Penalties can be applied for cheating, fabrication, plagiarism, or sabotaging the work of other students. In particular, plagiarism occurs when you adopt, reproduce, or paraphrase the ideas, words, or statements of another person without appropriate acknowledgment. Quotes and paraphrases should include a complete reference. Facts, statistics, and the like should include references unless the information is common knowledge. When in doubt about any of these

policies, ask the instructor. Finally, please note that you are responsible for activity on your computer accounts. Please be careful to log off public computers whenever the computer will be unattended and do not leave laptops unattended.

AMERICANS WITH DISABILITIES ACT: If you need any special accommodations due to a special challenge or disability, please contact Adaptive Educational Services at (317)-274-3241. The office is located in Joseph T. Taylor Hall (UC), Room 137.

CAPS: If you find that life stressors are interfering with your academic or personal success, consider contacting Counseling and Psychological Services (CAPS). All IUPUI students are eligible for counseling services at minimal fees. CAPS also performs evaluations for learning disorders and ADHD; fees are charged for testing. CAPS is located in UN418. For more information, see the CAPS web-site at: <http://www.life.iupui.edu/caps/> or call them at 274-2548.

COURSE OUTLINE:

Week 1: Definitions and Scope of the Nonprofit Sector

Text: Introduction (Steinberg and Powell);

Scope and Dimensions of the Nonprofit Sector (Boris and Steuerle).

Optional Readings:

Elizabeth Boris, Introduction: Nonprofit Organizations in a Democracy: Varied Roles and Responsibilities, in Boris and C. Eugene Steuerle, eds., *Nonprofits and Government: Collaboration and Conflict*.

The Nonprofit Almanac 2008 by Kennard T. Wing, Thomas H. Pollak, and Amy Blackwood

Week 2: Nonprofits around the World

Text: The Nonprofit Sector in Comparative Perspective (Anheier and Salamon)

International Nongovernmental Organizations (Boli)

Week 3: Data on Nonprofit Organizations

Required Readings:

Selections on-line at the National Center for Charitable Statistics

(<http://nccs.urban.org/index.cfm>)

Selections on-line at Guidestar (<http://www2.guidestar.org/Home.aspx>)

Optional Readings: Peruse these web sites

The Association of Religion Data Archives <http://www.thearda.com/>

National Center for Education Statistics <http://nces.ed.gov/>
The Foundation Center <http://foundationcenter.org/>
2007 Economic Census <http://www.census.gov/econ/census07/>
Indiana=s Nonprofit Sector Project
http://www.philanthropy.iupui.edu/Research/nonprofit_research.aspx

Homework: Exercise on using databases.

Week 4: Nonprofit Revenues

Required Readings:

Selections from *Financing Nonprofits: Putting Theory into Practice*, edited by Dennis R. Young.

Week 5: Law of Nonprofit Organizations

Text: The Legal Framework for Nonprofit Organizations (Brody)

Week 6: Governance of Nonprofit Organizations

Text: Governance: Research Trends, Gaps, and Future Prospects (Ostrower and Stone)
Selections from Edward L. Glaeser, Introduction. In Glaeser, ed., *The Governance of Not-for-Profit Organizations*. Chicago: University of Chicago Press and NBER, 2003.

Week 7: Tax Treatment of Nonprofit Organizations

Text: Selection from The Federal Tax Treatment of Charitable Organizations (Simon, Chisolm, and Dale)

Week 8: Nonprofits, Firms, and Governments

Text: Selection from Collaboration between Corporations and Nonprofit Organizations (Galaskiewicz and Colman)
Dennis R. Young, Alternative Models of Government-Nonprofit Sector Relations: Theoretical and International Perspectives, *Nonprofit and Voluntary Sector Quarterly* 29: 149-172 (2000).

Week 9: Who Gives to What?

Text: Charitable Giving: How Much, by Whom, to What, and How? (Havens, O=Herlihy, and Schervish).

Week 10: Volunteering

Text: Selection from *Work in the Nonprofit Sector* (Leete)

Required Reading:

John Wilson, "Volunteering," *Annual Review of Sociology* 26 (2000)

Week 11: Patterns of giving

Required Reading:

René Bekkers and Pamala Wiepking, *Generosity and Philanthropy: A Literature Review*. Available at SSRN: <http://ssrn.com/abstract=1015507>

Week 12: Data on Giving

Required Readings:

Mark Wilhelm, *The Quality and Comparability of Survey Data on Charitable Giving. Nonprofit and Voluntary Sector Quarterly* 36 (2007).

René Bekkers and Pamala Wiepking. *Accuracy of Self-reports on Donations to Charitable Organizations. Quality & Quantity*, forthcoming.

Homework: Exercise on accessing COPPS data

Week 13: Legal and Tax treatment of giving

Text: Selection from *The Federal Tax Treatment of Charitable Organizations* (Simon, Chisolm, and Dale)

Selection from *Why Do People Give?* (Vesterlund).

Week 14: Giving around the world

Required Readings:

Selected chapters from Ilchman, W. F., Katz, S. N., and Queen II, E. L. 1998. *Philanthropy in the World's Traditions*. Indiana University Press

Week 15: Student Presentations