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**Making the Invisible Visible: Using Professional Advisors'
Perceptions to Advance Planned Giving in the
Community College**

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by

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Dissertation

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Dedication

For all of my life's teachers, especially the first, my parents,

Hugh A. Oriano and Sarah Francis Oriano

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I never imagined completing a doctoral program, but through the encouragement and support of family, friends, colleagues, and mentors this chapter of my life now comes to an end. Anyone who has traveled this path before me knows that no one gets here without the love, patience, and assistance of so many others.

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*I am the luckiest girl on the planet to have shared this extraordinary
and life-changing experience with each of you.*

**Making the Invisible Visible: Using Financial Advisors' Perceptions to
Advance Planned Giving in the Community College**

Publication No. _____

Angela Joleen Oriano-Darnall, Ph.D.

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Over the past twenty years, as funding has declined, community colleges have become much more aggressive in seeking private support. Yet, collectively they receive less than two percent of all private donations to education. Planned-giving programs hold tremendous long-term promise for helping community colleges to remain viable; however, few community colleges have comprehensive planned-giving programs.

The practitioner literature suggests that using professional advisors is an important strategy for nonprofits wanting to implement planned-giving programs, as professional advisors are in a position to ascertain their clients' values and interests on charitable giving as part of clients'

total estate planning. This study explored the role of the advisor in the gift-planning process. To examine this phenomenon, Interactive Qualitative Analysis (IQA) was utilized to produce a grounded theory in charitable gift planning. Through interviews with sixteen financial advisors and sixteen development professionals, data were collected to determine the factors that compose the role of the advisor in the gift-planning process and how these factors are related. A systems representation of the planned-giving process was developed through the creation and analysis of conceptual mind maps.

This study yielded three major findings: Advisors view themselves as having two distinct roles in the charitable gift-planning process, planned giving is a three-way interaction between the donor-advisor-and development professional, and advisors' charitable values are critical to their raising the issue of charitable giving.

The research findings indicate that planned giving is a triangular relationship characterized by complex interactions between the client (donor), the advisor, and the development professional. The Triad Model

of Planned Giving illustrates why understanding the role of the advisor is vital to effectively working with professional advisors, and how advisors' values impact the system of planned giving. The resulting model indicates professional advisors' philanthropic values are critical to their raising the question of philanthropy with their clients. With this increased understanding development professionals can target their efforts by focusing on those advisors who are most comfortable discussing planned giving with their clients.

The research also demonstrates how development professionals can maximize their efforts to impact advisors' comfort levels with raising the philanthropic question. Findings from this study indicate the community college, as the community's preferred learning provider, is well-positioned, perhaps more than any other type of nonprofit, to forge a link to advisors that raises their awareness of philanthropy – and the community college's comprehensive mission – ultimately motivating advisors to raise the philanthropic question with prospective donors.

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Chapter I: Introduction to the Study

INTRODUCTION

Among the many obstacles faced by today's community colleges is the lack of financial support (Breneman & Nelson, 1981). Local and state taxes, federal programs, and tuition and fees - traditional sources of funding - are no longer steady or secure (J. E. Roueche, Roueche, & Johnson, 2002; Wattenbarger, 1982). State appropriations to higher education in the early 1990s ranged from 12 percent to 15 percent of total state expenditures; by mid-decade they fell to between 8 percent and 11 percent. Several important factors contributed to this decline: the recession of the early 1990s, fiscally conservative stances at all levels of government, a near moratorium on raising taxes, and increasing public demands for services. All of these factors caused states to absorb the additional burden for funding public programs such as increased spending for medical services, correctional programs/facilities, K-12 education, and welfare programs (D. Leslie & Fretwell, 1996).

Similar trends have continued into the 21st century with most states continuing to cut support to higher education. Recently, the situation has worsened. According to Bass (2003): “The fiscal year 2003 was, for most institutions of higher education, a season of despair. State appropriations plunged to new lows, endowment values dropped nearly 10 percent in 2001 and 2002, and voluntary support for higher education declined for the first time in fourteen years” (p.15). In response to unsteady tax-dollar support and cuts in state appropriations, public colleges and universities, including community colleges, have increasingly sought and relied upon support from the private sector for basic operations (Moore, 2000).

Private support of higher education is, of course, not a new phenomenon. Colleges have engaged in efforts to secure operational funds since the first documented mission in 1641 by Harvard when it sent three clergymen to England on its behalf (Cutlip, 1965). The Kansas University Endowment Association, established in 1893, was the first institutionally affiliated foundation to be established for support of a public university (Rennebohm, 1981). And, Illinois’ Highlands

Community College, which established its foundation in 1962, is often cited as the first community college foundation (Robison, 1982).

Foundations, usually created under state statute, have allowed educational entities a vehicle for fund raising, provided flexibility in administrative and investment decisions, and encouraged volunteer involvement and leadership (Rennebohm, 1981). Statutory restrictions that apply to college staff and governing boards do not apply to foundations, which have organizational and legal independence from the colleges they serve (A. Cohen & Brawer, 1996). Today, more than 90 percent of community colleges have affiliated, separately incorporated, nonprofit fund raising foundations (Phillippe & Eblinger, 1998). The primary reason that most of the older foundations were established was for the purpose of channeling gifts to create a “margin of excellence” for the related institutions (Rennebohm, 1981). Over the past decade, however, college and university foundations originally created to enhance excellence, now support endowments and day-to-day operations (Moore, 2000).

The broad picture of fund raising in higher education during the last decade was marked with success stories. Billion-dollar capital campaigns and huge private donations made national headlines (Milliron, 2003). However, a closer look at the story of higher education fund raising reveals that these stories primarily reflect the activities of four-year institutions. Some community colleges developed successful institutional advancement programs with integrated strategies focused on building broad institutional support through major gift development, annual giving drives, scholarship programs, planned and deferred giving and business partnerships. Their stories are told and re-told in the higher education fund raising literature, but these successes are not the norm.

To be sure, in the last decade community colleges have seriously moved into the fund raising arena. According to the Council for Aid to Education (2000) community colleges received less than 2 percent of private support given to American higher education in the 1990s. And, while community colleges' efforts are beginning to pay off they still receive less than 5 percent (Evelyn, 2004) of all donations to postsecondary

institutions. As the data indicate, community and technical colleges lag far behind their four-year counterparts in garnering a respectable share of the philanthropic pie, and this is particularly true with respect to the receipt of planned gifts.

In 2003, charitable contributions in the United States exceeded \$240 billion. This amount represented a 2.8 percent increase over 2002, the highest rate of growth since 2000, and accounted for approximately 2.2 percent of Gross Domestic Product. Of the almost \$241 billion gifted to nonprofits, \$21.60 billion, (9 percent), were gifts received by bequest – gifts of property by will. Adjusted for inflation, this was growth of 10.3 percent (American Association of Fundraising Counsel Trust for Philanthropy, 2004). This increase signified that even with the phasing out of the estate tax, Americans are motivated to give to philanthropic causes for reasons other than tax consequences.

According to the Council for Aid to Education, the picture of philanthropic giving to higher education reflected these macro trends. Giving overall declined from all time highs in 2000; however, the amount

of planned gifts (bequests and deferred gifts) remained relatively unchanged. As a percentage of total gifts, planned gifts have steadily increased since the early 1980s. In fact, in 2003, planned gifts accounted for more than one-third of all gifts to higher education. Why is this important to higher education and to community colleges in particular?

An unprecedented intergenerational wealth transfer is expected to take place between 1990 and 2051. Although the amount to be transferred varies from study to study, with estimates ranging from \$10 trillion to \$41 trillion, there is general agreement that approximately 15 percent of the total (\$1.5 trillion to \$6 trillion) will be transferred to non-profit organizations (Schervish & Havens, 1999; Avery & Rendell, 1993). Much has been written about the coming of a Golden Age of Philanthropy, but there is little practical information about how fledgling, understaffed, or under-funded community college development programs can strategically position their development programs to reap the benefits of America's changing demographics and philanthropic giving trends.

The patterns of giving to higher education institutions are reflected in the related scholarly research. The majority of the relevant literature on higher education fund raising and philanthropy pertains to four-year institutions. Research and practitioner experience suggest that conceptual models and activities based at or in four-year institutions may sometimes be successfully adapted at two-year institutions; however, community colleges are recognizing that they need to develop conceptual models and practices that reflect the unique nature of public two-year colleges.

According to Bass (2003):

[There is] a fundamental difference between two-year and four-year institutions...those community colleges that have had the greatest success cultivating alternative revenue sources have not adhered to any single advancement model" (p.20).

For example, community colleges overall have not placed an emphasis on traditional alumni activities. (N. J. Smith, 1993). Instead of relying on alumni allegiance, community colleges have turned to their local communities for support (Conrad, Davis, Duffy, & Whitehead, 1986;

Degerstedt, 1982). In addition, community colleges have not developed planned-giving programs, a primary source of fund raising revenues for four-year colleges and universities. Unlike four-year institutions, with their long histories of giving and well-established offices of institutional advancement (Phillippe & Eblinger, 1998), community college development staffing assignments have historically consisted of one person (a director) and part-time support (N. J. Smith, 1993). This suggests that community colleges should select fund raising practices that “fit” with their institutional capabilities and limitations.

According to Moore (2000), higher education foundations have helped provide discretionary funds, served as safety nets, acted as catalysts for change, and forged productive partnerships. Community colleges have enjoyed an especially rich history of relationships with business. In 1947, the Truman Commission on Higher Education defined the collaborative role of the community college to include a special focus on promoting economic development (U.S. President's Commission on Higher Education, 1947). The activities outlined by the Truman

Commission have insured that community colleges have developed close ties with their constituencies (Gleazer, 1980).

Today, business and education partnerships take many forms. Contemporary relationships cover a large range of collaborative activity with a great variety of staff involvement and institutional benefit. Community colleges have used triad partnerships to leverage resources to solve local problems. These partnerships typically are comprised of a business entity, the community college, and a local group. Working together they are able to accomplish their goals synergistically (Roe, 1989). Yet, despite nearly half a century of building successful strategic partnerships, community colleges have been slow to form synergistic and strategic alliances with the private sector to increase philanthropic giving.

As America embarks on a new Golden Age of Philanthropy (Schervish & Havens, 1999) community colleges have a huge opportunity to gain additional private support. However, competition for these philanthropic dollars is also growing. Having the ability to attract significant planned gifts is critical in sustaining the viability of community

colleges, which face budget shortfalls, increased enrollments, and larger numbers of under-prepared students. In order to meet the challenges that lie ahead, as well as to take advantage of the opportunities resulting from the anticipated intergenerational wealth transfer, community college foundations must understand how they can capitalize on one of their greatest existing strengths – the ability to develop community partnerships.

STATEMENT OF THE PROBLEM

Generating revenues from private individuals is a complex process, which can be conceived of as an equation: philanthropy (variable one) plus fund raising (variable two) equals dollars raised (philanthropy+fund raising=dollars raised). As a result, relevant research has focused almost exclusively on one or both of these variables. Research focused on the philanthropic variable examines donor motivation. It seeks to understand the reasons why people give, the “mobilizing factors” that generate people’s charitable giving (Schervish, 1997). Fund raising, the second variable, is the other area in which research has primarily focused. Fund-

raising scholarship typically examines what institutions can do to be more effective and more productive in their efforts. The majority of this work, however, has been conducted with four-year institutions, which may be only marginally relevant for two-year colleges because of their inherent differences (Glass & Jackson, 1998a; Luck & Tolle, 1978; Phillippe & Eblinger, 1998).

Financial support for community colleges, from sources other than the traditional local and state taxes and student tuition, has moved to center stage as the most pressing challenge facing community colleges (Adams, Keener, & McGee, 1994). As a result, within the last ten years there has been an increased interest in community college fund raising, especially among graduate students conducting dissertation research. Moreover, these studies have primarily sought to identify program characteristics or variables, usually internal to the institution and/or foundation, in an attempt to determine their impact on fund-raising productivity and effectiveness (Carrier, 2002; Clements, 1990).

Recent research indicates that the role that financial and estate planning advisors play in the development of philanthropic gifts is increasing. This suggests that a third variable, the allied financial professional, may need to be added to the fund-raising equation. Increasingly, financial planners are helping their clients do “life planning.” Financial planners talk to their clients about the client’s future goals, values, the impact they wish to have on society and the legacy that they might want to leave behind (T. W. Smith, 2004). Without taking into account the perceptions and experiences of legal and financial advisors, a community college’s capacity for cultivating a strategic and mutually beneficial partnership aimed at developing major and planned gifts, may not be fully understood and realized.

SPECIFIC PROBLEM AREA

Although resource development is a comprehensive system involving donors, institutions, and advisors nearly all of the research and resulting conceptual models have explored the first two groups in this triad relationship. Understanding donor motivation and the institutional

characteristics leading to effective and efficient fund raising endeavors are essential for advancement of the field. However, examining the critical elements of the donor-foundation-advisor relationship, from the advisor's perspective, offers the possibility for strengthening, perhaps through formalized partnerships or alliances, key relationships that may lead to increased revenues for community college foundations.

SIGNIFICANCE OF THE STUDY

While the literature on partnerships between higher education institutions, communities, and schools is voluminous, the literature base for higher education and business partnerships is much more limited. In particular, there is very little information on how these partnerships actually function and succeed. Often suggestions such as the following are made: Seeking external funding for community colleges ideally involves a balanced approach "that leverages public dollars with private, builds on established business relationships to create major gift opportunities for donors, and focuses on meeting the needs of a college by meeting the needs of its students and surrounding community"

(Brumbach & Bumphus, 1993). While there is much evidence that what these authors suggest is correct, few studies have explored the make-up of such partnerships. And even fewer have attempted to articulate the elements of a philanthropic partnership, especially in the partnership's planning stages.

Due to the fact that research in the field of community college resource development is relatively new (Jenkins & Glass, 1999), philanthropic support of community colleges and the elements within these colleges that encourage such support have not been fully examined. In addition, an appropriate framework for understanding fund raising, especially at community colleges, has lagged behind other educational issues (Jackson & Glass, 2000). However, systems theory has been suggested as a promising framework for research pertaining to fund raising (Carrier, 2002; Clements, 1990; Kelly, 1998; Koelkebeck, 1994).

Fundamental to systems theory is the understanding that there are various levels of systems and interconnections among them and that information regarding the higher, more complex system is valuable in

understanding what happens in the system below it. Also important to systems theory is that system inputs, processes, roles, and relationships are integral to system outcomes (Katz & Kahn, 1978; Van Gigh, 1978, as cited in Carrier (2002). In open systems theory, organizations are seen not only as sets of interrelated subsystems, but particular emphasis is also placed upon the importance of the environment in which the organizations exist (Morgan, 1998).

By grounding this study in open systems theory, the researcher analyzed the interconnections and interdependencies of planned-giving development professionals' programs within their next higher system level, the nonprofit, and within a part of the nonprofit's external environment, the legal and financial advisor professional community. The researcher identified and explored key variables and relationships between the three systems, from the advisors' and development professionals' perspectives, in order to understand if these relationships can be utilized to enhance nonprofit revenues. Ultimately, the study's

significance rests in its findings, which will help to advance the theoretical understanding of the process of charitable planned giving.

DEFINITION OF TERMS

The terminology used throughout this study has specific meaning and significance relative to both the topic and the research methodology. As a result, definition of these terms is presented in two sections, topical and methodological. Topical definitions are used to describe the study's context and the relevant literature. Methodological definitions are terms used to describe data collection and analysis procedures.

Topical Definitions

1. Chief resource development officer: In a community college, the chief resource development officer generally has responsibility for identifying, developing, and cultivating public and private funding opportunities that support institutional mission and needs; initiating and maintaining advocacy relationships with constituents both internal and external to the college; and supervising and managing staff, foundation

operations, investments, budgets, and other resources essential to these functions (Brumbach, 1994).

2. Community college: The community college is defined as any institution accredited to award the Associate in Arts or the Associate in Science as its highest degree including private and public comprehensive two-year colleges and technical institutes (A. Cohen & Brawer, 1996).
3. Development: A sophisticated and continuous process; “development” or “fund development” requires broad understanding of the institution, long-term relationship building, and commitment to the institution’s financial and physical growth. More commonly called “resource development” in the context of community colleges, the process emanates from the institution’s academic plan, in which the institution’s priorities and needs are identified. It includes identifying, cultivating, informing, and involving prospective donors and other funding sources; preparing and making

solicitations or submitting grant applications; and providing gift stewardship and monitoring of externally funded projects through reports and personal communication with the donor or funding source. Sometimes used synonymously with fund raising and institutional advancement (Boguch, 1994; Keener, 1982; Worth, 1993; M.J. Worth, 2002b).

4. Endowment: A permanently restricted net asset, the principal of which is protected and the income from which may be spent and is controlled by either the donor's restrictions or the organization's governing board (Levy & Cherry, 1996).
5. Community College Foundation: These are usually operating foundations, legally separate from the affiliated community college, that exclusively exist to support institutional activities (Jordan, 2002); an institutionally related foundation "exists solely for the purpose of raising, managing, and disbursing funds to support the programs of a specific (usually public) college or university" (M. J. Worth, 2002).

6. Fund raising: The raising of assets and resources from various sources for the support of an organization (Levy & Cherry, 1996). The term is generally used synonymously with development (M.J. Worth, 2002b).
7. Institutional Advancement: A process of building awareness and support from all constituent bodies; and the programs within an institution that relate to its constituency, including development, public relations, and government relations (Levy & Cherry, 1996).
8. Partnership: A negotiated, authoritative arrangement between organizations whose internal components allow for mutual coordination, exchange of resources or activities. The expressed purpose is to achieve not only each organization's goals and objectives, but also to achieve the mutually defined goals and objectives that arise from the linkage process (Banathy, Haveman, Madsen, & Oakley, 1978). Also referred to as joint ventures, collaborations, and alliances.

9. Philanthropy: refers to “a tradition in which individuals contribute, for reasons of altruism, their time and financial resources to nonprofit institutions, with the goal of improving society” (M.J. Worth, 2002b).
10. Planned gift: A gift made in the context of the donor’s total financial and estate planning. Planned gifts often involve a bequest, trust, or annuity arrangement and usually provide tax benefits or other financial advantages to the donor as well as benefiting the institution. Also sometimes referred to as Deferred gift or Charitable Gift Planning (M.J. Worth, 2002b). In this study, planned gifts may also include major current and deferred gifts that are long-term commitments established with any of a wide range of financial planning techniques that are arranged in light of the individual’s overall financial and estate considerations (M.J. Worth, 2002a).
11. Voluntary Support: This term describes all gifts and non-contractual grants given to colleges and universities, defined in

accordance with accounting standards established by the Council for Advancement and Support of Education (CASE) and reported annually to the Council for Aid to Education in connection with the *Voluntary Support of Education* survey.

12. Financial Advisors: May be a prospect's lawyer, accountant, banker, financial planner or insurance professional; these individuals may or may not have a thorough understanding of planned-giving techniques, but are in a position to advise their clients (prospective donors) in matters affecting philanthropy (Manterfield, 2000).
13. Third Sector Institutions: The sector of society alternatively referred to as nonprofit, voluntary or independent; consists of tax-exempt organizations that do not fit into the first two sectors of business and government (Kelly, 2002).

Methodological Definitions

All methodological definitions were taken from (Northcutt & McCoy, 2004) except where otherwise noted.

1. Affinity: Categories of meaning of a phenomenon, also known as themes or elements.
2. Affinity Relationship Table (ART): A structured table in which the researcher records the relationship between each pair of affinities.
3. Axial Coding: The process of relating categories to their subcategories.
4. Axial Code Table: A table in which the axial codes are documented.
5. Axial Interview: An interview composed of open-ended questions about the phenomenon designed to provide a rich description of affinities by the respondents.
6. Cluttered System Influence Diagram: A graphical representation of the system .based on a display of all affinity relationships.
7. Dialectic Affinity: An affinity that contains polarity or opposition, which is required for the existence of the other.

8. Drivers: Those affinities that cause or influence the system.
9. Feedback Loop: A system of at least three affinities, each influencing the others either directly or indirectly.
10. Grounded Theory: Theory that follows from data rather than preceding them (as in conventional inquiry) (Lincoln & Guba, 1985); a grounded theory according to Glaser & Strauss (1967, p.3) as cited in (Lincoln & Guba, 1985) is a theory that will “fit the situation being researched, and work when put into use.”
11. Interactive Qualitative Analysis (IQA): A systems approach to qualitative research that utilizes techniques adapted from the Total Qualitative Management (TQM) movement to produce and analyze data. IQA techniques assist group members in describing and labeling experiences and the relationships among these experiences to produce a theory in perception.
12. Interrelationship Diagram (IRD): A table that represents all relationships among affinities.

13. Interview Protocol: A specific interview structure used to authenticate the pilot group affinities and to elicit thick descriptions of affinity relationships. This structure ensures that each affinity is explored thoroughly and consistently.
14. Issue Statement: An open-ended question or statement designed to solicit a response to an issue or phenomenon under study.
15. Mind Map: A coherent set of relationships forming an internally consistent picture of theory that guides understanding of the meaning of a particular phenomenon.
16. Outcomes: Those affinities that are caused by the system's elements.
17. Pareto Protocol: Arithmetic procedure used to determine the direction of affinity relationships according to the Pareto Principle of 80 percent, which, simply stated, is that 20 percent of the variables in a system will account for 80 percent of the total variation in the system's outcomes.

18. System Influence Diagram (SID): A graphical representation of a system based on affinity relationships.
19. Theoretical Coding: The process of determining causal relationships among the affinities.
20. Theoretical Interview: A highly structured interview designed to identify the relationships between affinities.
21. Timbre: The characteristics of the range of an affinity.
22. Transferability: The ability to transfer results to other situations (Lincoln & Guba, 1985).
23. Triangulation: The use of multiple and different data sources (Lincoln & Guba, 1985).
24. Trustworthiness: A measure of quality in qualitative research consisting of credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985).
25. Uncluttered System Influence Diagram: A graphical representation of the system with redundant affinity relationships eliminated.

26. Zooming: Naming feedback loops and substituting this name for the names of the individual components.

PURPOSE OF THE STUDY

The purpose of this study was to determine how community college development professionals can form strategic relationships with professional advisors, who have the ability to learn of a prospective donor's values, interests, concerns, achievements, aspirations, and inclinations, in order to increase the organization's receipt of planned gifts. Through the creation of a conceptual mind map, a grounded theory in community college planned- gift fund raising was developed. The resulting system representation offers insights into the role of legal and financial advisors in the charitable gift-planning process and contributes to the practitioner and theoretical planned-giving literature.

RESEARCH QUESTIONS

Given the fact that financial and legal advisors have access to potential donors, defining the scope of advisor involvement in guiding clients toward making a major or planned gift to a particular non-profit is

essential. To do so, these advisors must determine the role they will play, if any, in facilitating planned gifts to a community college foundation when their clients have an interest in making a planned or major gift. In seeking to understand their roles, the following questions emerge:

- Research Question #1: What are the features of a collaborative system of planned giving from the point of view of financial and legal advisors?
- Research Question #2: What are the features of a collaborative system of planned giving from the point of view of development professionals?
- Research Question #3: How do these systems compare and what are the implications for implementing and sustaining a collaborative system of planned giving?

SUMMARY OF METHODOLOGY

For this study, naturalistic inquiry was used to generate and to confirm emerging theory on legal and financial advisors' roles in planned giving. The specific qualitative methodology utilized was Interactive

Qualitative Analysis. IQA is a systems approach (Katz & Kahn, 1966; Gray, Duhl, & Rizzo, 1969) that utilizes techniques adapted from the Total Quality Management (TQM) movement (George & Weimerskirch, 1998) to produce and analyze data.

Understanding systems means identifying elements, describing the relationships between them, and understanding how the elements and relationships interact. Therefore, IQA relies upon group processes, interviews, and observation to understand and to explain phenomenological relationships. The philosophy of IQA as a qualitative data gathering and analysis process depends heavily on these techniques to capture a socially constructed view of the respondents' reality (Northcutt & McCoy, 2004). IQA techniques assist group members in describing and labeling experiences and the relationships among these experiences to produce a theory in perception (Northcutt & McCoy, 2004).

Pilot interviews and interviews with both financial advisors and development professionals were conducted to create system representations of both constituencies' perceptions. These mind maps

were examined to illuminate the role of financial advisors in the charitable gift planning process.

CONCLUSION

Due to the unique position occupied by legal and financial advisors, this group represents a powerful constituency with whom community college foundations can form strategic relationships resulting in mutually beneficial outcomes. However, without a clear understanding of the factors that comprise this system, and the relationships that exists among these elements, formation of a system that maximizes outcomes for all parties may be compromised. By gaining greater insight into how legal and financial advisors define their role in the charitable gift planning process, partnerships can be formed and implemented resulting in financial profits for the advisor, tangible and intangible benefits for the donor, and increased revenue for the community college foundation.

This researcher sought to explore these dynamics and to develop a grounded theory regarding the role of legal and financial advisors in gift planning. A comprehensive literature review, presented in the next

chapter, includes a historical overview of philanthropy in higher education, the growth of community college foundations, a summary of major conceptual models for understanding philanthropy and fund raising, an overview of planned giving and the role of financial advisors in gift cultivation, an overview of the projected intergenerational wealth transfer, and a brief summary of community college partnerships. The third chapter presents the methodology utilized in this study including an overview of qualitative research, as well as the research design, data collection, and analysis procedures to be used in this study. In the fourth chapter findings are presented. Findings are demonstrated through the words of participant interviewees and through the system representations or mind maps. Chapter five begins with a summary of findings, proceeds with an in-depth interpretation of the study's results, and provides both practical and theoretical implications. Chapter five concludes with suggestions for further research.

Chapter II: Review of Related Literature

INTRODUCTION

Among the many obstacles faced by today's community colleges is the lack of financial support (Breneman & Nelson, 1981). Strauss (2001) indicated that community colleges are facing the ever-increasing challenge of generating sufficient revenue to uphold their missions. Trends and critical issues affecting various aspects of higher education financing have been explored by researchers and practitioners (Brooks, Joss, & Newsome, 1997; A. M. Cohen, 1993). Yet, most of the existing literature regarding philanthropy and higher education pertains to four-year institutions with long histories of giving and well-established offices of institutional advancement (Phillippe & Eblinger, 1998).

Research exploring trends and issues related to resource development and private fund-raising at community colleges is particularly limited (Daniel, 1985; Mecca, 1988). The scarcity of research for community college resource development efforts, although increasing, may be due, in part, to the relative youth of community college

foundations, as compared with their older counterparts in four-year institutions (Jenkins & Glass, 1999). While community colleges have adopted elements from the senior institutional models of institutional advancement, these institutions, with their fully staffed development offices, sizeable endowments, and strong alumni support, are not characteristic of most community colleges (Glass & Jackson, 1998a; Phillippe & Eblinger, 1998).

Research and practitioner experience suggest that models and activities based on four-year institutions cannot always be successfully adapted at two-year institutions. According to Bass (2003) there is: “a fundamental difference between two-year and four-year institutions” model (p.20). For example, overall, community colleges have not placed an emphasis on traditional alumni activities, and their development staffing assignments have consisted of one-person and part-time support (N. J. Smith, 1993). Instead of relying on alumni allegiance, community colleges have turned to their local communities for support (Conrad et al., 1986; Degerstedt, 1982).

Philanthropic support of community colleges and the elements within these colleges that encourage such support have not been fully examined. The only consistent national data for resource development activity in higher education are gained through the Voluntary Support of Education (VSE) annual survey conducted by the Council for Aid and Support to Education (Glass & Jackson, 1998a). While the Council has conducted the annual Voluntary Support of Education (VSE) survey since 1954, participation has never exceeded fifty percent of all higher-education institutions and has varied greatly by institutional type. In 1998 and 1999, only 75 public community colleges participated in the VSE survey, and in 2000, only 73 reported (Council for Aid and Support to Education, 2000).

Since the majority of colleges and universities, and most certainly community colleges, cannot rely on the cushion of their endowments to help them through difficult financial times (Hansmann, 1990), there is increased current interest in fund-raising practices. This concern is reflected in the literature. The vast majority of scholarly writing and

research related to philanthropy and fund raising in higher education has been conducted in the last two decades, and most literature relevant to community colleges has been undertaken even more recently.

The historical and growing presence of fund raisers on college campuses was chronicled in *The Campus Green: Fund Raising in Higher Education* (Brittingham & Pezzullo, 1990). The authors documented these trends within higher education fund raising:

1. The shift from the dependence on church-related appeals for funds through clergy to institutional appeals through professional fund raising staffs;
2. The shift from the notion of charity to that of philanthropy, which entails a gift that involves an exchange or reciprocity element;
3. The integration of fund raising into the routine of institutional life as opposed to crisis intervention;

4. The movement of fund raising from the domain of only the private institutions to the state-assisted colleges and institutions.

These trends are explored in more detail in the first sections of this chapter, which provide historical overviews of philanthropy in higher education and the origins and growth of educational foundations. A summary of the professionalization of the fund raising field and an overview of educational development programs follows. The review of the literature also includes a summary of the research and conceptual models from both philanthropic and fund-raising studies. The chapter continues with a discussion of planned giving in higher education, the role of financial and legal advisors in planned giving, and concludes with a brief summary of community college partnerships.

HISTORICAL OVERVIEW OF PHILANTHROPY IN HIGHER EDUCATION

American philanthropy dates back to the time of the first English settlers, many of whom, had lived through the time when the private gifts

of English merchants and bankers had saved England from social dissolution. Broce (1979) described it in this way:

Although it comes as a surprise to many Americans, private generosity for the public good and the betterment of man is an almost uniquely distinctive American trait of the twentieth century. Americans abroad often are astonished to learn that the people of most other nations rarely if ever consider private giving as a means of solving social problems. While private philanthropy once flourished in parts of Europe, the tradition has been lost to the state, which now controls through politics and supports through taxation most educational, religious, social, and cultural agencies. (p.9)

In *The Happy Republic: A Reader in de Tocqueville's America*, edited by Probst (1962), de Tocqueville commented on the uniqueness of the American habits of private generosity. In particular, de Tocqueville was impressed by the willingness of the people to use their personal finances as a means for social improvement. His diary contains accounts of Americans who pooled their funds to form associations or committees

that constructed schools or hospitals, provided leadership and continued to provide support (de Tocqueville, as cited in Broce, 1979).

The use of private funding for higher education goes back to the very first institutions (Angel & Gares, 1989; Broce, 1979; Curti & Nash, 1965). The first higher education institution in the colonies, Harvard College, was founded by a gift from John Harvard in 1638. "Appeals to private individuals for funds were present in the earliest attempts to found colleges in the new world and most donations in the colonial period were the result of active solicitation" (Curti & Nash, 1965). Dove (1990) described the experiences of three Massachusetts preachers who were sent to England on a "begging mission" to secure funding for Harvard, as the first systematic effort to raise funds for higher education in America.

Once in England, these fund raisers found they needed a fund-raising brochure and relayed the need back to Harvard. In response to their request came *New England's First Fruits*, largely written in Massachusetts but printed in London in 1643. It was the first of countless public relations pamphlets and brochures. (p. 3)

In *The Generosity of Americans*, Marts (1966, p. 79) describes a very important sixteenth century English event that in his words was a “bridge-head on the path of generosity.” Marts reference was to the founding of Emmanuel College at Cambridge University in 1585 A.D. by Sir Walter Mildmay, Chancellor of the Exchequer in Queen Elizabeth’s government. He recounts the day when Mildmay absented himself from court one day for the purpose of making this gift transaction. Upon his return the Queen queried Mildmay about his absence to which he replied, “Madam, I have been away planting an acorn, and when it becomes an oak, God only knoweth what it will amount to” (1966, p.79).

The acorn that was planted at Emmanuel College did become a mighty oak, not only at Cambridge, England; but, one might also speculate that the Reverend John Harvard, a graduate of Emmanuel College, dreamed of planting such a seed in the American colonies. Harvard, who died of consumption in Charlestown, Massachusetts, left a bequest of 395 pounds and some 300 volumes of his library for the college

that was founded in 1636 at Newtowne (later Cambridge, Massachusetts) (Curti & Nash, 1965).

Harvard's name, of course, attained immortality because of that bequest when the trustees named the college Harvard. As John Harvard led the way in generosity, others soon followed. In fact, many of the early colleges and universities founded in the colonies were the result of philanthropy. "Philanthropy, in America's first three centuries, was carried along a small scale, largely financed by the wealthy few in response to personal begging appeals" (Curti & Nash, 1965). Frequently the colleges took the name of their benefactors. Brittingham and Pezzullo (1990) cited these examples:

1. Elihu Yale's initial gift to the Collegiate School in Connecticut was a modest shipment of goods from England;
2. Nicholas Brown provided \$160,000 to the College of Rhode Island;

3. Benjamin Franklin's gift of 1000 pounds established a college in Pennsylvania that would later come to bear his name and John Marshall's;
4. Charles Tufts gave land to a college near Boston that bears his name; and
5. Henry Rutgers gave a bell and \$5,000 to the trustees of Queens College; and
6. Waterville College changed its name to Colby when Gardner Colby saved the college from financial disaster.

In the early colonial period, the benefactors to higher education were both traditional and conservative in nature. The larger donations were often accompanied by written deeds of conveyance, which enabled researchers to study the philanthropic motives of those early colonists. The early work done by Jesse Brundage Sears (1919), focused on the extent to which philanthropy was responsible for the development of American higher education. He writes:

It is very noticeable that all through this period the gifts were in the main to be used at once by the college...From the very start there are restricted gifts, at first few in number, and falling within the main object of the college, but gradually increasing in number and variety until the present day they are extremely numerous. During the period under discussion, however, they were few in number. They are for buildings, for the library, for the aid of pious and indigent students for scholarships and fellowships, for equipment, and for professorships. (p. 28)

With respect to the types of early gifts received by colleges, Sears (1919) reported that the largest percentage of gifts in this early period were outright instead of by bequest. He determined that this was "only slightly so for Harvard, more so for Princeton, and pronouncedly so for Yale." (1919, p. 30)

Curti and Nash (1965) confirmed Sears' findings that the early gifts were not typically for endowment or restricted in nature. They write (p. 9):

[On] the whole the large contributions were unconditional. When directions for use were attached, they specified such traditional purposes as the erection of buildings, the support of worthy students, or the payment of faculty salaries. The largest single donation to the college [Harvard] in the seventeenth century, for example, was placed unconditionally in the hands of Harvard's directors for use 'as they shall judge best for ye promoting of learning and promulgation of ye Gospell'.

While most of the early philanthropy to higher education in the colonies reinforced traditional education, Curti and Nash (1965) contend that philanthropy was also responsible for innovation that transformed American higher education. For example, in 1824 Stephen Van Rensselaer's support of an educational institution, which trained in "practical and applied knowledge with emphasis on the sciences started a

movement that before the end of the century drastically altered the old classical curriculum” (Curti & Nash, 1965)

Of particular importance was the role philanthropy played in allowing minorities access to higher education. The women’s colleges, Vassar, Smith, Wellesley, and Bryn Mawr all owed their existence to philanthropy. Furthermore, Curti and Nash assert that access for African Americans initially through Black colleges was fundamentally a result of philanthropy. These authors make a persuasive case that “private gifts and bequests have been vital in the continuing reshaping that has marked the development of colleges and universities” (Curti & Nash, 1965), p. 263).

Historical Overview of Higher Education Foundations

Alumni organizations have played an integral part in the growth and expansion of U.S. colleges and universities. In fact, alumni associations have served as a valuable resource in fund raising, providing substantial financial support that is the cornerstone of institutional advancement and resource development. In 2001, alumni provided 28%

of the private donations to higher education, or almost \$7 billion (Thomas & Shepard, 2003, March 14). This abundance of financial giving to colleges and universities, however, took more than three centuries to develop. The evolution of the alumni system and the corresponding monetary support is an important story of higher education.

The earliest organized fund-raising efforts in higher education formed in the area of alumni annual giving: alumni started returning to commencement exercises at Harvard College as early as 1643, only seven years after the college was founded; Yale appointed its first alumni secretary in 1792; and Williams College chartered the first official alumni association in 1821. Over one hundred alumni organizations had been formed by the late 1800s. Alumni funds often prompted the concept of institutional endowments (Curti & Nash, 1965). Individuals and alumni associations handled virtually all fund-raising activities into the early 20th century with several of the Ivy League schools leading the way in creating legally separate, but institutionally affiliated fund-raising organizations (Pokrass, 1989).

When the Morrill Land-Grant Act of 1861 established many state-funded colleges and universities, the philanthropy of individuals continued to be essential to the financial support of these new public institutions. The oldest independent, but affiliated foundation, created specifically to aid a state institution with private resources, was established in 1893 at the University of Kansas (Luck & Tolle, 1978; Sharron, 1982).

After World War I, fund-raising professionals at college and universities began changing the character of their appeals for money. In addition to creating a sense of order and structure, the early development staff began to change the focus of solicitation from charity to philanthropy based upon the worthiness of the cause (Brittingham & Pezzullo, 1990). Federal income tax legislation, with its deduction for charitable giving, played an important role in motivating many individuals to give to higher education for reasons related to their personal finances (American Alumni Council Fund Committee, 1932).

Community colleges are young. Consequently, their fund-raising histories are much shorter than those of four-year colleges and universities. The first public junior college opened at Joliet, Illinois, in 1901 (Duffy, 1982); however, the exact origin of the first community college foundation is not clear. A few reports of two-year colleges conducting fund raising date back to the first of the 20th century. In 1906, Midway Junior College, a private school in Kentucky, was the first two-year institution to establish a fund-raising foundation (Duffy, 1982; Luck & Tolle, 1978). According to Robison (1982) "Because national records are sparse, it is difficult to identify exactly when the first community college affiliated foundation began" (p.33). However, available records indicate that Long Beach City College established a foundation during its first year of operation in 1922. The first community college foundation to have its story documented in a national publication, however, was started in 1962 at Highlands Community College, in Freeport, Illinois (Duffy, 1982; Luck & Tolle, 1978; Sims, 1976).

The 1965 Higher Education Act motivated many community colleges to establish foundations by offering federal money for grants. At the same time, favorable Internal Revenue Service tax-exemption rulings in the late 1960s stimulated donations from individuals and corporations to colleges and universities. The community college foundation model, an uncommon phenomenon before the late 1970s, became commonplace by the end of the 1980s.

Miller's (1994) dissertation presented a summary of the growth of community college foundations in both numbers and as a percent of surveyed community colleges. Additional research findings were added to create the summary in Table One (Miller, 1994b). Despite the fact that these studies are not comparable in methodologies or scope, they provide a useful summary regarding the growth of community college foundations over the last four decades (See Table 2.01).

Table 2.01: Growth of Two-Year College Foundations

Year	Number with Foundations	Percent with Foundations	Source
1962	1	N/A	Sims
1965	23	1.5%	Bremer
1971	N/A	32%	Hargis & Blocker
1974	192	58%	Luck & Tolle
1979	546	N/A	Degerstedt
1980	N/A	62.5%	Angel & Gares
1985	650	N/A	Sharron
1987	732	N/A	Daniel
1987	N/A	78.2% (SE US only)	Hay
1987	546	N/A	Sharron
1989	649 (responses)	82%	Angel & Gares

As community colleges grew in number, so too did the value of their assets. Along with the increased numbers of foundations, Angel and Gares (1989) described the trend of the 1970s and 1980s toward active fund raising as the “bull market for community colleges.” Luck and Tolle (1978) presented the first comprehensive look at foundation assets. Over half of the 192 foundations they studied had assets of less than \$25,000.

Angel and Gares (1989) found that just a few years later community college foundations had rapidly grown. They reported that by 1980, 31 percent of community college foundations surveyed had assets in excess of \$100,000. Additionally, 11 percent of reporting community colleges had assets valued at more than \$500,000 and 7 percent of the foundations reported having more than \$1 million. A decade later, in 1990, Keener, Ryan and Smith (1991) reported twelve community college foundations with assets of at least \$1 million. In 1993, the National Council for Resource Development (NCRD) conducted a survey. Of the 550 respondents, 165 or 30 percent, reported foundation endowments in excess of \$1 million.

Bremer (1965) conducted one of the earliest national studies on community college foundations. His findings indicated that in 1962 only 21.1 percent of community colleges received any private support. He also found that the amount of private support received was related to the college's environment, geographic location, and district. Luck and Tolle (1978) expanded Bremer's study by seeking to determine the extent to

which foundations and fund raising programs existed at two-year colleges. This study provided data concerning the status of foundations and fund raising in public community colleges. Although their findings indicated that fewer than half of the public, comprehensive community colleges had foundations, three-quarters of them [were] not satisfied with their fund-raising efforts (Luck & Tolle, 1978). Their overall findings included:

1. Fund-raising results could be improved by investing additional resources into donor solicitation enabling more active pursuit of prospects;
2. Close communication with alumni was essential for successful fund raising;
3. Community college trustees needed to play a role in fund raising;
4. The numbers of community colleges with annual funds, alumni associations, and fund raising staff were increasing; and
5. The full potential of foundations had not yet been realized.

Degerstedt (1979) attempted to establish the extent to which community colleges were using foundations for financial support. He found that 58 percent (172 of 295) of reporting community colleges had not-for-profit foundations. Interestingly, 88% of the community colleges with no foundations, acknowledged some kind of fund-raising activity, mostly consisting of personal solicitation of businesses and individuals.

Sharron (1982) suggested that the large increase in the number of foundations paralleled the rapid growth of the community college system in the United States in the late sixties and seventies, pointing out that many foundations were created within five years after their respective college was established. "The evolution of the community college foundation was a result of political and economic factors that changed and influenced the federal, state, and local support of the colleges and required them to find alternative sources of financial support" (Sharron, 1982).

Professionalization of Fund Raising

Professional development offices on college campuses are a product of the 20th century. Fund-raising campaigns that evolved early in the 20th century marked the beginning of professional fund raising. Shortly after World War I, consultants emerged, helping colleges and universities with their fund-raising programs (Cutlip, 1965). Research by Tromble (1998) provided evidence that four-year college presidents aggressively sought donors in the 1920s. Moreover, by the 1950s and 1960s, development officers were widely employed by colleges and universities. Student enrollment boomed after World War II, the numbers of higher education institutions expanded, and many colleges began staffing full-time institutional advancement offices.

In the 1970s, professional organizations began addressing the need for professional recognition and support of community college resource development personnel and their efforts. The newly chartered National Council for Resource Development (NCRD), an affiliate organization of the then-named American Association of Community and Junior Colleges (AACJC), provided training and assistance to its constituents. In 1974, the

Council for Advancement and Support of Education (CASE) allowed community college membership (Glass & Jackson, 1998a; N. J. Smith, 1993). By 1988, NCRD recorded over one thousand members and the emergence of a new profession on two-year campuses across the country. Professionalization of community college fund raising helped to proliferate the numbers of community college foundations, as well as, to aid community college endowment growth (Phillippe & Eblinger, 1998).

Overview of Development Programs

Understanding that college fund raising is only one part of an interrelated institutional effort is fundamental to the concept of institutional advancement, a commitment made by and involving the entire institution (Rowland, 1977). The first articulation of the need for an integrated coordination of efforts for institutional advancement was made in a report following the 1957 joint conference between the American Alumni Council (AAC) and the American College Public Relations Association (ACPRA). Subsequent to this conference, these groups

merged to form the Council for Advancement and Support of Education (CASE) (Brittingham & Pezzullo, 1990).

According to Rowland (1978) institutional advancement programs are only as effective as the institutions themselves. For maximum effectiveness, fund development must be part of an organizational culture that is nurtured and institutionalized (Boguch, 1994). As an essential college function, institutional advancement requires integration with a college's philosophical, administrative, organizational, and operational mainstream (Jacobson, 1978). Successful philanthropy depends on sound management, with attention to systems and people, and, for college leaders, a keen awareness of how fund raising relates to an institution's finances and the funding of higher education in general (Francis, 1980). Fund raising itself is part of a "larger system of philanthropy" and is "inextricably tied to philanthropic values, purposes, and methods" (Payton, Rosso, & Tempel, 1991).

Broce (1979) described fund raising as a sophisticated art. He believed that development encompassed the total components of the

fund-raising operation, from identifying goals to asking for the gift. Three distinct facets of the development process include planning, public relations, and fund raising. According to Broce, these three activities were: people-oriented, interrelated, and interdependent. Broce asserted that the lack of integration of these three elements would have detrimental effects on fund raising.

The resource development function must be considered and treated as an integral part of the total college operation, not as an appendage as has often been the case for community colleges.

Figure 2.01: Dunlop's Fund-Raising Pyramid



According to Dunlop (1993) the development program can be represented by a pyramid, as shown in Figure 2.01. The pyramid's base is

the institution's total constituency, that is, all those individuals and organizations that might logically be interested in providing support. For a community college these might include alumni, faculty and staff, parents of students, corporations, foundations, and other "friends" (M.J. Worth, 2002a). Some percentage of the constituency supports the annual giving program, providing gifts to support the institution's current operating budget. Some of the individuals who participate in annual giving may be prospects for higher levels of support. A smaller percentage of donors make major gifts. There is no uniform definition for what constitutes a major gift. The definition must be "relative to the institution and capacity of its constituency" (M.J. Worth, 2002a). At the top of the pyramid are those few individuals who make principal gifts (major gifts). The term principal gift, like major gift, is a relative term that must be defined institutionally.

Two-year public institutions have been encouraged to adopt the model developed by senior institutions: setting up an advancement function, emphasizing solicitations from corporations rather than alumni

donors, developing an annual giving program, and emulating more aggressive fund-raising practices (Dempsey, 1992; Miller, 1994a). Few community colleges, however, use the formal, highly structured institutional advancement and fund-raising model found in university settings.

CONCEPTUAL MODELS OF PHILANTHROPY AND FUND RAISING

Kelly (1997) makes a critical distinction between the two primary types of research that have been done relative to the generic concept of fundraising. Kelly writes:

Although certainly related, the domains [philanthropy and fund raising] are not synonymous; indeed, philanthropy and fund raising represent the two distinct sides of the philanthropic coin: voluntary giving and systematic 'getting' of money. To gain a fuller understanding, donor research, which has concentrated on one-sided motivation, or the internal factors associated with giving, must be shifted to the fund raising domain. (p. 140)

This section is divided into two parts: knowledge gained from research in related domains, such as philanthropy, nonprofit management, and the social sciences, and knowledge gained from fund raising studies.

Knowledge from Related Domains

Fund raising is a relatively new field of inquiry, as compared to studies on philanthropy, which date back to the 1950s. Due to this time lag, much of what is known about philanthropy comes from the subspecialties of academic disciplines, with the resulting knowledge in fund raising being derived from these older domains (Kelly, 2002).

Layton (1987) concluded, in the first comprehensive bibliography on philanthropy, "While there is an enormous practical literature on fund-raising, there is almost nothing which examines the phenomenon of 'getting' with the same depth and comprehension that the phenomenon of giving has received."

Research studies in the philanthropy domain are designed to address problems of voluntary action for the public good, including giving (Payton, as cited in (Kelly, 1997), but not getting. Or, as Ostrander

and Schervish (1990) noted, “An exclusive focus on donors runs the risk of obscuring issues that are of concern to recipients and therefore philanthropy as a whole.” Thus the following summary of research and theory predominantly reflects the donor side of the philanthropic relationship. The specific areas discussed include: motives for giving, the role of the nonprofit sector, reasons for corporate giving, and the effects of tax laws on philanthropy.

Motives for Giving

Derived from social exchange theory, the mixed-motive model of giving describes two levels of donor motivation: (1) raising the amount of common good and (2) receiving some private good in return for the gift. Private goods are broken down into tangible, intangible, and internal benefits. The two levels are, therefore, inextricably intertwined and interrelated. Thus, when applied to practice, donors do not give just for the sake of giving, thereby reinforcing the often-cited fund raising maxim that the case must be larger than the institution (Kelly, 2002).

Nonprofit Sector

Lohman's theory of the "Commons" attempted to explain why a third sector exists. He contended that a sector, separate from business and government, is necessary to create a protected space for the collective expression of what people find most important in their lives (Lohmann, 1992). This theory helped to explain why donors give to some organizations but not to others.

Businesses produce private goods whose benefits are available only to those who pay for them. Government produces public goods that benefit all members of society. However, nonprofits (commons) form to produce common goods, which are desirable outcomes within a particular commons, but not necessarily beyond. Benefits are restricted to those interested in the goods, although they are shared regardless of payment. Common goods, therefore, are not universally preferred such that contributing to charitable organizations allows people to go beyond majority rule (government) and consumer demand (business) to join with others with whom they share beliefs (Kelly, 2002; Lohmann, 1992).

Individual Donors

Seymour (1966), a former Harvard development officer, considered awareness, knowledge and understanding, caring, involvement, and commitment as the important characteristics of the prospective major gift donor. He concluded that the largest gifts were given to institutions with which the donor's lives were closely associated, usually over a long period of time. Thus, Seymour advocated for long-term gift campaigns rather than short-term for effective cultivation of major gifts.

Schervish and Havens (1997) reached conclusions similar to both Lohmann and Seymour. They found that of nearly all the factors suggested in the literature, one cluster of variables, which they defined as "community of participation," had the strongest and most consistent relationship to giving behavior. Their findings prompted them to conclude that charitable giving is largely a consequence of forging a connection between the existing inclinations and involvements of individuals and the needs of recipients. (Kelly, 2002; Schervish & Havens, 1997).

Corporate Donors

Empirical evidence does not support the idea that marketing objectives drive corporate contributions. Galaskiewicz's theory of corporate giving contends that corporate contributions are social currency; senior managers are expected by their peers to contribute corporate dollars and therefore, do so. Other studies support Galaskiewicz's findings by demonstrating that managers who want to remain in the inner circles have to conform by making donations. Not surprisingly, corporations also use contributions for marketing, public relations, social responsibility, and tax savings (Kelly, 2002).

Tax Laws

In many ways, the tax laws that govern and define philanthropy impact the nonprofit sector. Extensive studies by economists show that tax laws explain as much as 50 percent of individual and corporate giving behavior. Tax rates and giving are correlated: as tax rates go up so does giving. Tax rates also impact foundations because they make grants in part due to the fact that the law specifies they must give away at least 5 percent of their assets each year. These findings provide some of the most

potent theories for predicting and controlling aspects of fund-raising practice (Kelly, 2002).

Knowledge From Fund-Raising Studies

Most fund-raising research has been conducted either by graduate students, who have predominantly focused on predictors of alumni giving, or researchers from related other domains. While there is a paucity of research on fund raising, Kelly (2002) notes that the literature for fund-raising practitioners has produced “promising concepts” in six areas: alumni giving, fund-raising productivity, cost-benefit analysis, the process of fund raising, fund-raising models, and the roles of fund raisers. Each of these research areas is summarized in the following section.

Alumni Giving

Research focused on understanding why donors give, (in behavioral science terms, trying to understand why people behave a certain way) has marginally helped to inform fund raising-practices. “One-sided concentration on donor attitudes and demographics yields little knowledge, producing instead mixed results, because both sets of

variables are unreliable predictors of behavior” (Kelly, 2002). Research with greater value resulted from studies grounded in social exchange theory, within the context of the donor-recipient organization. Since giving behavior is dependent on the recipient organization’s behavior, it in turn is affected by the donor’s behavior (Kelly, 2002).

Research indicates that the strongest predictor of giving is a previous gift to the institution. One theoretical explanation for this is that giving engenders involvement. For example, Patouillet’s 1993 study of 75 universities found that, on average, just one-fourth of all alumni join their alumni association; however, almost half (47 percent) of the alumni association members make a gift to the annual fund, as compared to only 16 percent of nonmembers. In addition, alumni association members donate 25 percent more than nonmembers.

Baker (1996) advanced the knowledge of fund raising in colleges and universities by examining the development of student advancement programs. Her study addressed undergraduate student programs that build interest and affinity in an institution, which ultimately can lead to

voluntary financial support. Baker demonstrated that starting with the first experience a student had on campus and continuing through commencement, the alumni association had an important role in educating the student body about supporting the institution in the future. Her study indicated that students, who are involved in undergraduate student activities, are more likely to donate to the institution than those who do not participate.

Patouillet also found, in a 2000 study, that alumni members were significantly more satisfied with their educational experience than non-donor members (Kelly, 2002). These findings not only illustrate the importance of relationships with alumni, but also emphasize the criticality of connecting with current students who might become future donors. Grunig and Hunt (1984) summarized these findings in this way: "To raise funds, identify, cultivate, and solicit publics that have money to give and take interest in your organization" (p.366).

Fund-Raising Productivity

There is a tendency in the literature to use the terms fund-raising productivity and fund-raising effectiveness synonymously. Studies designed to examine fund-raising productivity have sometimes been “misdefined as dealing with effectiveness” (Kelly, 2002). Defining effectiveness or productivity is difficult because measures such as amount of money raised, cost of fund raising, and allocations of budget vary across institutions based on institution size, foundation history, expenditures, institutional wealth, record-keeping systems, and any number of other characteristics (Duronio & Loessin, 1991; Kelly, 2002). Additional problems, specifically related to assessing costs include:

1. How to assess the value of factors such as the time the president of the institution or volunteers spend in direct fund raising;
2. How to assess actual costs for major gifts that have taken years to come to fruition and deferred gifts that will not come to maturity for years; and

3. How to compare costs across fund-raising programs in various stages of maturity and institutions with varying amounts of potential in fund raising (Duronio & Loessin, 1991).

Regardless of the terminology, many studies have been done in this area revealing that there are many different elements that constitute effective or productive fund-raising programs. Nonetheless, no single model works for all institutions.

Leslie (1979) proposed the use of “intangible” (more qualitative) variables for effective fund raising. He wrote:

A strong argument can be made that qualitative factors might be more important to the assessment and attainment of potential than the quantitative ones. Spirit, energy, and competency do not lend themselves to easy measurement, but they are characteristics that will offset other deficiencies. (p.64)

Leslie (1979) cited the following as important variables in successful fund raising:

1. Involving the president, deans, trustees, and volunteers effectively;
2. Employing a competent development officer; (c) having a tradition of support;
3. Demonstrating a history of major gifts; and
4. Utilizing faculty in advancement activities.

In his national study of community college foundation boards of directors, Crowson (1985) found that the involvement of board members in fund- raising activities was a significant factor relating to successful foundations. The board member's position in the community was the most important characteristic in selecting a board member. Of particular importance was the critical role board members played in identifying potential donors. Specifically, Crowson concluded that prospect identification was a board member's most important duty. Of lesser significance, but still important, was the role that board members played in nominating and appointing new members, followed by soliciting funds,

making policy, and promoting the purpose and the image of the community college.

In their 1990 study, (Duronio & Loessin, 1991) examined the following qualitative characteristics from a review of the literature on fund-raising effectiveness (Glennon, 1986; Leslie, 1969; Pickett, 1977; and Willmer, 1981, as cited in (Duronio & Loessin, 1991). These characteristics were: (1) presidential leadership, (2) trustees' participation, (3) institutional commitment to fund raising, (4) chief development officer's leadership, (5) successful fund raising-history, (6) entrepreneurial fund raising (7) volunteer's roles in fund raising, (8) emphasis on management of fund raising function, (9) staff commitment to institution, and (10) emphasis on constituent relations.

In looking at ten institutions of varying sizes and history, all of which had been successful in fundraising (effective and productive) these researchers concluded that none of the institutions was outstanding in all eleven characteristics. Some institutions had strengths in only a few, and no "single pattern emerged to fit all institutions" (Duronio & Loessin,

1991). The most common characteristics in these successful fund-raising programs were presidential leadership, institutional commitment to fund raising, chief development officer's leadership and role in setting the institutional mission, and entrepreneurial fund raising. Less common characteristics were participation of trustees, roles of volunteers, emphasis on management, staff commitment to the institution, and emphasis on constituent relations (Duronio & Loessin, 1991).

Studies that have examined the relationship between fund-raising outcomes and characteristics of the fund-raising department – as opposed to its sponsoring institution – have revealed several ways to increase fund-raising productivity. Research consistently has shown that staff size and department budget are significant factors in the amount of dollars raised (Kelly, 2002). Thus, these study results suggest that factors associated with fund-raising success are complex and vary among individual institutions.

Process of Fund Raising

Seymour's theories of effective fund raising were expanded by Smith (1977), who concluded that prior to awareness, interest, involvement, and commitment, the first step in fund raising should be prospect-identification, which he termed the "Five I's of Fund Raising." Smith's hypothesis was based on initially identifying the prospect, gathering information, determining his/her interests and stage of involvement with the institution, and the level of investment capability. The cultivation practice preceding the solicitation of the gift, and stewardship that follows, must focus on the motivations of the donor to indemnify a long-term relationship (G. T. Smith, 1977).

Recent studies have documented that fund raising is much more than solicitation: it involves a multi-step process that requires management. In a doctoral dissertation, Curtiss (1994) examined the donor relations process used within a private liberal arts college located in the southeastern United States. The purpose of the study was to identify the qualitative elements of the process and their perceived impact upon fund-raising outcomes. For purposes of his study, the donor relations

process was comprised of five component areas (1) identification, (2) cultivation, (3) solicitation, (4) acknowledgment, and (5) recognition. Curtiss identified fifty-seven qualitative elements and categorized them by component areas.

Curtiss found that the college incorporated forty-one of the fifty-seven qualitative elements as part of its donor relations process. Advancement officials perceived that sixteen of the forty-one qualitative elements impacted fund raising outcomes. Durham and Smith (2001) replicated Curtiss' study at a large public research university. Findings from their in-depth interviews showed that all five of Curtiss' steps were considered important to fund raising with three to four elements per step viewed as most important.

Panas (1984) interviewed over thirty major donors, who had each given over \$1 million to institutions of higher education. He concluded that they were enthusiastic and passionate about their giving. Panas showed how giving was significant to them. He observed that their motivations were diverse, and the psychology of giving large gifts was

“uncommonly uncomplicated” and not completely understood, even by the donors themselves. Several characteristics of major donors were recurring, including the following: (1) they had often given over their lifetime; (2) they described giving as an important part of their lives; (3) they seldom gave to a “need,” but often to colleges and universities with a mission they supported; (4) they believed their gifts could make a difference; and (5) they responded well to being thanked often for the previous gifts. Panas determined from these interviews that multimillion-dollar donors give to “dreams and visions that glow,” but not to causes caught up in controversy. Panas suggested that the standard successful cultivation process takes about seven years before leading a major donation.

Worth (1993) and Panas both discussed the psychology of giving by major donors, which is as follows, according to Worth:

Those who are most likely to give are those who understand the institutional vision. This seems especially true at colleges and universities where people have a strong “identity of place,” [sic]

developed lifelong friends and discovered their capabilities and truths about themselves. (p. 137)

In another study on major gifts Silberg (1990) clearly articulated the following profile of major givers: growing up in a religious environment, belonging to a family with a history of giving, having aspirations to share wealth with others, having a conviction that giving is a part of life, having large sums of discretionary assets accessible, and a desire to disentangle social problems.

Research by Dolnick (1987) suggested eight indispensable rules for successful fund raising:

1. A strong commitment from the institution's leaders to participate personally;
2. Clear declaration of purpose sustaining the need for the campaign;
3. Recognition by staff and volunteers that they are key members of the campaign;
4. Up-to-date donor and prospective donor files;

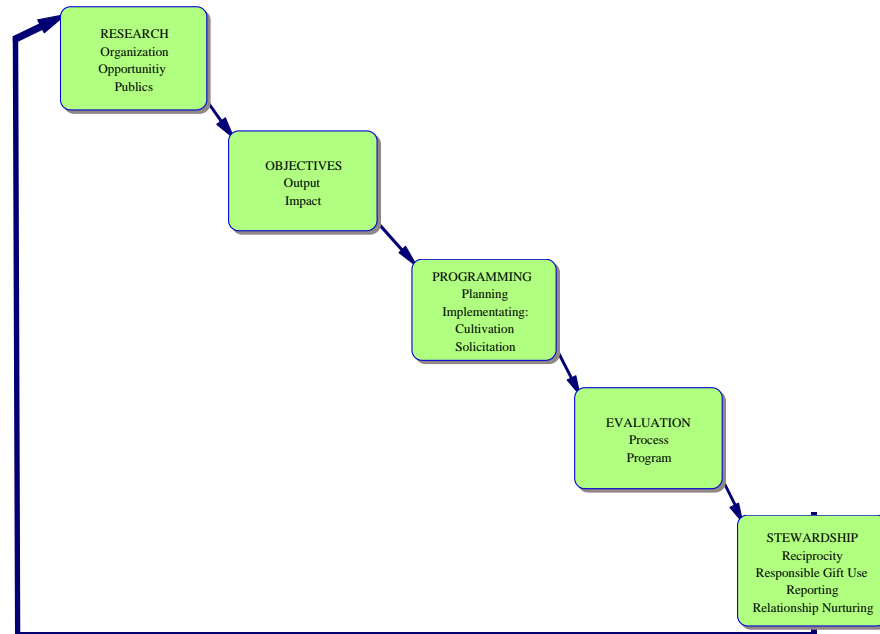
5. Personal contact with donors in soliciting money;
6. Donors, volunteers, and staff gratitude and recognition;
7. Education of a new generation of givers; and
8. Preservation of a high community profile after the campaign is completed.

Mooney (1991) investigated the communication strategies and various roles played by college and university fund raisers. Her ethnographic study focused on three academic fund-raising programs. According to Mooney, she initially assumed the fund-raising course of action was linear, with one segment building on another. Her findings, however, revealed that the components of fund raising are not uniformly weighted, and cultivation occurs throughout the process. For example, her research indicated that fund raising is a prolonged cultivation of the donor, either for current or future giving. The institution's development office is the catalyst, flanked by the prospective donor and the college or university, always building the relationship over time. Money's study concluded with three noteworthy themes: (1) the activities of the

development office are essential in achieving success; (2) the foremost challenge is raising the pre-determined amount of money; and (3) during all stages of the campaign, partnerships are being solidified. Finally, Mooney concluded that networking and vigorous listening are the dominant communication strategies used by fundraisers.

Another conceptual model describing the fund raising process was developed by (Kelly) (1998), which she called the ROPES model of fund raising (See Figure 2.02). ROPES consisted of five consecutive steps: research, objectives, programming, evaluation and stewardship. The process, which draws from a public relations model, begins with research in three areas: (1) the organization, (2) the opportunity, and (3) the publics related to the organization and opportunity.

Figure 2.02: Kelly's ROPES Model of Fund Raising



According to Kelly, the first step is the most important because “failure to conduct research dooms fund raising to sporadic results, with high costs, that contribute to little organizational effectiveness” (Kelly, 1997). The second step in the process is setting specific and measurable objectives. Fund-raising objectives flow from the charitable organization’s goals. The third step of programming entails planning and implementing activities to realize outcomes based on the objectives. Evaluation, the fourth step, is comprised of process evaluation – monitoring and adjusting programming – and program evaluation – results are measured against

established objectives. Stewardship is the final step that completes the process and provides an essential loop to the beginning of fund raising (Kelly, 1997, 1998).

In a 2000 survey of Association of Fundraising Professionals (AFP) Kelly tested her ROPES process of fund raising. Results of the survey showed that this model was a valid descriptor of how fundraisers generate funds. The one hundred and one participants reported that their organization's fund raisers spent an average of 14 percent of their time on research, another 14 percent on setting objectives, 39 percent on planning and implementing program, 11 percent on evaluation, and 21 percent on stewardship. Kelly noted that educational fund raisers typically follow this pattern, although they often spend less time on research and evaluation than is advocated by the ROPES theory (Kelly, 2002).

OVERVIEW OF PLANNED GIVING

Historical Background

The earliest example of a negotiated "planned gift" in higher education was the founding of the first endowed chair at Harvard made by Thomas Hollis, a London merchant, who from 1719 to his death in 1731

gave to Harvard more than 5000 pounds. Through his philanthropy, Hollis attempted to liberalize Harvard's religious policies by the means of endowing student scholarships, as well as endowing the first professorship in the colonies. Harvard first proposed the idea of endowing a divinity chair to Hollis, but Hollis took the initiative in drawing up the "orders" or restrictions for the gift (Curti & Nash, 1965).

An Overview of Planned Giving Instruments

Sharpe (1999) defines a planned gift as:

A voluntary gift of any kind, in any amount, given for any purpose - operations, capital, expansion, or endowment - whether current or deferred, when the assistance of a qualified volunteer, professional staff person, or the giver's own advisor(s) are needed to complete the gift. (p. 1)

Planned gifts can be current or deferred in nature. Current gifts are given outright and usually consist of cash, securities, or other assets. In contrast, charitable institutions receive deferred gifts at some future date during the life of or after the death of the giver. Deferred gifts can be made through

wills, trusts, and other estate planning documents (Sharpe, 1999). Planned gifts fall into these broad categories: outright gifts of appreciated property, life income gifts, life insurance policies, and retained life estate, charitable lead trusts and bequests (Barrett & Ware, 1997; Dove, Spears, & Herbert, 2002). Table 2.02 highlights several of the major planned giving instruments and their benefits to donors. An overview describing each instrument follows.

Outright Gifts

According to Sharpe (1999) current (outright) gifts of assets are as much planned gifts as are deferred gifts. In addition to the satisfaction of giving, many current gifts also create tax benefits for the donor. Current gifts may include: cash, securities, land, patents, royalties, farm animals, collections, securities, income from charitable lead trusts, gifts of cash value and dividends from life insurance and annuity policies, withdrawals from retirement plans, deeds to real estate, and any other personal or real property.

Table 2.02: Planned Giving Vehicle Summary

<i>Type of Instrument</i>	<i>Outright Gift of Appreciated Property</i>	<i>Charitable Gift Annuity</i>	<i>Pooled Income Fund</i>	<i>Retained Life Estate</i>	<i>Charitable Lead Trust</i>	<i>Charitable Remainder Annuity Trust</i>	<i>Charitable Remainder Unity trust</i>
Donor Benefit							
Income Tax deduction for gift value	x	x	x	x		x	x
Partially tax-exempt income payments		x					
Capital Gains Tax paid over life expectancy of annuity		x					
Avoids capital gains tax	x		x	x	x		x
Federal estate tax savings	x	x	x	x	x	x	x
Properly retained by donor for lifetime				x			
Income tax deduction for income payments to charity					x		
Pays fixed income		x				x	
Pays variable income; potential for inflation protection			x				x
Assets returned to donor or heirs					x		

Life Income Gifts

Life income gifts provide an opportunity for the donor to benefit the nonprofit while receiving an income and significant tax benefits. The three primary types of life income vehicles are charitable gift annuities, charitable remainder trusts, and pooled income funds (Dove et al., 2002).

Charitable Gift Annuities

One of the oldest, simplest, and most popular methods of making a life income gift is to use a charitable gift annuity (CGA), which is a combination of a gift and an investment. Upon the death of the last beneficiary of the annuity, the nonprofit receives the amount remaining in the trust (remainder). The donor receives a charitable income tax deduction for the creation of the gift annuity (Barrett & Ware, 1997; Dove et al., 2002). With a simple agreement, the nonprofit accepts the gift and agrees to pay a specific fixed dollar amount (annuity) to the donor (annuitant) and/or another recipient. This is an irrevocable gift, which becomes the property of the charity, which is then legally responsible for paying income for the lifetime of each annuitant. There are two types of charitable gift annuities, immediate and deferred.

1. In a charitable gift annuity the income commences immediately after the agreement is signed.
2. In a deferred charitable gift annuity, a variation on the charitable gift annuity theme, a gift of cash, marketable securities, or real estate is exchanged for the charitable organization's promise to pay the donor and income stream at a future date.

Charitable Remainder Trusts

Charitable remainder trusts (CRTs) are increasing in popularity and can be used to create substantial financial and tax benefits for the donor and significant gifts to the nonprofit. Two types of charitable remainder trusts exist – the charitable remainder annuity trust and the charitable remainder unitrust (Dove et al., 2002).

1. A charitable remainder annuity trust pays a fixed income set by the donor at the time the trust is created (at least 5 percent) of the initial trust assets. The resulting dollar income can be specified for the lifetime of one or more individuals or can be for a fixed period of

years. Additions to the annuity trust are not permitted (Barrett & Ware, 1997).

2. The charitable remainder unitrust provides a payment to the income beneficiary in an amount that will vary. The donor selects the payout rate. The trust pays that percentage of the assets as revalued each year. The annual income will increase or decrease with the market value of the trust assets. Additions to the unitrust are permitted and will afford the donor additional charitable deductions for their gift value (Barrett & Ware, 1997). There are three types of charitable remainder unitrusts: straight unitrusts, net income unitrusts, and flip unitrusts.

Pooled Income Funds

The final type of life income vehicles for planned giving donors is the pooled income fund. A pooled income fund is similar to a mutual fund in that a donor's gift is pooled with gifts from other donors to create a pool of funds for investment purposes. The payout rate from the pooled income fund is market sensitive – increasing or decreasing with the fund's

performance. Once a donor makes a gift to a pooled income fund, he will receive income for life. The donor may claim a charitable income deduction at the time the gift is made; upon the donor's death, the nonprofit receives the remainder interest (Dove et al., 2002).

Life Insurance Policies

Life insurance provides a means for a donor to make a handsome gift with a modest out-of-pocket cost (Barrett & Ware, 1997). Life insurance permits a donor to leverage his gift; for a relatively small sum in premium payments the donor can produce a large death benefit for the nonprofit (Dove et al., 2002). There are three versions of giving life insurance policy gifts: (1) with the charity as beneficiary, (2) with the charity as owner and beneficiary and (3) with the life insurance policy as replacement for donated assets.

Retained Life Estate Gifts

With a life estate agreement, a donor transfers to a nonprofit the title of a residence, vacation property, or farm, retaining the right to live there and to use the property for life and continuing to pay all the

maintenance costs. For tax purposes, the property is divided into two parts (Barrett & Ware, 1997):

1. The “life estate value” of the donor’s retained right to occupy the property for the donor’s and/or his or her spouse’s actuarial life expectancy.
2. The “gift value” is the difference between the life estate value and the appraised market value of the property at the time of the gift and it determines the amount of the income tax charitable deduction. At the death of the last owner of the life estate, the possession of the property passes to the charity.

Charitable Lead Trusts

This type of gift is in effect the opposite of the life income gift. In establishing a charitable lead trust the donor (grantor) places assets in trust. The income from the trust goes to the charity for a fixed number of years, after which the assets return either to the donor or to others designated by the donor in the trust instrument. The principal benefit to

the donor is that it allows property to be transferred to the eventual beneficiaries at reduced tax cost. A charitable lead trust may be established either during the donor's lifetime (intervivos) or by the donor's will (testamentary) (Barrett & Ware, 1997).

Gifts of Retirement Plan Assets

The following types of retirement plans serve as trust or custodial accounts to hold an individual's retirement plan assets. The key benefit of each of these plans is that they allow the assets to be held in custody to grow on a tax-deferred basis. However, they also possess a disadvantage in that upon the death of the account holder, the plan assets can be subject to income and estate taxes that can significantly diminish the value. Therefore, retirement plan assets are often one of the best options for a planned gift.

1. Defined contribution plans (profit sharing plans, employee stock ownership plans (ESOPs,) 401(k) plans, and money-purchase pension plans (Internal Revenue Code Section 401(k)

2. Individual retirement accounts (IRAs), simplified employee pensions (SEPs).
3. Tax-sheltered annuities and custodial accounts (Internal Revenue Code Section 403(b))

Bequests

Bequests are the single most important source of planned gifts. The majority of all planned gifts come from bequests. They are attractive to donors who wish to retain control of their assets during their lifetimes and to assist their favorite charities later. Bequests are transfers of wealth that occur upon a donor's death; they include transfers through wills and through trusts. An increasing number of bequests are being made through revocable living trust agreements, a popular estate planning tool (Barrett & Ware, 1997; Dove et al., 2002). In this type of agreement, any person or institution may be named as the beneficiary of income and/or principal. The income that can be paid to the giver or charity during life may be fixed or variable, or the income may be accumulated. The trust assets are invested by a trustee, and the giver chooses the beneficiary who

receives the income each year (Sharpe, 1999). Revocable living trusts, as implied by the name, allow donors the freedom to change their minds and to have the trust assets returned to them. According to Sharpe (1999), “the fact that they [donors] can have their assets returned often makes it possible for people to give more than they originally thought” (p.29).

This cursory overview of the major planned-giving vehicles demonstrates that planned giving can be a highly technical field requiring in-depth knowledge of tax law and estate or financial planning. However, many reports and studies indicate that charitable institutions receive two-thirds or more of all deferred gift dollars from wills (Sharpe, 1999). Therefore, community colleges wishing to implement a planned-giving program can begin by initially focusing their efforts on bequests, which as explained, are relatively straightforward arrangements with donors. In addition, Edwards and Tueller (1991) write: “Success in planned giving requires being in the right place at the right time more often than it does conveying technical tax information to donors. The technical knowledge needed to implement the gift is available if you develop a plan to involve

outside professionals” (p.40). Thus a second crucial strategy for community college development programs wanting to expand their planned giving capabilities, is to utilize their existing programs and staff, and to capitalize on the expertise they have in building strategic partnerships with the private sector.

Planned Giving in the Community College

According to a 2001 study of more than 1,500 planned-gift donors by the National Committee on Planned Giving (National Committee on Planned Giving, 2001), the incidence of planned giving in the United States has increased slightly since 1992.. One particularly important finding of this study is that legal and financial advisors appear to play a much more significant role in the gift- planning process than they did in the past. This may be attributed in part to the increasing affluence and financial sophistication of donors in a strong economy.

Increased efforts of charities to secure planned gifts are also evident in the survey. The percentage of donors citing a contact with the charity as their first source of the idea for a bequest or charitable remainder trust has

increased substantially since 1992. The majority of planned-gift donors have made multiple gifts to charity, including outright gifts of cash and various planned gifts.

In the *Voluntary Support of Education* report published in 2001 (conducted by the Council for Aid to Education – CFAE), giving to community colleges decreased in 1999-2000 by 8 percent from \$1.5 million average per college reporting to \$1.4 million. These data, however, are based on only eighty-three of the nearly fifteen hundred two-year colleges nationwide. So, while the data may not demonstrate the amount of money raised overall in community college development programs, they do provide some insight into the significant impact that planned and major gifts have on community college fund raising revenues (Edwards & Hawn, 2003).

According to the *Voluntary Support of Education 2001*, of the two-year colleges, which were listed as the top twenty recipients of voluntary support, fifteen of these reported having received gifts in the category called “deferred giving”. Table 2.03, which includes only the top five of

the fifteen colleges, illustrates the part played by planned giving in the overall ranking of dollars received. Due to the fact that so few two-year colleges participate in the *Voluntary Support of Education* survey it is difficult to determine to what extent community colleges are currently engaged in planned giving; however, these data suggest that those that are seeking planned gifts substantially enhance their revenues.

Table 2.03: Top Five Planned Gift Recipients – VSE 2001

Planned Giving Rank	College	Planned Gifts in Millions	Voluntary Support for Education Ranking
1	College of Southern Idaho	\$2.2	4
2	Greenville Technical College, South Carolina	\$1.9	9
2	Santa Barbara City College, California	\$1.2	2
Tied for 4	Loraine County Community College, Ohio	\$1.0	11
Tied for 4	University of Madison Community College, Kentucky	\$1.0	15

IMPLICATIONS OF CHANGING DEMOGRAPHICS ON PHILANTHROPY

Schervish and Havens conducted a study in 1999, the purpose of which was to estimate the amount of the upcoming intergenerational wealth transfer. Based on their research they concluded that America is

embarking on a “golden age of philanthropy” characterized by the following material, social-psychological, and methodological trends (Schervish & Havens, 1999):

1. The material resources available for charitable giving are large and growing larger than previously anticipated;
2. Both the reality and self-perception of financial security are more widespread than ever;
3. The economic and emotional incentives to devote financial resources to charitable purposes increasingly shape the moral sentiments of wealth holders; and
4. A new values-based approach to financial planning that is increasing the commitment of wealth holders to charitable giving by guiding them through a planning methodology in which they discern for themselves:
 - a. their material potential for charitable giving,
 - b. the people and causes for which they care, and

- c. the combination of financial, family, and philanthropic strategies best suited to implement their objectives.

From *The Greatest Generation* to the Baby Boomers

Baby Boomers represent the largest single sustained growth of the population in American history. Born between 1946 and 1964, the 77 million baby Boomers in the United States compose a drastically different generational demographic than that of their parents. Now, with the first wave of baby Boomers nearing retirement age, and many set to receive inheritances from their parents, America's largest and most compelling generation presents an unprecedented fundraising opportunity — and a challenge — to nonprofits (Barbagallo, 2004).

Over the next 10 years, the over-50 population in the United States is expected to increase by 18.3 million people — including 13.9 million between the ages of 50 and 64. Because these individuals will still be working, they're expected to become the most generous givers and have more time for volunteer activities as they approach retirement (Barbagallo, 2004). However, this increased number of older Americans

does not automatically translate into more philanthropic dollars.

Nonprofits need to understand that the Baby Boomers' philanthropic interests and patterns of giving are going to be different than those of their parents.

Boomers are far more likely to be college educated than their parents, as financial-assistance programs were more prevalent around the time they were coming of age. Also, the Boomer demographic also has more discretionary income, according to statistics. And Boomers have forestalled certain life events, such as having babies in their thirties instead of in their twenties. But unlike the World War II generation — dubbed the *Greatest Generation* by Tom Brokaw — Boomers desire more personal involvement in a nonprofit organization, typically in a highly active volunteer role. "Boomers are much more results oriented," says Dr. Timothy Seiler, director of the fundraising school at the Center on Philanthropy at Indiana University, citing research conducted on Boomers. "They want to see clear, measurable, tangible results of their gifts and the work of the nonprofit organization" (Barbagallo, 2004).

From its post-World War II beginnings, the Baby Boomer generation has had a substantial impact on society. Boomers are more racially and ethnically diverse than older generations, with households almost evenly divided between those with children and those without. The generation itself spans nineteen years, so the life stages of older and younger Boomers differ. Today, forty-year-olds are considered Baby Boomers. They did not experience Vietnam on any level, nor were they a part of the counterculture revolution in the 1960s. “Self-reliance, independence and indulgence are all generational traits that will lead to a unique retirement, and hopefully — for nonprofits, anyway — a philanthropic one” (Barbagallo, 2004).

Implications of Demographic Changes on Planned Giving

It sounds like a philanthropic windfall and a fund-raiser’s dream come true, but it isn’t that simple. To target Baby Boomers, development professionals should understand the differing needs of donors based upon age and wealth, which impact donor willingness and ability to make planned gifts. What are the implications for planned giving with the

changing demographics of the Baby Boomers, who are both wealthier and living longer than their parents? According to Barbagello (2004):

- Boomers are going to have significant retirement needs to supplement social security. Despite having earned more than their parents, they have saved less. So, they need more because they will live longer and have expectations for a higher standard of living throughout retirement.
- Baby Boomers are going to need more money for healthcare –as they live longer, they will need income streams to cover these costs.
- Many Boomers, who delayed major life activities, e.g. having children, will not retire until they are much older, will need to have income to support children later in life than did their parents, and as a result may postpone philanthropic giving until they are considerably older than their parents.

The changing demographics mean just that – change. Nonprofits have to adjust their marketing strategies to fit with the emerging philanthropic environment. Community colleges new to this arena should take a

targeted approach to donors (Holman & Barlow, 2004), that takes into account donor differences. The following table demonstrates how planned giving professionals can segment donors based on age and wealth.

Table 2.04: Planned Giving Age-Wealth Matrix

	50 or Younger	50-70 Middle-Aged	70+ Older
Wealthy	Gifts of Cash Appreciated Property Charitable Lead Trusts Term of Years Trust Life Income Gifts for Others	Gifts of Cash Appreciated Property Charitable Lead Trusts Term of Years Trust Life Income Gifts for Others	Gifts of Cash & Property Charitable Lead Trusts Term of Years Trust Life Income Gifts for Others CRT for Donor's Life Bequests Gift Annuities Life Insurance Beneficiary Retirement Plan Beneficiary
Moderate Means	Gifts of Cash	Gifts of Cash Appreciated Property Term of Years Trust Charitable Trusts for Life Pooled Income Funds	Gifts of Cash Appreciated Property Bequests Term of Years Trust Charitable Trusts for Life Pooled Income Funds Gift Annuities Retirement Plans & Insurance
Limited Means	Gifts of Cash	Gifts of Cash	Gifts of Cash Bequests Gift Annuities Retirement Plans & Insurance

The Role of Financial Advisors in the Gift-Planning Process

Trusted financial and legal advisors often help givers work through the gift-planning process. Advisors help clients decide the gift size, whether the gift is to be made currently or to be deferred, how it is funded (with cash or other assets), restrictions as to use, and the gift's tax implications. As a rule people do not make wills or estate plans just to make a deferred gift; rather, the gift is made in conjunction with other estate planning (Sharpe, 1999). Thus the role of financial advisors in the system of developing both current and deferred planned gifts is critical.

Recent research conducted by the American Association of Fund Raising Counsel (AAFRC) supports the important role that legal or financial advisors play in motivating donors. Respondents to the National Committee on Planned Giving (a sub-committee of the AAFRC) survey could identify seven possible motivating factors as very important, important, neutral, not important, or not at all important. The factors were: desire to support charity; ultimate use of the gift; tax reduction (income or estate taxes); long-range financial or estate planning; relationships with family and friends; encouragement from legal or

financial advisors; and relationships with a representative of the charity (American Association of Fund Raising Counsel, 2002).

Respondents in all age groups indicated that the role of financial advisors was a significant factor in their decision to form a charitable remainder trust. Fifty-eight percent of respondents aged 18-34, 48 percent of respondents aged 35-64, and 50 percent of respondents aged 65 or older indicated that their relationship with their legal or financial advisor was important to their decision. The survey also revealed that legal and financial advisors play a much more important role in advising clients who establish charitable remainder trusts as opposed to charitable bequests. Forty-five percent of male respondents and 44 percent of female respondents indicated that a legal or financial advisor was an important motivating factor in their decision to form a charitable remainder trust, but only about 10 percent of women and 9 percent of men indicated that a legal or financial advisor was important in their decision to make a charitable bequest.

Another finding from this study, which may have implications for the future of planned giving, is that non-whites reported placing more emphasis on their relationship than other factors for both bequest and CRT donors. Among those who had created a CRT, the relationship with legal or financial advisors was important to 62 percent of the respondents from ethnic minorities. This is significantly higher than the importance reported by whites: 45 percent reported that the advice from legal or financial advisors was important.

Dove, Spears, and Herbert (2002) discuss the importance of exploring strategic partnerships and affiliations with corporate entities specifically within the context of fund raising. They write:

Relationships with banks or other financial institutions can be leveraged to assist an organization in becoming proficient in planned giving. For example, a small nonprofit could partner with a local bank's trust department to market charitable remainder trusts to the charity's donors. This way the nonprofit is

approaching donors with a level of credibility it could not muster on its own (p.150).

Not all potential partners, however, will possess the level of expertise of individuals working in a bank's trust division. Other advisors who have access to prospects may be lawyers, accountants, bankers, or insurance professionals. Manterfield (2000) and Gold and Charner (1986) discuss not only the criticality of learning about these other advisors who have access to prospects and forming relationships with them, but also stress that the non-profit entity must be prepared to educate the prospect's other advisors about planned giving.

PARTNERSHIPS IN COMMUNITY COLLEGES

What are the variables that need to be in place for a partnership between a community college and a business to be successful? The literature does not offer any clear constructs of community college and business partnerships. Instead, the literature generates a long list of possible, somewhat unrelated variables that provide insight into what makes for a successful partnership. Lusk (1987) noted that there was a

“scarcity of direct conceptual information on how and why public/private partnerships are successful” (p.136).

The literature provides some insights into the perceived benefits of community college-business partnerships. Gold and Charner (1986) argue that the benefits of a partnership must be “self evident” to all of the interested parties before it can begin. They further explain that collaboration is a strategy for solving problems and that every organization should explore solutions that might be found outside the boundaries of their own organization.

Community College Benefits from Community College-Business Partnerships

The first and most logical benefit of partnerships for community colleges is the development of new resources for the institution or through the development of new programs (Bailey & Averianova, 1999). In addition, partnerships with business are a source of new financial resources for the organization. Many businesses are accustomed to investing substantial resources in training programs, providing a potential source of revenue for colleges (McGregor, 1998). In times of limited

resources, partnerships with business may generate revenue that can contribute to the overall financial well being of a community college.

In addition to the resources received from the businesses themselves, many partnerships enable community colleges to access federal, state, and local public resources (Bailey & Averianova, 1999; Zeiss, 2000). Many partnerships are sparked by government initiatives (Dougherty & Bakia, 2000; Ryan & Heim, 1997). Specifically, government often looks to community colleges to improve economic competitiveness by contributing to workforce development.

Business-community college partnerships can also contribute to increased political support, community awareness, and student enrollments. Partnerships can peak the interest of policymakers resulting in valuable political capital that a community college can use to attract new resources. Bailey contends that partnering with business will not only build political support for the partnership, but also for the entire institution (Bailey & Averianova, 1999; Dougherty & Bakia, 2000).

Partnerships can also create greater visibility for the college leading to increased student enrollments (Deegan & Drisko, 1985).

Business Benefits from Community College-Business Partnerships

Businesses that enter into partnerships with community colleges perceive a slightly different set of potential benefits. Like the need for a partnership to generate resources for a college, the cost effectiveness of a partnership is the first and most important benefit considered by business. Because public funding subsidizes community colleges, they are often a more cost-effective option than for-profit training programs (Dougherty & Bakia, 2000). Partnerships also offer businesses access to important business resources: access to information and technology, use of trained employees, and help maintaining focus on their core business.

Colleges often have access to the latest, most relevant knowledge related to a given business field (Rowley, Lujan, & Dolence, 1998; Ryan & Heim, 1997). When accessing cutting-edge information and technology for a given field, a partnership with a college can yield exclusive access to information through licensing agreements and other understandings

between the college and business (Bowie, 1994). In addition to providing cost-effective training for current employees, partnerships with community colleges can also yield new, trained employees. One last benefit for a business is that a partnership can allow the business to focus on the central function of its particular operation (Rowley et al., 1998).

Characteristics of Successful Community College-Business Collaborations

The majority of the current body of research on partnerships and information was conducted to encourage linkages between community colleges and the private sector rather than to identify successful practices (Sirotnik & Goodlad, 1988). Collaborative efforts are often unique due to variations in the internal and external environments of participating organizations and the differences in specific partnerships. There is evidence in the literature, however, that there are common factors, which facilitate successful partnerships.

Nasworthy (1988) conducted a qualitative study of four collaborative business/school partnership programs. She examined program characteristics, host organization characteristics, the adopting

decision, the transformation process, and the perceived outcomes. Study results identified three factors that contributed to integration:

1. Designation of a director charged with overseeing the program and coordinating the partnership;
2. Administrative assurance of the requisite conditions and resources necessary for implementation; and
3. Development of processes for planning and implementation.

Nasworthy identified barriers and strategies for overcoming the barriers and recommended strategies for future partnerships. Recommendations included: involving campus personnel beginning at the initial stages, developing a network for communication and mediation, implementing an evaluation process, reporting the results widely, and designating a partnership coordinator.

In their research, Katsinas and Lacey (1989) also described key factors that appeared to lead to success of seven community college economic development programs. Ninety-two percent of the questionnaire respondents agreed upon the following factors:

- (1) The college CEO should be involved during the incubation period as well as in periodic evaluation of the project;
- (2) Incentives should be provided in order to promote involvement of full-time faculty in the delivery of economic development programs; and
- (3) Strong support for applied research is critical to the development and delivery of programs (p.60).

Sink and Jackson (2002) focused on partnerships with nonprofit organizations and government agencies located on community college campuses. They identified factors that were the most important for partnerships to succeed, including shared vision, mutual trust and respect, and open and frequent communication.

Brumbach and Villadsen (2002) explored the environment in which community colleges operate and the catalytic nature of resource development in that context. Focusing on the role of resource development to bring about productive change, they described key parameters that create a setting for generating external funds. Such

accounts provided evidence of the inherent capacity of public, two-year institutions to solicit and to secure external dollars effectively. All six of these researchers repeatedly emphasized the importance of relationships, partnerships, and collaborative ventures for the future growth and vitality of community colleges.

Many corporations and business executives seek a *quid pro quo* relationship with the educational institutions they support. Businesses are motivated to form partnerships with colleges, if such partnerships provide direct benefit to the businesses and improve their community image (Broce, 1979). Collaborations and partnerships between organizations can enlarge both organizations' resource bases (Kanter, 1994). As a result, many community colleges are exploring the advantages of engaging in such relationships (J. E. Roueche, Taber, L.S., & Roueche, S.D., 1995).

CONCLUSION

Philanthropy profoundly impacted and shaped all sectors of American higher education throughout its history. Since the first college was founded in the American colonies, private donations helped to found,

to maintain, to expand, and to innovate higher education. (Curti & Nash, 1965) write:

The history of American higher education provides many instances of the interaction of these three factors [ideas, leadership, and money]. Sometimes the philanthropist himself had the idea and the administrative ability, but often his benefactions went to aid the educator with a theory or a dream. Together, the idea, the leader, and the dollar brought about change in response to changing conditions. (p. 264)

The role of philanthropy and fund raising in American higher education has come full circle. In the earliest days private funds were used for bricks and mortar. Throughout most of the 20th century, however, as colleges and universities grew in number and in wealth, private donations were used to enhance quality and excellence. Today, in the 21st century, many educational institutions, especially community colleges, must rely on private funds as operating capital.

As America's higher institutions respond to changing demographics and economic conditions, they must become more expert at developing philanthropic partnerships. This is especially true in community colleges, which have yet to realize their full fund-raising potentials. By combining their expertise in building partnerships, which incorporates ideas and leadership, community colleges should be able to raise additional funds, thus allowing them to respond to their changing environments and to keep the promise of the open door.

Roueche and Roueche (2000) indicate confidence that community college resource development efforts will yield increased external funding for the continued transformation of community colleges nationwide. As a result of continued declining state support for higher education, they concluded that community colleges must "make new friends in new places" and become more entrepreneurial" (J.E. Roueche & Roueche, 2000). This study, focused on exploring the perceptions of legal and financial advisors helps community college development professionals to

understand how they can “make friends” with the advisor community to enhance planned giving to their colleges.

The following chapter explains the research methods used to explore the phenomenon of community college planned-giving partnerships. Procedures to identify the factors that comprise these partnerships and to determine how these factors are related are outlined. The chapter concludes with a description of the criteria utilized in the study for assessing quality.

Chapter III: Methodology

INTRODUCTION

Research suggests that legal and financial advisors can play an important role in helping community colleges to cultivate major and planned gifts. Relationships with these advisors may take different forms: membership on foundation boards, participation in foundation planned-giving advisory committees, participation in planned giving seminars or other types of informal relationships. This study examined the perceptions of professional advisors to determine how a nonprofit, particularly a community college foundation, could work with advisors to form synergistic relationships that provide real benefits for all involved parties.

For this study, naturalistic inquiry was used to generate and confirm the researcher's theory regarding legal and financial advisors' roles in assisting nonprofits to increase the number of received planned gifts. A description of the qualitative methods and research design used for the study follows. The chapter begins with an overview of qualitative methodology, rationale for the use of qualitative research methods,

rationale for case study research design, followed by a description of the research design. The specific methodology, Interactive Qualitative Analysis, is described including procedures used for data collection and analysis. The chapter concludes with quality criteria used in the study.

QUALITATIVE METHODOLOGY

To understand the way in which legal and financial advisors can assist community colleges in the receipt of major and planned gifts in a rigorous and detailed manner, qualitative research methods were utilized (Denzin & Lincoln, 1998b). Qualitative methods were appropriate for this study, as these methods are used in research “designed to provide an in-depth description of a specific program, practice, or setting” (Mertens, 1998). This study combined action research and systems theory to explain the dimensions and nature of phenomena as well as the interrelationships of phenomena (Patton, 1990; Senge, 1991). Because qualitative methods use the researcher as an instrument in the data collection and analysis process, self-reflection was required throughout the research process (Patton, 1990; A. L. Strauss & Corbin, 1998). The researcher began with the

topic of strategic community college partnerships for enhancing planned gifts and allowed a theory on legal and financial advisors' roles to emerge and become grounded through active interplay with data (A. L. Strauss & Corbin, 1998). According to Patton (1990), grounded theory is "an inductive strategy for generating and confirming theory that emerges from involvement and direct contact with the empirical world" (p. 153). Grounded theories, because they are drawn from data, are likely to offer insight, enhance understanding, and provide a meaningful guide to action by using comparative analysis for generating theory (Glaser & Strauss, 1967). Inspired by Glaser and Strauss' (1967) work on grounded theory, Interactive Qualitative Analysis (IQA), a rigorous and detailed qualitative research method, was used for this study (Northcutt & McCoy, 2004).

Guba (1978) argues that the research design of naturalistic inquiry emerges rather than being constructed *a priori*. In this study, the researcher sought to discover emergent and potentially multiple realities. Resulting comparative analysis generated a theory on planned giving

specifically through the use of Interactive Qualitative Analysis (IQA) (Glaser & Strauss, 1967; Northcutt & McCoy, 2001).

RATIONALE FOR QUALITATIVE RESEARCH METHODS

The purpose of qualitative research is to develop an understanding of individuals and events in their natural state, taking into account the relevant context (Borg, Gall, & Gall, 1993; Lincoln & Guba, 1985), whereas the purpose of quantitative research is to make objective descriptions of a limited set of phenomena and to determine whether the phenomena can be controlled through certain interventions. Quantitative researchers make assumptions that they can discover “laws” that lead to reliable prediction and control of phenomena. In contrast, qualitative researchers make assumptions that each individual, each culture, and each setting is unique. Advocates of qualitative research argue that its methods are particularly appropriate for the study of education because they are derived from the social sciences.

Qualitative data are rich in description of people, places, and conversations, and are not easily handled by statistical procedures.

Research questions are not framed by operationalizing variables; rather, they are formulated to investigate topics in all their complexity and within their context. Qualitative investigators are concerned with understanding behavior from the subject's own frame of reference. They tend to collect their data through sustained contact with the subjects in settings where they normally spend their time. Lincoln and Guba (1985) call this interpretive methodology naturalistic inquiry. This research is grounded in the following four assumptions:

1. *The nature of reality.* Realities are multiple rather than singular. Everything influences everything else in the present context. All entities are in a state of mutual simultaneous shaping, so that the possibility of causal relationships is limited.

2. *The relationship between the researcher and the researched.* The relationship between researcher and subjects is interactive and inseparable. Work with human subjects is complex, in that humans may produce an effect in anticipation of its cause. Human behavior is context and time-bound.

3. *Generalization.* Generalization is limited by time and context within which the research takes place. Generalization in this case is described as approximating, through words and illustrations, the experience that one might typically find in such a situation as the one described in the case.

4. *The role of values.* The process of inquiry is value-bound, thereby acknowledging the role of the researcher's values in shaping both the process and results of the effort.

Qualitative research methods provide educational researchers the ability to observe human behavior within the context of the environment (Yin, 1994). According to Merriam (1998), qualitative or naturalistic research focused on discovery, insight, and understanding from the perspectives of those being studied offers the greatest promise for making significant contributions to the knowledge base and practice of education.

Since the purpose of this study was to describe the elements and their relationships within the process of establishing partnerships between financial and legal advisors and a community college, qualitative research

methods were most appropriate. Based on the results of this study, educational resource development practitioners will achieve a greater understanding of human behavior and methods with the potential for improving fund-raising practices (Bogden & Biklen, 1992).

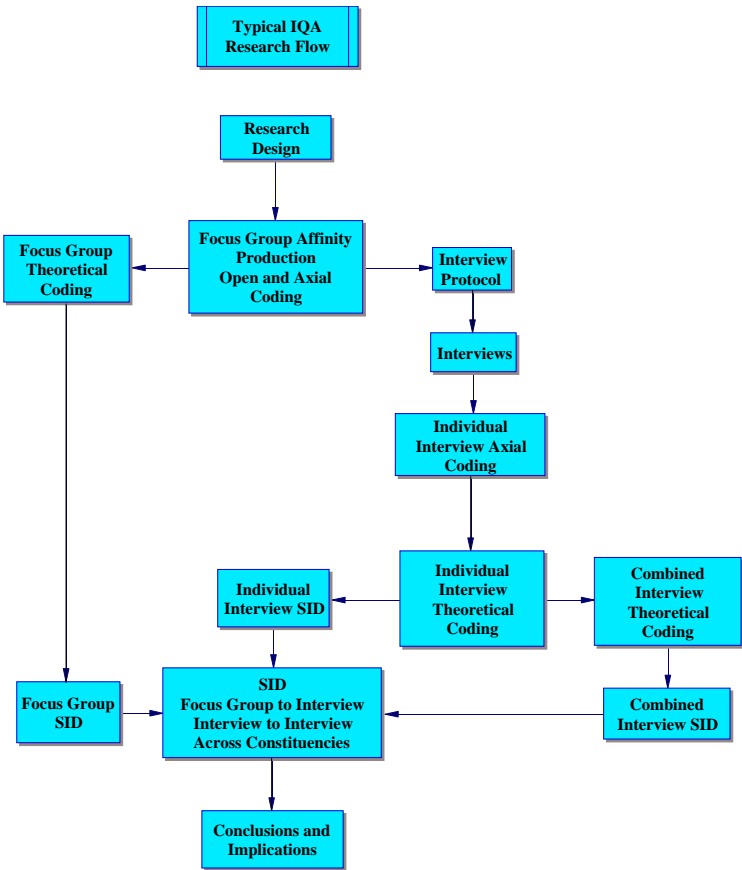
RESEARCH DESIGN

IQA is a systems approach (Gray, Duhl, & Rizzo, 1969; Katz & Kahn, 1966) that utilizes techniques adapted from the Total Quality Management (TQM) movement (George & Weimershirsch, 1998) to produce and analyze data (Northcutt & McCoy, 2004). Understanding systems means identifying elements, describing the relationships, and understanding how the elements and relationships interact (Northcutt & McCoy, 2004). Consequently, IQA relies upon group processes, interviews, and observation to understand and to explain phenomenological relationships.

The philosophy of IQA as a qualitative data gathering and analysis process depends heavily on these techniques to capture a socially constructed view of the respondents' reality. IQA techniques assist group

members in describing and labeling experiences and the relationships among these experiences to produce a theory in perception (Northcutt & McCoy, 2004). Figure 3.01 illustrates typical IQA research flow.

Figure 3.01 Typical IQA Research Design Flow



Because qualitative inquiry designs are not completely specified in advance of fieldwork, the specific design for this study unfolded with the fieldwork (Patton, 1990). The research objective was to depict and to

interpret the various realities regarding legal and financial advisor's role in the charitable gift planning process to assist development professionals' understanding of how to develop strategic relationships with professional advisors. Yet, the quality of the research design was dependent upon sample selection.

SAMPLING

Sampling, "the method used to select a given number of people from a population" (Mertens, 1998, p.55), influences the quality of data and the inferences that can be made from it. This study relied upon purposeful sampling (Lincoln & Guba, 1985) techniques for two pilot interview groups and twenty-four interviews. According to Patton (1990) "the logic and power of purposeful sampling lies in selecting information-rich cases for study in depth" (p. 169).

For both pilot interview groups, the researcher used homogeneous samples. In homogeneous sampling, the researcher "seeks to describe the experience of subgroups of people who share similar characteristics" (Mertens, 1998, p.57). Four professional advisors were selected based on

the recommendations of community college administrators, foundation directors, nonprofit development professionals and other professional advisors.

The second pilot interview group was composed of planned-giving development professionals from community colleges and other nonprofits. (When this study was originally conceptualized, the researcher intended to interview only community college development professionals; however, due to the fact that so few community colleges have established planned-giving programs the scope of this study was broadened to include other types of nonprofits that have mature planned-giving programs). The other twenty-four interview participants were selected from the planned-giving literature (individuals considered to employ best practices) and through recommendations of pilot interviewees.

DATA COLLECTION AND ANALYSIS

According to Strauss and Corbin (1998), researchers do not create data, they create theory from data. Therefore, data collection through pilot

interviews, IQA interviews, and observation was the next step in creating a theory to describe the role of legal and financial advisors in helping community college foundations to increase the receipt of planned gifts. IQA data collection methods assisted interviewees in describing and labeling their experiences and the relationships among these experiences (Northcutt & McCoy, 2004). Because this study used qualitative research designed within a phenomenological tradition, analysis was recursive and findings were generated as successive pieces of data were gathered.

IQA follows Miles and Huberman's (1994) steps for qualitative data analysis using specific interview processes to produce and analyze data, which resulted in the production of a conceptual mind map. This map is a system representation of how financial advisors and development professionals view the role of the advisor in the charitable gift-planning process. The system "consists of categories of meaning called affinities and the perceived influential relationships among the affinities" (Northcutt & McCoy, 2004).

Identifying and Naming Affinities

After producing an issue statement from the research questions, the IQA data collection and analysis process began with pilot interviews. According to McCoy (2005) affinities, the system's categories of meaning, can be developed through three methods: the traditional literature review, the literature review combined with pilot interviews, and focus groups. The affinities for each system in this study were developed from a thorough review of the literature and pilot interviews with eight professionals (four advisors and four development professionals).

Axial Coding

The researcher developed brief descriptions of each affinity, which were provided to all pilot interviewees. Pilot interviewees explored, discussed, and suggested revisions to affinity names and descriptions. The researcher analyzed quotes from each interview transcript to augment and to focus each affinity name and description; thus, the affinity descriptions were grounded in the text through reference to quotes and examples from

the data. Therefore, the full range of meaning for each affinity was thoroughly articulated prior to commencing the IQA Interviews.

Theoretical coding

Theoretical coding offered insights about the relationships and identified the underlying structure of the group mind map. The researcher, using If...Then statements asked each respondent to identify the relationship between each affinity pair. Data from the pilot interviews were summarized in a matrix called an Affinity Relationship Table (ART) containing all perceived relationships in the system (Table 3.01).

Table 3.01: Sample Pilot Group Affinity Relationship Table

Affinity Name	Possible Relationships Between Affinities
1. A	$A \rightarrow B$
2. B	$A \leftarrow B$
3. C	$A \diamond B$
4. D	(No Relationship)
5. E	

Sample Pilot Interview Affinity Relationship Table	
Affinity Pair Relationship	IF/THEN Statement of Relation
1 \diamond 2	
1 \rightarrow 3	
1 \leftarrow 4	
1 \rightarrow 5	
2 \rightarrow 3	
2 \leftarrow 4	
2 \diamond 5	
3 \leftarrow 4	

Interrelationship Diagram (IRD). Once the pilot group Affinity Relationship Tables were complete, the researcher created an Interrelationship Diagram (IRD) (Table 3.02) for each constituency using the data recorded in the ART (Table 3.01). An IRD is a table that represents all relationships among affinities (Northcutt & McCoy, 2004).

Table 3.02: Sample IRD

Sample Tabular IRD								
	1	2	3	4	5	OUT	IN	Δ
1		\diamond	\uparrow	\leftarrow	\uparrow	2	1	1
2	\diamond		\uparrow	\leftarrow	\diamond	1	1	0
3	\leftarrow	\leftarrow		\leftarrow	\leftarrow	0	4	-4
4	\uparrow	\uparrow	\uparrow		\uparrow	4	0	4
5	\leftarrow	\diamond	\uparrow	\leftarrow		1	2	-1

The affinities were then sorted in delta (change) order producing a sorted IRD. Those affinities that cause or influence the system are drivers and have a higher number in the “out” column than the “in” column. Conversely, those affinities that are caused by the system’s elements are outcomes and have a higher number in the “in” column than the “out” column. Based on deltas, the system is sorted into a series of five

topological zones: primary driver, secondary driver, pivot, secondary outcome, and primary outcome (Northcutt & McCoy, 2004).

The primary driver is a significant cause that affects many other affinities (Northcutt & McCoy, 2004). Those affinities that are influenced by the primary driver, but affect other elements are secondary drivers. A pivot occurs when an affinity neither causes nor affects other elements in the system. Secondary outcomes are affinities that are influenced by secondary drivers but affect the primary outcomes (Northcutt & McCoy, 2004). The primary outcome is a significant effect that is caused by many of the affinities but does not affect others (Northcutt & McCoy, 2004). Based on these five topological zones the system elements are assigned tentative positions in the Systems Influence Diagram (SID) (Table 3.03).

Table 3.03: Sample Tentative SID Assignments

Tentative SID Assignments	
4	Primary Driver
1	Secondary Driver
2	Pivot
5	Secondary Outcome
3	Primary Outcome

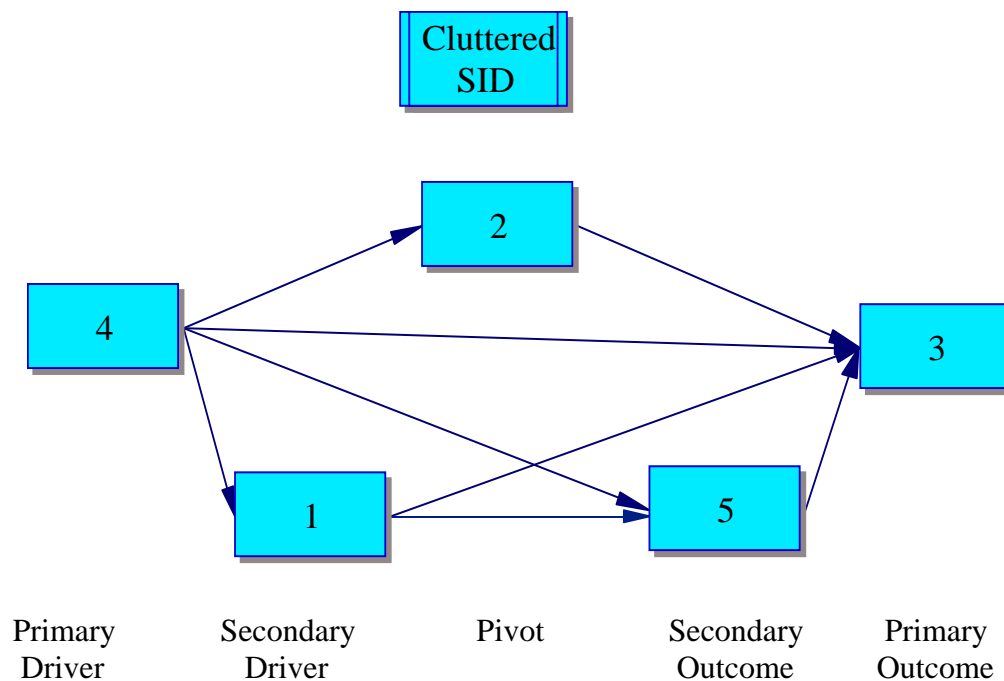
Systems Influence Diagram (SID). After the IRD was sorted and analyzed, a picture of the system was created based on the affinity relationships. This graphic representation is called a System Influence Diagram (SID). Determination of drivers and outcomes from the IRD produced tentative assignments for each affinity within the SID (Table 3.03). Once the SID assignments were determined for each affinity, the next step was to construct the mind map representation. The steps to creating the System Influence Diagram were as follows:

1. The affinities were placed in five columns based on deltas (change) and assigned topological zones beginning in the left column as follows: primary driver, secondary driver, pivot, secondary outcome, primary outcome.
2. Beginning with primary driver(s), direct relationships were connected with arrows based on the IRD data. Each arrow from the causal/impacting affinity to the affected affinity were input by working left to right through the diagram until all

relationships were displayed. The result is a cluttered SID (Figure 3.02).

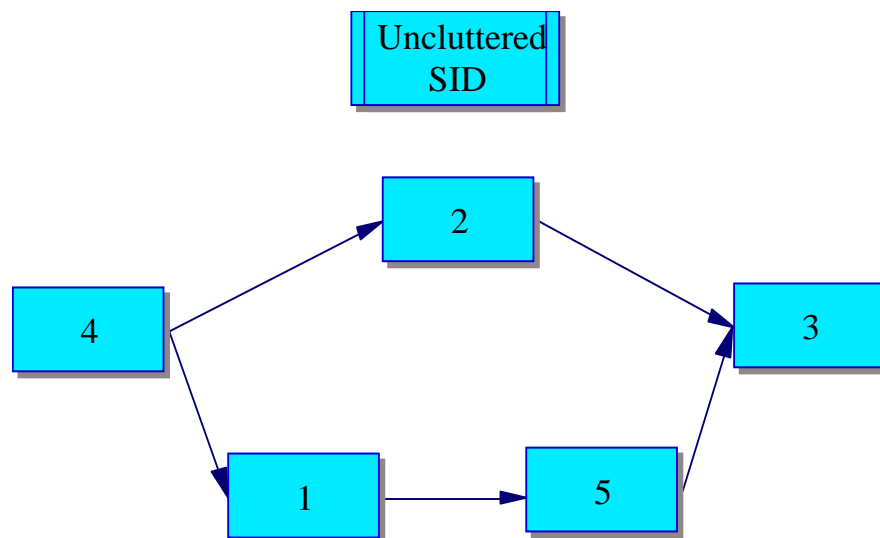
3. Finally, redundant links were eliminated. For example, if 4 connects to 1 and 5 and if 1 connects to 5, show the 4,1,5 path and eliminate the 4,5 path. The result was an uncluttered SID, which is depicted in Figure 3.03. (Northcutt & McCoy, 2004)

Figure 3.02: Sample Cluttered SID



The graphic representation of relationships (Figures 3.03 and 3.04) in the SID paints a vivid picture of system dynamics for both investigator and participants, and lends itself readily to analyzing how modifications might change the nature of the system (Northcutt & McCoy, 2004). As a graphic representation of the mind map developed from the data, the SID is roughly analogous to a set of qualitative structural equations (Northcutt & McCoy, 2004).

Figure 3.03: Sample Uncluttered SID



Interviews

The next data collection step was interviewing. Kvale (1996) states the purpose of using interviews in qualitative research is to “obtain descriptions of the lived world of the interviewees with respect to interpretations of the meaning of the described phenomena” (pp. 6, 31). Not only is interviewing one of the most powerful ways to describe and understand the central themes that subjects experience (Kvale, 1996), but also the conversation becomes the ultimate context within which knowledge is to be understood (Kvale, 1996). Strauss and Corbin (1998) believe interviewing is required in qualitative research to understand values and social behavior. They state that interviewing is the “only method of data collection sensitive enough to capture the nuances of human living” (1998, p. 28). Furthermore, interviewing various subjects allows for discovery of diverse and sometimes contradictory views on a given theme (Kvale, 1996).

To understand the interview methods used in this study, a description of the data collection and analysis procedures used in the IQA interview process is presented, followed by information on axial coding,

theoretical coding, Interrelationship Diagrams (IRDs), and Systems Influence Diagrams (SIDs). This section concludes with a description of IQA combined interview coding and SID creation. Together these elements provided thick description and produced a system that reflects financial advisors' and development professionals' perceptions of the role of advisors in the charitable gift planning process. (Northcutt & McCoy, 2004).

IQA Interview Process

To collect and analyze views on community college partnerships with legal and financial advisors, the IQA interview process outlines specific procedures to determine the focus and content of the interviews as well as the procedures for data analysis. This process produced thick description of each affinity and a mind map of the phenomenon from the participant's point of view (Northcutt & McCoy, 2004).

The IQA interview consists of two parts, the open-ended axial interview and the structured theoretical interview. The axial interview is designed to provide rich description of affinities by the respondents

(Northcutt & McCoy, 2004), whereas the theoretical interview is designed to identify relationships between affinities.

The affinities produced from the first pilot group of financial advisors were used as the basis for the interview protocol. The interview protocol is used to authenticate the focus group's affinities and to elicit thick descriptions of affinity relationships. This structure ensures that each affinity is explored thoroughly and consistently. Following a carefully prepared protocol also frees the researcher to engage each participant in the interview. (Northcutt & McCoy, 2004).

The interview consisted of a series of dialogues on planned giving partnerships. The interviewer asked questions to address what each affinity meant to the participant in the context of planned giving partnerships and the participant's experience with the affinities (Northcutt & McCoy, 2004). The open-ended axial interview began with the primary driver identified in the sorted IRD and worked through the remaining affinities in no particular order. To conclude the interview, the interviewer asked each participant to add additional thoughts or opinions not

discussed previously. The researcher's interviewing skills were employed to transition smoothly to each affinity based on the participant's responses.

The second phase, the theoretical interview, examined the perceived relationships between affinity pairs. Each participant was given an Affinity Relationship Table (Table 3.01) to guide the interview. The dialogue typically proceeded with the researcher asking whether the respondent perceived a relationship between each affinity pair (Northcutt & McCoy, 2004). If a relationship was identified, the researcher probed for examples and explanations. The interview closes with an open-ended question to allow for participant input on issues regarding planned giving partnerships that might not have been previously discussed.

Individual Interview Axial Coding

Coding each individual interview was the next step toward creating a mind map (Northcutt & McCoy, 2004). After the researcher prepared a transcript of each interview, the text was analyzed for axial codes. Axial codes within the transcript are specific examples of discourse

that illustrate or allude to an affinity (Northcutt & McCoy, 2004). The researcher documented the quote relating to the specific affinity and noted transcript lines for each quote. These data along with researcher notes were documented in an Individual Interview Axial Code Table (Table 3.04).

Table 3.04: Sample Individual Interview Axial Code Table

Individual Interview Axial Code Table			
Affinity	Transcript Line	Axial Quotation	Researcher Notes
1.			
2.			
3.			
4.			
5.			

Individual Interview Theoretical Coding

Similarly, the researcher analyzed data from the theoretical interview to determine perceived relationships between each pair of affinities. Again, the researcher used the interview transcript to identify statements illustrating affinity relationships. Relationships, transcript lines, quotations, and researcher notes were recorded in an individual interview affinity relationship (Table 3.05).

Table 3.05: Sample Individual Interview Affinity Relationship Table

Individual Interview Affinity Relationship Table		
Affinity Pair Relationship	Transcript Line	Theoretical Quotation and notes

After completing the theoretical interview coding, the researcher created an interview IRD and SID according to the procedures described in the pilot interview section (Tables 3.02 and 3.03; Figures 3.03 and 3.04). The results depicted a mind map reflecting the participant's perceptions

and experience with the role of professional advisors in the charitable planned-giving process (Northcutt & McCoy, 2004).

Combined Interview Coding

Once the researcher coded all interviews, data were summarized to create a combined SID representing a composite of individual experiences with collaborative partnerships of planned giving (Northcutt & McCoy, 2004). Data were transferred from each individual interview axial code table to a combined interview axial code table (Table 3.06). By combining axial code data into one table, the researcher created a database for the entire set of interviews.

Table 3.06: Sample Combined Interview Axial Code Table

Combined Interview Axial Code Table			
Affinity	Transcript and Line #	Axial Quotation	Researcher Notes

Following the procedures used to combine axial data, the researcher combined the theoretical code data to summarize the relationships identified in the theoretical interview. A sample combined interview affinity relationship table documents the data (Table 3.07).

Table 3.07: Sample Combined Interview Affinity Relationship Table

Sample Composite Interview Affinity Relationship/ Frequency Table			
Affinity Pair Relationship	Frequency	Affinity Pair Relationship	Frequency
1 → 2	1	2 → 4	12
1 ← 2	11	2 ← 4	0
1 → 3	6	2 → 5	10
1 ← 3	6	2 ← 5	2
1 → 4	10	3 → 4	10
1 ← 4	0	3 ← 4	4
1 → 5	4	3 → 5	10
1 ← 5	6	3 ← 5	2
2 → 3	10	4 → 5	9
2 ← 3	0	4 ← 5	3

Since individuals may have defined relationships differently, the frequencies were tallied to determine the direction of the relationship. Northcutt and McCoy (2004) recommend using the Pareto Principle of

80 percent to eliminate outlying responses. The researcher paid particular attention to eliminate responses and identify emerging patterns. If frequency tallies were close in number, the researcher flagged the affinity relationship for consideration as a recursion (Northcutt & McCoy, 2004). The frequency tallies and resulting relational direction were recorded in a sample combined interview theoretical code frequency table is illustrated in table 3.08.

Table 3.08: Sample Combined Interview Theoretical Code Frequency Table

Combined Interview Theoretical Code Frequency Table		
Affinity Pair Relationship	Frequency	Theoretical Code
1 → 2	1	1 ← 2
1 ← 2	16	
1 → 3	15	1 → 3
1 ← 3	2	

Once the researcher determined the relationship direction, the data were recorded into a combined interview IRD (Table 3.02). A combined interview SID was created from the IRD (Table 3.03; Figures 3.03 and

3.04). The final depiction of the analysis was a mind map reflecting the interview respondents' collective experience with the phenomenon of the role of advisors in the charitable planned giving process (Northcutt & McCoy, 2004). The researcher then interpreted the relationships responsible for system dynamics. The foundation for this interpretation rests on "triangulated empirical materials that are trustworthy" (Denzin & Lincoln, 1998a), p. 330).

QUALITY CRITERIA

(Denzin & Lincoln, 1998a) posit, "a good constructionist interpretation is based on purposive sampling, a grounded theory, inductive data analysis, and contextual interpretations" (p. 330). The IQA procedures used in this study demonstrate a commitment to methods that increase a text's trustworthiness (p. 331). According to Lincoln and Guba (1985, p. 300; Lincoln, 2002), trustworthiness consists of credibility, transferability, dependability, and confirmability. The following section explains how the researcher incorporated these four components to ensure trustworthiness of the research.

Credibility. In qualitative research, credibility is the correspondence between the respondents' perceptions and the way the researcher portrays the data (Mertens, 1998, p. 181). To ensure credibility in this study, the researcher used triangulation, peer debriefing, and member-checking techniques as suggested by Lincoln and Guba (1985). Triangulation is the use of multiple and different data sources (Lincoln & Guba 1985, p. 305).

Peer debriefing is a process whereby the researcher engages a disinterested peer to provide an external check on the inquiry process (Lincoln & Guba, 1985, pp. 301, 308). The researcher used peer debriefing at each step in the IQA process. Peer debriefing was especially important in issue statement development, pilot group interviews, interview protocol consistency, and combined interview affinity relationship determination.

Member checking, according to Lincoln and Guba (1985), "is the most crucial technique for establishing credibility" (p. 314). Since research results are a representation of the participants' perceptions, it was essential that participants were given the opportunity to check the data (p.

314). This technique involves verifying interpretations and conclusions with the participants responsible for producing the data. Formal and informal member checking was conducted with all interview participants. During each phase of the focus group process, the researcher checked with the participants to ensure that the data fit their perceptions. The researcher also asked interview participants to review the completed SIDs.

Transferability. Transferability in qualitative research entails providing sufficiently thick description for a reader to reach conclusions regarding transferring results to other situations (Lincoln & Guba, 1985, p. 316; Mertens, 1998, p. 183). The IQA process offered many opportunities for thick description. Rich data from focus group affinity descriptions provided thick description during the affinity write-up phase. Likewise, the interview data provided opportunity for thick description in the interview coding process.

Dependability. Lincoln and Guba (1985) contend that the assessment of dependability involves accounting for all available data and ensuring appropriateness of inquiry decisions (p. 324). To ensure all data were

accounted for, the researcher followed IQA protocol and reviewed each step of the IQA process (Mertens, 1998, p. 184). To ensure appropriateness of inquiry decisions, the researcher was open to emerging patterns, employed reflexivity during the research process, and conducted additional literature review.

Confirmability. As Mertens (1998) states, confirmability means that data and data interpretation are not contrived by the researcher (p. 184). To establish confirmability, a confirmability audit was conducted (Lincoln & Guba, 1985, p. 318). The researcher ensured all qualitative data could be tracked to its source (Mertens, 1998, p. 184) by listing transcript line numbers from axial and theoretical coding data in a database. All quotes are referenced to interview transcripts. The researcher created a detailed database to track data collection and analysis at each step. The logic used to analyze and interpret the data was explicit throughout the process (Mertens, 1998, p. 184).

CONCLUSION

This chapter explained the methodology used to study planned-giving partnerships. The chapter began with an overview of qualitative methodology followed by a description of the research design used for the study. The specific methodology, Interactive Qualitative Analysis, was described in detail including specific procedures for data collection and analysis. The chapter concluded with criteria to assess the study's quality using Lincoln and Guba's (1985) trustworthiness components.

Through the qualitative research methodology outlined in this chapter, the researcher was able to ascertain the system dynamics of the role of professional advisors in charitable planned giving, which resulted in a grounded theory regarding this phenomenon.

Chapter IV: Results

INTRODUCTION

Due to their unique position, legal and financial advisors represent a powerful group with whom community college foundations can form key linkages. By gaining greater insight into how legal and financial advisors define their roles in helping nonprofits to cultivate planned gifts, partnerships can be formed and implemented, resulting in financial profits for the advisor, tangible and intangible benefits for the donor, and increased planned gifts for the community college foundation.

As described in the previous chapter, IQA data collection and analysis methods were utilized to determine what factors compose financial advisors' perceptions of charitable gift planning, how these factors relate, and the implications for financial advisors' role in the charitable gift-planning process. The results presented in this chapter produced a system representation of the dynamics and elements that

influence individuals to engage in planned giving driven by the following research questions:

- Research Question #1: What are the features of a collaborative system of planned giving from the point of view of development professionals?
- Research Question #2: What are the features of a collaborative system of planned giving from the point of view of financial and legal advisors?
- Research Question #3: How do these systems compare and what are the implications for implementing and sustaining a collaborative system of planned giving?

These results offer insight for development professionals as they seek to find ways to understand and to exploit the role of advisors in the charitable gift-planning process.

This chapter begins with an overview of the financial and legal advisor constituency. An axial coding summary of the factors that compose advisors' perceptions of planned giving is presented, followed

by a theoretical coding summary of how these factors relate. After producing and describing the resulting system, subsystems are illustrated and simplified. Following an overview of the development professional constituency, axial and theoretical coding summaries that compose development professionals' perceptions of the gift-planning process are presented. A description of this constituency's system follows; and the chapter concludes with final system representations of charitable gift planning for each constituency.

FINANCIAL ADVISORS

As evidenced in Chapter Two, the researcher conducted a thorough review of the related literature. In addition, she conducted pilot interviews with four financial and legal professionals involved in planned giving in varying capacities. These preliminary interviews were used in conjunction with the literature review to derive the ten affinities, which were used as the basis for the interview protocol (Appendix A). The interview protocol authenticated the pilot group's affinities and elicited

thick descriptions of each factor. This structure ensured that each affinity was explored thoroughly and consistently.

The pilot interviews suggested that advisors saw themselves as having two distinct roles in the charitable gift-planning process: in one role they advise the client, while in the other role they act as advisors to nonprofits by serving as board or planned-giving committee members. While not anticipated the researcher accommodated this finding by conducting essentially two interviews with each advisor - one focused on each role. Data from the pilot interviews revealed that the three affinities common to both roles (Mission Awareness, Advisor's Philanthropic Values, and Learning) did not substantially change in meaning when the context (roles) varied. Therefore, the axial section for role two, Advisor to the Nonprofit, investigated only the two additional affinities, Advisor's Experience and Resources.

The researcher used criterion and convenience sampling to determine interview participants. A total of sixteen financial and legal

advisors (four for the pilot interviews and twelve for the IQA interviews) were interviewed for the study.

- The interviewees represented the major groups of individuals who, as a part of their work, have the opportunity to advise clients about charitable giving. The group was comprised of three Certified Professional Accountants, four estate-planning attorneys, two life insurance brokers, three trust officers, and four Certified Financial Planners.
- Six women and ten men formed the basis of the advisor constituency. Two were of Hispanic origin and the other fourteen were Anglo.
- The advisors were from communities with as few as 100,000 residents to cities with more than 1,000,000 people.
- The advisors resided in Texas and Florida.
- All sixteen advisor participants had more than fifteen years in their respective positions; ten had more than twenty years; and four had

twenty-five years or more experience in helping individuals with their financial or estate plans.

The interview consisted of a series of dialogues on charitable gift planning. The interviewer asked questions regarding each affinity to ascertain participants' experience, perceptions, and affinity significance in the context of charitable gift planning (Northcutt & McCoy, 2004). At the conclusion of the interview, the interviewer asked participants to add additional thoughts, opinions, or factors not discussed previously. Upon completion of the interviews, each interview was transcribed and analyzed for specific examples that illustrated or alluded to a specific affinity. Once data were transferred into axial code tables, the researcher created a database for the entire set of interviews. The following data analysis summarizes the axial code data contained in the database.

Axial Coding Summary – Advisor to the Client

To summarize interview results, a composite description of each affinity as described by advisors was created. The following descriptions of the ten affinities identified by the pilot interviews and literature review

compose the financial advisors' collective perceptions of charitable gift planning - while in both the role of Advisor to the Client and Advisor to the Nonprofit. These factors include: Advisor's Philanthropic Values, Financial Capacity, Client's Motivation, Relationships, Mission Awareness, Learning, Client's Interests, Advisor's Experience, Resources, and Giving. Each affinity is explored below and is subsequently illustrated through the quotes of interviewees.

Advisor's Philanthropic Values

Advisor's values about the importance of moving money into philanthropic causes inform their discussions with clients about charitable giving.

"If I wasn't charitably inclined myself, and been this way for the twenty-five years I have been in this business, then several of my clients would never have gotten involved in charitable giving."

Financial Capacity

Advisors view Financial Capacity as essentially having the ability to engage in the process of charitable gift planning.

“A client has to have the financial means to make a planned gift, which means he has to have the ability to make either a current large gift during his lifetime or after his death, when he is gone and has taken care of himself and his family members. In a nutshell, that’s financial capacity.”

Client Motivation

Clients are motivated to consider charitable planned gifts for different reasons.

“Some people ‘naturally’ want to give, often because of the values with which they were raised. While others may not value charitable giving in the same way, they have other values that help them to become ‘second naturally’ inclined. Regardless of whether they are voluntarily or involuntarily motivated to give, what matters is that they will at least think about making the gift.”

Relationships

Having first-hand knowledge about a nonprofit organization and its staff provides advisors with confidence about the entity.

“The ability to speak highly about a particular organization or to really describe to our client why we think that would be an acceptable type of charity, one that they should put into their planning, comes with familiarity and experience. This is really important because there are all kinds of people out there soliciting money from my clients and my job is to help them make good decisions. If I don’t know someone there, I will always ask my client if they have thoroughly checked-out the nonprofit. I want to make sure they are comfortable, that they know about them, and know someone over there.”

Mission Awareness

Mission Awareness is the organization’s story, its ethos, and advisors need this information to help their clients.

“Mission Awareness is the primary reason why someone would give to a particular organization. So what the purpose of that organization is, what it is trying to accomplish in the community, will justify whether a person wants to donate, or support it in any way, really, including serving as a volunteer.”

Learning

Learning is multidimensional and occurs in different contexts. Clients learn from advisors; advisors learn from other advisors; and advisors learn from nonprofits.

“Our job as advisors requires us to keep up-to-date with charitable giving. There is a lot to learn, and it is very complicated. This is one of the challenges we have with clients, finding a way to make the gift planning process easy-to-understand. This means going to seminars, belonging to professional organizations like the Planned Giving Council, reading a lot, pursuing continuing education requirements, and networking.”

Client's interests

The Client's interests ultimately determine where the planned gift is made, but they do not always have a specific nonprofit in mind.

“In my experience most clients with the means to make a planned gift have at least some general area of interest where they would like to direct their gift. My job is to work with the client, to go through a sort of vetting process, to help them look at different areas, and different organizations, that might be acceptable to them, based on their interests.”

Giving

Making the planned gift is an expression of the client's desires, but in many cases it also represents the advisor and his work.

"The giving, the gift, is what this is all about, right? I think that it is great that my clients can provide for their loved ones, make a charitable gift, and help their favorite charities. It's really great when it all comes together like that. I think the actual gift means different things to different people. For some, it is about leaving a legacy while for others it is about the tax savings, but I think no matter the reason, in the end, the client is usually really happy about it."

Theoretical Coding Summary – Advisor to the Client

The axial coding summary described the factors financial and legal advisors identified when asked about charitable gift planning. These descriptions add richness to the results of the theoretical interview, which identified relationships between the affinities. Similar to the axial coding process, interview transcripts were analyzed to create a theoretical code database from the entire set of interviews. The database contained

theoretical codes describing relationships between affinities, with each code referencing the specific transcript and line number containing the code.

Since individual respondents identified relationships differently, relationship frequencies were tallied and reconciled using the Pareto protocol (Appendix B). A frequency majority of 80 percent or higher determined the direction of all but three relationships. These three affinity pairs were examined for conflicts and flagged for consideration as recursions (Northcutt & McCoy, 2004). The relationship with the highest frequency was documented in the Affinity Relationship Table (ART) and reconciled in the System Influence Diagram (SID). The theoretical analysis that follows includes: summarizing the relationships, rationalizing the system, initial affinity placement, and representing the collective system.

Affinity Relationship Table

The relationships Financial Advisors in Role One, Advisor to the Client, identified between each affinity pair were documented in an

Affinity Relationship Table (ART) (Table 4.01). This table summarizes the relationships identified in the theoretical coding process.

To begin rationalizing the system, the researcher constructed an Interrelationship Diagram (IRD) by placing arrows into a table depicting the affinity pair relationships summarized in the ART (Table 4.01).

Utilizing the Pareto Principle, the number of relationships accounting for the majority of influence in the system is reduced from the total of 56, down to 24 (see Appendix A). These 24 relationships account for more than 80 percent of the system’s variance. The composite interview IRD and the IRD sorted in order of deltas is shown in Tables 4.02 and 4.03.

Table 4.01: Composite Interview Affinity Relationship Table

Affinity Name
1. Financial Capacity
2. Motivation
3. Learning
4. Client’s interests
5. Mission Awareness
6. Relationships
7. Advisor’s Philanthropic Values
8. Giving

Composite Interview Affinity Relationship/Frequency Table

Affinity Pair Relationship	Frequency		Affinity Pair Relationship	Frequency		Affinity Pair Relationship	Frequency
1 → 2	6		2 → 6	2		4 → 7	0
1 ← 2	4		2 ← 6	4		4 ← 7	4
1 → 3	8		2 → 7	0		4 → 8	8
1 ← 3	2		2 ← 7	6		4 ← 8	0
1 → 4	4		2 → 8	10		5 → 6	4
1 ← 4	2		2 ← 8	0		5 ← 6	6
1 → 5	5		3 → 4	7		5 → 7	0
1 ← 5	1		3 ← 4	5		5 ← 7	6
1 → 6	2		3 → 5	7		5 → 8	12
1 ← 6	0		3 ← 5	5		5 ← 8	2
1 → 7	0		3 → 6	5		6 → 7	0
1 ← 7	2		3 ← 6	7		6 ← 7	8
1 → 8	12		3 → 7	0		6 → 8	8
1 ← 8	0		3 ← 7	6		6 ← 8	0
2 → 3	10		3 → 8	12		7 → 8	6
2 ← 3	2		3 ← 8	0		7 ← 8	0
2 → 4	12	4 → 5	10				
2 ← 4	0	4 ← 5	2				
2 → 5	7	4 → 6	4				
2 ← 5	3	4 ← 6	4				

Interrelationship Diagram

When both pairs of relationships remain after using the Pareto Protocol, there is a conflict between the pairs. The researcher noted this conflict (see highlighted pairs in the ART, Table 4.01). For example, both relationships between the affinities Learning and Mission Awareness

Table 4.02: Composite Interview IRD

Affinity Name
1. Financial Capacity
2. Motivation
3. Learning
4. Client's interests
5. Mission Awareness
6. Relationships
7. Advisor's Philanthropic Values
8. Giving

Tabular IRD											
	1	2	3	4	5	6	7	8	OUT	IN	Δ
1		↑	↑	↑				↑	4	0	4
2	←		↑	↑		↑	←	↑	4	2	2
3	←	←		↑	←	↑	←	↑	3	4	-1
4	←	←	←		←	←	←	↑	1	6	-5
5			↑	↑		←			2	1	1
6		←	←	↑	↑		←	↑	3	3	0
7		↑	↑	↑		↑		↑	5	0	5
8	←	←	←	←		←	←		0	6	-6

(3 → 5 and 5 → 3) must be accounted for in the final system in order for the System Influence Diagram to accurately reflect the interviewees' perceptions. Note in the ART, (Table 4.01), that seven individuals said that Learning influences Mission Awareness (3 → 5), while another five indicated that Mission Awareness influences Learning. Thus, the relationships recorded in the IRD are majority relationships between

pairs, and all conflicting relationships were reconciled in the final System Influence Diagrams.

Table 4.03: Sorted Composite Interview IRD

Tabular IRD											
	1	2	3	4	5	6	7	8	OUT	IN	Δ
7		↑	↑	↑		↑		↑	5	0	5
1		↑	↑	↑				↑	4	0	4
2	←		↑	↑		↑	←	←	4	2	2
5			↑	↑		←			2	1	1
6		←	←	↑	↑		←	↑	3	3	0
3	←	←		↑	←	↑	←	↑	3	4	-1
4	←	←	←		←	←	←	↑	1	6	-5
8	←	←	←	←		←	←		0	6	-6

The deltas listed in the sorted IRD mark the relative position of the affinities within the system. Sorting the deltas helps to determine a tentative system structure: the affinities that are drivers (positioned early in the system), those that are pivots (feedback loops), and finally the affinities that are outcomes (positioned at the end of the system). The initial placement of the affinities in the SID is represented in the Tentative SID Assignments Table (Table 4.04).

Table 4.04: Advisor-Role One Tentative SID Assignments

Tentative SID Assignments	
Advisor's Philanthropic Values	Primary Driver
Financial Capacity	Primary Driver
Motivation	Secondary Driver
Mission Awareness	Pivot/Loop
Relationships	Loop
Learning	Loop
Client's interests	Secondary Outcome/Loop
Giving	Primary Outcome

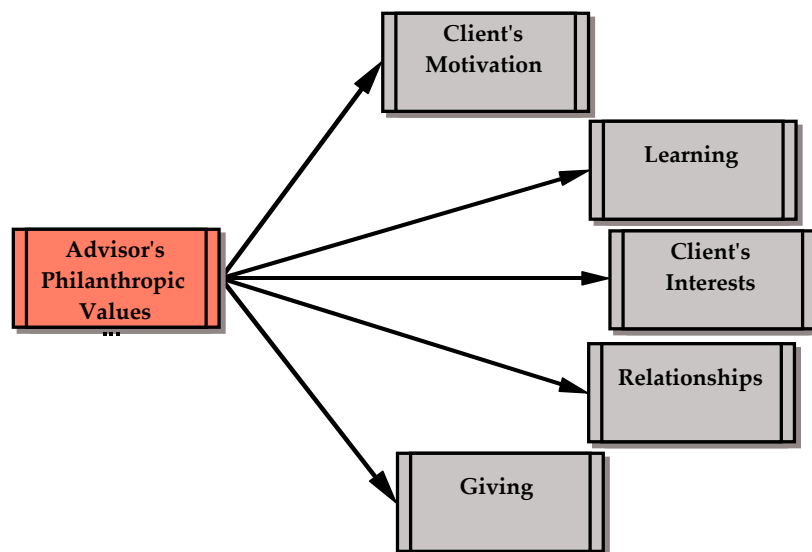
Relationship Descriptions

A description of each relationship represented in the system follows. These relationship descriptions explain the entire system of drivers and outcomes based on a composite of the financial advisors' interviews. Theoretical codes describing the link between affinity pairs were interpreted beginning with the affinities influenced by the system's primary driver and proceeding through to the primary outcome.

Advisor's Philanthropic Values influence...

The Advisor's Philanthropic Values are a primary driver of charitable gift planning. This affinity influences all aspects of charitable gift planning except the Client's Financial Capacity and Mission Awareness.

Figure 4.01: Advisor's Philanthropic Values



Client's Motivation. "I *always* ask the client in the interview, once we've done the family inventory and the asset inventory, about what kind of giving they have done in the past. Then I ask them if they're charitably inclined. Ninety percent of them will say no right off the bat, but then as

you begin talking about charitable giving and you show them a flow chart of where their assets are going, and how much is going to go to tax, between estate tax and income tax, then sometimes they'll start opening up to the idea."

Learning. "If there is any way that my values directly impact learning it is because I hate seeing people give their money to Uncle Sam. Why send your money east of the Potomac when you can keep it right here, in this community, and direct where it goes? Now, I am not going to push my agenda onto someone, but once they see it in black and white, through the educating that we do, most, but not all clients, end up agreeing that doing some sort of planned gift is what they want to do."

Client's Interests. "If the client is not one of these selfish people, if they are interested in something other than their own self centeredness, and if capacity is there, then you've got an opportunity to guide them. Mainly in trying to find out in where their interests would lie. Not by trying to force them into something, but to trying to uncover what they are interested in. Of course, many times they will ask me for my

recommendations. I guess I never really thought about it before, but when I do think about it I realize that what I am interested in naturally comes out first.”

Relationships. “My relationships don’t influence my values all that much, if at all, but my values definitely affect who I form relationships with. I only want to work with people that I know have the highest integrity, who have the client’s best interest at heart and who are good stewards of my client’s money.”

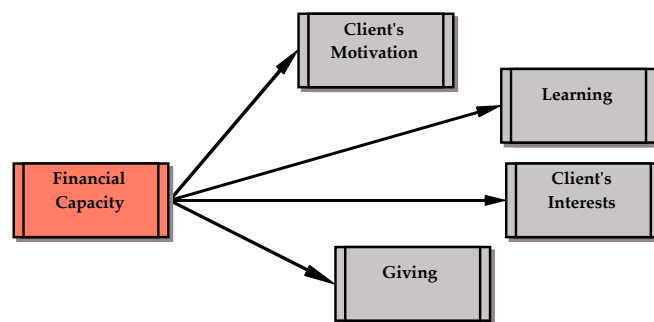
Giving. “There are lots of advisors out there who don’t value raising the charitable question, so many gifts never become a reality. I guess what I am saying is that if the advisor doesn’t raise the question, make the pitch, and make it easy for the client to understand, the chances of that gift getting made are pretty much slim to none.”

Client Financial Capacity Influences...

Like the Advisor’s Charitable Values, Client’s Financial Capacity is a primary driver of the charitable gift-planning system. Client’s Financial

Capacity directly influences, according to the IRD, Motivation, Learning, Client's Interest, and Giving.

Figure 4.02: Client Financial Capacity



Client Motivation. “If a client doesn’t have the money to make a planned gift, if he’s struggling just to take care of his family or to make ends meet, it doesn’t matter how much desire he has, he cannot do a planned gift. That’s not to say that people don’t do that sometimes, especially if it is religious – or if they have been conned – but, for the most part without the means, they cannot do the gift.”

Learning. “The Financial Capacity pretty much always drives the learning because the type of vehicle that is appropriate usually depends on the person’s capacity. If they do not have a big tax problem, maybe a

simple bequest is the way to go, but it might be that a CRT with life insurance replacement or something like that is what they ought to do.”

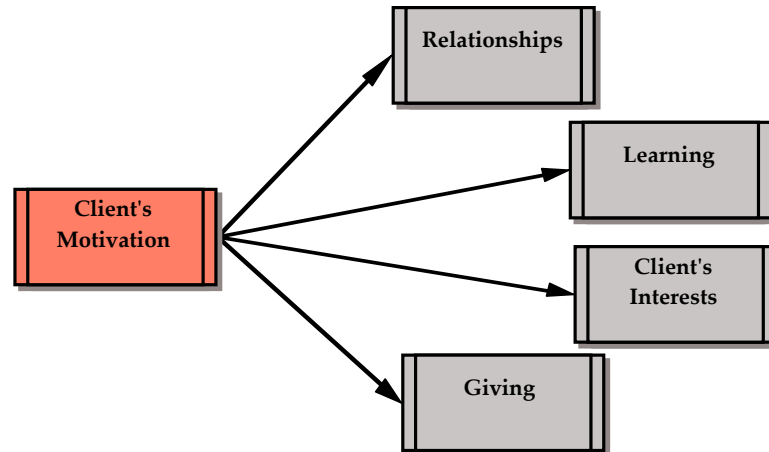
Client’s Interests. “Financial Capacity impacts the Client’s Interests because where one grew up, the type of experiences he’s had, where he made his money, etc. – that all shapes a person’s interests, at least in a general way.”

Giving. “Ultimately, the client always directs the final gift, so the money, the capacity, is gifted if that’s what the client wants, regardless of the reason to give. It’s their money and they should do with it what they want.”

Client Motivation influences...

Client Motivation is a secondary driver of charitable gift planning. Client motivation influences all aspects of the gift-planning system except Financial Capacity and Advisor’s Philanthropic Values. This affinity directly influences Relationships, Learning, Client’s Interests, and Giving.

Figure 4.03: Client Motivation



Learning. “It seems like the inclination to donate to charity starts from when the person is small. It could build from a personal experience that he had, say where his grandmother had cancer, so he considers giving to the American Cancer Society. Or, maybe the person was raised to tithe to her church so that giving is so much a part of who she is that she feels obligated to give to charity...On the other hand, maybe they were never brought up thinking how can I benefit someone else, or how can I help? This is where the role of educating the client is really important. A lot of times you have to really lay it out so they can see how it will benefit them. If you want to get a client to give, there has to be some other motivation, because there really is no inborn inclination to give.”

Client's Interests. "Once the client is motivated to at least consider a gift, the next thing to do is to find out what they are interested in. People usually have something, somewhere, for you to channel that motivation. For sure, advisors have the opportunity to impact Client's Interest just by what they choose, consciously or unconsciously, once the motivation is in place."

Relationships. "Some clients already have an organization in mind, so in that case, their motivation drives me to get connected to the organization and its development people. Even if they don't already have something in mind, once we figure out some general areas they are interested in, then I often will do the groundwork for them. If I don't already have a contact there, I will usually go their website before making a call, so in this way the client's motivation is pushing me to build relationships."

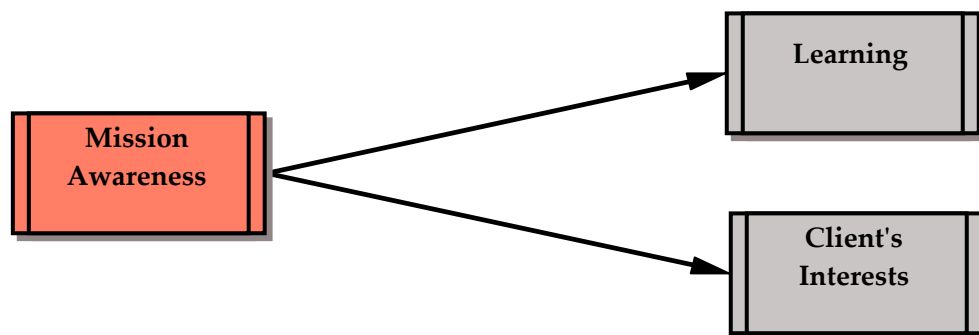
Giving. "Tax considerations are often what motivate clients to give. It is not always voluntary. Sometimes it's like the tail wagging the dog, so to speak, maybe that's what's driving the philanthropic intent. It is not a

real philanthropic intent, it's more tax oriented, but in the end I guess it doesn't matter so long as the person makes the charitable donation."

Mission Awareness influences...

Mission Awareness impacts directly two elements in the system, Learning and Client's Interests, and is driven directly by only one, Relationships. This indicates that it is neither a driver nor an outcome. Rather, it functions as part of a feedback loop.

Figure 4.04: Mission Awareness



Learning. "That's where we get a lot of break down in the real world. Nobody comes to me or sits down and tells me 'I'm with whatever organization and this is what we do.' See, this is critical because if I don't personally feel an organization's Mission or see where this is benefiting someone, or if I don't fully appreciate what they're trying to do, then it's

going to be very, very difficult for me to make those recommendations to the client. So, I'm probably not going to mention that organization. "

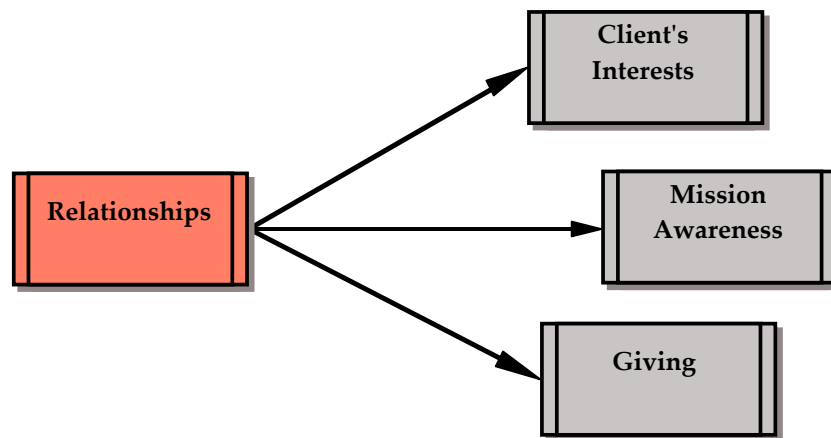
Client's Interests. "Well, because if I understand my client's feelings and what their objectives are, and kind of where they are in life, then I can at least mention or recommend that they consider various charitable organizations based on the client. If I have a client who is definitely interested in education, and then I wouldn't be talking to them about the American Red Cross, I'd be talking to them about [specific educational institutions]. On the other hand, if I had a client who was interested in the medical field - a retired physician, retired nurse and I know that's where their heart is, then I'm going to be talking about those types of organizations. But I have to be familiar with the organization in order to make a match between the Client's Interests and the nonprofit's Mission."

Relationships influence...

Like Mission Awareness, the Relationships affinity functions as part of a feedback loop or pivot. The IRD demonstrates that this affinity

has an equal number of influences acting upon it as it makes upon other affinities. The three affinities directly impacted by Relationships are Client's Interests, Mission Awareness, and Giving.

Figure 4.05: Relationships



Client's Interests. "I think that is important when giving examples of charities that may be appropriate for an individual client. So, for example, if we are talking about estate planning issues, maybe doing a charitable remainder trust or a charitable lead trust, which ever would be appropriate for them to consider from a tax planning stand point to move the money out of their estate, we will next look at what the client might be interested in. If I know generally the kinds of things my client would give

to, I will make recommendations based on the relationships I have with nonprofit organizations. Don't get me wrong, it is not a *quid pro quo*. But, I have a responsibility to my client to make sure that my client chooses a reputable charity. I'm not saying I am friends with these people, but if I have worked with them in the past, and they have done a good job for my other clients, it is likely that I will mention them again."

Mission Awareness. "Having relationships with nonprofits doesn't really change the Mission Awareness or anything. The impact is really more about awareness of the Mission, which very important. It is through my personal and professional relationships that I am able to ascertain what these organizations *actually* do!"

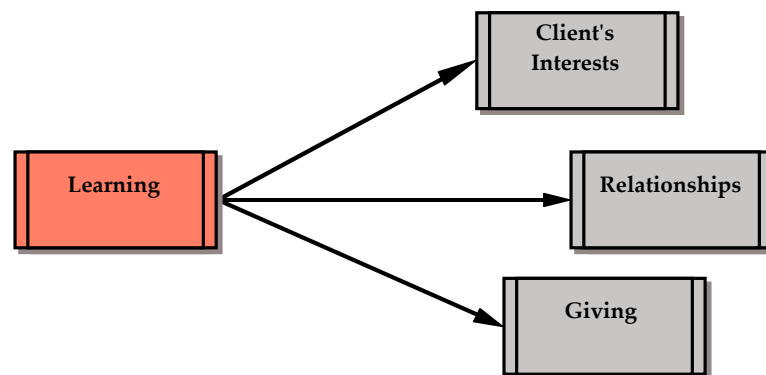
Giving. "There are lots of ways that relationships impact giving. After all, that is really what the whole thing is about, I think. However, being involved with estate planning associations and councils is probably the most important way that relationships drive giving. When advisors network with development people, and other advisors, this is really about

the big picture. Not just giving to a specific organization, but it is about really raising the awareness of philanthropy in the community,”

Learning influences...

Although Learning is not an overwhelming driver of charitable gift planning, it exerts considerable influence on other elements of the system. As part of a feedback loop, Learning has a direct influence on Client's Interests, Relationships, and Giving.

Figure 4.06: Learning



Client's Interests. "I'll say 'let me share with you a couple of alternative strategies and see what you think. If you did have a charitable inclination then we could possibly save x amount of tax and provide your family with x amount of income.' And they'll say, 'well what are you

talking about?’ I’ll say, ‘I’m talking about either a charitable remainder trust or a charitable lead trust, whatever the strategy happens to be.’ I’m sort of leading. A lot of times what happens is the client will say, ‘Well, you know, Hospice was very, very good to my father’ or something like that, then we continue in that direction with the planning. So, then I’ll start acknowledging that they can make the charity any one they want it to be as long as it’s a legitimate 501-C3. All I am trying to do there is to provide the client with the objectivity to at least consider giving, because this is something they need to look at for the benefit of themselves and their family. Now, if they say no and just shut it down, then I will say that’s fine, here is the alternative. I kind of lead that discussion. I find I have to, because they’re not going to understand; they don’t have the foggiest idea what you’re talking about.”

Relationships. “My relationships impact what I discuss with my clients during the ‘learning’ phase of discussing their planned-giving options. What I know about nonprofits and whom I know there frequently enters into the discussion and subsequent education of my

client. Obviously, I cannot talk to them about organizations or people I *don't* know."

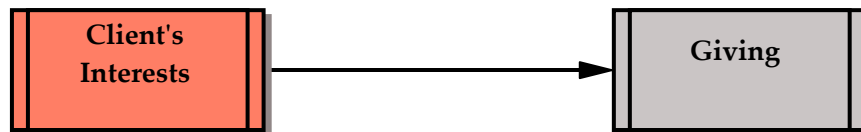
Giving. "Once the client's intent seems to be there, and they are interested in hearing a little more about it, then we have to educate the client on the strategy. No matter what the strategy is, they have to understand it and feel comfortable with it because if they're not comfortable with it, then it isn't going to work; it doesn't matter what it is. So, what I try to do is use some reference material that provides easy-to-read stuff; easy- to-read schematics or flow charts, things of that nature that will give them enough information so they can make a reasonably intelligent decision. They need to be able to understand the stuff when they leave, too, because they will have to balance what I'm sharing with them and what they may hear their attorney say and what they see. Because it's a team approach, it's not just me. I can plan the strategy, but then I have sometimes an evaluator, if it's a gift involved or whatever the case might be. So you need the evaluator, the attorney, the CPA, and you have to get all these people on the same page. I've seen if you don't have

them all, it can be a disaster. Everyone has to work together to educate the client in order for the gift to be realized.”

Client’s Interests Influence...

Since many factors, but not all, influence this affinity, it is a secondary outcome of the overall system. Client’s Interest has a direct influence on Giving.

Figure 4.07: Client’s Nonprofit Interests



Giving. “Once I understand my Client’s interests, let’s say philanthropy, and they have the means to set-up some sort of planned-giving vehicle, then I ask them about their desires. ‘Do you have a desire for more income flow, would you like to get more assets out to your grandchildren or children, would you like for your family to look at some options that might bring your family closer together?’ They don’t necessarily mention

the vehicles themselves, but you ask the questions as to what are your desires, what are your goals in philanthropy, and then maybe start talking about specific vehicles that are appropriate to that. This is how the client can see the connection between their interests and giving.”

System Influence Diagram

The System Influence Diagram (SID) is a system representation of the relationship descriptions and the data contained in the IRD. This visual diagram shows the entire system of charitable gift planning, from drivers to outcomes, according to financial professionals when they are working as an Advisor to the Client.

Figure 4.08: Advisor to Client - Subsystem One SID

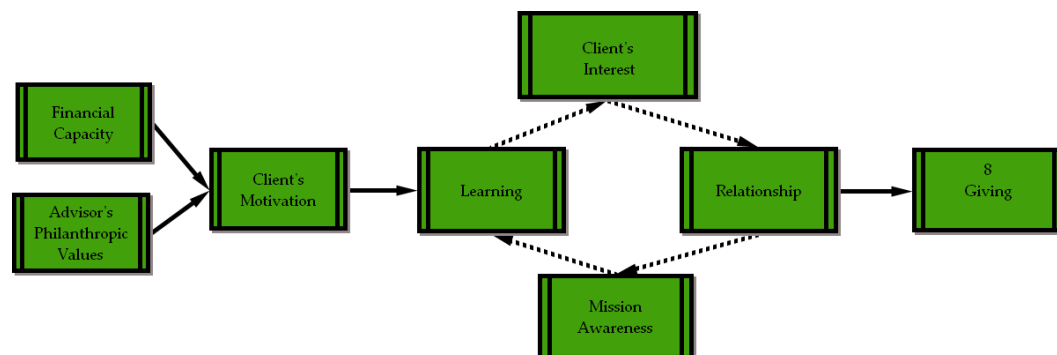


Figure 4.08 illustrates financial advisors' perceptions of charitable planned giving when they are advising clients. This system helps to explain how an advisor engages with clients as they move toward a decision about planned giving. The Advisor to the Client role is only part of the system; therefore the advisor's second role, Advisor to the Nonprofit is explained, in the next section.

Introduction Role Two – Advisor to the Nonprofit

As mentioned at the beginning of this chapter, advisors indicated that they often had two distinct roles within the charitable planned-giving system. The first set of axial and theoretical interviews provided data into the first subsystem, the role of the Advisor to the Client. The following set of axial and theoretical findings refers to the second subsystem, the role of Advisor to the Nonprofit. In this role, the advisors work on behalf of nonprofits either as board members or as planned-giving committee members. Because several of the affinities are common to both subsystems and do not change substantially in meaning from one system to the other, only the two additional affinities, Advisor's Experience and Resources, are

explicated in the axial section. As in the first subsystem, all relationships indicated in the IRD for subsystem two will be demonstrated in the theoretical coding summary.

Axial Coding Summary – Advisor to the Nonprofit

Advisor's Experience

Advisors want to feel that their time working on behalf of a nonprofit is worthwhile.

"I have served on several boards and planned-giving committees. Some have been much better experiences than others. The worst feeling is when you are sitting there thinking to yourself, 'I would much rather be out golfing, or for that matter, working. This is such a waste of my time!' Sometimes the not-for-profit people are a bit out of touch. My time is extremely valuable, so if I am going to volunteer, I need to walk away feeling good about the experience with the nonprofit."

Resources

If an organization is going to undertake or to expand a planned-giving program, it must commit the necessary resources.

“The hot thing right now because of the intergenerational wealth transfer is planned giving. Every nonprofit wants to get into the planned-giving game. In the last two or three years I have been asked to help advise four or five different boards on how to do this. Time and time again board members say they want to get serious about planned gifts, yet they don’t allocate the money for staff or training, so the program never gets off the ground!”

Theoretical Coding Summary – Advisor to the Nonprofit

Affinity Relationship Table

The relationships financial advisors in role two, Advisor to the Nonprofit, identified between each affinity pair are documented in an Affinity Relationship Table (ART) Table 4.05. This table summarizes the relationships identified in the theoretical coding process.

Table 4.05: Composite Interview Affinity Relationship Table

Affinity Name
1. Mission Awareness
2. Advisor's Charitable Values
3. Learning
4. Advisor's Experience
5. Resources

Composite Interview Affinity Relationship/ Frequency Table			
Affinity Pair Relationship	Frequency	Affinity Pair Relationship	Frequency
1 → 2	1	2 → 4	12
1 ← 2	11	2 ← 4	0
1 → 3	6	2 → 5	10
1 ← 3	6	2 ← 5	2
1 → 4	10	3 → 4	10
1 ← 4	0	3 ← 4	4
1 → 5	4	3 → 5	10
1 ← 5	6	3 ← 5	2
2 → 3	10	4 → 5	9
2 ← 3	0	4 ← 5	3

Interrelationship Diagram

To begin rationalizing the system, an Interrelationship Diagram (IRD) was again created by using the Pareto Protocol (See Appendix B) and by placing arrows into a table depicting the affinity pair relationships

summarized in the ART (Table 4.06). Conflicting relationships are highlighted on the ART. The composite interview IRD and the IRD sorted in order of deltas are shown in Tables 4.05 and 4.06 .

Role Two - Advisor to Nonprofit IRD

Affinity Name	
1.	Mission Awareness
2.	Advisor's Philanthropic Values
3.	Learning
4.	Advisor's Experience
5.	Resources

Table 4.06: Composite Interview IRD

Tabular IRD								
	1	2	3	4	5	OUT	IN	Δ
1		←	←	←	←	0	4	-4
2	↑		↑	↑	↑	4	0	4
3	↑	←		↑	↑	3	1	2
4	↑	←	←		↑	2	2	0
5	↑	←	←	←		1	3	-2

Table 4.07: Sorted Composite Interview IRD

Tabular IRD – Sorted in Descending Order of Δ								
	1	2	3	4	5	OUT	IN	Δ
2	↑		↑	↑	↑	4	0	4
3	↑	←		↑	↑	3	1	2
4	↑	←	←		↑	2	2	0
5	↑	←	←	←		1	3	-2
1		←	←	←	←	0	4	-4

Table 4.08: Advisors-Role Two Tentative SID Assignments

Tentative SID Assignments	
Advisor's Philanthropic Values	Primary Driver
Learning	Secondary Driver/Loop
Advisor's Experience	Secondary Driver/Loop
Resources	Pivot/Loop
Mission Awareness	Primary Outcome

Relationship Descriptions

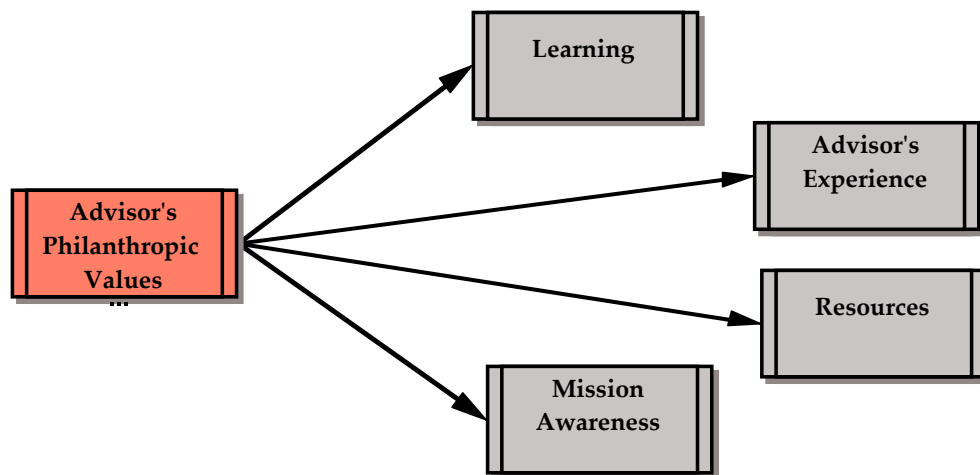
A description of each relationship represented in the system follows. These relationship descriptions explain the entire system of

drivers and outcomes based on a composite of the financial advisors' interviews. As in role one, Advisor to the Client, the theoretical codes describing the link between affinity pairs are interpreted for role two, Advisor to the Nonprofit, beginning with the affinities influenced by the system's primary driver and proceeding through to the primary outcome.

Advisor's Philanthropic Values influence...

The Advisor's Philanthropic Values are a primary driver of charitable gift planning. This affinity influences all other elements of the system.

Figure 4.09: Advisor's Philanthropic Values



Learning. “Well, most of the time when I am asked to advise a nonprofit or to sit on a committee, it is at least in part, so that I can help to educate the board about planned giving. Because I personally value philanthropic giving, I am sure this comes through formally in the seminars and training sessions I do, but also informally in my conversations with other people involved with the nonprofit.”

Advisor’s Experience. “My experience serving a nonprofit is not only based on what the organization does for me, but also what I can do for the organization. I have a strong work ethic, I believe in getting things done and I bring this to my volunteer work, as well. If I cannot help them, then I need to get out of the way and let someone else do the job.”

Resources. “If I have agreed to help an organization then I will give one hundred percent. This means my time, talent, and treasure, so I enhance the organization’s resources in any way I can.”

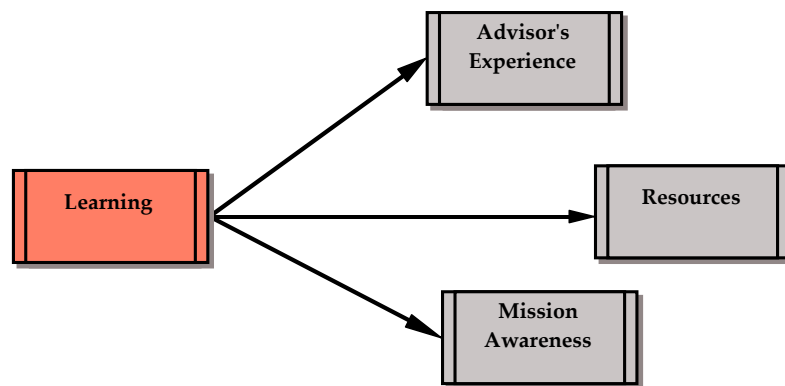
Mission Awareness. “I won’t serve on a board that I don’t believe in. If I cannot help them work toward achieving their Mission and getting the word out, then I don’t want to be there. I know some people join

boards to make their resumes look better, but that is not the primary reason I am there. Sometimes my values may have a direct influence on the organization's Mission, especially if I am in a position to influence policy or investment decisions, but the primary reason I am there is to help them raise money."

Learning influences...

Learning is a secondary driver functioning as part of a dynamic feedback loop. Learning directly influences the Advisor's Experience, Resources, and Mission Awareness.

Figure 4.10: Learning



Advisor's Experience. "The Learning component of any planned-giving program is essential. When I am on a planned-giving committee, I

want to know that the other committee members, and the board, know about, or are willing to learn, the basics of planned giving. Nobody expects them to have a Ph.D. in the field, but they need to become conversant in order to help move the program forward. I've been involved in a couple of organizations, but not for long, because not only did the other volunteers not know about planned giving, they didn't really seem to know about the organization in any in-depth way. I want to learn about the organization as much as I want to help them learn.

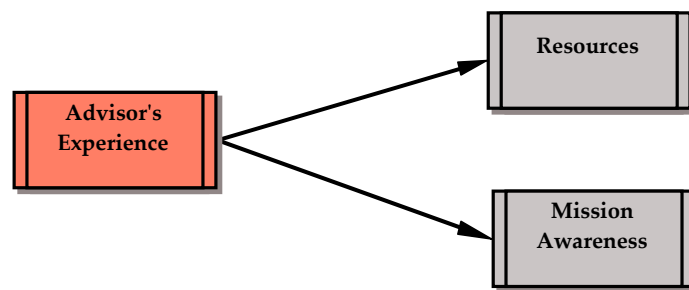
Resources. "Any serious person is going to want to be involved with an organization with sufficient resources that is willing to put their money where their mouths are. There is just no way around it: launching a planned-giving program requires an investment. My advice is: 'Don't do it if you are not going to be serious about it.' Sometimes the board says it wants to get into planned giving, but once they realize what it takes, they back off or just give it lip service."

Mission Awareness. "Learning is key to advancing people's understanding of the nonprofit's mission, both inside and outside. The

director and the board have to make sure that they all articulate the same message, so it is clearly understood by the people they talk to. Then, in turn, those of us serving the organization can help to spread the word.”

Advisor’s Experience influences...

Figure 4.11: Advisor’s Experience

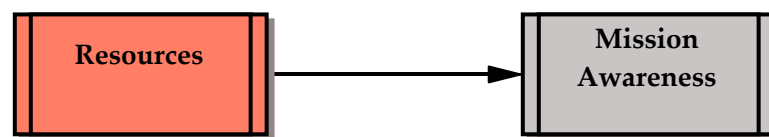


Resources. “This is straightforward really. The more enjoyable my experience in serving the organization; the more willing I will be to increase the organization’s resource base. This may be through conducting trainings, doing *pro bono* work, or making an outright donation. It might even be delivering sandwiches to the homeless, but how I feel about the time I spend working for that organization has a direct impact on what I am willing to do.”

Mission Awareness. “The Mission is the reason I would get involved with the nonprofit in the first place. If I don’t believe in what they are trying to do, there is no reason for me to be there. My commitment to the organization will be based a lot upon how I feel they are doing in moving ahead with their Mission. In other words, if they are really working hard, trying to the right thing, which includes taking care of volunteers, then I will have a better experience. In the end, my experience helps them because then I help to make others aware of what the organization does for the community.”

Resources influence...

Figure 4.12: Resources



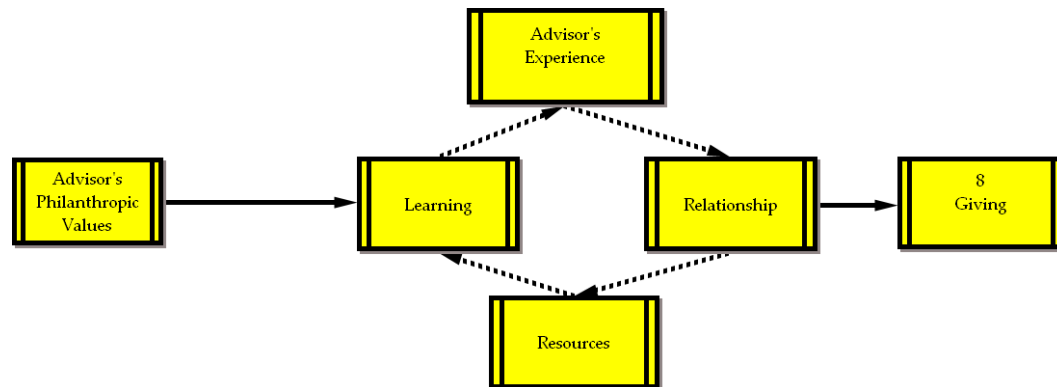
Mission Awareness. “It is pretty clear that there are lots of organizations out there wanting to do good things, but they just don’t have the staff and other resources to make much of an impact. With respect to planned giving, a serious program requires up-front

investment, but in ten, twenty thirty years, the pay off for the organization, and it's Mission, doing more so that more people become aware of the nonprofit, can be huge."

System Influence Diagram

The System Influence Diagram (SID) is a system representation of the relationship descriptions and the data contained in the IRD. This visual diagram shows the entire system of charitable gift-planning drivers and outcomes according to financial professionals when they are working as an Advisor to the Client.

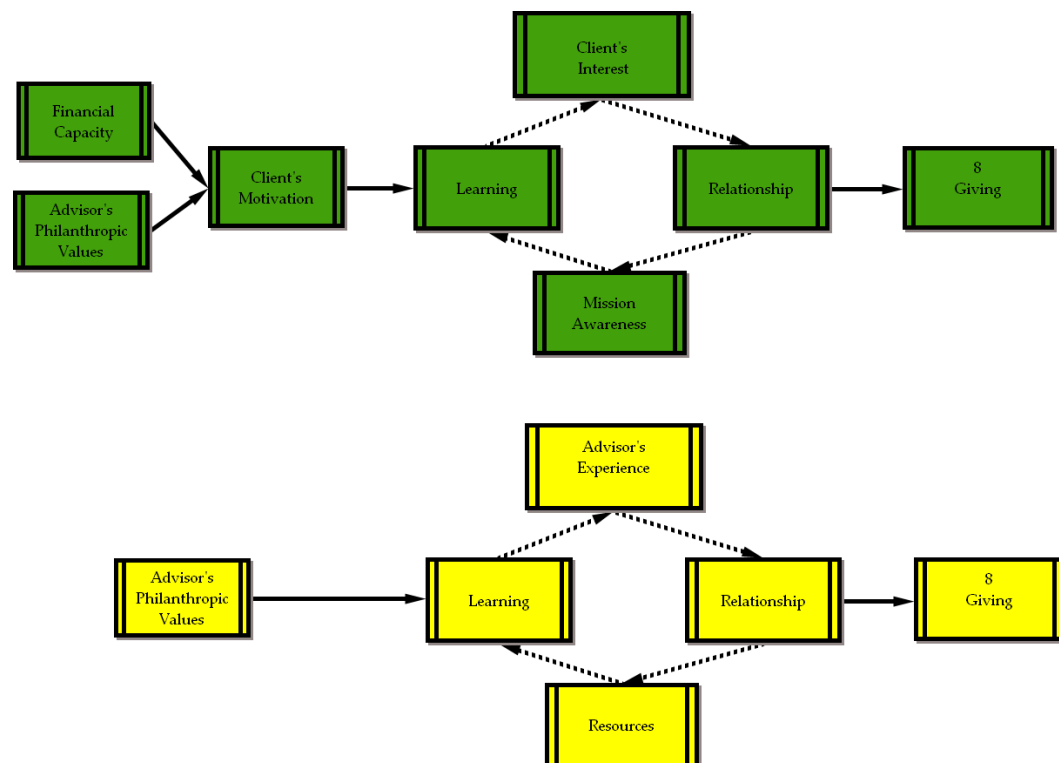
Figure 4.13: Advisor to the Nonprofit - Role Two SID



Joining the Subsystems

Interviews with financial advisors revealed that they perceive having two primary roles within the charitable planned-giving system. These two subsystems are shown in Figure 4.14.

Figure 4.14: Advisor Roles Side-by-Side SID Comparison



The advisors' systems (different roles) share four affinities:

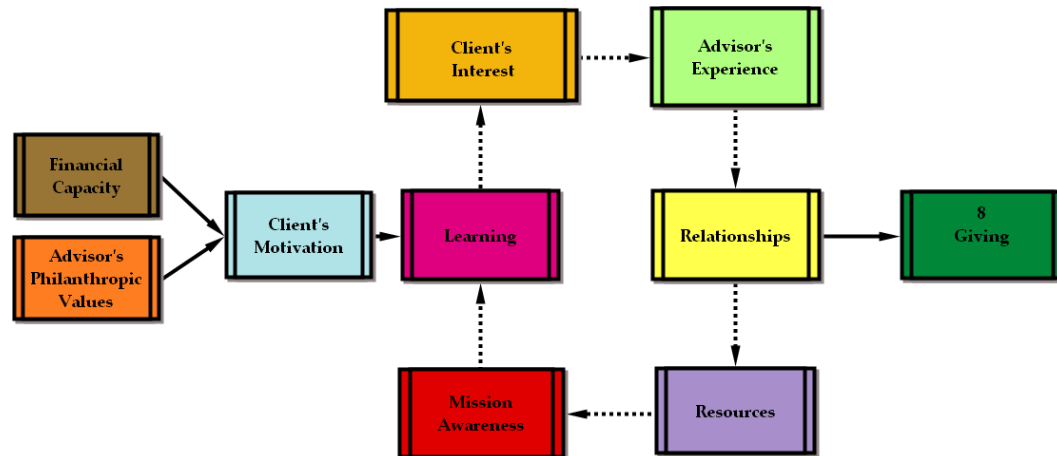
Advisor's Philanthropic Values, Learning, Mission Awareness, and Giving. Common affinities allow the two systems to be joined together

thus forming one comprehensive system depicting financial advisor's perceptions of their role in the charitable planned-giving system. Each affinity, and its relationship to other affinities, is maintained in the combined system. When the two financial advisors subsystems are combined into one, the resulting System Influence Diagram (SID) is a comprehensive system depicting both of the advisor's roles, which brings them together in one complete system of planned giving. Figure 4.15 illustrates the resulting combined system.

Exploring the Advisors' System

The combined systems form a system of charitable gift planning that represents the perceptions of financial advisors. The following section presents a "tour" of the system, which explains the interactions of the systems elements from drivers to outcomes. The system is depicted visually in Figure 4.15.

Figure 4.15: Financial Advisors' Theoretical Combined SID



The advisor's charitable gift-planning system begins with one of two affinities: Client Financial Capacity or Advisor's Philanthropic Values. Both affinities are primary drivers of the system that operate independently of one another, yet they come together to influence the client's motivation to engage in charitable gift planning. Clients must have the means to make the gift, but unless they arrive motivated, the Advisor's Philanthropic Values, whether or not they ask the philanthropic question, will drive the rest of the system. Once the client has been introduced to the topic of charitable gift planning, the advisor has the opportunity to educate the client. As evidenced in the diagram, the learning affinity is part of a dynamic, multi-dimensional system.

The nature of this learning exchange – the who, what, where, when, why, and how – is impacted by five other elements: Advisor’s Experience, Resources, Awareness of Nonprofit(s)’ Mission(s), the Client’s Interest in a particular area of philanthropy or a specific nonprofit, and the advisor’s Relationship with nonprofit development professionals. The system suggests that all the elements in this feedback loop work together to influence one another, and ultimately, to determine whether or not the charitable gift comes to fruition. The advisors’ system demonstrates that Giving ultimately is the interplay between the donor, the advisor, and the nonprofit. If the bridge between the donor and the nonprofit is not forged (primarily through the nonprofit’s concerted outreach efforts to advisors), the organization’s ability to implement or to grow a planned- giving program will be impeded.

Financial Advisors’ Summary: Demonstrating the System

The Financial Advisors’ system and this section is best closed with an interview quote that encapsulates the study’s findings.

*“I always tell the story of one of my clients. She’s a retired senior executive for IBM who has never been married. She’s sixty-six years old. A wonderful lady, intelligent, I’m telling you she’s class. So, I was helping her with her estate planning. That’s one thing she never really did much of, but now that she’s sixty-six, she has begun to think a little differently. Her heirs are nieces and nephews, of which there are twelve, all of whom are very successful in their own professions. As I was talking with her, we identified \$1.6 million dollars (**Client Financial Capacity**) in her IRA account. She had never really been philanthropically inclined, but when I explained (**Advisor’s Philanthropic Values & Learning**) to her the estate tax situation - her total estate exceeds \$6 million, that the beneficiaries would have to pay taxes at their rate in addition to the estate tax, she started to take interest (**Client’s Motivation**). Those young people would be lucky to get twenty-eight cents on the dollar if she left the money to them (**Learning**). So, we identified that IRA as the charitable donation. But, just in case she needed it, she wanted to maintain control during her lifetime, but she changed the beneficiary to five charities (**Mission Awareness**), so each is going to get well over three hundred thousand.*

*One of the organizations benefiting from her planned gift is a women's and children's shelter that I have done some work with before (**Advisor's Experience**). A friend of mine, another advisor, sits on the board (**Relationships**) and has helped them since the shelter started in the early 80's. In fact, she and I just recently did a donor planned-giving seminar (**Resources**) for them for free, which resulted in a couple of other gifts for the organization. So, I didn't direct where her money went, but through our conversations she decided to take a look at the shelter (**Client's Interests**). I connected her with my contact there. And, as they say, the rest is history (**Giving**). Both the organizations and I hope she lives a long time, but someday when she does pass on, whatever is left in that account is going to go to them. But, that piece wouldn't have come if I hadn't directed the conversation in that manner (**Advisor's Philanthropic Values**)."*

DEVELOPMENT PROFESSIONALS

Since donors often work with both financial advisors and development professionals in the charitable gift-planning process, interviews were conducted with sixteen development professionals (four

for pilot interviews and twelve for IQA interviews) from different types of nonprofits in order to ascertain what their perceptions were regarding a system of planned giving. While quite similar, development professionals viewed the process of planned giving somewhat differently than financial advisors. The following overview describes the system that emerged from the interviews with development professionals.

- The interviewees included representatives from higher education – both community colleges and four-year institutions – as well as individuals from large, well-known national nonprofits. Five women and eleven men comprised the development professional constituency. One interviewee was of Hispanic origin while all other fifteen were Anglo.
- The development professionals, like the advisors, were from communities with as few as 100,000 residents to cities with more than 1,000,000 people.
- Development professionals resided in Iowa, Texas, and Florida.

- All sixteen development professional participants had more than ten years in fundraising; eight had more than twenty years; and three had twenty-five years or more experience.
- Four of the development professionals had worked as both financial advisors and development professionals.

The processes used to identify, to interview, and to analyze interview data for development professionals were procedurally identical to those used with the financial advisors. Pilot and IQA interviews yielded seven affinities composing the development professionals' system. They were: Financial Capacity, Donor's Motivation, Relationships, Learning, Mission Awareness, Donors' Interests and Giving.

Axial Coding Summary

A composite description of each factor, as described by development professionals, follows. The descriptions include data from both the pilot and interviews conducted using the interview protocol.

Financial Capacity

Donors must have the means to make a charitable gift, but that does not mean they have to have a lot of wealth.

“The client’s financial capacity in the world of philanthropy means that they are capable of doing a deferred, long-term type gift through their will, through a planned-giving vehicle like a charitable lead trust or charitable remainder trust. What is their financial situation: in other words, are they making current gifts; are they *only* able to make current gifts; or do they have the ability to do something more?”

Donor Motivation

Donors have to be motivated to give, but people give for different reasons.

“People give because they feel some connection to us. Maybe they themselves have not benefited from our services, but perhaps a family member has. Giving is all about relationships and connections that flow in both directions.”

Relationships

Relationships with financial advisors increase the incidence of planned giving.

The stronger the relationship, the more likely the Advisor is to steer the client toward the nonprofit.

“That really has so much to do with how you raise money. You first connect, you really befriend people, then all of a sudden, they see the value in your organization. I am just a bridge between the institution and the donor. It’s a fine line, you want people to remember you in their estate plan, but they’re talking about their death. We only do what we do through the little subtleties, and I mean real subtle, we don’t push it. The estate gifts that we’ve received, the things that we know are coming, are strictly a result of the relationships.”

Learning

Educating the larger community comprised of donors and advisors, through a variety of means – informally and formally – about the organization and charitable giving is important.

“Charitable gift planning is complicated, so there is need for everyone involved to learn about the organizations in the area and about how the process works. For the average donor, the concepts can be overwhelming. Even lots of advisors out there don’t understand how these gifts really can work to their client’s benefit, so we try to help with it all.”

Mission Awareness

Awareness or understanding of the organization’s Mission Awareness is critical. Even if an organization is doing what it should, people must be made aware.

“There are a lot of social service agencies and nonprofits, so any way you go there is going to be competition. I think the thing we learned a long time ago is that we have to talk Mission, always talk about what we are doing. It will never change. You really have to talk Mission if you want to get people’s attention.”

Donor's Interest

The Development Professional considers donor's interest to include not only a desire to make a charitable gift, but also making sure the donor is doing what is best for his family and him.

"We are advocates for the donor. We have to always be looking out for the donor's interests, as well as the organization's, but the donor's interest in giving to us must be balanced with what will work for him in the long run. There are a lot of elderly people out there, many of whom seem sharp as a tack, and are, but development officers have to be sure to always include the other advisors and family members in the process."

Giving

Giving is the ultimate realization of someone's interests and is the ultimate desirable outcome for development professionals.

"It really, really is about helping people. I get so excited because people can make a difference and they do not need a lot of assets to do it. In planned giving, every one of us has an estate, whether it be a penny or a large estate. Everyone can do a gift if they are sufficiently motivated to plan to do it."

Theoretical Coding Summary

The axial coding summary described the factors development professionals identified when asked about charitable gift planning. These descriptions add richness to the results of the theoretical interview, which identified relationships between the affinities. Like the financial advisors' theoretical analysis, the analysis that follows includes: summarizing the relationships, rationalizing the system, initial affinity placement, and representing the system.

Affinity Relationship Table

The relationships development professionals identified between each affinity pair were documented in an Affinity Relationship Table (ART) (Table 4.09). This table summarizes the relationships identified in the theoretical coding process.

Table 4.09: Development Professional Affinity Relationship Table

Combined Interview Theoretical Code Frequency Table							
Affinity Pair Relationship	Frequency		Affinity Pair Relationship	Frequency		Affinity Pair Relationship	Frequency
1 → 2	3		2 → 4	2		3 → 7	7
1 ← 2	0		2 ← 4	7		3 ← 7	3
1 → 3	8		2 → 5	8		4 → 5	10
1 ← 3	0		2 ← 5	8		4 ← 5	0
1 → 4	0		2 → 6	8		4 → 6	4
1 ← 4	0		2 ← 6	4		4 ← 6	0
1 → 5	8		2 → 7	2		4 → 7	3
1 ← 5	0		2 ← 7	6		4 ← 7	8
1 → 6	10		3 → 4	2		5 → 6	10
1 ← 6	0		3 ← 4	8		5 ← 6	0
1 → 7	8		3 → 5	8		5 → 7	0
1 ← 7	4		3 ← 5	3		5 ← 7	11
2 → 3	8		3 → 6	7		6 → 7	0
2 ← 3	5		3 ← 6	1		6 ← 7	10

Interrelationship Diagram

To begin rationalizing the system, the researcher created an Interrelationship Diagram (IRD) by placing arrows into a table depicting the affinity pair relationships summarized in the ART (Table 4.09). The interview group's IRD and the IRD sorted in order of deltas is shown in Tables 4.10 and 4.11. Utilizing the Pareto Principle, all relationships

reported had to be included in the final SID (See Appendix C), including accounting for 7 pairs of conflicting relationships. The conflicting relationships are highlighted in the ART (Table 4.09). The deltas listed in the sorted IRD mark the relative position of the affinities within the system. The initial placement of the affinities in the SID is represented in the Tentative SID Assignments Table (Table 4.12).

Affinity Name
1. Financial Capacity
2. Relationships
3. Mission Awareness
4. Learning
5. Donor's Interests
6. Giving
7. Donor's Motivation

Table 4.10: Development Professional IRD

Tabular IRD										
	1	2	3	4	5	6	7	OUT	IN	Δ
1		↑	↑		↑	↑	↑	5	0	5
2	←		↑	←	↑	↑	←	3	3	0
3	←	←			↑	↑	←	3	2	1
4		↑	←		↑	↑	←	3	2	1
5	←	←	←	←		↑	←	1	5	-4
6	←	←	←	←	←		←	0	6	-6
7	←	↑	↑	↑	↑	↑		5	1	4

Table 4.11: Development Professional Sorted IRD

Tabular IRD – Sorted in Descending Order of Δ										
	1	2	3	4	5	6	7	OUT	IN	Δ
1		↑	↑		↑	↑	↑	5	0	5
7	←	↑	↑	↑	↑	↑		5	1	4
4		↑	←		↑	↑	←	3	2	1
3	←	←			↑	↑	←	3	2	1
2	←		↑	←	↑	↑	←	3	3	0
5	←	←	←	←		↑	←	1	5	-4
6	←	←	←	←	←		←	0	6	-6

Table 4.12: Development Professionals Tentative SID Assignments

Tentative SID Assignments	
1	Financial Capacity – Primary Driver
7	Donor's Motivation – Secondary Driver
4	Mission Awareness – Loop
3	Learning – Loop
2	Relationships – Loop
5	Donor's Interests – Secondary Outcome
6	Giving – Primary Outcome

Relationship Descriptions

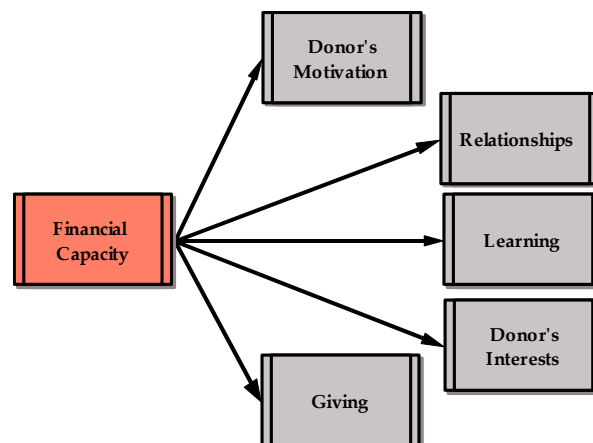
A composite description of each relationship is represented in the system. These relationship descriptions explain the entire system of drivers and outcomes based on community developer focus group data.

Theoretical codes describing the link between affinity pairs are interpreted beginning with the affinities influenced by the system's primary driver and proceeding through the primary outcome of the system.

Financial Capacity influences...

Financial Capacity is a primary driver in the Development Professionals' system. According to Development Professionals, Financial Capacity influences Donor's Motivation, Relationships, Learning, Donor's Interests and Giving.

Figure 4.16: Financial Capacity



Donor's Motivation. "Financial capacity has to drive the donor to give as far as any reputable development person is concerned. The donor

can have the motivation, but unless there is enough money for the gift to make sense, the donor shouldn't do it. In that way, capacity drives motivation."

Relationships. "Some of the relationships I have with advisors are the result of one of my donors wanting to make a gift. Sometimes people don't have a financial advisor, but they have the means to make the gift. When this happens, I have to be careful, but I do have a short list of advisors who I feel comfortable recommending."

Learning. "When a client has the ability to make a gift, all kinds of learning takes place. They need to work with their advisor, and ideally with me, to discuss the different options we have available and how they will fit with their overall estate plans."

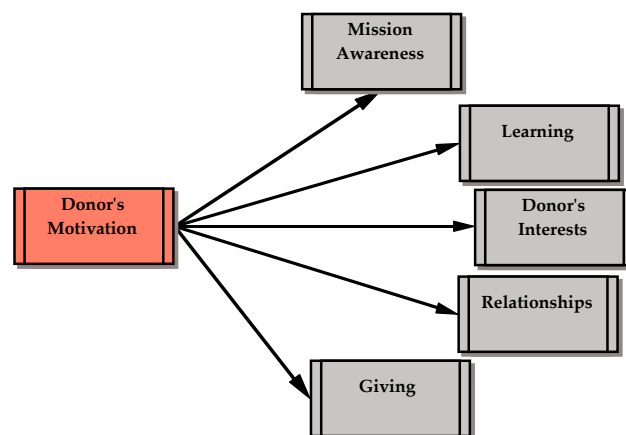
Donor's Interests. "When people have the means to give, then they will explore their interests, they will look into the community to see what's going on, or they may already be involved with some organizations, or their church, so they will look in those places to see what interests them."

Giving. “Most people think that a person has to be super wealthy to make a planned gift, but that’s not true. So long as they have enough assets to support them throughout their lifetime and to take care of their family, they can do a gift. Every one of us will have an estate; and most of us, if we would save and plan, could leave something to our favorite nonprofit.”

Donor’s Motivation influences...

Donor Motivation is a secondary driver of the advisors’ system influencing all other affinities except for Financial Capacity. Donor Motivation directly influences Mission Awareness, Learning, Donor’s Interests, Relationships, and Giving.

Illustration 4.17: Donor’s Motivation



Relationships. “Some of my donors were the catalysts for my forming relationships with several local advisors. Because of my work, working with donors to plan gifts, they frequently bring me into meetings with their advisors so that we can all work together. Taking a team approach is important. The donor’s advisors need to be almost as comfortable with the plan as the donor himself.”

Learning. “When a donor is interested in making a gift, then I can talk to him about the sorts of instruments that might be appropriate. If a donor doesn’t have a motivation, he is not likely to be interested in listening to what I have to say.”

Mission Awareness. “The people who come to us wanting to donate do so because they have an idea of what we do and they want to help us do it better, or longer, or for more people.”

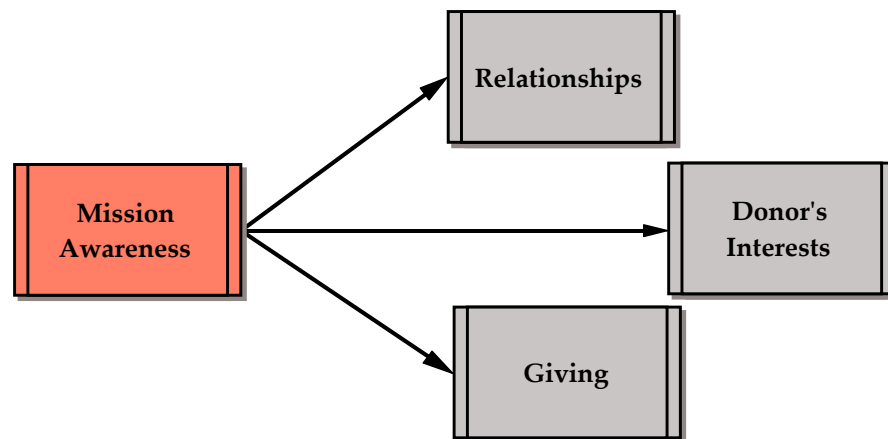
Donor’s Interests. “Motivation precedes interests. The two are related, but Motivation is what leads people to discover their interests, either in a general area or in a certain nonprofit.”

Giving. “No matter what drives the motivation, it just has to be there before someone makes a gift.”

Mission Awareness influences...

Mission Awareness is a secondary driver of the Development professionals’ system. Mission Awareness impacts Relationships, Donor’s Interests, and Giving.

Figure 4.18: Mission Awareness



Relationships. “Advisors have to be aware, or be made aware of our Mission in order for there to be a relationship. Sometimes they come our way *because* they know the good work we do. Other times, though, we have to take the Mission to them because a lot of them do not really

understand all the things that we do in the community. I have seen many a prospective gift kabashed by an advisor, usually a CPA or attorney, who was unaware of the organization's Mission."

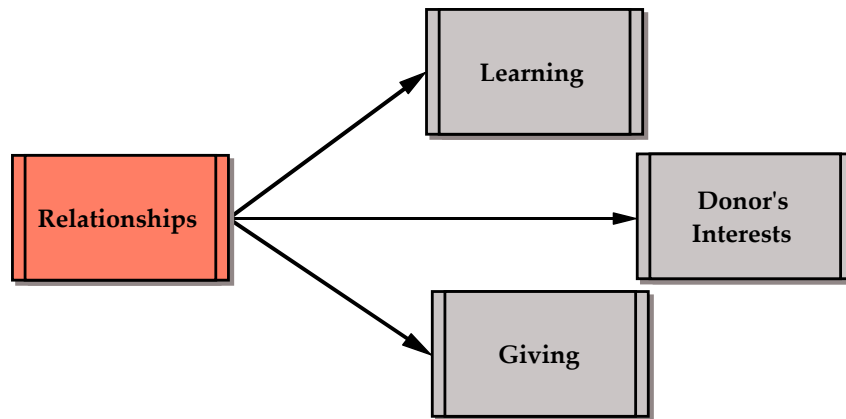
Donor's Interests. "We don't expect the advisor to *push* our organization, but we are asking them to consider mentioning our organization when they are working with a client who has an interest in this area."

Giving. "I cannot really imagine someone giving some of their hard-earned money to an organization unless they were familiar with its Mission. In most cases, I would think, the donor has not only to be aware of and understand it, but they also have to support the Mission, too."

Relationships influence...

According to Development Professionals, Relationships with Advisors are a critical part of charitable planned giving. Relationships influence Learning, Donor's Interests and Giving.

Figure 4.19: Relationships



Learning. “Once a relationship is cultivated with the advisor, then I can talk to them about the organization – what we do and how we can work with their clients. The relationship also provides me the opportunity to talk to the advisor about ways they might be able to work with us, too, if they are interested. One big advantage we have in the community college is that we can provide attorneys and CFPs with their required continuing education training, so this is another way the relationship can impact learning.”

Donor’s Interests. “Can an advisor actually steer a client in our direction? I don’t know, but I do think they can talk to their clients about

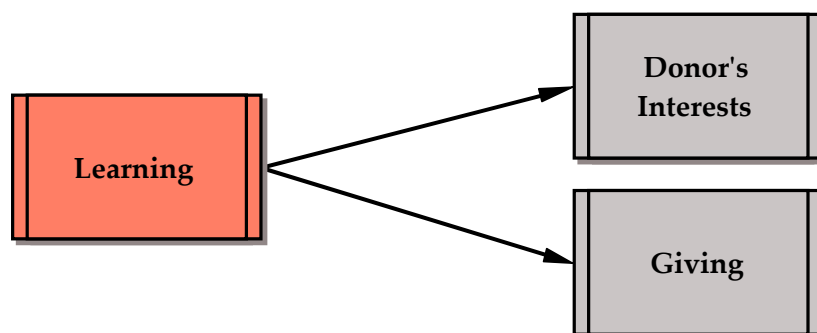
us when it is appropriate, so in that way they might influence the donor's interests."

Giving. "Before we started cultivating relationships with advisors, we just were not getting any interesting gifts. We got some simple bequests, but not charitable remainder trusts or anything like that. Since we started doing annual continuing education seminars the gifts have come rolling in."

Learning influences...

Learning is influenced by as many affinities as it influences; thus, it functions as part of a feedback loop. In the development professionals' system, Learning directly influences Donor's Interests and Giving.

Figure 4.20: Learning



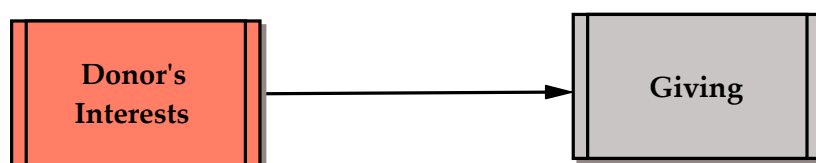
Donor's Interests. "Learning impacts Donor's Interests in a couple of ways. When we try to educate the advisor about us, it is so they can pass along that information to their clients. We even have printed materials that we ask them to distribute. It [learning] also is a big part of why donors connect to us. If you consider communicating with the community about what we are doing, the numbers of people we serve, education, then it also motivates donor's interests like this, too."

Giving. "If we do a good job of educating people about how we touch people's lives, and show them that we are good stewards of their money, then they will be inclined to give, but it is our job to make sure they know that."

Donor's Interests influence...

As a secondary outcome of the Development Professionals system of charitable planned giving, Donor's Interests directly impact Giving.

Figure 4.21: Donor's Interests



Giving. “Just like with the Mission Awareness, a donor is only going to give to an organization that he is interested in, right? It just makes sense. There are a lot of great organizations in this town that people can give their money to, so they have to be interested in what we are doing, how we are making a difference, in order to give to us.”

System Influence Diagram

The System Influence Diagram (SID) is a system representation of the relationship descriptions and the data contained in the IRD. This visual diagram shows the entire system of charitable gift-planning drivers and outcomes according to community developers. By removing redundant links, an uncluttered SID was developed to depict Development Professionals’ perceptions of charitable gift planning. In order to reconcile conflicting affinity relationships (to create a SID that illustrates all relationships indicated in the Pareto Protocol) (See ART Table 4.09), it was necessary to add the link between Giving and the Mission Awareness-Relationships-Learning-Donor’s Interest loop. The resulting SID is illustrated in Figure 4.22.

```

graph LR
    FC[Financial Capacity] --> DM[Donor's Motivation]
    DM --> R[Relationships]
    R --> L[Learning]
    R --> MA[Mission Awareness]
    L -.-> DI[Donor's Interests]
    DI -.-> G[Giving]
    MA -.-> DI
    MA ==> G
  
```

The flowchart illustrates the Donor Decision-Making Process. It begins with 'Financial Capacity' leading to 'Donor's Motivation', which then leads to 'Relationships'. From 'Relationships', the process branches into 'Learning' and 'Mission Awareness'. 'Learning' leads to 'Donor's Interests', which then leads to 'Giving'. 'Mission Awareness' also leads to 'Donor's Interests' and directly to 'Giving'.

The SID represents a system of charitable gift planning based on the perceptions of development professionals. The development professionals' system of charitable gift planning begins with the donor's Financial Capacity and "ends" with an act of Giving. How each affinity is perceived influences subsequent affinities (Northcutt & McCoy, 2004). According to development professionals, donors who have the financial capacity are influenced by the confluence of the Mission Awareness-Relationships-Learning-Donor's Interests feedback.

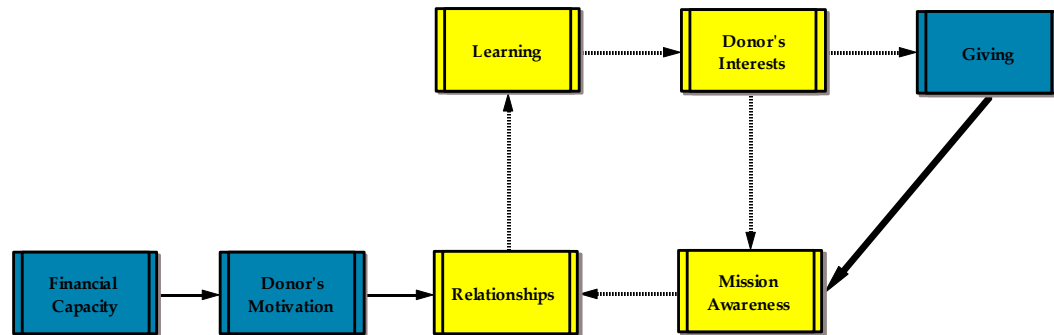
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organization's Mission, he can potentially impact the Donor's Interests by discussing with his client how that particular nonprofit may be congruent with the Donor's Interests, thereby leading to the donor's making a planned gift.

Feedback Loops

The development professionals' charitable gift-planning system does not include a secondary outcome; instead, a feedback loop consisting of four affinities, each influencing the others, is depicted. The four affinities composing this loop include: Mission Awareness, Learning, Relationships, and Donor's Interests. Since the SID suggests these four elements operate together, the distinction between drivers and outcomes is blurred (Northcutt & McCoy, 2004). Because of their interconnectedness, these factors have meaning as a dynamic set of affinities.

Figure 4.23: Development Professionals' Feedback Loop One

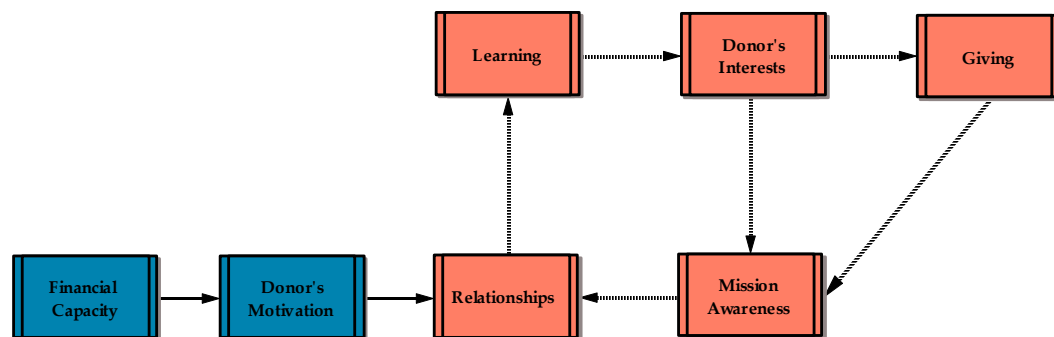


The Mission Awareness-Relationships-Learning-Donor's Interests feedback loop is always in motion (See Figure 4.23). That is, the donor may enter the system, after having crossed the threshold of financial capacity, into the loop at any point. Where and how the donor enters into this loop affects how many of the other elements he must move through before engaging in planned giving. It may also be the case that the donor will remain in the loop for some period of time, perhaps even years, as he works between his team of advisors and the development professional before deciding to engage in planned giving.

There is another loop present in the system, which is a bit more difficult to conceptualize. The feedback loop between Giving can be

formed with any two of the elements in the Mission Awareness-Relationships-Learning-Donor's Interests feedback loop (See Figure 4.24).

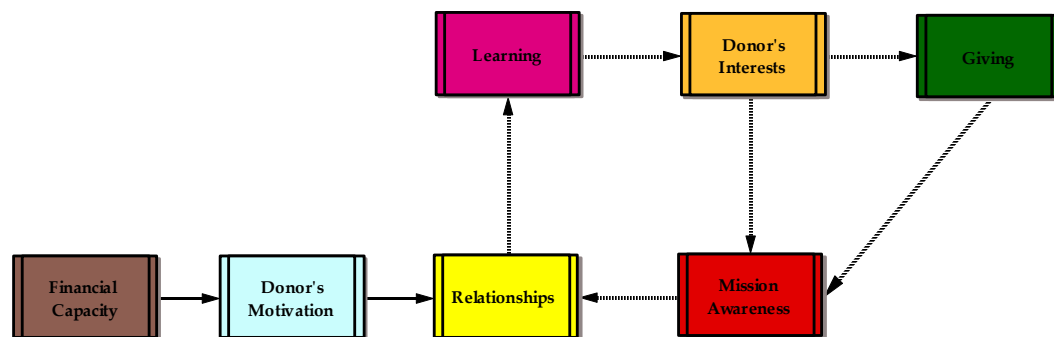
Figure 4.24: Development Professionals' Feedback Loop Two



While Giving is the primary outcome of the Development professionals' system it can also be, in a very real sense, a starting point as well. For some donors, especially those already connected to an organization, the development professional (whose job it is to solicit gifts) will initiate the planned-giving discussion. If the prospective donor is sufficiently interested, the Development professional will "reach backward" into the system, by educating the client regarding the types of charitable gifts the organization is prepared to receive, and by suggesting to the client that he bring his advisor into the discussion. The Development professionals' system of Charitable Planned Giving

demonstrates the complex nature of planned giving, and especially, the pivotal role that Financial Advisors can play in the realization of gifts.

Figure 4.25: Development Professionals' System Influence Diagram



Development Professionals' Summary: Demonstrating the System

A DEVELOPMENT PROFESSIONAL' QUOTE

"The second million dollar gift came via a CPA who attended our first continuing education seminar here on campus. He had a client, a very wealthy client (**Financial Capacity**). He called me up one day (**Relationships**) and said 'I've got somebody that's kind of interested in doing something out there (**Donor's Interest**).' And he told me who she was. I told him that we were planning a new building, but he didn't think she was going to be interested in naming a science building (**Mission Awareness**). Well, as it turned out, the science building is named after her

parents. Her dad was a pharmacist and her mother was a nurse. They had given her this money, **(Financial Capacity)** and she had never used a dime of it, so she used it to name this building in their honor. She had no previous relationship with the college **(Mission Awareness)**. It definitely was the result of the advisor **(Relationships)**. He went to the seminar. He heard the information **(Learning)**. He heard the dog and pony show about the college **(Mission Awareness)**. He had a donor with a tax problem, which could be helped by some type of philanthropic opportunity **(Giving)**. He carried the mail on that one – straight from the seminar.”

CONCLUSION

Research results produced axial and theoretical code data for two constituency groups, financial advisors and development professionals. These data were utilized to identify and describe the factors that comprise perceptions of the charitable gift-planning process and to define how these factors relate. To illustrate the data visually, and to allow for comparison and inferences, system representations were created for both constituencies. The financial advisors’ system depicts charitable gift

planning as a process that brings together the Advisor's Philanthropic Values with the Capacity of the client to engage with an organization's Planned-Giving Program. The Scope of the program in turn impacts the incidence of planned gifts to the organization. In contrast, the development professionals' system is a multi-directional and dynamic system that emphasizes people more than process.

Figure 4.26: Financial Advisor's Theoretical Combined Summary SID

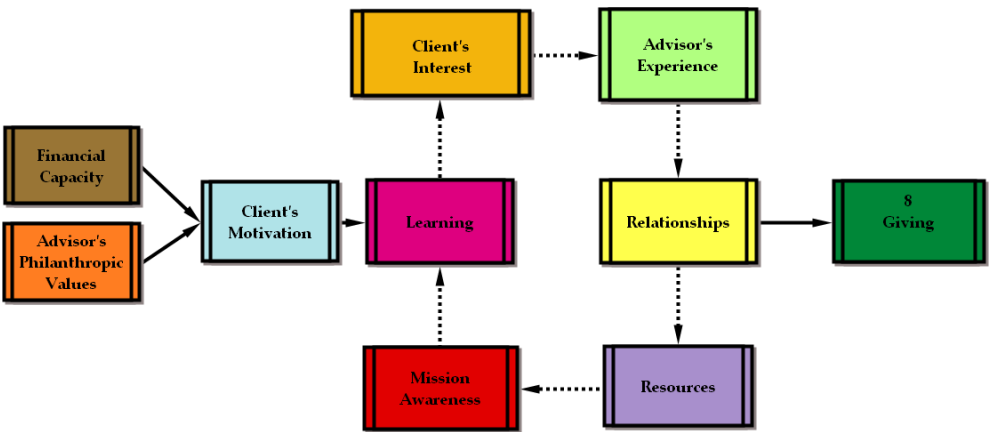
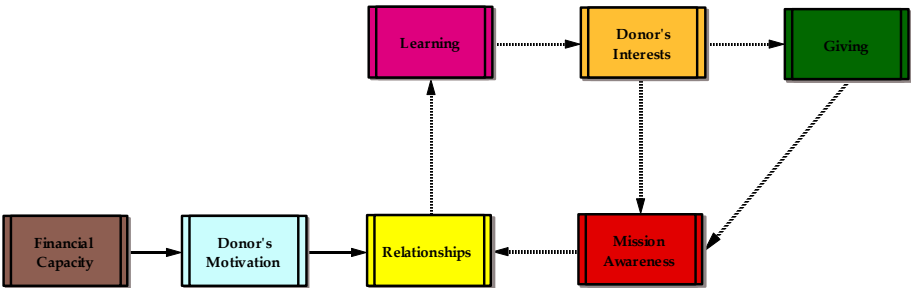


Figure 4.27: Development Professionals System Influence Diagram



In the final chapter, these two systems are compared and inferences are made based on theoretical perspectives to link the systems. The resulting implications produce a comprehensive grounded theory on charitable gift planning.

Chapter V: Implications

INTRODUCTION

Research suggests that legal and financial advisors can play an important role in helping community colleges cultivate major and planned gifts. Relationships with these advisors may take different forms: membership on foundation boards, participation in foundation planned giving advisory committees, participation in planned-giving seminars or other types of informal relationships.

The purpose of this study was to explore the perceptions of financial advisors and development professionals in order to develop a grounded theory of the advisors' role in the charitable gift-planning process. Data were collected and analyzed to examine the factors that compose the charitable gift-planning systems as well as how these factors relate. Conceptual mind maps were created to produce a system representation of charitable gift planning for each constituency group.

The last phase of the study involved comparing the systems and drawing conclusions (Northcutt & McCoy, 2004) in order to answer this

study's third research question: How do financial advisors' and development professionals' charitable gift-planning systems compare, and what are the implications for implementing and sustaining a collaborative system of planned giving?

This chapter begins with a summary of research results, followed by a comparison of conceptual mind maps. The conceptual implications of the systems are explored and inferences are drawn based on theoretical perspectives. The chapter concludes with forecasts and hypothetical interventions suggested by the theoretical model. The model is used to identify implications for financial advisors' roles in charitable gift planning, as well as to make predictions beyond the context of the study. Recommendations for further study are integrated throughout the chapter.

SUMMARY OF RESEARCH RESULTS

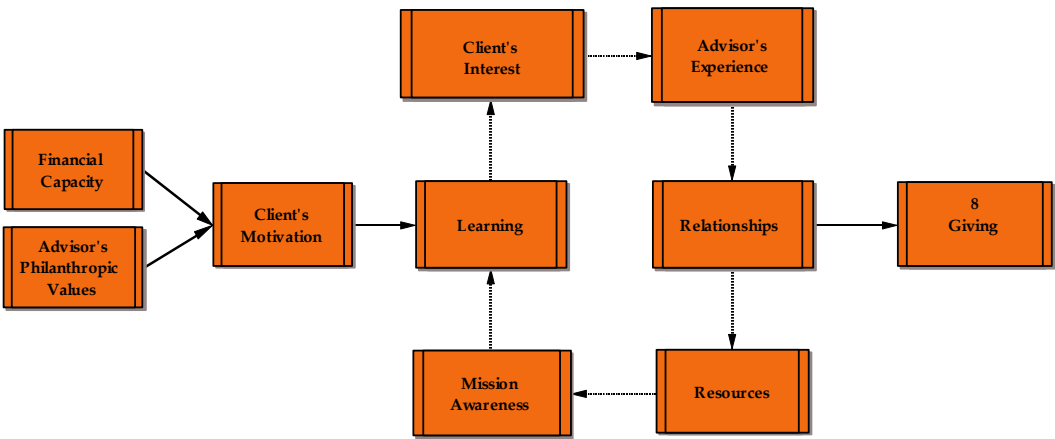
Data from interviews were collected and analyzed using Interactive Qualitative Analysis (IQA). IQA is a systems approach to understand and explain phenomenological elements and relationships. The research

results captured a constructed view of charitable gift planning from the perspective of two constituency groups: financial advisors and development professionals.

Financial Advisors

Financial Advisors identified ten factors in answering the first research question: What are the features of a collaborative system of planned giving from the point of view of financial advisors? These elements included: Financial Capacity, Advisor’s Philanthropic Values, Client Motivation, Learning, Mission Awareness, Relationships, Client’s Interests, Resources, Advisor’s Experience, and Giving (See Figure 5.01).

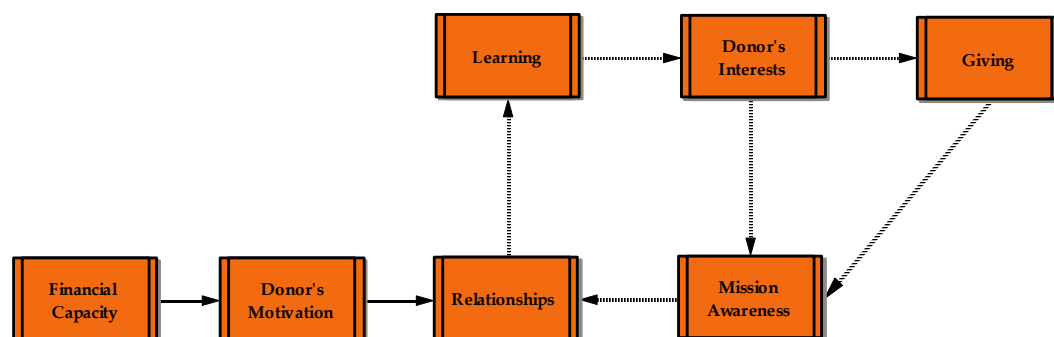
Figure 5.01: Financial Advisors SID



Development Professionals

In addition to the financial advisor constituency, a group of development professionals was asked to describe charitable gift planning. This group viewed charitable gift planning, specifically the role of the advisor, differently than the advisors. As discussed in the previous chapter, development professionals identified Financial Capacity, Donor's Motivation, Relationships, Learning, Donor's Interests, Mission Awareness, and Giving in response to the second research question: What factors comprise community developers' perceptions of charitable gift planning and how do these factors relate? Figure 5.02 depicts the affinity relationships that development professionals defined.

Figure 5.02: Development Professionals SID



SYSTEM COMPARISON AND CONTRAST

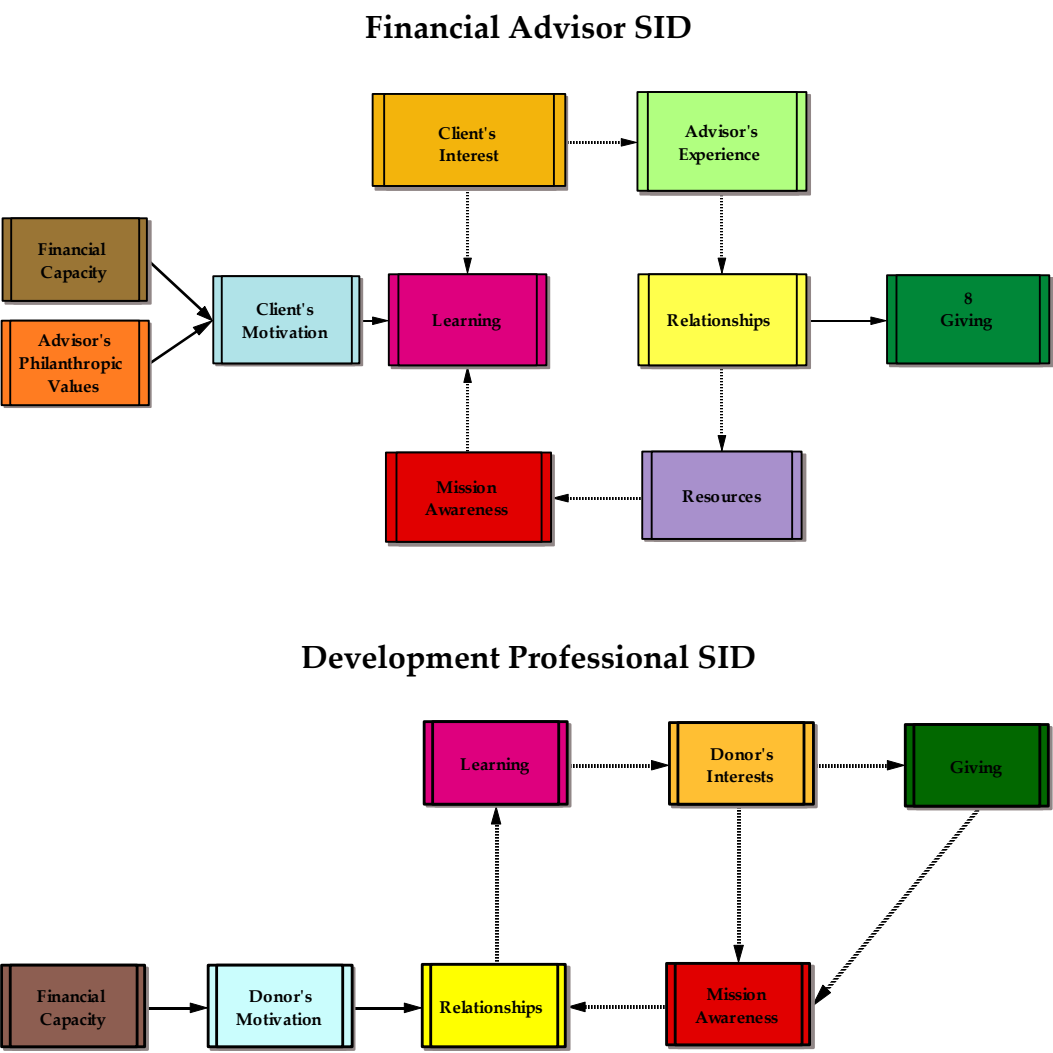
Representing the systems of the two constituency groups as mind maps, or SIDs, provides multiple opportunities for comparison that allow the researcher to place the maps in a broader theoretical context, to draw conclusions, and to suggest interventions based on the data (Northcutt & McCoy, 2004). Both constituencies' SIDs (Figure 5.03) have been color coded to demonstrate the affinities common to both systems.

Affinity Comparison: A Common Language

The elements common to both systems are: Financial Capacity, Potential Giver's Motivation, Mission Awareness, Learning, Relationships, Potential Giver's Interests and Giving. Figure 5.03 illustrates that the development professionals' affinities are, in fact, a subset of the advisors' system. The structural placement of each affinity within the systems is similar; thus, the development professionals' SID can be overlaid entirely onto the advisors' SID. This finding indicates that not only is the development professionals' system a subset of the advisors' system, but

also, the influence exerted upon or by each affinity is comparable among the two SIDs.

Figure 5.03: Side-by-Side Comparison



The *structural congruity* between systems is also paralleled by a general *congruence of meaning*. The meaning ascribed to the seven shared affinities in Chapter Four reveals that both constituencies have a shared understanding of the elements common to both systems; that is, the data reveal that financial advisors and development professionals are speaking the same language, at least with respect to the common affinities.

Financial Capacity, Potential Giver's Motivation, Mission Awareness, Potential Giver's Interests, Relationships, Learning, and Giving have essentially identical meanings within both systems.

Advisors and development professionals both define all seven elements in almost exactly the same way:

#1 - Financial capacity was "the client's ability to make a deferred long-term gift"

#2 – Potential Giver's Motivation was "An individual's willingness to consider making a planned gift."

#3 - Giving referred to the act of engaging in the planned giving process.

#4 - Advisors define Mission Awareness was “understanding what an organization stands for, its ethos.” Likewise, development professionals described Mission Awareness was “making sure people know what we do, how we impact the community, and how different the community would be without us.”

#5 - Relationships for the advisor referred specifically to “knowing someone at the nonprofit” while Relationships was analogously defined by the development professional as “knowing and working with advisors.”

#6 – Potential Giver’s Interests was “the general area an individual is interested in giving to, for example, education, or to a specific organization, perhaps his alma mater.”

#7 - The Learning affinity also had a shared meaning among the constituencies. On a macro level, the affinity referred generally to the concept of instructing/training/teaching. For advisors, Learning at the micro level encompassed the teaching they do with their clients, the training they do for fellow advisors and nonprofit board members, as

well as the training they themselves receive from nonprofits and professional organizations. For development professionals, the Learning affinity encompassed both teaching and learning as well. Advisors' perceptions of this affinity included teaching donors about different planned-giving vehicles/options, providing training opportunities for advisors to increase their planned-giving knowledge, and to expand advisors knowledge of the development professional's organizations.

These findings suggest that for the most part development professionals and financial advisors speak the same language: they ascribe generally the same meaning to the majority of elements in the collaborative planned-giving system. This suggests that a strong foundation exists for development professionals to build cooperative relationships with financial advisors.

Affinity Contrast: A Different Dialect

Financial advisors identified a system encompassing their two primary roles – Advisor to the Client and Advisor to the Nonprofit. This

combined advisor system included three additional elements absent from the development professionals' system: Advisor's Philanthropic Values, Resources, and Advisor's Experience. A quick review of Figure 5.03 highlights the structural differences between the advisors' and development professionals' systems.

Unlike the development professionals' system, the advisors' system had two primary drivers: Financial Capacity and Advisor's Philanthropic Values. This finding reveals that advisors understand how, and to what extent, their own values about philanthropy help to drive the planned-giving system. Development professionals identified Financial Capacity as the primary driver in their system. This suggests that development professionals may fail to recognize fully the critical role that advisors can play in directing their clients in a discussion of planned giving.

Two other elements present in the advisors system, not found in the development professional system were: Resources and Advisor's Experience. Advisors emphasize the importance of an organization committing the resources necessary to launch, grow, and sustain a

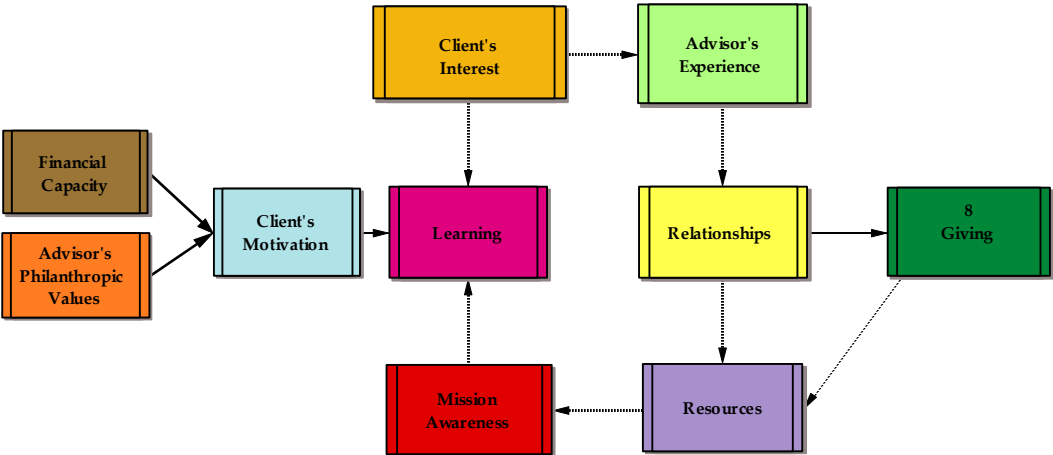
successful planned-giving program. In addition, advisors consistently emphasized how their experiences working with nonprofits, in either of their roles, impacted their discussions with clients. Advisors want nonprofits to make the process of planned giving straightforward, professional, and simple for their clients. When working as advisors for the nonprofits, they want the organizations to take the time to figure out what will make the experience a rewarding one for them. A more in-depth discussion of these findings follows in the Implications for Practice section.

LINKING THE SYSTEMS

In order to create a comprehensive system encompassing both constituencies' perceptions, the affinities common to both systems can be overlaid while those not common to both systems must be incorporated in such a way as to keep all relationships among elements in tact. Given that the advisors' system is a subset of the development professionals' system, linking the two systems is accomplished simply by overlaying the

development professionals' system onto that of the advisor. Figure 5.04 demonstrates the linked systems.

Figure 5.04: Advisor-Development Professional Linked SID



FEEDBACK LOOP

Once the systems have been linked together a six-element feedback loop is revealed (Figure 5.04) composed of the affinities: Learning, Mission Awareness, Resources, Relationships, Advisor's Experience, and Potential Giver's Interests. A review of the axial and theoretical codes, together with the placement of the loop in the overall system, suggests that four of the six elements in the feedback loop fall within the purview of the nonprofit and specifically relate to an organization's planned-giving activities or

program. Collapsing these four elements of the feedback loop (Figure 5.05) and substituting the name, “Program Scope” for the “Mission Awareness-Resources-Relationships-Advisor’s Experience” portion of the loop constructs a simpler view in the form of zooming (Northcutt & McCoy, 2004). The zoomed view of the Program Scope loop is represented in Figure 5.07.

Figure 5.05: Collapsing Elements in a Feedback Loop

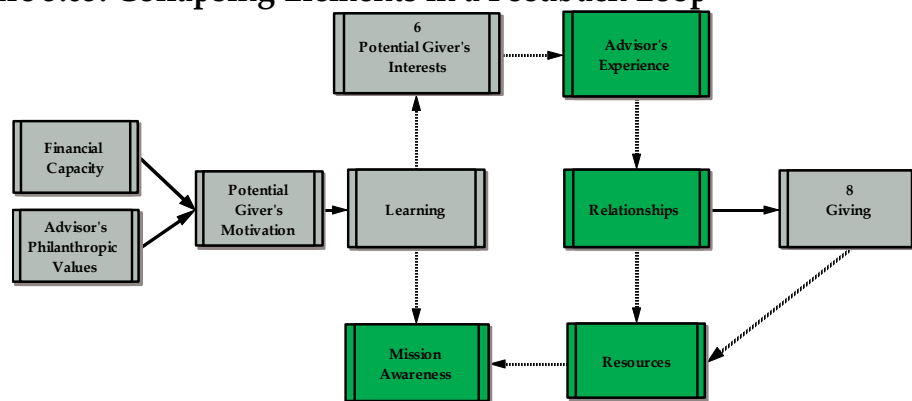


Figure 5.06: Feedback Loop-Collapsing Affinities

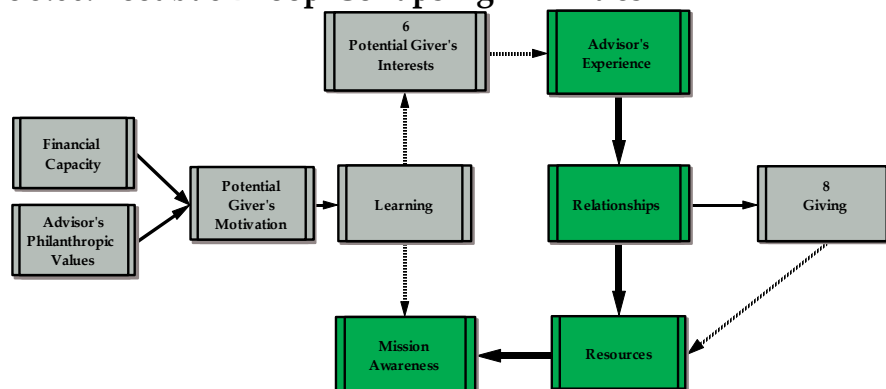
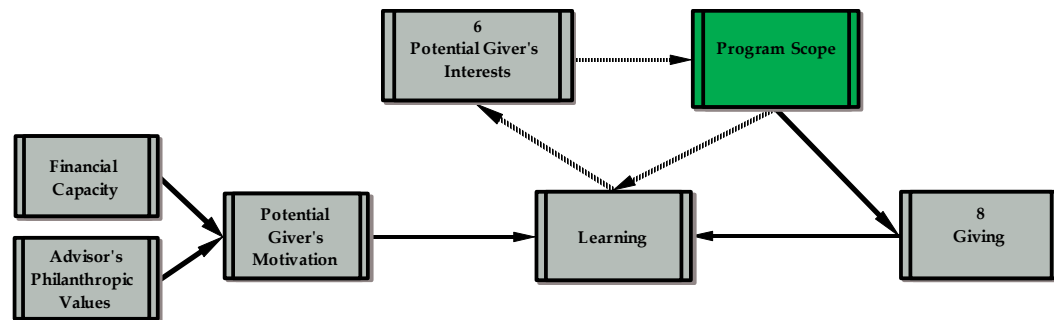


Figure 5.07: Zoomed SID – Program Scope



Comprehensive Charitable Gift-Planning Model

A comprehensive charitable gift-planning model that represents the perceptions of advisors and development professionals is created by combining the two systems, linking them through common elements, collapsing affinities, reversing the direction of influence within the feedback loop, and removing a redundant link from Program Scope to Learning (Figure 5.08). Furthermore, combining the two systems is theoretically sound, as professional advisors emphasize the importance of connecting with development professionals through Program Scope, as planned-giving programs often die at the implementation stage

Figure 5.08: Refining the System

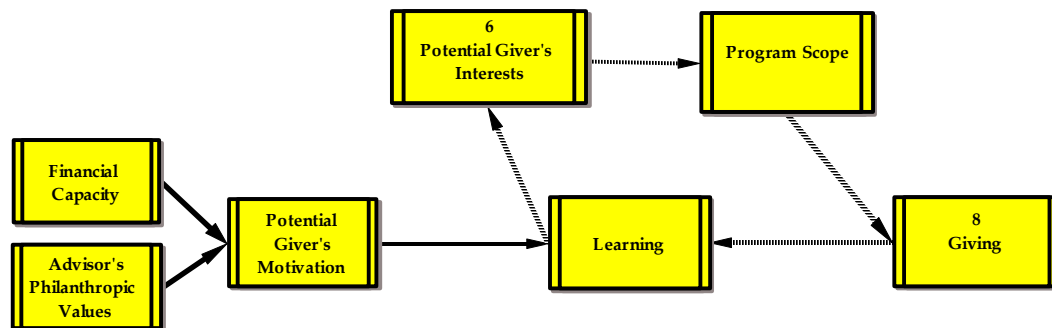
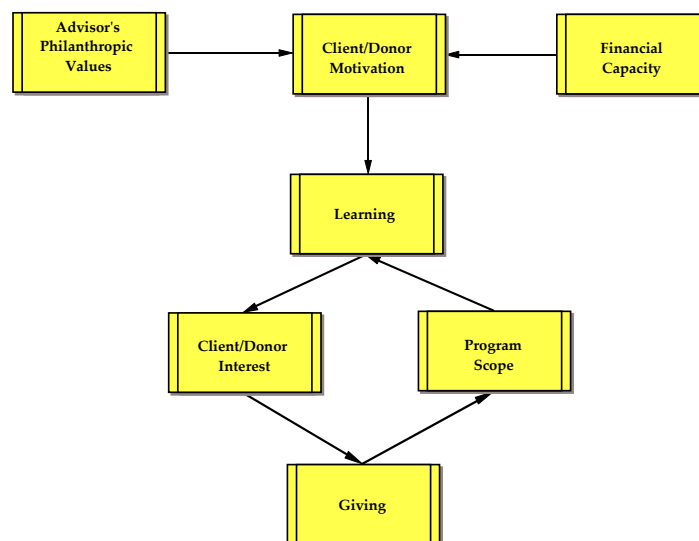


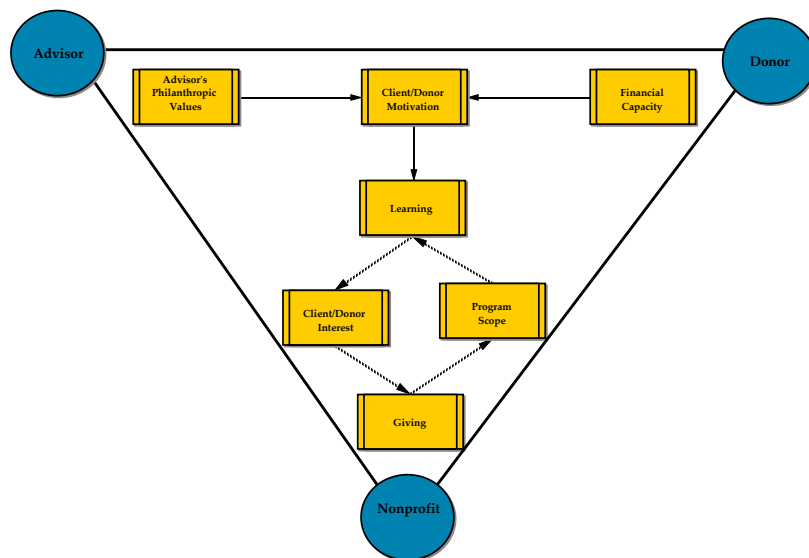
Figure 5.09: A Comprehensive Representation of Planned Giving



Combining the perceptions of financial advisors and development professionals about the process of charitable planned giving confirms the original hypothesis of this study: planned giving is more than just an interaction between the donor and the nonprofit. In fact, it is a three-way interaction between the donor, the nonprofit, and the advisor. By rotating

the model, the researcher found that the system's two primary drivers and one primary outcome form a triangle in which each of the endpoints corresponds to the three primary players in the planned-giving drama. The triangular nature of this interaction is demonstrated in the Oriano-Darnall Triad Model of Planned Giving (Figure 5.10).

Figure 5.10: Oriano-Darnall's Model: The Triad of Planned Giving



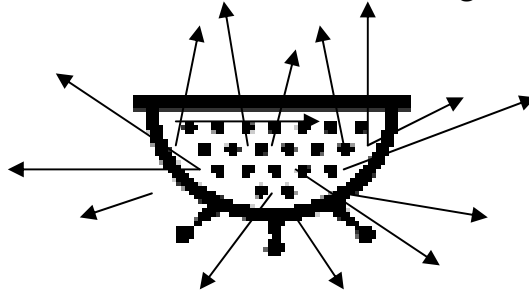
THE TRIAD MODEL OF PLANNED GIVING

A Critique of Sharpe's Model

An exhaustive search of the related literature turned up only one model relative to planned giving. Robert Sharpe, arguably the leading figure in planned-giving education and training, developed a model for

identifying planned-giving prospects (See Figure 5.11). Sharpe suggests that the traditional donor pyramid model (discussed in Chapter Two of this study), is inappropriate for identifying planned-giving prospects. Sharpe (1999) proposes a “colander” model in which the donor pyramid model is turned upside down.

Figure 5.11: Sharpe’s Colander Model for Locating Planned Givers



A general rule of thumb for nonprofits is that approximately 80 percent of total gifts to an organization will come from 20 percent of the donors (Dunlop, 1993). This concept is demonstrated through the use of the Donor Pyramid. Sharpe (1999) states:

Planners should put all the names of present and former donors who are in the institution’s universe of names into a colander, then imagine placing a six-sided magnetic wall around the colander.

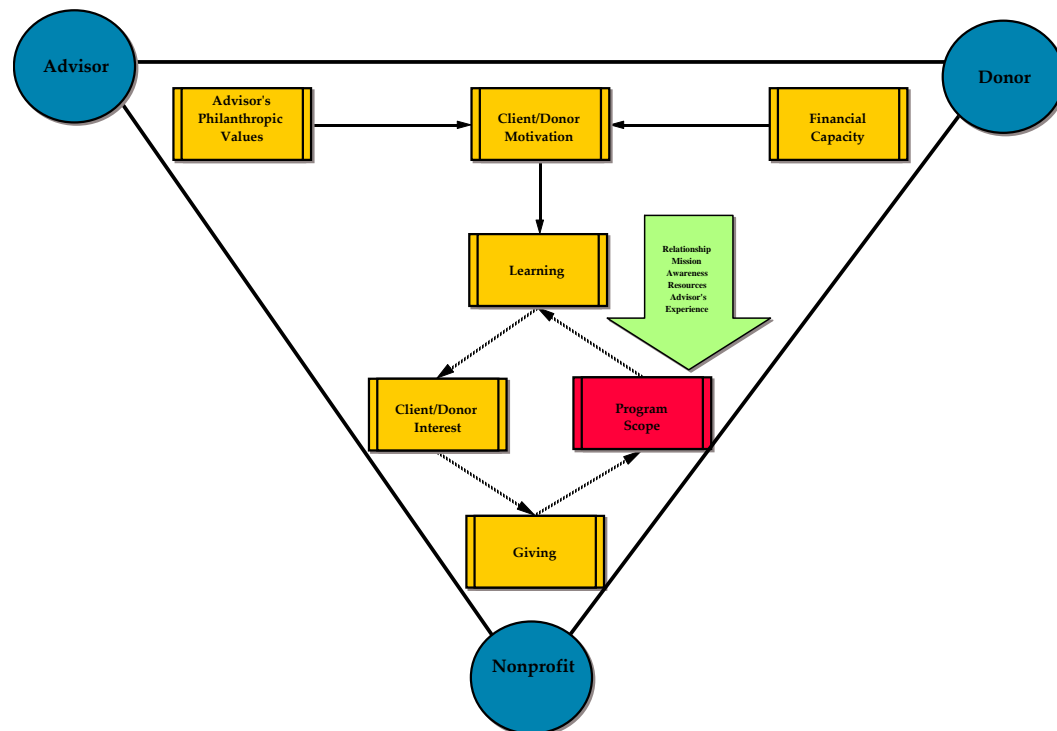
The magnetic wall represents the institution's communications or marketing program directed toward the planned givers. The objective is to attract and draw out of the masses of givers those who may have enough interest to self identify (p.108).

Sharpe's model suggests that marketing alone is the magnet that "draws" prospective donors out of the colander.

Marketing as defined by Sharpe would be located with Oriano-Darnall's Program Scope Affinity (See Figure 5.12). These findings suggest that Oriano-Darnall's Model supports Sharpe's Colander model with respect to the important role of Mission Awareness in generating gifts. However, Sharpe's conceptual model falls short. Sharpe's logic is to begin by putting "all the names of *present* and *past* donors" in the colander, which indicates that the colander model fails to recognize those who may be *future* donors. Sharpe's model addresses ONLY individuals already connected in some way to the organization; thus Oriano-Darnall's model extends Sharpe's by including both those individuals already

connected to the institution as well as those who may not have a preexisting relationship to the nonprofit.

Figure 5.12: Program Scope – Includes Mission Awareness (Marketing)



Oriano-Darnall's model demonstrates that Mission Awareness can impact the Learning (See Figure 5.12) occurring between an advisor and a prospective donor. If the organization's planned-giving Program Scope is adequate, financial advisors will have an Awareness of the organization's mission, resulting in their ability to share this with their clients during the

Learning element of the planned-giving system. The Learning element, in turn, impacts whether or not an individual ultimately moves to the Giving affinity.

Another way to think of the role of Mission Awareness and how it differs in Oriano-Darnall's model from Sharpe's model, is to consider that the organization has *not* been successful in creating Mission Awareness. Looking back at Figure 5.12, if the organization has not done a good job of marketing its mission, then there is no opportunity for the advisor to engage the client in a discussion about the organization. So, in this case, the Triad of Planned Giving again supports Sharpe's Colander Model: Oriano-Darnall's model demonstrates that without Mission Awareness, Giving can result only if the donor had a previous interest (Donor's Interests) or relationship (Giving) with the organization. This finding illustrates the importance of Program Scope for development professionals contemplating starting, growing, or sustaining a successful planned-giving program. Program Scope is another important tool for

helping development professionals to locate potential planned giving donors.

A Critique of the Literature of Practice

This is one of the first empirical studies conducted to support the belief expressed in the literature of planned-giving practice that working financial advisors are a vital link to donors and a vital resource for planned-giving programs. The Triad Model subsumes the non-empirical planned-giving literature. *The model essentially helps to elucidate that which the planned giving expert and practitioner know, but cannot see.* The following section details how the Model can be used to *make the invisible become visible.*

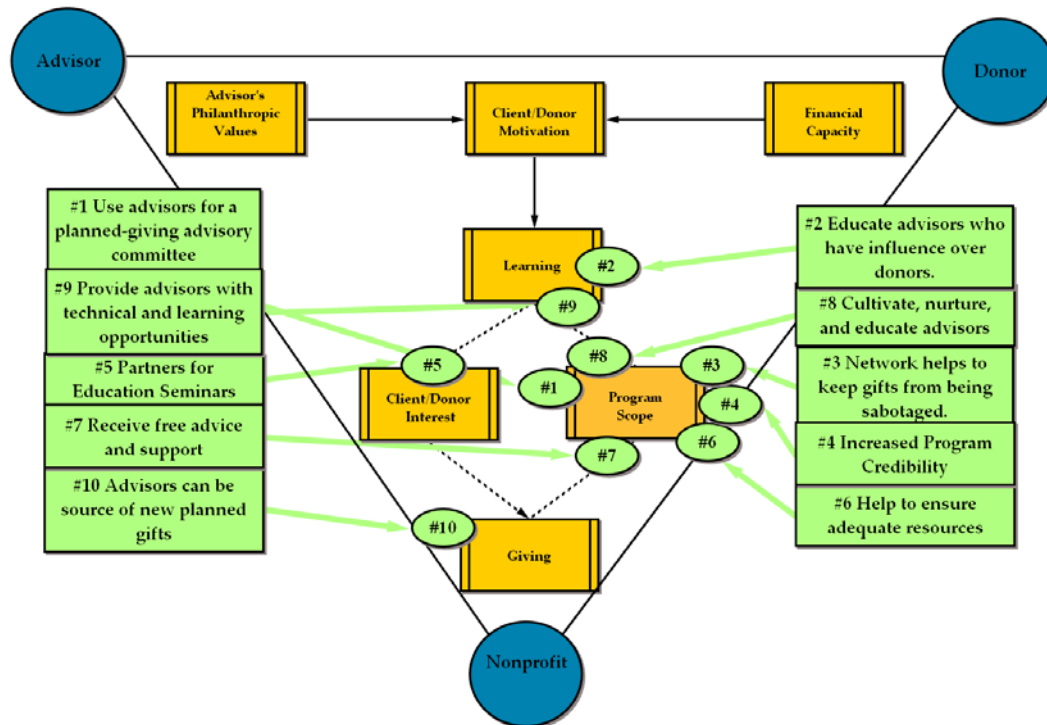
A synthesis of the recent practitioner literature (Imberman, 2004; Miree, 1995; Mitzvalsky, 2004) describing how nonprofits should use professional advisors to enhance their planned giving efforts is highlighted below. Planned giving practitioners and experts identify the following strategies for nonprofits to utilize financial advisors:

1. Using advisors as part of a planned-giving advisory committee;
2. Educating advisors who have influence over potential donors;

3. Creating a network of advisors who can help to ward off “torpedos” that sink planned gifts;
4. Increasing credibility for the nonprofit’s planned-giving programs;
5. Enlisting advisors to co-host educational seminars;
6. Using advisors to strengthen board member and management commitment to a planned-giving program;
7. Receiving free advice and support for planned-giving program;
8. Cultivate, nurture, and educate advisors about the institution;
9. Offering advisors: planned giving printouts showing different planned gift options, technical information, and continuing education opportunities; as well as
10. Gaining prospective new donors. Advisors who support and understand the program are excellent sources of planned gifts.

Each suggestion has been mapped onto the Triad Model of Planned Giving (Figure 5.13).

Figure 5.13: Overlaying the Literature of Practice



Overlaying the suggestions of planned-giving practitioners and experts onto the Triad Model produces the above model (See Figure 5.13). The clustering of suggestions for how to use advisors around the Program Scope and Learning affinities, illustrates the power of these elements in the planned-giving system, and has profound implications for practice, which will be discussed in the next section.

IMPLICATIONS FOR PRACTICE

Augmenting the Literature of Practice

Comparison between and within systems is a fundamental tool for interpretation. Comparing the financial advisors' and development professionals' systems demonstrated that the two systems were related. Once inferences were drawn based on theoretical perspectives (Northcutt & McCoy, 2004), affinity comparison established links between the constituency group systems resulting in a comprehensive charitable planned-giving model. IQA interpretation protocol was used to identify implications for advisors' role in charitable gift planning, as well as to make predictions beyond the context of the study (Northcutt & McCoy, 2004). The following section describes system implications for development professionals who want to maximize the role of financial advisors in implementing, growing, and sustaining a collaborative system of planned giving.

The clusters of suggestions around the Program Scope and Learning affinities suggest that the traditional wisdom for using advisors

indeed positively impacts the charitable planned-giving system. These efforts are primarily focused within the dynamic feedback loop where the advisor, donor, and nonprofit interact. Findings from this study suggest that the following strategies can be used to augment those offered in the practitioner's literature.

1. Expand the use of advisors beyond the nonprofit board or planned giving advisory committee. Broaden the planned-giving program (**Scope**) so that advisors who do not serve the organization directly (**Relationships**) become aware of the organization's mission (**Mission Awareness**). This is best accomplished through personal interaction, so development professionals should use all available resources to connect with advisors in a personal and meaningful way. Cold calling on advisors with planned-giving marketing materials is not likely to produce meaningful results.
2. Development professionals need to do everything in their power to make the gift-planning process painless, professional, and expeditious for advisor's clients (**Advisor's Experience**) because one bad experience

will make them hesitant to work with the organization in the future.

3. When selecting advisors (**Relationships**) to serve on a planned-giving committee or to build working relationships with, development professionals should look beyond the pool of “usual suspects.” While it is important to have advisors who have influence with donors of affluence, it is equally important that the advisors believe in the organization’s work (**Mission Awareness and Donor Interests**). “Interview” advisors as if they are applying for a job with the organization. Using the Oriano-Darnall assessment, examine not only the advisors’ skills, but also their genuine interest in promoting philanthropy. Advisors who join the organization solely to enhance their resumes or to increase their business are not likely to increase significantly the incidence of planned gifts to the organization.
4. Consider adding more Certified Financial Planners to the team. Results from this study and another suggest that their “holistic” approach

means more discussions of philanthropy with clients – and clients of middle-income means, a relatively untapped segment of the planned-giving market.

5. Organize and use continuing education seminars for different types of financial advisors to bring them to campus and to learn about the college.

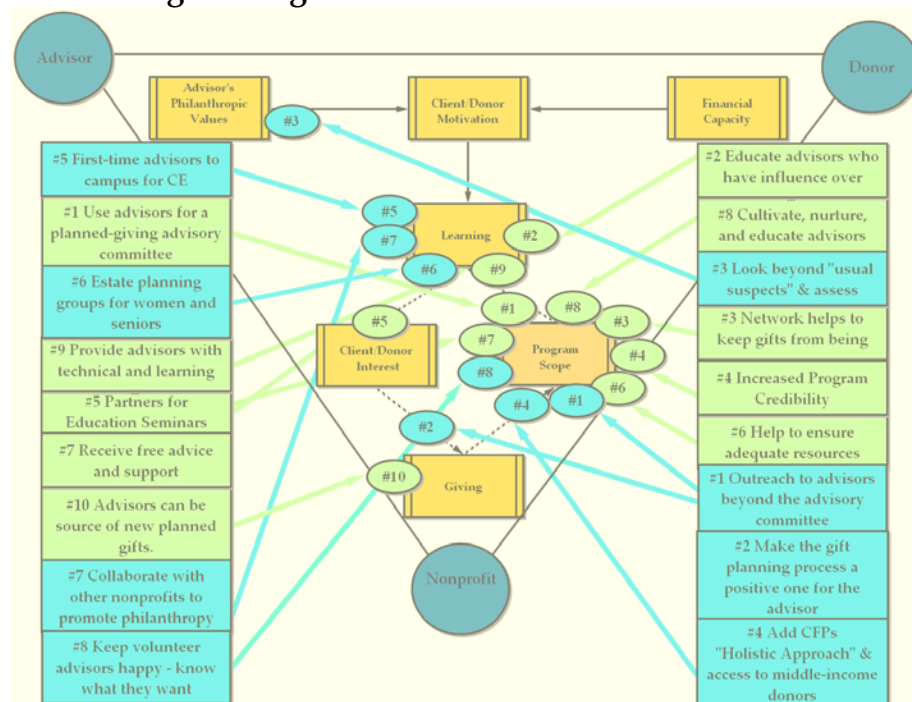
For most advisors this will be their first time on campus. **(Learning drives Relationships & Mission Awareness).**

6. Use advisors to instruct estate planning sessions or continuing education courses. Focus these efforts on different segments of the community: e.g., seniors, and women **(Learning drives Mission Awareness & Donor Interest).**

7. Collaborate with other nonprofits to offer sessions promoting general philanthropic giving in the community. For many community colleges, especially in rural communities, they are the “only game in town” for conducting this type of activity. **(Learning drives Mission Awareness, Donor’s Interests & Giving)**

8. Keep volunteers happy. Know what each desires from the volunteer experience. Many advisors want to provide their professional expertise because they feel this is how they enhance the organization's resources. However, some volunteers also want to be given opportunities to get involved in ways that have nothing to do with their professions; thus development professionals should spend adequate time determining what each advisor wants, and making sure he/she gets it!

Figure 5.14: Augmenting the Practitioner's Literature



Mapping the implications for practice onto the Triad of Planned Giving, gives an insight not currently found in the practitioner literature. This visual representation makes what was previously invisible to the development professional, now visible. In so doing, the model can become a strategic instrument for the development professional to use when conceptualizing new strategies designed to result in increased numbers of planned gifts.

Advancing the Theoretical Base

The literature on practitioners and this researcher's suggestions for practice, while effective in driving the feedback loop of The Triad Model of Planned Giving, affect only secondary system drivers. Interventions designed to have maximum impact on the system should focus on one or both of the primary drivers of the planned-giving system: a potential giver's Financial Capacity or the Advisor's Philanthropic Values.

Obviously few charitable gift planners are in a position to increase the financial capacity of prospective donors. On the other hand, development professionals can affect the affinity called Advisor's

Charitable Values. A revisit to the literature suggests that Advisor's Charitable Values may be synonymous with what researchers at The Philanthropic Initiative (TPI) refer to as "Asking the Philanthropic Question." Interview data from a 1999 TPI study of 500 advisors to high net-worth clients (Johnson, 2000) were compiled to build the following three advisor profiles:

1. Initiators: Philanthropy initiators always raise the topic of philanthropy with their clients. They see an important part of their role as helping clients use philanthropy to make a difference in society and "in their lives." They often believe that part of the advisor role is to promote good citizenship. And they feel that philanthropy counseling helps advisors stay competitive.
2. Facilitators: Philanthropy facilitators may see philanthropy counseling as important, but often feel their skill is lacking. They seldom make reference to their own giving or civic involvement as a strategy to enrich client conversations about philanthropy. While they sometimes discuss their clients' personal values and

philanthropic goals, they would be more proactive if they had better command of the tools.

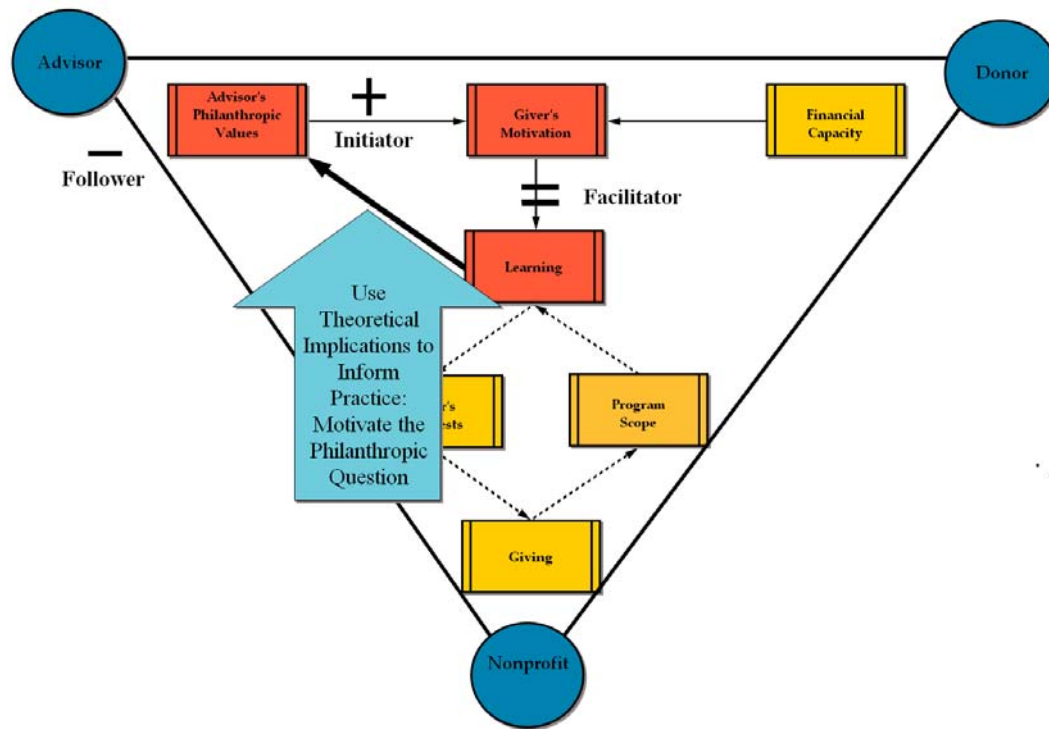
3. Followers: Followers are just that; they almost always follow the client's lead in discussing philanthropy. They rarely talk values or focus. Tax planning is the most important – often exclusive – reason to discuss philanthropy. Followers fear they may alienate clients if they push too hard. And they are often wed to the use of one or two giving vehicles, to the exclusion of others.

Findings from this study support those of the TPI study. An “initiator” advisor is one whose values drive him to engage clients in the philanthropic discussion. His values also drive him to become technically competent so that he is comfortable having these discussions with clients. An “initiator” advisor would be mapped onto to the Triad Model with a + symbol, indicating that his values positively impact him to drive the charitable planned-giving system; thus this advisor is mapped inside the Advisor's Philanthropic Values element (See Figure 5.15). These individuals used terms like “always,” “it is my responsibility,” or

“because I am charitable-minded myself” when asked about engaging clients in the philanthropic discussion.

A “facilitator” advisor’s values enter less into the picture than the “initiator,” yet values still play an important role. The primary reason these advisors do not regularly speak to clients about philanthropic giving is not that they do not feel it is important; rather it is due to a lack of knowledge. These individuals can be mapped onto the Model with an = symbol indicating they sometimes drive the philanthropic system, but not consistently. When asked about discussing philanthropy with their clients they used phrases such as “if it is appropriate,” “when I feel comfortable” or “when I am working with clients I know well.” Facilitator advisors are mapped onto the model between Giver’s Motivation and Learning (See Figure 5.15).

Figure 5.15: Theoretical Link: Motivating the Philanthropic Question



The “follower” is certainly the most problematic from the perspective of the development professional. His values about philanthropy rarely, if ever, enter the planned-giving client discussion. Advisors interviewed for this study used expressions such as “I don’t feel it is my role,” “If the client brings it up, then...,” or “When the client has a tax problem...,” when asked to describe how they broached the subject of charitable giving with clients. These individuals can be mapped onto the

Model with a – symbol indicating that their values have a negative impact on the charitable gift-planning system. For all intents and purposes, these advisors are outside the model (See Figure 5.15).

Two findings from this study can be used to expand the theoretical planned-giving literature. Development professionals, and in particular community college development professionals, can use this model to conceive strategies that will effectively create the link (**Motivating the Philanthropic Question**) between Learning and Advisor's Philanthropic Values. Forging this link is vital: in order to impact significantly the Planned Giving Triad, development professionals have to create programs, dialogues, informational materials, etc. that will motivate the advisor to ask the philanthropic question.

The second major finding with the potential to impact the planned-giving literature is related to the affinity named Advisor's Philanthropic Values. The only two empirical studies focusing on financial advisors and the charitable planned-giving system concur in their findings: the role of the advisor in raising the issue of philanthropy with potential donors is of

critical importance. This finding suggests that development professionals should expend the majority of their resources building relationships with “Initiator” advisors. By definition these financial advisors consistently raise the idea of charitable giving with their clients; thus relationships forged with these individuals have the potential for yielding the greatest return on investment.

“Facilitator” advisors, also, hold considerable promise for helping to advance planned giving in the community college. Through continuing education and small-group training sessions the community college is perfectly positioned to give these advisors what, in most cases, they both want and need: learning opportunities to increase their knowledge of and comfort with the various types of charitable giving vehicles.

Research suggests that development professionals should not spend inordinate amounts of time and energy with “Follower” advisors. This is not to say that they should be ignored entirely, but development professionals should expect that efforts directed at them may provide only minimal results. If a “Follower” advisor is really only a follower because

of lack of information, then the community college, through training, conferences, or continuing education may be able to sufficiently impact this type of advisor such that he moves toward becoming a “Facilitator.”

By focusing on creating the link between Learning and Advisor’s Philanthropic Values, community college development professionals can strategically align their organizations with those individuals who have the greatest potential to help them advance planned giving at their institutions. The Triad of Planned Giving Model is a valuable tool for helping community college fund raisers focus their efforts. In addition, the researcher developed an assessment tool for development professionals to use when “interviewing” prospective advisors (See Table 5.01). The assessment is straight forward: a large number of positive responses to the assessment’s questions indicates the advisor is an “Initiator;” if at least two-thirds of the answers are positive, the advisor can be classified a “Facilitator;” fewer positive responses still indicate the advisor is a “Follower.”

Future research should be conducted to determine the effectiveness of the Advisor Assessment. Research should also be conducted to help define specific practices that hold promise for moving advisors from being planned-giving “Facilitators” to planned-giving “Initiators”.

CONCLUSION

Over the next ten years, as the over-fifty population increases by more than 18 million people, community colleges have a tremendous opportunity to take advantage of a huge intergenerational wealth transfer. Reaching these individuals, however, will require a strategic approach. Community college development professionals can extend their reach toward prospective donors by strengthening relationships with professional advisors. With limited resources and increased competition community college development professionals need to target their efforts to achieve maximum results. Research demonstrates that people are increasingly relying on professional advisors and that the advisor’s

Table 5.01: Advisor Philanthropic Values Assessment

Advisor Assessment – Is he an Initiator, Facilitator, or Follower?
<p>I. Assessing the Advisor’s general interest in philanthropy:</p> <ul style="list-style-type: none"> <i>a. He considers himself to be philanthropic?</i> <i>b. Works on behalf of nonprofit organizations other than his church?</i> <i>c. Sits on the board or advisory committee of nonprofits?</i> <i>d. Belongs to local estate planning councils or other estate planning organizations.</i> <i>e. Believes in directing money to philanthropy rather than paying taxes.</i> <p>II. Assessing the Advisor’s values regarding his responsibility to raise the philanthropic question:</p> <ul style="list-style-type: none"> <i>a. He considers promoting “good citizenship” to be part of his role as an advisor.</i> <i>b. He is comfortable discussing client’s personal social values.</i> <i>c. He believes in helping the client to develop a personal philanthropic mission.</i> <i>d. Understands most clients want proactive rather than ad hoc planning.</i> <i>e. Talks about taking a holistic approach to estate planning.</i> <i>f. Mentions his own philanthropic giving with clients.</i> <p>III. Assessing the diversity of Advisor’s toolbox.</p> <ul style="list-style-type: none"> <i>a. Regularly assists clients with three or more vehicles.</i> <i>b. Teaches or trains other advisors or nonprofits about planned giving.</i> <i>c. Mentions other advisors with whom he works – takes a team approach to planning.</i> <p>IV. Assessing the advisor’s understanding of how planned giving can enhance his business:</p> <ul style="list-style-type: none"> <i>a. Views philanthropic planning as a way to expand services and to gain clients.</i> <i>b. Comfortable making referrals to other planners.</i> <p>V. Assessing knowledge of community college.</p> <ul style="list-style-type: none"> <i>a. Has been to the campus(es).</i> <i>b. Has taken courses at the college – or someone close to him has.</i> <i>c. Understands the depth of the community college mission.</i> <i>d. Understands education’s link to economic development.</i>

philanthropic values influence their willingness to raise the charitable question with prospective donors; thus, it is a prudent strategy to strengthen relationships with advisors.

The Triad Model of Planned of Planned Giving is a visual representation of one aspect of philanthropic giving. The Model is useful in demonstrating what practitioners have described for some time. The model confirms that fund raising, and planned giving in particular, is as Broce (1979) asserted, a people-oriented, interrelated, and interdependent process. Fund raising is “part of a larger system of philanthropy” and is “inextricably tied to philanthropic values, purposes, and methods” (Payton, et. al, 1991, p.5). This study has clearly demonstrated that it is not only the donor’s philanthropic values, but also the advisor’s philanthropic values that are relevant in the planned giving triangular interaction between the donor, advisor, and nonprofit organizations.

Appendices

APPENDIX A: PARETO PROTOCOL ADVISOR TO CLIENT

Step One: Recording All Relationships

<i>Affinity Pair Relationship</i>	Frequency	<i>Affinity Pair Relationship</i>	Frequency	<i>Affinity Pair Relationship</i>	Frequency
$1 > 2$	6	$2 < 5$	3	$4 > 6$	4
$1 < 2$	4	$2 > 6$	2	$4 < 6$	4
$1 > 3$	8	$2 < 6$	4	$4 > 7$	0
$1 < 3$	2	$2 > 7$	0	$4 < 7$	4
$1 > 4$	4	$2 < 7$	6	$4 > 8$	8
$1 < 4$	2	$2 > 8$	10	$4 < 8$	0
$1 > 5$	5	$2 < 8$	0	$5 > 6$	4
$1 < 5$	1	$3 > 4$	7	$5 < 6$	6
$1 > 6$	2	$3 < 4$	5	$5 > 7$	0
$1 < 6$	0	$3 > 5$	7	$5 < 7$	6
$1 > 7$	0	$3 < 5$	5	$5 > 8$	12
$1 < 7$	2	$3 > 6$	5	$5 < 8$	2
$1 > 8$	12	$3 < 6$	7	$6 > 7$	0
$1 < 8$	0	$3 > 7$	0	$6 < 7$	8
$2 > 3$	10	$3 < 7$	6	$6 > 8$	8
$2 < 3$	2	$3 > 8$	12	$6 < 8$	0
$2 > 4$	12	$3 < 8$	0	$7 > 8$	6
$2 < 4$	0	$4 > 5$	10	$7 < 8$	0
$2 > 5$	7	$4 < 5$	2	<i>Total Frequency</i>	242

Appendix A
Pareto Protocol Advisor to Client
Step Two: Identifying Most Powerful Relationships

Affinity Pair Relationship	Frequency Sorted (Descending)	Cumulative Frequency	Cumulative Percent (Relation)	Cumulative Percent (Frequency)	Power
1 > 8	12	12	1.8	5.0	3.2
2 > 4	12	24	3.6	9.9	6.3
3 > 8	12	36	5.4	14.9	9.5
5 > 8	12	48	7.1	19.8	12.7
2 > 3	10	58	8.9	24.0	15.0
2 > 8	10	68	10.7	28.1	17.4
4 > 5	10	78	12.5	32.2	19.7
1 > 3	8	86	14.3	35.5	21.3
4 > 8	8	94	16.1	38.8	22.8
6 < 7	8	102	17.9	42.1	24.3
6 > 8	8	110	19.6	45.5	25.8
2 > 5	7	117	21.4	48.3	26.9
3 > 4	7	124	23.2	51.2	28.0
3 > 5	7	131	25.0	54.1	29.1
3 < 6	7	138	26.8	57.0	30.2
1 > 2	6	144	28.6	59.5	30.9
2 < 7	6	150	30.4	62.0	31.6
3 < 7	6	156	32.1	64.5	32.3

5 < 6	6	162	33.9	66.9	33.0
5 < 7	6	168	35.7	69.4	33.7
7 > 8	6	174	37.5	71.9	34.4
3 < 4	5	179	39.3	74.0	34.7
3 < 5	5	184	41.1	76.0	35.0
1 > 5	5	189	42.9	78.1	35.2
3 > 6	5	194	44.6	80.2	35.5
1 < 2	4	198	46.4	81.8	35.4
1 > 4	4	202	48.2	83.5	35.3
2 < 6	4	206	50.0	85.1	35.1
4 > 6	4	210	51.8	86.8	35.0
4 < 6	4	214	53.6	88.4	34.9
4 < 7	4	218	55.4	90.1	34.7
5 > 6	4	222	57.1	91.7	34.6
2 < 5	3	225	58.9	93.0	34.0
1 < 3	2	227	60.7	93.8	33.1
1 < 4	2	229	62.5	94.6	32.1
1 > 6	2	231	64.3	95.5	31.2
1 < 7	2	233	66.1	96.3	30.2
2 < 3	2	235	67.9	97.1	29.3
2 > 6	2	237	69.6	97.9	28.3
4 < 5	2	239	71.4	98.8	27.3
5 < 8	2	241	73.2	99.6	26.4
1 < 5	1	242	75.0	100.0	25.0
1 < 6	0	242	76.8	100.0	23.2

1 > 7	0	242	78.6	100.0	21.4
1 < 8	0	242	80.4	100.0	19.6
2 < 4	0	242	82.1	100.0	17.9
2 > 7	0	242	83.9	100.0	16.1
2 < 8	0	242	85.7	100.0	14.3
3 > 7	0	242	87.5	100.0	12.5
3 < 8	0	242	89.3	100.0	10.7
4 > 7	0	242	91.1	100.0	8.9
4 < 8	0	242	92.9	100.0	7.1
5 > 7	0	242	94.6	100.0	5.4
6 > 7	0	242	96.4	100.0	3.6
6 < 8	0	242	98.2	100.0	1.8
7 < 8	0	242	100.0	100.0	0.0
Total Frequency	242	Equal Total Frequency	Equals 100%	Equals 100%	Power = E-D

Appendix A
Pareto Protocol Advisor to Client
Step Three: Identifying Conflict Between Relationship Pairs

Affinity Pair Relationship	Frequency	Conflict?
1 > 2	6	
1 > 3	8	
1 > 5	5	
1 > 8	12	
2 < 7	6	
2 > 3	10	
2 > 4	12	
2 > 5	7	
2 > 8	10	
3 < 4	5	Conflict
3 < 5	5	Conflict
3 < 6	7	Conflict
3 < 7	6	
3 > 4	7	Conflict
3 > 5	7	Conflict
3 > 6	5	Conflict
3 > 8	12	
4 > 5	10	
4 > 8	8	
5 < 6	6	
5 < 7	6	
5 > 8	12	
6 < 7	8	
6 > 8	8	
7 > 8	6	

APPENDIX B: PARETO PROTOCOL ADVISOR TO NONPROFIT

Step One: Recording All Relationships

<i>Affinity Pair Relationship</i>	Frequency	<i>Affinity Pair Relationship</i>	Frequency
$1 > 2$	1	$3 < 5$	2
$1 < 2$	11	$4 > 5$	9
$1 > 3$	6	$4 < 5$	3
$1 < 3$	6	<i>Total Frequency</i>	116
$1 > 4$	10		
$1 < 4$	0		
$1 > 5$	4		
$1 < 5$	6		
$2 > 3$	10		
$2 < 3$	0		
$2 > 4$	12		
$2 < 4$	0		
$2 > 5$	10		
$2 < 5$	2		
$3 > 4$	10		
$3 < 4$	4		
$3 > 5$	10		
$3 < 5$	2		
$3 > 5$	10		

Appendix B: Pareto Protocol Advisor to Nonprofit
Step Two: Identifying Most Powerful Relationships

Affinity Pair Relationship	Frequency Sorted (Descending)	Cumulative Frequency	Cumulative Percent (Relation)	Cumulative Percent (Frequency)	Power
2 > 4	12	12	5.0	10.3	5.3
1 < 2	11	23	10.0	19.8	9.8
1 > 4	10	33	15.0	28.4	13.4
2 > 3	10	43	20.0	37.1	17.1
2 > 5	10	53	25.0	45.7	20.7
3 > 4	10	63	30.0	54.3	24.3
3 > 5	10	73	35.0	62.9	27.9
4 > 5	9	82	40.0	70.7	30.7
1 > 3	6	88	45.0	75.9	30.9
1 < 3	6	94	50.0	81.0	31.0
1 < 5	6	100	55.0	86.2	31.2
1 > 5	4	104	60.0	89.7	29.7
3 < 4	4	108	65.0	93.1	28.1
4 < 5	3	111	70.0	95.7	25.7
2 < 5	2	113	75.0	97.4	22.4
3 < 5	2	115	80.0	99.1	19.1
1 > 2	1	116	85.0	100.0	15.0
1 < 4	0	116	90.0	100.0	10.0
2 < 3	0	116	95.0	100.0	5.0
2 < 4	0	116	100.0	100.0	0.0
Total Frequency	116	Equal Total Frequency	Equals 100%	Equals 100%	Power = E-D

Appendix B: Pareto Protocol Advisor to Nonprofit
Step Three: Identifying Conflict Between Relationship Pairs

Affinity Pair Relationship	Frequency	Conflict?
2 > 4	12	
1 < 2	11	
1 > 4	10	
2 > 3	10	
2 > 5	10	
3 > 4	10	Conflict
3 > 5	10	Conflict
4 > 5	9	Conflict
1 > 3	6	Conflict
1 < 3	6	Conflict
1 < 5	6	
1 > 5	4	
3 < 4	4	Conflict
4 < 5	3	Conflict
2 < 5	2	
3 < 5	2	Conflict

APPENDIX C: PARETO PROTOCOL DEVELOPMENT PROFESSIONAL

Step One: Recording All Relationships

<i>Affinity Pair Relationship</i>	Frequency	<i>Affinity Pair Relationship</i>	Frequency
$1 > 2$	3	$3 < 4$	8
$1 < 2$	0	$3 > 5$	8
$1 > 3$	8	$3 < 5$	3
$1 < 3$	0	$3 > 6$	7
$1 > 4$	0	$3 < 6$	1
$1 < 4$	0	$4 > 5$	10
$1 > 5$	8	$4 < 5$	0
$1 < 5$	0	$4 > 6$	4
$1 > 6$	7	$4 < 6$	0
$1 < 6$	0	$5 > 6$	10
$2 > 3$	7	$5 < 6$	0
$2 < 3$	5	Total Frequency	124
$2 > 4$	2		
$2 < 4$	7		
$2 > 5$	8		
$2 < 5$	4		
$2 > 6$	8		
$2 < 6$	4		
$3 > 4$	2		

Appendix C: Pareto Protocol Development Professional

Step Two: Identifying Conflict Between Relationship Pairs

Affinity Pair Relationship	Frequency Sorted (Descending)	Cumulative Frequency	Cumulative Percent (Relation)	Cumulative Percent (Frequency)	Power
4 > 5	10	10	3.3	8.1	4.7
5 > 6	10	20	6.7	16.1	9.5
1 > 3	8	28	10.0	22.6	12.6
1 > 5	8	36	13.3	29.0	15.7
2 > 5	8	44	16.7	35.5	18.8
2 > 6	8	52	20.0	41.9	21.9
3 < 4	8	60	23.3	48.4	25.1
3 > 5	8	68	26.7	54.8	28.2
1 > 6	7	75	30.0	60.5	30.5
2 > 3	7	82	33.3	66.1	32.8
2 < 4	7	89	36.7	71.8	35.1
3 > 6	7	96	40.0	77.4	37.4
2 < 3	5	101	43.3	81.5	38.1
2 < 5	4	105	46.7	84.7	38.0
2 < 6	4	109	50.0	87.9	37.9
4 > 6	4	113	53.3	91.1	37.8
1 > 2	3	116	56.7	93.5	36.9
3 < 5	3	119	60.0	96.0	36.0
2 > 4	2	121	63.3	97.6	34.2
3 > 4	2	123	66.7	99.2	32.5
3 < 6	1	124	70.0	100.0	30.0

1 < 2	0	124	73.3	100.0	26.7
1 < 3	0	124	76.7	100.0	23.3
1 > 4	0	124	80.0	100.0	20.0

Appendix C: Pareto Protocol Development Professional

Step Three: Identifying Most Powerful Relationships

Affinity Pair Relationship	Frequency	Conflict?
1 > 2	3	
1 > 3	8	
1 > 5	8	
1 > 6	7	
2 < 3	5	Conflict
2 < 4	7	Conflict
2 < 5	4	Conflict
2 < 6	4	Conflict
2 > 3	7	Conflict
2 > 4	2	Conflict
2 > 5	8	Conflict
2 > 6	8	Conflict
3 < 4	8	Conflict
3 < 5	3	Conflict
3 < 6	1	Conflict
3 > 4	2	Conflict
3 > 5	8	Conflict
3 > 6	7	Conflict
4 > 5	10	
4 > 6	4	
5 > 6	10	

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Vita

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