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A Comparative Study of the Impact of Charitable Donations on the Financial Viability of San Miguel Model Schools

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A comparative study of the impact of charitable donations on the financial viability of San Miguel-Model schools

A Dissertation in

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Michael F. Quirk, FSC

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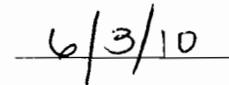**Doctor of Education**

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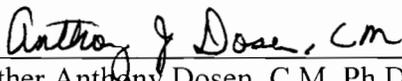
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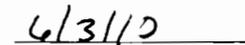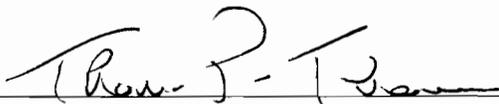
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Abstract

The purpose of the study was to measure and compare the advancement strategies employed by private faith-based middle schools which serve economically disadvantaged minority students in urban settings. The research compared six schools in two groups of samples chosen from a pool of Lasallian Catholic alternative middle schools. Data collected from extensive personal interviews with school administrators were divided into twelve categories to compare the school's establishment, the school's board makeup and advancement functions, the school's advancement methods and programs, the school's senior advancement administration, and the school's relationship with religious sponsor. Additional data from the sample schools financial audits and annual reports was also analyzed.

The results revealed a high degree of similarity in both advancement strategies and success and minor differences in the operations and methods of the two groups of schools' advancement programs. Analysis of financial data was unable to conclude any one school achieving a higher degree of financial viability or long term financial sustainability. The study did demonstrate the need for advancement to be an essential element in the planning of future San Miguel-Model Schools.

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Preface

      I have been involved with Lasallian ministry for my entire professional career, first as a lay colleague and then as a vowed member of the Institute of the Brothers of the Christian Schools. One of the many mantras of the Institute is: "We are able to accomplish this work because we stand on the shoulders of those who have gone before us." While completing this study I had the opportunity to visit six different Lasallian ministries engaged in a challenging type of educational work, and I was fortunate to meet and encounter lay and religious men and women who perform miracles every day in a unique type of work most commonly referred to as fund-raising. These administrators and staff are deeply passionate about providing a Christian and human education to young people and accomplish their difficult work with both faith and zeal. It was a privilege to meet them and learn about their efforts to make sure quality private faith-based education is available to those who are among the poorest in our society.

      I would like to acknowledge my editor, Brother Paul French, professor emeritus of Lewis University, without whom this study would not have been completed. I dedicate this work to my parents, Francis & Theresa Quirk, who, though gone these many years, continue to inspire me every day.

      I wish to thank my chair, Barbara Rieckhoff, PhD, who guided and encouraged me to continue this work despite many obstacles and helped me focus on the task at hand.

I. INTRODUCTION

Sociologist Andrew Greeley (1987) notes that Catholic elementary and secondary

education in the United States has made a unique and lasting contribution to the society

and culture of contemporary America. During the last thirty years the Catholic Church's

ability to provide affordable quality education for many, especially the urban poor, has

been greatly diminished. Rising costs, declining enrollments, aging facilities, technology

demands and demographics have combined to cause this steep and seemingly irreversible

downward trend. In their 1973 pastoral message on Catholic education, the Bishops of

the United States concluded that Catholic education was both fundamental and necessary

to the life of the Catholic Church. (To Teach As Jesus Did, 1973)

The education of Catholics was traditionally the mission of the religious orders of

the Church: either a European based congregation doing missionary work or by American

institutes, such as the Sisters of Charity begun by Elizabeth Ann Seton, founded to meet

the growing educational needs of the immigrant Catholic population during the latter half

of the nineteenth century and for most of the twentieth century. One religious order in

particular, The Brothers of the Christian Schools (De La Salle Christian Brothers), was

founded in seventeenth century France specifically as a teaching order. The Brothers'

mission in United States began when the local bishop invited them to open a school in

Baltimore in 1845 (Salm,1996). It was the practice of the local bishop to allow religious

orders to establish pre-college schools, or invite the orders to administer and operate

existing parish high schools. This arrangement relieved the diocese of financial

obligations and burdens of operating secondary schools. For the religious order, the

school provided income for the order's particular mission, plus a natural base to recruit

new members to their congregations. That first school, Calvert Hall College High School,

exists today as one of the premier Catholic preparatory schools in the Baltimore

metropolitan region.

A. Background

One of the dynamics of the educational mission of the De La Salle Christian

Brothers in the United States is that schools founded to serve a poor immigrant Catholic

population developed along two distinct paths. Many Christian Brothers and their lay

colleagues believe these schools have moved away, both figuratively and literally, from

the founding mission and now serve an academically and financially elite population. For

others, the changing racial, religious and economic demographics in surrounding

neighborhoods have put significant financial demands on these institutions and the

Christian Brothers as sponsor. Lasallian is the term used to identify the worldwide

educational mission conducted by the De La Salle Christian Brothers and their lay

colleagues.

For the De La Salle Christian Brothers, the desire and intention to provide direct

service to the poor and the reality of the operation of successful college preparatory

schools created a tension from which the San Miguel-Model School was borne. These

new schools would arise out of the meeting of two realities; the inadequate conditions

and academic limitations of many urban public schools and the intention of many

Brothers and lay associates to eliminate the financial barriers the urban poor had to

quality private Catholic education.

The first of these schools was opened in one of Providence, Rhode Island's

poorest neighborhoods in 1993 and has grown into the San Miguel School movement, a

wave of sixteen new schools established by the De La Salle Christian Brothers and others

to specifically address the needs of students from underserved and low income

communities. A San Miguel-Model School is defined as a small, Lasallian elementary or

middle school that is not tuition-driven and serves students and families from all faiths

and cultures. Almost all the students are considered at-risk due to the voids and pressures

associated with low-income neighborhoods, and some students may already be struggling

with the effects of the environment. (Goyette, 1996)

The financial viability of these San Miguel Schools is based upon charitable

contributions from individuals, corporations, foundations and funds generated from

charity events. They do not receive much of their annual revenue from tuition; in fact,

tuition income represents less than 5% of the total cost of education. Some of the schools

depend upon volunteers for teachers and staff, thus reducing the traditional expenses

associated with the operations of a school. But the usual costs associated with school

operations still occur: salaries and benefits, facility costs, supplies, and general

administration.

The researcher was the chief executive of a private Catholic secondary school for

19 years. In that role, the researcher led the school advancement program which raised

money through charitable donations to support student scholarships, academic programs,

facility enhancement and endowments. There is valid research indicating the importance

of what the opportunity for a Catholic education can bring to urban youth, especially

minority students and their families. Bryk (1993) found that minority and low income

students in Catholic schools performed better academically because of the community

nature of the school and the ideology of the teachers. Many of these students are the first

generation to ever imagine attending college but have limited access, both financial and

academic preparedness, to attending college preparatory schools. Experienced Catholic

school administrators, who are also seasoned fund-raisers, understand the importance,

indeed the necessity of engaging individual and organizational shareholders to ensure that

students can afford a Catholic education at the elementary and secondary level.

Catholic school enrollment has declined for the past thirty years, and a major

factor in the downward trend in enrollment is due to inability of parents to afford tuition

costs (Greeley,1982). Some Catholic schools have developed into havens for the wealthy,

of all races, who seek to avoid sending their children to the urban public school. Catholic

elementary and secondary schools may be in danger of becoming demographically

equivalent to their colleagues in the independent school network.

Coleman & Hoffer (1987) concluded that the Catholic schools provided an

advantage for poor and minority students' academic success at the secondary level. They

also concluded that the survival of Catholic high schools in urban settings is essential to

the college preparation for poor and minority students.

Youniss & Convey (2000), referring to the present-day financial dynamics of

Catholic schools, show that the schools have evolved from a Church-funded endeavor

managed by professional religious to a system of largely parent-funded programs for a

diminishing portion of the school population. Their research posits that schools have

evolved from being dependent on the low-cost labor of religious orders to a system of

tuition-dependent institutions serving a more financially exclusive clientele where user

fees have grown at triple the rate of inflation.

Youniss & Convey (2000) also found a long standing critique of Catholic schools

is that they are socially divisive and elitist. However, researchers agree that

contemporary urban Catholic schools are increasingly non-Catholic and non-White

(Bryk, Lee, Holland 1993). In urban America there has been a long tradition of providing

educational opportunities for the urban poor and urban minorities. As urban America

neighborhoods underwent racial change, traditional white ethnic enclaves become

increasingly African-American and Hispanic and as a result, Catholic high schools

became more racially diverse. Greeley (1977) noted that Catholic schools stand in sharp

contrast to the increasingly segregated public schools across the country as living proof

that disadvantaged students can overcome their poverty and achieve in the right

environment.

B. Purpose of the Study

The topic of inquiry will be an analysis of the financial strength and advancement

effectiveness of San Miguel-Model Schools. The researcher hypothesizes that these

schools have limited ability to depend on tuition revenue because of the economic

realities of the population the schools serve. The typical Catholic school depends on

tuition to provide the majority of its revenue, the remainder from diocesan/congregation

subsidies and funds from charitable donations (Bimonte, 2005). San Miguel-Model

Schools are distinct in that their revenue comes almost entirely from charitable donations.

Unlike the traditional Catholic elementary and secondary school, San Miguel-Model

Schools charge minimal tuition, do not have an alumni base to solicit support for their

mission, do not depend upon a local parish church/congregation for subsidy, and the

parent community is not economically able to provide additional revenue.

The San Miguel-Model Schools are part of a national network of schools known

as the Nativity Miguel Network of Schools. The network was formed in July 2006 with a

merger of two associations of middle schools: the Jesuit Nativity School Association and

the Lasallian Association of Middle Schools. The schools were patterned after the

original Nativity Mission Center which opened in 1971 to serve low income middle

school aged boys in Lower Manhattan.

For purposes of this study, all efforts and strategies employed by the school to

raise revenue and charitable donations are labeled *Advancement*, which will be used in

place of other common terms such as fund-raising, development, institutional

advancement, and mission enhancement.

The research looked at four aspects of these organizations. First, the study

analyzed and compared the original school foundations and establishment by means of

interviews with founders and a review of school's original foundation and early history.

Second, the research analyzed the finances of the sample schools, including financial

statements, audits, and annual reports. Third, the research analyzed and compared each

school's system for securing charitable donations for its operations. This included the

strategies implemented to raise the necessary funds and to secure non-tuition revenue.

Included in this analysis was the role of the governing board in advancement, the role and

size of the advancement staff, the role of the sponsoring and/or founding religious

congregation, and the various events and programs in place to raise money through

charitable donations. In addition, the researcher made an analysis of why individuals

donate to these San Miguel-Model Schools. While comparing the sample institutions to

each other, the research also measured the samples against the standards for nonprofits

(an organization not conducted or maintained to make a profit) of the Better Business

Bureau and the funding metrics of the Nativity Miguel Network of Schools.

C. Sample

   The sample for this research was six of the sixteen San Miguel-Model Schools in

the United States. The researcher chose from among all schools and divided the samples

into two groups. Group A consisted of two schools, one school which was established by

the Christian Brothers in co-sponsorship with another religious order and one school

which is a sub-unit of a larger educational institution sponsored by the Christian Brothers.

Group B consisted of four schools which were all founded by individual Brothers with

partial support from the Christian Brothers.

D. Research Questions

   Initial research collected qualitative and quantitative data to use it to analyze and

compare each school. The following are a listing of variables that were researched to

assess the effectiveness of the school's advancement program.

1. School organization and administration

2. Financial audits and/or reviews

3. Professional and volunteer staff

4. Cost of raising funds

5. Annual reports

   a. Numbers and types of donors

6. Methods and strategies of raising funds

   a. Annual Fund

   b. Capital Campaign

   c. Foundation and Corporate Grant Programs

   d. Individual Major Gifts

   e. Planned Giving

   f. Special Events

Additional research, gathered from personal interviews, provided information

regarding the school's initial establishment and how the need for the school was

determined. The researcher interviewed the school's founder(s), the current head of the

school, and the chief development officer of the organization. The researcher also

conducted a survey of major donors to the school. Since the schools did not allow

researcher access to their donor data-base, an anonymous survey instrument was utilized

for random distribution to major donors. A major donor was defined as an individual who

contributed at least $1,000 or more once in one of the following fiscal years: 2006, 2007,

and 2008.

E. Assumptions

It was assumed that each school, while different in history, resources and size, had a similar mission – to provide high school preparation to economically disadvantaged urban youth in a faith-based elementary or middle school setting. Furthermore, it was assumed that each school operated under a sound financial model and adhered to accepted accounting principles and that any charitable donations could be measured. Additionally, it was assumed that the personnel and resources needed to secure charitable contributions can be quantified and measured, and that interviews with school administrators and documents they provided would produce an accurate account of the school's financial health.

F. Theoretical Framework

The theoretical framework in which the researcher operated included the following conclusions. Catholic schools do not receive financial support from local, state, or federal governments and are tuition-dependent for year-to-year operations. Charitable donations by individuals in the United States outpace those in all other countries in the world (Brooks, 2006). Religion and education consistently receive the majority of all charitable contributions by individuals in the United States (Giving USA, 2004). Schools require a consistent and dependable source of funds in order to operate and to provide funds for future planning and development. Contemporary donors, both individual and

organizations, are attracted to charities which are financially sound, innovative in

approach, and show quantitative results (Schervish, 1997). Through the operation of the

San Miguel-Model Schools, the Institute of the Brothers of the Christian Schools is

continuing its mission to giving a human and Christian education to young people,

especially the poor.

G. Significance

The research is significant because no prior research on these schools and their

advancement strategies, individually or collectively, has been conducted. A study

analyzing these advancement programs could assist the further development of these

schools to continue to operate and address the academic needs of the urban poor. A study

analyzing the finances could assist the schools in meeting the organizational viability

matrix of the Nativity Miguel Network of Schools.

H. Limitations

As there are many different elements in each school, this becomes a clear

limitation of this study. The only dimension of the schools that was similar is that all are

San Miguel-Model Schools. They represent a variety of demographic situations, as well

as a variety of socioeconomic settings. The donor base for each school is unique. School

administration, school governance, organization of school finances, organization of the

school advancement office and success of school fund-raising vary from school to school.

For example, the individual who has responsibility for overall school administration may

also be the individual charged with direction of the advancement program. Additional

limitations may be access to financial and development records, accuracy of records, and

availability of school officers for site visit and interview.

Because San Miguel-Model Schools represent one segment of the greater

American Catholic school community, the validity of the research and the findings are

limited. Independent private non-sectarian schools, as well as diocesan and parochial

Catholic secondary schools are omitted from this research. Any comparison would only

be able to be made with national averages found in prior research compiled by the

National Catholic Education Association.

The financial information available for Catholic schools in the United States is

limited to data classified as either high school or elementary school. This research

concerns itself with alternative Catholic middle schools which are a unique within the

Catholic school environment. This research subject represents only 3% of Catholic

elementary/middle schools in the United States. And Catholic elementary schools, while

the majority of non-public schools in the United States, serve about 12% of the total

elementary school population (National Catholic Educational Association, 2010).

I. Hypothesis

The researcher hypothesizes when comparing the two Groups that schools in Group A will have a stronger financial picture than schools in Group B in the following areas: cost to raise a dollar, number of individual donors, unrestricted assets per student, and greater support from foundations and/or corporations.

The researcher hypothesizes that schools in Group A will have more positive indicators with regard to Boards and Advancement Program. Furthermore, Group A will have the more experienced and greater number of Advancement Personnel than Group B, as well as the strategies employed to receive charitable donations will be more frequent and sophisticated in Group A than in Group B.

The Donor Motivation Survey centers on why the donor makes a charitable gift to a San Miguel-Model School. The researcher hypothesizes that overall, donors are not motivated by federal income tax laws and that a majority of donors are motivated by their prior connection to the Lasallian mission. In addition, because the survey was sent only those considered to be major donors, individual donors will demonstrate they have a good understanding of the school's mission.

II. REVIEW OF LITERATURE

The literature review for this study looks at dimensions related to this research: the history and development of Catholic education, especially for the urban poor; the history of Lasallian education and the genesis of the Miguel School movement; the financing of Catholic K-8 schools and the role advancement programs play in schools' financial viability; the history of Catholic charitable giving in the United States along with philanthropic trends and donor motivation; and, the final part of this chapter cites two comparable educational organizations and measurements used to evaluate nonprofits.

While a number of sources and texts were available for many of these topics, the literature in the areas of contemporary fund raising and philanthropy is dominated by association journals and articles. Information regarding contemporary Catholic K-12 education and its financing is derived primarily from the National Catholic Education Association journals and websites.

A. Catholic School History

> *As each one has received a gift, use it to serve one another as good stewards of God's varied grace.*
> *Peter 4:10*

Catholic schools in what was to become the United States first appeared in Florida and Louisiana in the 18th century. Today the oldest Catholic school still in operation is Ursuline Academy founded in New Orleans in 1727. (White House Domestic

Policy Council, 2008) These schools were founded by lay people and were later staffed

by religious orders. Among these orders serving the Spanish and French colonists were

Franciscans, Ursulines, Capuchins, Jesuits and Carmelites. In New Orleans, the Ursuline

Sisters operated a racially integrated school where the children of the French colonists,

former African slaves and indigenous people mixed together to receive an education.

These first schools were mainly primary (elementary) education and most offered board

and room. Elizabeth Ann Seton, a widow and Catholic convert who initially supported

her family by opening a school, eventually established the first religious order of non-

cloistered women in the United States, the Sisters of Charity of St. Joseph, in 1809 at

Emmitsburg, Maryland. Seton opened St. Joseph's School and Free Academy in 1810,

which become the nation's first tuition free Catholic school. The Sisters were in the

forefront of the advent of women's religious orders that formed the backbone of Catholic

education for the next 150 years of American Catholicism. (Oates,1995)

John Carroll, Bishop of Baltimore and first (1789) Catholic bishop in the United

States, instructed parents in his diocese in the late eighteen century on the importance of

Catholic education to benefit the new nation and in service to God. However, Bishop

Carroll also was a proponent of the separation of Church and State and a supporter of a

distinct form of American Catholicism. He was opposed to any system of schooling

which could serve to perpetuate the diverse and divisive cultures of old Europe. His was a

call for Catholics to be educated in their faith, not a call to set up a separate school

system for Catholics. (Judge, 2002)

The advent of the establishment of the 'common free school' by Horace Mann in

Massachusetts in the 1830's posed a challenge to Catholics. Judge (2002) reminds us that

prejudice was evident against the new immigrants, mostly Catholics. In 1834 the school

and convent of the Ursuline Sisters in Charlestown, MA was burned by an angry anti-

Catholic and anti-immigrant crowd. Catholics composed 1% of the US population in

1800, but by 1850, 2.5 million European immigrants had arrived with the majority of

them being Irish and Italian and Catholic (Massa, 2003). Mann espoused a school that

would address the changing nature of America as it moved from its agrarian roots to an

urban and industrial society. Society would need to be more moral and civic and non-

sectarian schools would be that source of national unity. (Judge, 2002)

Public schools were supported by taxes but controlled by the Protestant majority

and were set to produce harmony in the new republic. In New York City, the New York

Public School Society which received government funds to operate schools was in reality

a private Protestant foundation. All private schools, especially sectarian, were viewed as

divisive and a threat to national goals. These common schools taught a curriculum that

was centered on a common core Christianity based on the King James Version of the

Bible. In the cities, where immigrant populations were centered, this approach to public

education created tensions and eventually led to the establishment of parish based schools

to teach the Catholic faith. The American bishops wanted Catholic schools to educate the

immigrant Catholic population and to protect the faith from the Protestant bias present in

public schools. The first Archbishop of New York (1850-64), John Hughes, had a

radically different view than the aforementioned Carroll. It was Hughes who wanted

every Catholic child to find a place in a Catholic school.

The First Plenary Council of Baltimore in 1852 called for the establishment and

support of Catholic schools for Catholic children. Pastors were encouraged to establish

schools and parents were discouraged from enrolling their children in the local public

school (Hunt & Wallace, 2000) After the Civil War, Mann's common schools became

more secular and found identity with patriotic American values. Catholic schools were

viewed as not promoting patriotism and prejudice against sectarian schools increased.

The Catholic immigrant population continued to increase after the Civil War and by 1875

there were more than 1400 parish schools in the United States. Catholic voters began to

campaign for public funding, arguing the state had a duty to assist parents meet

educational needs for their children. This alarmed Americans who argued the need for

public schools to support American democracy and American values. Most notable of the

anti-Catholic positions was personified by Representative James Blaine (Republican –

Maine) who introduced a bill in US Congress to ensure that no tax dollars should be

appropriated to support sectarian/religious schools. Representative Blaine was acting on

behalf of then President Ulysses Grant, a rabid anti-Catholic, who wanted such an

amendment. Grant viewed Catholics as ignorant and superstitious and he viewed the

public school as a bastion of patriotism and intelligence (Buetow, 1988). This legislation

was first introduced by Blaine, who at the time was Speaker of the House in 1875, but the

proposed amendment failed to win approval in either chamber of Congress. However,

between 1877 and 1910 twenty-nine of the forty states enacted 'Blaine' amendments to

their state constitutions guaranteeing that no funding would ever be considered for non

public schools. (Hunt & Wallace, 2000)

At the 3rd Plenary Council of Baltimore in 1884, the Bishops, through the

Congregation for the Propagation of the Faith, called on Catholic laity to build schools, to

support them, and to send their children to the Catholic school. In cases where Catholic

education was scare or not available, the local Bishop had the responsibility to determine

the danger to one's faith presented by the public school and thus encourage parents to

home-school their children rather than enroll them in the local public school. The Council

also called upon the American Church to establish Catholic higher education in the

country. This resulted in an increase in the number of college preparatory (secondary)

schools and Catholic colleges. (Dwyer, 2009) By 1880, there were 2240 Catholic schools

enrolling 405,000 students in the United States. (McGreevy, 2003)

The Catholic school also emanated from the desire to preserve ethnic heritage,

especially among the non-Irish immigrants in the later part of the 19th century and the

early 20th century. Public schools were in the business of Americanizing immigrant

children; they were often viewed by the immigrant population as the enemy of both the

Catholic faith and also of the immigrants' culture and tradition. From the state's point of

view, the public school was thought to be the necessary preparation for good citizenship.

In the early 20th century, public schools began to develop the secondary (high)

school. This was rejected by some parish priests, yet some parochial schools extended

education to the high school level. The local Bishop would invite a religious order into

his diocese to establish these high schools, which included commercial schools, boarding

schools, and college prep schools. Parish elementary schools were mainly staffed by

women religious; the secondary schools were dominated by men's religious orders. These

religious congregations, both women's and men's, were happy to oblige, as these high

schools provided income for the order's overall mission and also proved to be fertile

grounds for recruiting new members into their orders. By the time of the Great

Depression in the 1930s in Chicago alone, 64 of the 80 Catholic secondary schools and

all of Catholic higher education, with the exception of the archdiocesan major seminary,

were established by religious orders (Droel, 2008).

Following World War I there was a new emphasis on professionalism, school

accreditation, and teacher certification for both public and Catholic schools. A committee

was formed as part of the Catholic University of America's Education Department to

assist Catholic elementary and secondary schools adhere to the new higher standards.

This committee would eventually become the National Catholic Education Association

(NCEA, 2010). In 1925, the US Supreme Court ruled that while school attendance was

mandatory, attendance at the public school was not necessary for those who wanted to

send their children to a religious school. In 1929, Pope Pius XII issued his encyclical, The

Christian Education of Youth which said that in all societies the family, the Church and

the state have rights and obligations with regard to educating young people. The ideal for

Catholics would be Catholic education delivered in a Catholic school for all Catholic

youth. By 1939, there were 1,945 Catholic high schools and 7,929 Catholic elementary

schools enrolling more that 2.4 million students. (Hunt & Wallace, 2000)

After World War II, the demand for Catholic education outstripped supply and

between 1946-1950, there was a 118% increase in non-public schools, compared to a

36% increase in public school growth. Catholics faced many issues related to this rapid

growth: who should be admitted; who should be denied; what criteria should be used for

establishing schools; should Catholic parents invest in elementary or secondary

education; what would be the source of funding for building and operating the schools;

how would the growth in the number of lay teachers impact the financial stability of the

schools; would new school governance models emerge; and, should the Church seek

government assistance? (Ryan, 1964)

A Jesuit priest, Virgil Blum, established the Citizens for Educational Freedom,

and argued that the 14th Amendment to the U. S. Constitution required equal treatment

for children and that the state could not penalize a child for choosing to enroll in a

religious school (Buetow, 1988). Blum's position was that the U.S. Constitution must be

neutral toward religion but can't deny the child any rights or benefits of education. A

Catholic laywoman, Mary Perkins Ryan, took a radically different approach in her study

of Catholic education summarized in her 1964 book <u>Are Parochial Schools the Answer?</u>

and proposed that while Catholic parish schools had been positive for the immigrant

populations they had outlived their usefulness. She further argued that the parish school

prevented the parent from assuming the rightful place in the spiritual development and

education of the child. Parents erroneously believed that just by sending children to the

local parish school, they were fulfilling their obligations as Catholic parents. Ryan

proposed that parish schools, in the absence of public funding, be eliminated altogether

and that parishes devote themselves to the spiritual education of adults and focus on

continuing education programs. Ryan (1964) called for an emphasis on liturgy and

educating the adults in their role as parents. The identifier for Catholics was their

connection and association with the parish and parish school; it is therefore not surprising

that, as the parish school closed or declined in importance, the Catholic identity was

negatively impacted. In many urban areas such as New York and Chicago people, even

non-Catholics, identified their geographical location by parish. Such a manner of

identifying oneself no longer exists. (Droel, 2008)

The Second Vatican Council resulted in the greatest changes to the Catholic

Church since the Reformation, three centuries before. Some of the documents and

directives that emanated from Vatican II questioned the effectiveness of Catholic

education, especially as so many resources were used to affect relatively few Catholics

worldwide. These heavy investments in property, buildings and personnel could be

directed to more pressing needs of the Church's members. The Council raised two

additional concerns: (1) everyone should be free to choose religious education but there

should be government support of all education; and, (2) if Catholic children were not in

Catholic schools, then parishes needed to provide religious education for them (Buetow,

1988).

Catholic school secondary and elementary enrollment peaked in 1965 at 5.5

million students, but then came a rapid decline in both number of schools and in

enrollment (Sarocki & Levenick, 2009). Some people argued that Catholic schools were

used as a haven to protect white ethnic groups in urban areas from the racial integration

of schools mandated by the federal government during the 1960's and 1970's. Some

argued that the Church was abandoning the poor by leaving the inner city and showed

little support for Catholics working to combat racism. The reality was that urban Catholic

schools enrolled significant numbers of minority children who were not Catholic. In

many cases, the local parish school provided the only effective learning for inner city

children as an alternative to failing public schools. Many Catholic schools remained open

because they choose to reach out to the new groups that were populating America's cities

(Greeley, 1982).

In 1973, the US Conference of Catholic Bishops issued a document entitled <u>To

Teach As Jesus Did</u> in which they endorsed Catholic education in its three-fold purpose

to teach the Gospel, to build the faith community and to serve all humankind.

> "Catholic education is an expression of the mission entrusted by Jesus to the
> Church he found. Through education the Church seeks to prepare its members to
> proclaim the good news and to translate this proclamation into action."

> "Catholic schools afford the fullest and best opportunity to realize the threefold
> purpose of Christian education among children and young people.
> > To Teach As Jesus Did

Later Father Andrew Greeley, a prominent Catholic sociologist, argued that it was

time the parish and pastor get out of the school operations. Greeley (1987) believed that

parish schools would be more effective and would be sustainable and viable only if

schools were conducted and operated by the Catholic laity. The National Catholic

Education Association was concerned about keeping schools Catholic, increasing

academic excellence and professionalism and securing finances to keep schools open and

financially viable. Even though Church leadership advocated for Catholic schools and

Catholic education, more and more Bishops did not promote Catholic education in their

localities and the parish priests viewed the parish school as a burdensome and

unnecessary operation.

        Despite being established for more than 150 years, there was little serious

research on the results and impact of Catholic elementary and secondary education on

American society. Coleman & Hoffer (1987) did not start out their research on the

effectiveness of schools to be proponents of Catholic education; however, they became

the first researchers to prove the effectiveness of Catholic schools. Their research

indicated that Catholic schools worked better for all types of students, especially urban

minorities from disadvantaged backgrounds. They concluded that Catholic schools

worked for five reasons: concentrated academic curriculum; staff devoted to students;

vision of the school as a learning community; relatively small size; and, simple

governance structures with an emphasis on local decision-making. (Coleman & Hoffer,

1987) Despite their excellent work and the promotion it gave to why Catholic schools

work and how important Catholic schools were to the national educational fabric,

problems and pressures remain for Catholic schools. The most notable problem: money.

In the United States economy during the 1980s and 1990s, the costs of education

outpaced all other costs, except health care, and fewer working class and middle class

families could afford non-public education at the elementary and secondary school levels

(White House, 2008). Teacher turnover, due to wide salary discrepancies, deterioration of

facilities, and the advent of technology presented additional problems and pressures for

Catholic education. In two decades, 1965-1985, 117 Catholic schools were closed in the

Archdiocese of Chicago. The mission of Catholic education was still clear, but the

existence of Catholic schools was being shaped by the exigencies of time and place. As

noted by Cornelius Riordan in Youniss & Convey (2000) regarding the future of Catholic

education:

> "It appears that the high quality and the increasingly high cost of education in
> Catholic schools is causing students with average to scarce economic resources to
> go elsewhere for their schooling. With each passing year, there are fewer students
> attending Catholic schools, and those who do attend are increasingly non-White,
> non-Catholic, nonreligious, and yet from homes of high socioeconomic
> status….This current state of affairs is a 180-degree turnaround from all previous
> decades in the twentieth century." (p. 49)

The new dynamic of fewer vowed religious in teaching and administration on the

schools and more laywomen and men replacing them increased personnel costs

dramatically. In 1965, 95% of Catholic school administrators were religious, by 1995

95% of Catholic school administrators were lay (Sarocki & Levenick, 2009). Combine

this with a lower birth rate among Catholics, the aging of Catholic school facilities, along

with the flight of ethnic Catholics from the urban areas, and the result is that fewer

schools are able to stay open and fewer students are enrolled. When Catholic schools first

appeared in 19th century America, Catholics were less educated, less affluent, less mobile

and more homogeneous. Today, America's 60 million Catholics are found in all

professions and all walks of life. Catholics are the majority membership on the United

States Supreme Court, are the largest single religious group represented in Congress, and

comprise a significant portion of American middle and upper economic classes. Catholic

schools, as schools of choice for Catholic families, have been replaced by the public

schools, which today educate 94% of all students in America. As noted by President Bush

on April 24, 2008 in a speech to the White House Domestic Policy Council (2008):

> "America's inner-city faith-based schools are facing a crisis. And I use the word
> crisis for this reason: Between 2000 and 2006, nearly 1,200 faith-based schools
> closed in America's inner cities. It's affected nearly 400,000 students….We have
> an interest in the health of these centers of excellence, it's in the country's interest
> to get beyond the debate of public/private, to recognize this is a critical national
> asset." (p.3)

B. John Baptist de La Salle and the Brothers of the Christian Schools

> *Yes, I adore God guiding me in all the events of my life*
> *St. John Baptist de La Salle*

The Brothers of the Christian Schools were founded late in the 17th century by a

French priest, John Baptist de La Salle. De La Salle, the oldest son of an upper class civil

servant, was a canon at the cathedral in Rheims, France. His place in society was that of a

cleric with a relatively easy job and substantial regular income. His encounters with the

lower class in these early years must have been disturbing for a person of his social

stature. In 1679, De La Salle first came in contact with a layman, Adrian Nyel, who was

in Rheims at the behest of a wealthy widow who wanted Nyel to open a charity school

for boys (Blain, 2000). De La Salle was the chaplain for the Sisters of the Child Jesus, an

Order devoted to teaching girls in Rheims, and it was there he first met Nyel, who had

come to observe the schooling provided by the Sisters. Nyel had a reputation for starting

worthwhile projects that he had little desire or talent to administer and ensure their

viability. It is unclear whether Nyel was an inspiration for De La Salle, or whether De La

Salle felt obligated to look after the school once Nyel had departed for another town. No

doubt De La Salle would have been acutely aware of the conditions faced by the poor of

his time. During the daily walk from his comfortable home to the protective world of the

Cathedral he would have come across the unsupervised and unschooled children in the

streets. (Blain, 2000)

To fully appreciate De La Salle it is important to understand the dynamics of 17th

French education. Salm (1996) tells us that French society was stratified. The aristocracy

consisting of those connected to the monarchy, the nobles and the titled, along with the

ecclesiastical authorities were at the top of this oppressive societal pyramid. The Catholic

Church was associated intimately with the monarchy and exercised much power and

influence over the people. Next was the emerging merchant class, followed by the

artisans, those performing the daily tasks that made society function: bakers, lawyers,

tradesmen, and accountants. At the bottom and the largest class were the peasants, the

agricultural workers and the poor. The aristocratic class did no work, yet had a steady

income from the land rentals and investments. The monarchy taxed the peasant and

artisan classes heavily to pay for expensive wars and the population had to deal with

frequent economic crisis, periodic famines and epidemics. Two thirds of the population

lived in the countryside and has no access to schooling. The poor found themselves in a

position of insecurity and inferiority and depended on the local civil administration and

the parish, for charity (Salm, 1996).

Though the age of commerce had emerged, higher education still had a medieval

structure. University instruction was wholly in Latin, and the curriculum of lower schools

did not address the needs of the artisans, farmers, and working poor (Battersby). Learning

was provided via various methods of schooling. If a household had the means, the

children were individually tutored by private school masters who taught the basics, along

with Latin, to prepare students to enter a college (university preparatory) around the age

of 10. The merchant class, the bourgeoisie, had the means for their children to go to the

Petite Ecoles (Little Schools) which were no more than a group of children being home

schooled with approval of the local Church supervisor. Then there were the Writing

Masters, a guild of professional scribes, who would take children as apprentices and

teach them their trade. All of the aforementioned required the parents to pay some level

of fee. The bottom of this educational structure was the Charity School, a place for those

who could not afford to pay, and it was the responsibility of the local parish to serve

those listed on its Poor Registry. This schooling was viewed as charity, not as an

essential duty of the state or church to provide the people. Because these schools were

parish based, each depended on the skill and zeal of the local pastor for their success and

viability. (Salm, 1996)

Even in the best of these situations, instruction was inconsistent, and there was a

lack of stable supply of competent teachers. The discipline was bad, and supervision of

both students and teachers non-existent. It was difficult to establish and maintain even the

most minimal of basic learning. Salm (1996) cites De La Salle's own words,

> "The necessity of this Institute is very great, because artisans and the poor, being
> usually little instructed and being occupied all day in gaining a livelihood for

themselves and their family, cannot give their children the needed instruction nor a suitable Christian education. It was to procure this advantage for the children of the artisans and of the poor that the Christian Schools were established." (p.45)

De La Salle, who was neither a teacher, nor an administrator nor a parish priest, later reflected that his journey into this world of schooling by a series of events that he neither planned nor desired was surely an Act of Providence. It began with his encounter with the aforementioned Nyel, which led to a period of years of his personal funding of a school for boys, followed by providing housing and training to the ragtag group of the first teachers. Ultimately, in 1686, De La Salle was convinced to organize the group of teachers and to establish schools throughout France by the end of the 17th century. Within five years of his initial meeting with Adrian Nyel, his band of teachers had adopted the title of Brothers of the Christian Schools, wore distinctive non-clerical clothing, and formed a religious community with vows (Battersby, 1957).

The Christian Schools, established by De La Salle and those first Brothers, had an impact on both French education and society. While establishing schools to educate the poor and underprivileged would today seem a noble and worthwhile endeavor, De La Salle's efforts were not always fully appreciated by his contemporaries.

In the class conscious society of 17th century France, creating schools that provided education for both the poor and the working class was not welcomed. This was because the Christian Schools crossed social boundaries by mixing the children of the poor with the children of the artisans and working class. Salm (1996) tells us the Christian Schools gained such an excellent reputation that soon many bourgeois families

requested admission for their sons as well. De La Salle's schools had a negative

economic effect on the private school masters, who saw the schools as threats to their

livelihood. These upstart Christian Schools were able to effectively teach larger numbers

of children simultaneously, one teacher leading a group of 20 or more students in a

lesson, resulting in economic efficiencies that the Petite Ecoles and the Writing Masters

could not match. By teaching children in their native French, the Christian Schools

negated the need for families to pay for private tutors of Latin before formal education

could be begun. The more the schools developed, the clearer it became to De La Salle

that the teachers required training themselves, and in 1705 he established a teachers'

training school in St. Yon, a suburb of Paris. This teacher training formed them into a

cohesive group singular in purpose and mission. De La Salle also insisted that the

teachers in these Christian Schools look upon teaching as a vocation rather than a career

and that such work was based on Gospel values. De La Salle also insisted on his teaches

respecting all children who came to the schools regardless of class (De La Salle, 1992):

     "Since you have been called to teach the poor, strive to find Christ in the faces of
the poor children you teach. The more you love them, the more will Christ work for you."
"Regard your students as the children of God himself. Have much more care for their
education and for their instruction than you would for the children of a king." (p.56)

     The Christian Schools provided practical and appropriate studies, and a

curriculum was developed that included arithmetic, reading and writing, as well as social

skills and religious instruction. The schools brought order and discipline to an otherwise

chaotic enterprise with fixed schedules and daily routines. Trained teachers, instructing

students simultaneously in their native language, providing education in not only basic

academic skills but also in civility and manners, proved to be an effective combination in

providing education to that part of society previously deprived of such benefit. The

teaching methods developed by De La Salle were based on what was realistic for the

students and what they needed to become mature members of society and church. The

atmosphere of the schools was respectful and humane, and they become institutions

where the young were able to develop intellectually, socially, and spiritually, unusual for

this period of history (Salm, 1996)

The practical approach to conducting the schools allowed for additional

educational innovations. De La Salle established technical schools as requested by the

merchant class who wanted their children trained in geography, bookkeeping, accounting,

architecture, music, and more. These schools were the forerunner of today's high schools.

De La Salle also established boarding schools, weekend schools for adult workers, and

homes for troubled youth. His schools which offered rehabilitation of criminals through

education were at least two centuries ahead of their time. The Brothers' novitiate at St.

Yon was a precursor to the 'normal' school, teacher training colleges, movement in the

United States in the late 19th century (Blain, 2000).

Salm (1996) describes De La Salle as a practical individual who knew that

without financial support the schools would not exist, but he also knew that the farmers,

the artisans and the poor could not afford to pay for schooling. The Christian Schools

could not exist on weekly charity of the people. This realistic view of finances grew from

his early experience: the widow, Catherine Levesque, who had endowed Nyel's school

for boys in Rheims, insisted that her support would continue only if the Canon, Fr. De La

Salle was involved.

The history of the establishment of the first Christian Schools was a story of

parish priests asking De La Salle to send a Brother to run the local parish school. De La

Salle would do so only if two conditions were met: he always sent a minimum of two

Brothers, and only if they would be guaranteed a salary and housing from either the

parish or the town. The expansion of the Christian Schools is peppered with similar

stories: a widow left money for the opening of a school in Troyes; the wife of the Papal

treasurer left a legacy to be used to open a school in Avignon; rich merchants, observing

the school's success in Avignon, provided funding for an establishment in Marseille; in

Boulogne-sur-mer local devout laymen gathered up contributions for a Christian School.

De La Salle had even founded a civic association headed by lay trustees to acquire

property for the new religious institute so as not to be indebted to or under the direction

of the local Church authorities. (Salm, 1996) This formation of a distinct entity, separate

from Church authorities was no doubt connected to De La Salle's personal experience as

a Cathedral Canon, where he saw firsthand the abuses of power from unsympathetic

Church officials.

The growth of the Christian Schools, both in number and in reputation, did not

come without pain and negative consequences. The Writing Masters and others brought

law suits against De La Salle on many occasions; the local clergy and church hierarchy

were not always supportive, especially when De La Salle would not submit his newly

found community to their oversight. De La Salle's life and work reflected gospel based

values and a radical trust in Providence (Battersby, 1957). He successfully fought off

both the intrusions of the school masters and the clergy but he also paid a steep personal

price. The Bishop of Rouen wanted to be the head of the Brothers' community, while the

Bishop of Rheims wanted the property of the Brothers. Near the end of his life, the local

Archbishop in Rouen stripped Father de La Salle of his priestly faculties (Salm, 1996).

Effectively the man who would be declared Patron Saint of Educators by Pope Pius XII

in 1950, John Baptist de La Salle, died a defrocked cleric in 1719.

        The small religious community of the Brothers of the Christian Schools survived

the passing of De La Salle and subsequently expanded beyond France. While De La Salle

was not personally charismatic, he undoubtedly established the Lasallian charism that

exists today. He recognized a need that others in his day ignored: the working class and

the poor were deprived of learning and formal schooling. It is clear that he was a strong

and pious person and despite serious setbacks during his life and in the subsequent three

centuries after it first appeared, the Lasallian educational mission remains intact. The first

permanent Lasallian School in the United States, Calvert Hall College, was established in

Baltimore in 1848. Today more that one million students in 1,000 schools located in 80

countries are the living legacy of Jean Baptiste de La Salle and those original Brothers.

More than 5,000 Brothers (the largest Order of teaching Brothers in the Roman Catholic

Church) and their 30,000 lay colleagues continue to bring Christian education to youth in

a variety of educational institutions around the world. The definition of the Institute has

changed, no longer is the mission identified as the Brothers' mission, but since the mid-

1970s the term Lasallian has been accepted to mean any mission associated with and

conducted in the spirit of St. De La Salle by the Christian Brothers and their lay

colleagues. (Brothers of the Christian Schools, 1987)

Direct service to the poorest of society, accomplished without personal gain was

at the core of De La Salle's original mission. Over the last three centuries the Brothers

expanded beyond France, and the schools gained exceptional academic reputations. The

financial reality of modern American private Catholic Church-based education has

resulted in most Lasallian schools becoming less accessible to the poorest in society.

While the majority of these schools work tirelessly at providing financial scholarships for

those in need, the fact remains that most Lasallian schools and most Catholic schools

present a financial challenge to the poor, the working poor and the middle class of society

in America today (Brothers of the Christian Schools, 1980).

As a result of the Second Vatican Council (Vatican II), all religious orders in the

Roman Catholic Church were encouraged to reflect upon their mission and return in

fidelity to the unique charism of their respective founders by researching the original

foundational documents and founder's writings and words. The 39th General Chapter of

the Brothers of the Christian Schools, held in 1966-67, was a response to Vatican II. The

most important document resulting from this Chapter was the The Brothers of the

Christian Schools in the World Today: A Declaration. Chapter I encouraged the Brothers

individually and the Institute collectively to conduct sound research on the Founder, St.

John Baptist De La Salle, his writings and the Institute's original documents and archival

material. This document recognized and identified the challenges to renewal from

society, the Church and the Brothers themselves. Chapter VI directly addressed Service

to the Poor through Education. The Brothers, individually and collectively, were

encouraged to be everyday missionaries and return to work with the poor (Brothers of the

Christian Schools, 1980):

 "According to situations and possibilities, there is a need for imaginative effort coupled
with a personal and community search to discover new and adaptive forms of education
for those who are 'the poorest of the poor." (p. 25)

        The Declaration of 1967 looked at the future of the Institute of the Brothers of the

Christian Schools and concluded the future would be the result of responding to this call

in either one of two ways. Either the Institute could recognize that the Brothers and

colleagues share a clear sense that the worldwide Lasallian mission and Lasallian

education is a benefit for both Church and society and the spirit of the founder, John

Baptist de La Salle, is active in prayerful and supportive Lasallian educational

communities composed of lay colleagues and associates which are simple, attractive to

new disciples, diverse, and void of structures which are barriers to this renewal. Or the

Institute could concentrate on the stark demographic realities that the Brothers are aging

rapidly and decline would be furthered by death and departure, therefore the

accumulation of financial resources becomes paramount, and the Institute should pull

back and give up schools and apostolates. In the United States, the response to the stark

choice between these two conclusions caused a new spirit to emerge.

        It was this document, *The Declaration*, which stimulated local initiatives by

individual Brothers who responded to local needs and issues outside of the traditional

Catholic secondary school which dominated the Brothers' mission in contemporary

America. Brothers, together with lay volunteers and other religious, established Catholic

Worker Houses in Kansas City and Chicago. One American District (regional governing

unit) opened a tuition free elementary school in the poorest section of Tijuana, Mexico.

Brothers, joining with local parish and community activists, opened community social

service agencies in the Bronx and Brooklyn. A Chicago high school established an adult

education center for residents of public housing. These efforts, with nominal approval by

local governing bodies of the religious order, remained on the margin of the formal

Institute of the Brothers of the Christian Schools. In 1987, the international Institute of

the Brothers of the Christian Schools rewrote The Rule, the foundational document

governing the individual, communal and apostolic lives of the Brothers, in part as a result

of the Brothers founding and leading alternative educational centers and community-

based organizations.

Another event signaled a shift towards the Lasallian mission focusing on direct

service to the poor through education. In 1990, the first women were accepted as

Lasallian Volunteers and lived in Lasallian communities. The Lasallian Volunteer

Movement (LVM) began in the early 1980s when laymen were welcomed into Christian

Brothers' communities and schools to volunteer a year of service modeled on a domestic

Peace Corps. What began with one De Paul University undergraduate, a Lasallian high

school alumnus, volunteering for a summer of service at a Brothers mission on St.

Thomas in the US Virgin Islands blossomed into a formal volunteer program for recent

college graduates to serve in areas where the Brothers served the urban poor in both

formal and informal educational settings. Today the Lasallian Volunteer Movement is an

integral and formal program sponsored by the Christian Brothers Conference, the

coordinating body for all Lasallian operations in English-speaking North America. The

LVM annually trains and places more than 100 laywomen and laymen of all backgrounds

into Lasallian educational communities where they are able to devote a minimum of one

year of service to the poor through education.

C. The San Miguel Schools

> *I must enter into all that I do with a spirit of love.*
> *San Miguel Febres Cordero*

In 1993, Brother Lawrence Goyette founded the first San Miguel School in

Providence, Rhode Island with two other teachers to serve fourteen low-income, minority

boys in grades 6 thorough 8. Rhode Island's population is 59% Catholic, yet only 10% of

Catholic children are enrolled in Catholic schools (Goyette, 2006) His own personal

experience resonated with Brooks' (2006) observation that boys are seven times more

likely to end up in incarceration than girls. In 1995, Brothers Edmund Siderwicz and

Gordon Hannon founded a San Miguel School in Chicago to serve boys and girls in the

predominately Hispanic and low income Back of the Yards neighborhood in grades 6

through 8. In Illinois, Catholics comprise 11% of the total population but only 12% of

Catholic families can afford to enroll their children in Catholic schools. The focus was

on middle school students (grades 5 through 8) because most educators agree that middle

school years are the hardest in a child's life and high school might be too late to have a

positive and lasting impact on both their personal lives and their academic

success.(Meyer, 2008)

These schools, and the sixteen that followed, were named in honor of San Miguel

Febres Cordero, a nineteenth century Ecuadorian Christian Brother, known for his

scholarship and linguistics and his affection for teaching religion to the poor of Quito,

Ecuador. He was declared a saint of the Catholic Church in 1984.

By 2005, additional San Miguel model schools emerged across the United States:

Browning, MT; Camden, NJ; Washington, DC, St. Louis, MO; Racine, WI; Tulsa, OK;

Memphis, TN; Tuscon, AZ; New York, NY; San Francisco, CA; and Minneapolis, MN.

San Miguel Schools emphasize essential characteristics that distinguish them from other

Catholic grammar/elementary schools.

A San Miguel School is clearly identified as a Lasallian school. It adheres to the

principles and values of a Catholic faith community while honoring the tradition of

education begun by St. John Baptist De La Salle. This entails personally knowing and

engaging each student and accepts that preparing them for admission into a college-

preparatory secondary school is the responsibility of the student, the parents, the teachers

and the school. Schools set high expectations of academic achievement, emphasize

responsible life skills, and foster social development. (Nativity Miguel Network, 2008)

The San Miguel School tends to be small in total enrollment, with all but two of

the existing schools enrolling less than 100 students. There is a belief among San Miguel

School administrators and practitioners that a small school community allows for a

nurturing and welcoming environment where positive relationships can be fostered

alongside a healthy community of students, parents and teachers. The San Miguel School

is also accessible to the wider community as there is no limitation on admission due to

race, creed, income level or academic ability. The majorities of students (77%) are

eligible for free or reduced lunch subsidies from the federal government. (Brothers of the

Christian Schools, 2009)

At a San Miguel School even the most hesitant and doubtful learners are viewed

that with appropriate place, structure and experience, they can be academically

successful. The development of the student involves emotional development, scholastic

development, physical well-being and spiritual development. A San Miguel School

operates with extended hours, often open at 7:00 a.m. and not closing until 9:00 p.m.

These schools do not operate on a traditional school calendar, but run year round with

shorter and more frequent breaks which provide creative and innovative approaches to

learning. This commitment places a significant responsibility on the teachers which is far

greater than that of their public school counterparts. Finally, in a unique way, San Miguel

Schools support their graduates in concrete ways. Once a student is placed in a private or

Catholic college prep school, the San Miguel School provides financial guidance and

assistance to the family and works closely with the student's high school to support this

academic development and growth. It is these characteristics that distinguish the San

Miguel School model from other Catholic elementary and middle schools resulting in a

unique alternative for students from low-income backgrounds to benefit from a Catholic

and Lasallian education (Shields, 2003). These distinctive elements are also the reason

San Miguel Model Schools have a cost of education of $12,000 per student as compared

to $6,000 per student in the traditional Catholic school. (Nativity Miguel Network, 2008)

D. Financing Catholic Schools

> *Our Catholic school system is the most potent expression of Catholic charity that exists*
> *today, besides which all other forms pale in their significance.*
> *John Cardinal Glennon*

America today is dramatically different from when Catholic schools were first

established opened and from the times in which Catholic schools thrived. The numbers of

Catholic schools and teachers, and student enrollment have decreased in the past forty

years, and the primary reason is finances. The White House Domestic Policy Council

(2008) found the decline of Catholic schools results from a combination of little or no

government aid, the growing decrease of parish subsidies, increasing number of students

from low income families, schools artificially holding tuition below the actual cost of

education, rising teacher salaries, and shifting demographics. Today only 6% of all

Catholic school children are enrolled in Catholic schools compared to nearly 40% in the

1950's (NCEA, 2010). As noted earlier, the Catholic population of early America was

less educated, less affluent, less diverse and less mobile than the Catholic population of

today. While public school districts are financed by property taxes or property

assessments, the Catholic elementary/middle school depends on tuition, charitable

donations and the financial support of the local Catholic community. The same situation

exists for Catholic secondary schools; however, alumni support and established

endowments provide a greater percentage of income than are found in the

elementary/middle school financing models. In a study conducted for the National

Catholic Education Association, Bimonte (2006) found in Catholic elementary schools

that 63% of revenue was generated by tuition, development and fund-raising activities

accounted for nearly 14% of revenue, and, Church subsidy accounted for more than 20%

of school revenue. Catholic elementary schools in the New England region were the most

likely to still have Church financial support (81%) and those in the Far West region were

least likely to have Church financial support (71%).

While there has been considerable research on the academic outcomes of students

attending Catholic elementary and secondary schools, little research has been compiled

concerning Catholic school finance and development. The follow up study of Hunt,

Joseph & Nuzzi (2004) to Convey's (1992) research on the effectiveness of Catholic

schools, shows that only 8 of 302 dissertations completed on Catholic schools dealt with

finance related issues and there were none concerning advancement. Hunt, Joseph &

Nuzzi (2004) do show that when Catholic schools institute a formal development/fund

raising program, the results are promising. Schools that have development programs

conduct annual appeals, formulate case statements for support and develop long range

plans. In the decade between 1989 and 1999 nearly half of Catholic elementary schools

had separately identified endowment funds, up from less than 25% a decade earlier.

Bimonte's (2005) study for the National Catholic Education Association detailing the finances of Catholic elementary schools showed the major source of revenue was tuition income (62.3%) with fund raising and charitable donations accounting for 10.9% of revenue. He also found that 21.7% of revenue for a Catholic elementary school was provided by a Church subsidy and that eighty-five percent of all schools were recipients of a parish subsidy. Less than one school in three employed a full-time person charged with fund raising (development director) but most schools did have some types of fund raising activities ranging from raffles to socials. The study identified eight types of activities, but seven of the eight activities involved selling consumables and games of chance. None of the activities identified individual personal solicitation as a means of acquiring charitable donations or as a significant source of revenue for the school.

Beaird & Hayes (1999) suggest that the long term solution to a Catholic school's financial stability is the establishment and promotion of an endowment fund. Over time this fund would have the dual effect of keeping access to Catholic education affordable and help weather the fluctuations in the economy. They identify an endowment as a permanent and restricted fund in which the principal amount is preserved and a portion, usually 5%, of the earnings is used to help fund the annual expenses of the organization. Preservation of the principal allows for an endowment fund to grow. The authors suggest that one of the best sources of donations to the endowment fund can come from estate planning and charitable bequests and that every Catholic school should have planned giving as part of their overall development/institutional advancement program. The probability of success in this area of advancement is enhanced because of the

intergenerational transfer of personal wealth of an estimated $1.7 trillion to be

bequeathed to charities by 2020. (Acri, 2008)

Despite the financial challenges, the mission of Catholic education is still vital to

the nation. A Catholic school is smaller, its design is more flexible, and it on the whole is

capable of reacting more quickly to challenges and opportunities. Curriculum is basic and

fundamental. The governance is almost always local, and there is greater emphasis on

discipline, social values and community service. Coleman & Hoffer (1987) concluded

that Catholic schools decreased the negative effects of family background on student

achievement. These elements make Catholic schools a key factor in breaking the cycle of

poverty experienced by so many of America's urban poor.

Wisconsin and Ohio have successfully provided, and legally defended,

educational voucher programs, but, at the same time, when every other state that has put

school vouchers referendum on the ballot, the referendum has been soundly defeated.

Local and national political leaders owe too much to powerful public teacher unions and

avoid any commitment to school choice via vouchers which would include religious

schools. There has been a recent debate about school choice, but public funding of

religious schools remains highly unlikely. James (2007) cites the various approaches to

making Catholic elementary more financially accessible including cost-based education,

negotiated tuition, inter-parish and diocesan elementary schools and the stewardship

model. However, the most viable alternative to becoming less tuition-revenue dependent

and remain affordable is the development of successful advancement programs and

increasing charitable donations.

In his brief but comprehensive pamphlet on development for Catholic school

administrators, Belsky (2007) proposes that Planned Giving has the greatest potential for

the Catholic elementary school, as most Catholic Americans are able to make more

substantial charitable gifts through a bequest than they are during their lifetime. Planned

Giving as an advancement technique also means a commitment to a long term strategy.

Catholics rank at the bottom when it comes to annual charitable contributions of religious

groups; however, Catholics are more responsive when it comes to capital and planned

giving. Catholic school administrators must view every individual as a prospect for

charitable giving and build relationship with people from a wide variety of constituent

bases: parents, grandparents, school alumni, parishioners, local community, local

businesses and local Church. (Belsky, 2007)

E. Advancement

*We make a living from what we get, we make a life from what we give. What we have
done for ourselves dies with us, what we have done for others and for the world is
immortal.*
George Eliot

Revenue generation for nonprofits is done primarily through the raising of funds

and this is accomplished by a department or office within the nonprofit agency. In

Catholic schools this department/office is usually identified as Development,

Advancement, Institutional Advancement, Mission Support, and/or Fundraising. For the

purposes of this study, the term Advancement is used to refer to the department/office of

the school assigned to generating revenue via solicitation of charitable donations. Some

nonprofits rely on outside agencies or organizations to provide funding and can fall into

four types: federated fundraising campaigns; community/civic/fraternal organizations;

separately incorporated support organization; and, a parent organization. Respective

examples of the above are United Way, Lions Club, separate foundation, and a religious

order/congregation. (The Fundraising School, 2009)

For the subjects of this study, the San Miguel Model Schools, tuition revenue

represents less than 5% of total revenue, and thus these schools must rely on outside

private support to conduct their activities. Charitable contributions are the major source

of revenue and operating income. The schools use a variety of strategies and methods to

generate non tuition revenue and raise contributions: *Special Events, Planned

Giving/Legacy Program, Annual Giving, Personal Solicitation,* and *Capital Campaigns*

and *Corporate & Foundation solicitation.*

Special Events are activities, scheduled periodically, that raise money by

conducting an event that would have an entry fee or ticket price and the net proceeds of

the activity would be directed to the nonprofit. Examples of these types of activities are

black tie dinners, golf outings, luncheons, auctions, and awards dinners. While special

events are labor-intensive and time consuming, they provide opportunities for the

organization to enlist volunteers to assist in making the event successful and to convey

the school's message to a wider audience. There are also occasions in which a special

event is conducted not solely to raise funds for the organization but to raise awareness of

the organization's mission and to gain new friends and supporters of the mission.

Planned Giving refers to long term personal cultivation of an individual intended

to produce a gift to the nonprofit. There are three categories of planned gifts: *outright*

gifts (cash, stock, real estate and charitable lead trust), *expectancies* (retirement IRAs, life

insurance and estate bequests), and *deferred gifts* (charitable gift annuity and charitable

remainder trust). Soliciting these types of gifts requires a high level of sophistication on

the part of both the donor and the solicitor, and many nonprofit organizations can not

afford to staff this function. (Regenovich, 2003) An organization may unite these appeals

under the heading of Legacy to indicate that these types of gifts are intended to help

sustain the financial future of the charity.

Annual Giving Program/Annual Appeal is a request to all potential individual

donors to contribute to the charity at least once per year. The annual fund is the building

block for all institutional advancement efforts. It serves to establish a base of donors to

involve, inform, and bond into a constituency for the organization. (Russo, 2003) An

Annual Fund permits the organization to establish a reliable base of funding which allows

it to depend on a steady stream of funding for its programs and services. Without a

successful annual program/appeal the nonprofit would not be able to expand into other

areas of advancement such as Capital or Endowment Campaigns. Annual appeals for

many Catholic organizations are typically held in conjunction with the holiday season,

with the appeal occurring sometime between Thanksgiving and Christmas. For schools,

annual appeals are usually held twice per year, once in the fall and once in the spring to

coincide with the academic semesters.

Sieler (2001) concludes that individual Personal Solicitation is the most effective

means of securing charitable support for a nonprofit, but such solicitation must be done

by either a leader of the organization or a committed volunteer who himself/herself has

already made a charitable gift to the organization. Sieler's process comprises a rigorous

twelve step progression with precise planning and execution. While Sieler acknowledges

the trend towards professional staff driven individual solicitations, he advocates the use

of committed volunteers to ensure the greatest degree of success, noting the generally

accepted principle of needing one volunteer for every five personal solicitations.

Capital Campaigns are intensive efforts designed to raise a specific sum of money

within a defined time period. Campaigns are conducted to substantially increase the

nonprofit's assets: renovation or expansion of facilities, construction of new buildings,

purchase of equipment or real estate, and additions to the endowment fund. Typically an

organization will engage in a development feasibility study to determine its capacity to

conduct a successful capital campaign. Campaigns differ from other efforts that the

amounts solicited are usually larger than those amounts in an annual appeal and the

capital gift can be paid with a multi-year pledge.

Corporate and Foundation programs are the strategy and efforts of the nonprofit

engage to garner financial support from corporations and foundations. Examples of

Corporate programs are the solicitation of local businesses and companies, requesting a

corporation to support a specific aspect of the school's academic/support program,

seeking a partnership with a corporation by having corporate employees become

volunteers who assist the organization, and/or asking a corporation to conduct a special

event, the proceeds of which are used to support the nonprofit. Examples of Foundation

programs are the research into public and family foundations to seek support for the

charitable organization, writing of proposals seeking foundation grants, and/or

collaboration with similar organizations to seek foundation support. While corporate

charitable giving is primarily dictated by the net profits of a corporation, foundation grant

making is governed by each foundation's unique purpose. These guidelines, which must

comply to state and federal laws, require a minimum of 5% of the foundation's principal

amount's annual earnings to be distributed to qualified charities according to the by-laws

of the legally incorporated foundation.

A key factor in any advancement program of a nonprofit is the individual, paid

and unpaid, which is responsible for raising contributions for the organization. The

Center on Philanthropy at Indiana University (2004) found that the number of

professional fundraisers, paid staff charged with raising money, has increased one

hundred-fold in the twenty year period 1980 to 2000. This was determined by comparing

the number of members in the Association of Fundraising Professionals and by the

number of local chapters of the AFP. Nearly two thirds of nonprofits have no full-time

professional staff whose primary responsibility is fundraising. About one in six hire

outside consultants for fundraising purposes. For nonprofits whose annual contributions

range from $250,000 to $1,000,000, 36% have no fundraising staff, 30% have one person

in this capacity, and 34% have a paid staff of more than one. For nonprofits whose annual

contributions are more than $1,000,000 only 17% indicated no fundraising staff, 24% had

only one paid staff member, and 59% had a staff of more than one responsible for raising

contributions. (The Fundraising School, 2009)

Volunteers and other paid non-advancement staff members are also part of an

organization's ability to raise money. For Catholic educational organizations, the chief

executive officer (president, executive director, principal, and/or headmaster) is part of

the advancement strategy, as are members of the governing board of directors (trustees,

advisors, regents). The Center on Philanthropy at Indiana University found that almost

75% of nonprofit organizations reported using volunteers for fundraising. They also

found, to their surprise, that even charities with professional staff have the chief

executive, board members and volunteers more involved in fundraising than those

nonprofits with no professional fundraising staff. (The Fundraising School, 2009)

F. Catholic Charitable Giving and Catholic Philanthropy

Give tangible proof that you love the young people whom God has entrusted to your care.
St. John Baptist de La Salle

Charitable giving and philanthropy are ancient traditions. Upon his death, Plato's

estate was bequeathed to support his academy in Athens. Many ancient religions were

supported by gifts from the faithful. The earliest Christian teachings spoke about the

dignity of the person and the necessity to embrace and care for those less fortunate,

especially the *anawin* – the poor, the lepers, the widows, the orphans and the helpless.

(Buetow, 1988). In medieval Europe the first schools were sustained by private

donations. Philanthropy in the early days of the United States concentrated on education

and acculturation – on impacting on individuals' lives and assisting them in solving

whatever problem limited them from becoming self-sufficient. (Magnet, 2000) Harvard

College was first supported both by the estate of John Harvard and by soliciting funds

from English citizens who wanted to insure the establishment of education in the

American Colonies. Brooks (2006) indicated that charity is a result of religious

upbringing, skepticism of government and a strong family background.

Charitable giving for Catholics can be traced to the beginnings of the American

Catholic Church in Maryland when Bishop John Carroll began to seek donations from the

faithful during Mass. These offertory donations went to support the local parish and to

support the local priest; this was the beginning of the Sunday collection in Catholic

churches. (Oates, 1995)

In 1824, the Catholic Church in New York instituted what essentially was the first

capital campaign; people would pledge a payment amount over time with a subscription.

Other methods of raising money followed, church pew rentals were introduced in

Cleveland in the late 1850s, and the aforementioned Bishop Carroll introduced a Catholic

lottery to help raise money for church projects. Generally, the approach to securing

charitable donations was small scale, parish-based, and anonymous. Societies of lay men

and lay women were formed to support specific causes such as orphanages or hospitals

but charity to support education was not as prominent. Charitable giving took on all

forms: gifts of land, individual or family gifts of money, gifts-in-kind and bequests. Some

Bishops, following the earlier example of American Protestants, looked to Europe and

appealed to the Catholic population to support the works of the growing American

Catholic Church. Bishops also asked European-based religious orders to send religious

women and men to their dioceses to help establish and sustain Catholic institutions.

In the second half of the nineteenth century the Irish were America's new non-

slave underclass and exemplified all the negative dimensions of such a group:

drunkenness, prostitution, illegitimacy, violence, and crime. Tens of thousands

abandoned children roamed the streets of New York City. Yet within a generation,

primarily due to the generosity of Catholic benevolent societies, the American Irish

community was firmly within the mainstream of American life. (Magnet, 2000)

By the time of the Civil War, there was a shift to secure larger charitable gifts and

a rise in construction projects that needed charitable support. As the waves of immigrants

drove the increase in Catholic population, it also drove the need for more priests and for

seminaries to train them. The wealthier Catholics saw it their duty to construct seminaries

and support the education and training of the priests. Charity sermons became

commonplace in wealthier parishes and appealed directly to the congregation to give

donations and support the long term needs of the American Catholic Church beyond their

local parish. The day-to-day charity fell to benevolent societies made up of the middle

and working class Catholics. It was during this time that the Saint Vincent de Paul

Society was formed by laymen to assist the Catholic poor in Philadelphia. In New York

City, John Drumgoole founded a lodging house for newsboys, mostly Catholic orphans,

and supported it by selling memberships in the St. Joseph's Union, which at its peak had

500,000 subscribers worldwide.

Catholic charitable giving and philanthropy were not centralized, and by the end

of the 19th century many institutions closed due to lack of support. The lay benevolent

societies, so critical to early Catholic institutions, began to die out and in many instances

the local diocese assumed the role of support vacated by this trend. Part of the decline of

the benevolent societies was due to the effort by Catholic bishops to consolidate

charitable works and bring them under the control of a diocese. These small locally

financed benevolent institutions were viewed as an inefficient way to allocate charitable

resources and as an obstacle to the Bishops' efforts to collaborate effectively with

government agencies and mainstream charitable groups. (Friedman & Margrave, 2003)

Lay women were seen as hindrance to this consolidation, and lay men retreated into

fraternal organizations. This resulted in struggles between the Catholic hierarchy and

grassroots Catholics.

This was exemplified by what happened in Quincy, Illinois in the early 20th

century. The local Catholic community had founded an orphanage and had supported it

throughout its century-plus history. The St. Aloysius Orphan Society was self-sufficient

and staffed by an order of religious women. However, the Bishop of Springfield wanted

the property for another use. Despite the fact that it was a separately incorporated entity

and needed no Church funds, the heavy-handed tactics of the bishop resulted in the

property being sold to the Franciscan Quincy College for $1. These events demonstrated

the difference in perspectives of local lay communities and those of the church hierarchy

and it reveals how bishops were able to compel lay people and religious orders to accept

a centralized bureaucratic model of philanthropy. (Oates, 1995)

Pope Leo XIII issued an important encyclical, *Rerum Novarum* (1891), decrying

the condition of the urban poor and the increasing chasm between rich and poor. It was

seen by some as a call for more socialistic policies. (Friedman & Margrave) Pope Leo

XIII's call in this encyclical was for the Church to be at the forefront of social reform, yet

most American Catholic bishops ignored this call to demand governments' responsibility

to provide solutions for social ills. Bishops did not support the call for the state to support

all schools, public and religious. Thus funding of Catholic education remained with the

parish and the individual families, with no help from government sources. This moral

blindness of the Catholic Bishops was not unique as they were also late to the abolitionist

cause to eliminate slavery, a cause supported enthusiastically by the majority of

American Protestant churches and leaders.

Catholic philanthropy has traditionally been distinguished by three distinctive

spiritual values: that voluntary service is part of religious giving; giving should be

anonymous; and, the needs of the poor take priority when considering charitable giving.

(Friedman & Margrave, 2003). Catholic giving was democratic; all classes of people

were united to support the good works of the local parish and the greater Church. Charity

fairs and bazaars were open to and supported by everyone, as opposed to the Protestants'

charity balls which restricted participation only to those who could afford the high ticket

price. For the poor and the working class Catholics, giving tended to be anonymous while

the wealthier Catholics most often responded to personal appeals. Relief to the poor was

both a motivator and the recipient of charitable giving, but direct individual charitable

support of education was rare. (Oates, 1995)

That dynamic changed when the Baltimore Council (1884) mandated that every

parish have a school. Tuition academies, together with groups of donors, provided

financial support for the schools for the poor, while religious women provided the labor.

The large number of women religious that staffed the Catholic schools hid the fact that

Catholic philanthropy was weak. Catholic achievements in education, science, the arts

and health care were the results of a combination of charitable support and the financial

sacrifice of Catholic women religious.

Vatican II caused a significant change in the way Catholic schools operated and

the result was a shift in the financial model to fund Catholic schools. For example in

1960, the percentage of religious in Catholic elementary and secondary schools was more

than 90%, but by the mid-1980's the statistics showed that more than 90% of teachers in

Catholic elementary and secondary schools were lay people. (NCEA, 2010) The loss of

low cost labor provided primarily by religious women meant that the costs of operating a

Catholic school skyrocketed in the decades following Vatican II. Education became

dependent upon tuition and charitable donations to survive. (Oates, 1995)

Catholics, while more populous and more heterogeneous population than either

Jews or Protestants in the United States, are lower than both religious groups in per capita

giving. Catholics give 1% of their income to the Church while Protestants give 2.2% of

their annual income on average to their congregation. (Greeley & McManus, 1987) In

1991 Boston's Catholics contributed an average of $6 per capita to archdiocesan

charities, while in the same period Boston's Jewish community averaged $102 per capita

(Oates, 1995). Catholics volunteer less in the governance of schools and parishes, and

because higher levels of volunteerism equate with higher levels of charitable giving,

Catholics do not match any other religious group's level of charitable giving. Today less

than 30% of Catholic are active (attend services on regular basis) and that only one in ten

of these active Catholics contributes. (Filteau, 2009)

The hierarchical structure of the Catholic Church restricts involvement in

decision-making, resulting in Catholic fund-raising efforts not reaching their potential

capacity. Greeley (1988) lays the blame at the Church's door, theorizing that Catholics

give less because of lack of pastoral leadership and financial accountability as well as

their disagreements with Church dogma on social issues, most notably birth-control and

divorce. Hoge, Zech, McNamara & Donahue (1996) looked at Greeley's contention and

found that the individual Catholic, whether in agreement or disagreement with the

Church's view on issues such as birth control and divorce, do not relate their decisions

about charitable donations to the behavior of the Church or Catholic organizations. Their

research debunked another common argument why Catholics don't give, namely, because

they give to so many other Catholic causes (schools, hospitals, social agencies) that they

have less to give to the Church. Zech (2000) also found no evidence that the presence of a

school in the Catholic parish lowered Catholic individual giving. He discovered that one

important factor for Catholics to increase their charitable donations was the position of

local Church leadership and its openness to involvement of the laity in decision making.

Hoge, Zech, McNamara & Donahue (1996) found Catholics give to causes they believe

have serious needs, they give to causes that have good communication methods, and they

give to causes that they themselves are involved in by voluntary participation.

Furthermore, they also found a difference between Catholic and other Christian

denominational giving. Catholics don't follow the mainline Protestant pattern that the

more conservative one's religious views, the more he/she donates to the Church.

Zech (2000) looked into the reasons for the lower rate of charitable donations

among Catholics compared to other religions. He looked at all of the following as reasons

why Catholics don't give and found them to be false: that Catholics gave less because

they were angry with the Church's teachings or the hierarchy's position; the Church is

not a democratic organization; and the Church is rich and doesn't need the money. The

most important factor he found why Catholic giving is lower was because of a tradition

of less emphasis on stewardship, the belief that God is the ultimate owner of each

person's possessions and that a person is accountable to God for the acceptable care and

use of those possessions. He also found that Catholics were not approached in an

individual and personal solicitation for their charitable gift. For Catholics, it also seems

that the biggest obstacle to increased donations is the lack of regular Church attendance

by the majority of the Catholic faithful. Zalenski & Zech (1994) found that parish size

was a secondary factor in giving, that if the size was reduced and there were more

personal contacts with parishioners, giving would increase. Sweetser (1993) suggested

nineteen factors that affect Catholic giving, of which the most important were: perception

of Church's wealth, members at odds with teachings; members not being asked to

contribute; poor fiscal management; outdated theology; increase in school tuition; overall

poor leadership, and poor communications. Sweetser (1993) also endorses the

stewardship approach to increase charitable donations to support the Church's many good

works.

There are some hopeful signs when it comes to Catholic charitable giving and

Catholic education. The Diocese of Wichita, Kansas, instituted a diocesan-wide

stewardship program which asks all parishioners to contribute 8% of their income to the

Church. This results in all Catholic elementary and secondary schools being tuition-free

for Catholic students whose families make the stewardship commitment (O'Keefe, 2008).

Oates (1995) concludes that in order for schools that serve low-income students to

flourish, the entire Catholic community, not just religious orders and dioceses, must

perceive the education of poor children as priority and fund those schools to the level that

they have excellent teachers, facilities and curriculum. She believes that Catholic schools

which serve the poor link the Church with the overall good of society and thus connect it

with the public good. She contends that the funding of schools for the low-income urban

poor is the most compelling challenge and opportunity facing the American Catholic

Church.

According to the Wall Street Journal (2009) sources of charitable donations in the

United States by source are divided among four categories with donations by individuals

being 75% of all charitable donations. The recipients of this charity are varied, with

religion being the largest benefactor at 35%. (Appendix I) Seventy-five percent of giving

comes from the top 10% of individuals, who also control 67% of wealth. (Temple &

Burlingame, 2000) Considering nearly half of all donations, 48%, are for religion and

education; it would seem that religious schools have a good case for charitable support

and a high probability for success in securing charitable gifts to support their mission.

San Miguel-Model Schools, which serve low-income minority and underserved

communities in middle school education face a daunting challenge when raising money.

Rooney et al (2005) in their report for Google on individual household giving found that

less than one third of individual donations to nonprofits focused on the needs of the

economically disadvantaged. Their study, analyzing data on 110 million households from

Internal Revenue Service data supported earlier conclusions that the largest beneficiary of

charitable giving is the category of Religion with the category of Education a distant

second. They found that 75% of Education giving goes to higher education and 25% of

that amount goes to university endowments or restricted funds. When they looked at

combined giving, they found that only 2.9% of all charitable giving goes to help the poor

with scholarships and that 15.7% of all education giving supports scholarships for low

income and poor. The IRS data in the Google study used the following categories for

household income: *Average* were households with less than $100,000 in annual income;

Above Average were households with income between $100,000 and $200,000; *Wealthy*

were households with income between $200,000 and $1,000,000; *Very Wealthy* were

households with income above $1,000,000. The study by Rooney et al noted that for the

Wealthy and *Very Wealthy*, donations to Education represented a greater percentage of

giving while donations to Religion decreased for these same groups. Those *Average*

income households donated the most to both Religion and to help meet the needs of the

poor.

        For many non-profit organizations, categorized as a charitable 501 (c) 3 by the

Internal Revenue Service Bureau of the Department of the Treasury, the sources of

revenue are varied. According to the Internal Revenue Service Publication 78 (1986) an

individual is allowed to deduct charitable contributions of money or property to qualified

organizations if those deductions are itemized on the individual's annual tax return.

Alexrod (2000) is among many who identify the nonprofit organization's Board of

Directors as an essential element to raising funds and soliciting charitable contributions to

support the mission. She suggests that there are three roles nonprofit Board members

should fulfill: inviting other individuals to learn about the organization's mission and

purpose; thanking those who have made charitable contributions; and individually make a

charitable contribution to the organization. A common mantra in the non profit sector is

that Board members should give, get or get off. Additionally, organizations should seek

Board members who are willing to share their time, talent, and treasure. Alexrod also

suggests that it is most beneficial when an organization can indicate to potential donors

that 100% of the Board members make individual charitable contributions.

Who should be the individual(s) asking other individuals, corporations and

foundations to support the charity? Alexrod (2000) recognizes that culturally, individuals

have a fear of asking from either strangers or close friends because people believe it to be

uncomfortable. There is the fear of being refused, and from a very young age we are

taught not to intrude. In reality most people want to say yes when asked for something.

Alexrod suggests that the head of the organization should devote a minimum of fifty

percent of her/his time to cultivating and soliciting charitable donations for the

organization's support. The successful non profit will have a chief executive officer who

clearly understands the role to develop individual relationships that result in charitable

contributions. The organization will also have Board members who understand their vital

role in individually supporting the organization with their own donation and guiding

other individuals to support the organization with charitable contributions.(Alexrod,

2000)

In Rowe's (2003) treatise, he cites the old adage that schools look for board

members who can contribute their time, expertise and financial support to the institution.

Regarding the board members' responsibility regarding a personal obligation to make a

charitable donation to the organization, Rowe bluntly states that anyone who agrees to

membership on such a board should not ignore her/his responsibility to make the

organization's financial viability a focus of her/his own personal charity. As board

members, they collectively participate in the fiduciary responsibility for the school's

mission and that includes assisting in funding the school's needs, according to their

means, and using their personal and professional relationships to expand the

organization's pool of potential donors.

How board members are selected and oriented to the school's mission can impact

their sense of commitment to the organization and impact their decision to make a

personal charitable contribution to the school. Rowe (2003) suggests that among the

responsibilities of the Board is to have a board nominating committee, a set interview and

selection process, and a formal board orientation process. He recommends that the board

orientation include an annual off-site, facilitator directed, mission-focused

retreat/workshop. These activities help clarify for board members their role and

responsibility.

According to *Giving USA (2004)* Americans gave $ 250 billion to charitable

causes and organizations in 2004. Eighty percent of that total came from individuals,

with 12% coming from foundation grants and the remaining 5% donated by corporations.

Since individuals are the source for the vast majority of charitable donations, it is

important to understand donor demographics. Alexrod (2000) noted that over 70% of

American households donate to charity and that the best predictors of willingness to

donate to charitable organizations are level of education and household income. As these

two factors increase, so too do individuals' willingness to volunteer and their propensity

to contribute to charity. Eighty-one percent of people said the key to making a charitable

gift was being asked, and if they were asked by someone they knew personally the

likelihood they would make a donation doubled.

Donor profiles are changing in the new millennium: 75% of white people donate,

along with 54% of African Americans, and 57% of Latinos. This goes against

conventional wisdom that only older white males contribute and the belief that members

of minority communities do not support charity. In fact, more than 85% of minorities

when asked donate to charitable efforts (Alexrod, 2006). The majority of donors in the

future will be women, who make three times the number of donations that do men.

Women, who are better savers, are also more likely to designate a charity in their will and

thus are prime candidates for planned giving programs (Alexrod, 2006).

G. Donor Motivation

The poor need your help today, not next week.   *Catherine McAuley*

Good fundraisers must acquire the knowledge of why people give and traditional

fundraisers believe there are five major reasons individuals decide to make charitable

contributions: empathy; recognition; ego (pride); tax incentives; repayment (guilt).

Schervish & Havens, writing in the CASE Journal (2001), show that individuals give

more to non-faith based charities than faith-based charities and tend to give to causes they

are associated with and feel passionate about. They concluded that individuals possess

internal psychological attitudes, emotions, beliefs, desires, values and interests that can

cause them to make donations. Schervish & Havens (2001b) also suggest that increased

giving will be the results of the donor's knowledge of the charitable cause, increase in

personal wealth, and confidence that their gift makes a difference. They further propose

that donors today are interested in the effectiveness and efficiency of the charitable

organization. They found that 60.4% of wealthy donors look to influence improvement in

education and that 48.6% would like to influence poverty and inequality. They conclude

that donors care equally about self, family and community; even the wealthy no longer

consider themselves financially secure; the donor's wealth comes not from inheritance

but from her/his own efforts; they will funnel almost two-thirds of their wealth through

trusts, family foundations, and estates; and that the transparency and efficiency of the

charitable organization will have an impact on the decision to make a donation. How

those internal aspects are stimulated by the charity will result in whether or not the

solicitation for donations is successful.

Tempel & Burlingame (2000) concluded that an individual's capacity to give is

derived from the discretionary income that remains after paying taxes and maintaining

their standard of living. Included in maintaining the standard of living are the individual's

allocations for future contingencies (retirement/investing). It is after taxes, consumption

and contingency that the donors then make the decision to allocate for charitable giving.

As gross national product rises, wealth and disposable income also rise. For the middle

class more income results in more consumption but for the upper income class there is a

consumption limitation. Looking at non-economic factors Tempel & Burlingame (2000)

found that people are motivated to engage in behaviors that help fulfill meaning in their

lives but it is not clear that this translates into a major reason for giving.

H. Comparable Organizations

> *Not he who has much is rich, but he who gives much.*
> *Erich Fromm*

The researcher looked at other comparable educational organizations: De La Salle

Academy in New York, New York and Community Preparatory School in Providence,

Rhode Island. Both institutions have academic models similar to the San Miguel-Model

School and both are non-public schools serving a similar demographic to that of the San

Miguel-Model School. As a non-public school that is a registered 501 (c) 3 charity, these

organizations depend upon charitable donations to provide the major source of revenue

for the school.

De La Salle Academy was founded by Brother Brian Carty, a De La Salle

Christian Brother in 1984 on the upper west side of Manhattan in New York City. Carty

had prior experience as an administrator/instructor at a Catholic parish grammar school in

the same neighborhood a decade before and had previously worked at Lincoln Hall, the

former Catholic orphanage founded in the late nineteenth century by the aforementioned

Archbishop John Hughes of New York (Carty, 2010). The researcher visited De La Salle

Academy and learned about the mission and history of the school in an informal two hour

meeting with Carty.

The school is similar to the San Miguel-Model Schools as it serves students who

were economically disadvantaged, with an academic program that includes an extended

school day and concentration on preparing students to gain admission to and succeed at

college preparatory secondary schools. The school, New York's first private junior high

school for gifted children from poor families, is non sectarian, but was founded on the

principles, mission and vision of Lasallian values and pedagogy. The success, both

academically and in terms of financial sustainability, led to the establishment, in 2003, of

a second school, George Jackson Academy in Manhattan's East Village. The program

geared for gifted students is a key difference between these two schools and the San

Miguel-Model Schools. (Carty, 2010)

Community Preparatory School in Providence, Rhode Island was founded in 1984

by Dan Corley, a former teacher at a private alternative school for delinquent boys and

Robert W. Hahn, a college economics professor. The school's mission is to prepare

economically disadvantaged minority students for college preparatory secondary schools.

The ability to pay the tuition, currently at $12,000 per student, does not determine

admission to the school. Similar to San Miguel-Model schools, Community Preparatory

School does not depend on a family's ability to pay the cost of education as a major

source of revenue. (Community Preparatory School, 2009)

The researcher was able to compare IRS Form 990 for both De La Salle Academy

and Community Preparatory School, over a ten year period between 1999 and 2008,

through research utilizing GuideStar.org, a web based search engine that analyzes non

profit data for both charitable institutions and the public and private foundations that

support charities. This research found the following financial and charitable statistics that

will serve useful in comparison to San Miguel-Model Schools used in this study.

For both De La Salle Academy and Community Preparatory School the

percentage of expenses allotted to Program Services exceeded 70%; 72.4% for De La

Salle and 73.5% for Community Preparatory. The percentages of expenses allotted to

Fund Raising were very different: 5.4% for De La Salle and 18.2% for Community

Preparatory. However, as the percentages of expenses for Administration were similarly

very different, 21% and 9.4% respectively, this may be a result of differing accounting

classifications. Despite the difference, both organizations exceed the standard of amount

spent on Programs and fall below the standard amount spent on Fund Raising as set forth

by the Better Business Bureau which recommends spending at least 65% of total

expenses on program services and less than 35% of expenses on fund raising (Better

Business Bureau, 2009).

For De La Salle Academy the researcher was also able to discover that

contributions as a percentage of total revenue averaged 80% over the ten year period

observed. The research found that even though the organization had two years of annual

operating losses in the ten year period noted above, the average annual growth for the

period was 23% which allowed the fund balance, a significant measurement of financial

strength, to grow an astonishing 240% over that same period. The organization's cost of

advancement, the amount of money used in raising charitable funds, averaged less than

6%. [It cost $ .0588 to raise $1.00] The researcher hypothesizes that this steady and

consistent growth in contributions combined with the low cost of advancement has

allowed the organization to sustain the negative fluctuations in the economy.

De La Salle Academy has 22 members on its governing board of directors with an

additional eight individuals identified as board emeriti. Community Preparatory Academy

lists 55 members of its board of directors. After more than twenty-five years as head of a

school that is primarily dependent upon charitable donations to operate, Carty concludes

that board membership is critical to successful advancement and long term financial

sustainability of the organization. Over time both schools have been able to build up

unrestricted net assets that are more than three times their annual budgets, another aspect

that is essential to long term financial sustainability and vital to withstanding the

unpredictability of the economy and volatile dynamic of annual charitable donations.

I. Standards & Measurements

> *To die rich is to die in disgrace.*
> *Andrew Carnegie*

The researcher used the Standards for Charity Accountability established by the

Better Business Bureau to help determine the effectiveness of those institutions in the

sample. The Better Business Bureau was founded in 1912 and sets and upholds standards

for ethical marketplace behavior and the BBB Wise Giving Reports assist donors in

making appropriate decisions about charitable giving. (Better Business Bureau, 2009)

The standards apply to charitable organizations that are exempt under section 501 (c) 3 of

the Internal Revenue Code, and all sample institutions in this study are registered 501 (c)

3 charities. The Standards for Charity Accountability looks at twenty factors in governance and oversight, effectiveness, finances, and fund raising and informational materials. (Appendix I) The data collected in this study reflects these standards and will be one means of measuring the impact of charitable contributions on the financial viability of San Miguel-Model schools. For purposes of comparison, the researcher analyzed the Better Business Bureau's database to identify similar organizations for comparison. However, only three organizations which conducted Catholic educational operations were discovered, none of which had similar missions to this study's samples, and of the three identified in the BBB's database, only one satisfactorily met the BBB's standards for Charity Accountability.

The Nativity Miguel Network of Schools has established metrics which assist the organization in self-assessment on management, finances, governance and academic performance. The Network's report (2008), sets four indicators to help determine if a school has long term financial viability: leadership, board strength, alliances, and fundraising strategies. The Network has also noted that in the area of advancement the following are indicators of a successful school fund-raising program. The school will establish an effective development office with proper personnel and resources. School growth may require expansion of the development office. An effective development office will plan and implement strategies to grow and diversify sources of funding. Streams of funding that a school will pursue include foundation grants, major gifts, annual appeal, government funding, special events, and corporate partnerships, and as a school matures, its equation of sustainability will also mature. Schools will engage in on-

going identification and cultivation of donors. More established schools will execute a

capital campaign and build an endowment.   The development office will have its own

professional development plan with ongoing training for its staff. (Appendix H)

The data collected regarding the sources of revenue and charitable donations will

be compared to the averages provided by the Nativity Miguel Network of Schools: 31%

from individuals; 24% from foundations; 10% from special events; 6% from board

members; 6% from corporations; 4% from families; 4% from religious orders; 3% from

contributed services. (Appendix G)

III. METHODOLOGY

A. Research Design

The purpose of this research was to collect both quantitative and qualitative data and to compare one group of sample institutions labeled Group A to another group of sample institutions labeled Group B. As the topic of research is how charitable giving impacts the financial stability, strength and vitality of the institution, the researcher compared these two groups to determine if one is more effective than the other, and if more effective, which aspects of the one group's characteristics and/or practices in the field of advancement make this group more effective than the other.

As noted previously, two schools were selected for Group A, and four schools were chosen for Group B. In the total universe of sixteen San Miguel-Model Schools, eight schools could have been classified in Group A. In the total universe of sixteen San Miguel-Model Schools, eight schools would have qualified to be in Group B. The two groups were compared to each other to determine the impact of charitable contributions to the overall financial strength of individual schools.

The research looked at both the quantitative data provided by the institution's financial records (Audit and Annual Report) and qualitative data provided by an analysis of the institution's advancement program and activities designed to raise revenue in the form of charitable donations from individuals, organizations, foundations, and

corporations. This qualitative data was collected by interviewing three officials at each

sample institution. Additional quantitative data was derived from a survey anonymously

sent to a randomly selected group of donors who made a charitable contribution of

$1,000 or more in a given time period to one of the schools in the sample. The

quantitative data was generated from an analysis of school audits and published annual

reports.

B. Sample

There are presently (January 2010) sixteen faith-based middle schools which

operate under the San Miguel-Model in the United States. They are listed here

alphabetically.

De La Salle at Blessed Sacrament, Memphis, Tennessee

De La Salle at St. Matthews, St. Louis, Missouri

De La Salle Blackfeet School, Browning, Montana

The De La Salle School, Freeport, NY

De Marillac Academy, San Francisco, California

King of Glory Lutheran School, St. Louis, MO

Imago Dei Middle School, Tucson, Arizona

La Salle Academy, Philadelphia, Pennsylvania

San Miguel Academy, Newburgh, New York

San Miguel School, Camden, New Jersey

San Miguel School – Back of the Yards, Chicago, Illinois

San Miguel School – Comer, Chicago, Illinois

San Miguel School, Minneapolis, Minnesota

San Miguel School of Providence, Providence, Rhode Island

San Miguel School of Tulsa, Tulsa, Oklahoma

San Miguel School of Washington, Washington, District of Columbia

Eight schools are ministries of their respective local District (administrative unit) of the Institute of the Brothers of the Christian Schools and as Catholic schools are approved by the local arch/diocese. Two schools are co-sponsored by the Christian Brothers and another Catholic religious order (Daughters of Charity or Sisters of St. Joseph). Three schools are parish and diocesan sponsored, one is a division of a Lasallian secondary school, one is sponsored by a local congregation of the Lutheran Church, and one is sponsored by a local congregation of the Episcopal Church.

The researcher selected six of these schools to be included in the sample. Criteria for selection were a combination of the following factors: date of founding, founding administrator being accessible to researcher, quality of financial records, access to annual reports and locations in a variety of urban areas across the United States.

Schools chosen for sample differ in size of enrollment, student ethnic/racial demographic, governing structure, administration and management as well as differing

foundation dynamics. Three of the schools are single-gender (all-male) and three are co-

educational. While most of the San Miguel-Model Schools enrolls students in grades 6

through 8, sample schools in this study are comprised of two schools which follow begin

enrollment at grade 8, two schools begin enrollment in grade 4 and two schools begin

enrollment in grade 5.

    All the schools follow the San Miguel Model and have the following

characteristics: students are from families with household income below federal poverty

level and the tuition charge is a nominal amount, less than 5% of the total cost of

education. The school curriculum is focused on basic academic skills, conducted in small

class size with an extended school day and extended school year calendar. Five of the six

schools required religion classes and all six consider themselves faith-based institutions

but they do not discriminate in admissions based on religion. There is a clear expectation

for parental involvement in the school community and student counseling and graduate

support programs are distinctive components of the school's operations. Five of the six

are considered sponsored ministries of The Brothers of the Christian Schools and all six

schools are members of the Nativity Miguel Network of Schools.

    Sample #1 is located in a low income neighborhood near the center of a large city

on the west coast. The population is almost entirely Latino and most students reside in the

local neighborhood. The school is housed in a former Catholic parish elementary school

building, and an initial investment in facility renovation by the organization is treated as

pre-paid rent for a twenty year period. The closest public middle school is six miles away

and not easily accessible. In a two mile radius of the school there are 200 liquor licenses

and no grocery stores that stock fresh produce. Student enrollment in academic year

2009-10 is 115 students in grades four through eight, with a total professional staff of 20,

including four full time volunteers.

Sample #2 serves both Latino and African-American populations and is located in

a large Midwestern city. The school is housed in former Catholic parish elementary

school buildings rented from the local Catholic Church. Public schools are easily

accessible, but the local school district does not have a system-wide middle school

approach to its K-12 education. Students reside in the local respective neighborhoods.

Student enrollment in academic year 2009-10 is 170 in grades 4 through 8 and total of 35

professional staff and 15 volunteers.

Sample #3 is located near the center of a mid-Atlantic city and serves a mixed

ethnic/racial population. The students are primarily working class and low income mix of

Latino and African American who reside throughout the city. The school is housed in a

former Catholic parish elementary school building which it rents from the local Catholic

Church. Public schools are accessible but not preferred. Enrollment in academic year

2009-10 is 37 students is grades six through eight with a total full time professional staff

of nine and a volunteer staff of eight part-timers.

Sample #4 is located in a mid-sized city in the northeast in a working class

African American neighborhood. The school rents space from a non-Catholic Christian

denomination in what was formerly the congregation's education center. Students reside

throughout the city and public school options are easily accessible but not preferred.

Student enrollment in academic year 2009-10 is 60 students in grades six through eight

with a total professional staff of fifteen and a volunteer part time staff of four.

Sample #5 is located 4 miles south of the center of a large upper Midwestern city

in a working class mixed ethnic neighborhood. The students are all Latino and do not

reside in the local neighborhood and travel much farther to attend this school than their

locally available public schools. The school is housed in a former Catholic parish

elementary school building which it rents from the local Catholic diocese. Student

enrollment in academic year 2009-10 is 60 students in grades five through eight and a

total professional staff of nine full-time and four part-time.

Sample #6 is located in a predominately working class and lower income Latino

neighborhood on the city limits of a large mid-Atlantic city. This school housed in a

facility owned by another Catholic entity and pays minimal rent. Students reside in the

local neighborhood and while public schools are accessible, they are not the preferred

option. Student enrollment in academic year 2009-10 is 62 students in grades five

through eight, with nine full-time professional staff and two part-time volunteers.

C. Measurement

As noted in Chapter II, the researcher used the Better Business Bureau: Standards for Charity Accountability to help in the measurement of the effectiveness of sample institutions. (See Appendix I) The researcher has analyzed the sample schools on Standards 1 through 18 to help in the assessment of the sample institutions used in this research. Researcher has determined that Standard 19 does not apply to these institutions as no products or services are sold to outside parties. Standard 20 does not need to be included because during on site interviews with institution's personnel no evidence of any donor complaints to the Better Business Bureau were cited or discovered.

The Better Business Bureau sets standards in the following categories: Governance & Oversight; Measuring Effectiveness; Finances; and, Fundraising & Informational Materials. The Governance & Oversight category sets five standards assessing the role of the board of directors at the nonprofit. The Measuring Effectiveness category sets two standards assessing the policy and oversight responsibilities of the board of directors. The Finances category gives seven standards to assess the uses of revenue collected from charitable contributions as well as financial transparency of the organization. The Fundraising & Informational Materials category uses six standards to assess the accuracy of the nonprofits publications, solicitations and website information as well as how it addresses the privacy concerns of its donors and the organization's mechanism for responding to complaints to the Better Business Bureau.

The Nativity Miguel Network of Schools has created Rubric for Administrative

Capacity to determine the effectiveness of member schools in nine areas: Leadership for

Mission; Governance; Marketing; Financial Management; Strategic Planning;

Community Relations; Building Board Capacity; Fundraising; Asset Protection. For this

study the researcher looked at the thirteen standards in the Fundraising area to determine

if the sample schools met these standards. (Appendix H)

According to information from the Center for Philanthropy the average cost to

raise a charitable dollar for education is $ 0.24. This constitutes the highest fundraising

cost ratio in the five sub sectors identified where Americans concentrated their charitable

giving: education, human services, arts & culture, health, and environment. Average

expenditure on programs/services is 80% for nonprofits. (Nonprofit Overhead Cost

Project, 2006)

D. Data Collection & Analysis

The researcher traveled to six different states, visited six schools in the sample,

and spent a minimum of three hours at each site interviewing school officials and

providing the school with materials for the donor survey. The researcher met with three

officials from each sample institution: the chief executive officer, the chief advancement

officer, and the school founder. In two cases the CEO and the founder is the same

individual, in one case the CEO and the chief advancement officer were the same

individual. This resulted in a total of fifteen different individuals participating in one-on-

one private interviews lasting an average of 90 minutes. Because they were not on site at

the time of the visit, two individuals were interviewed over the phone, each of these

interviews lasting 60 minutes.

The researcher entered all qualitative answers collected during the interview

process into a self-designed collection tool using Microsoft Excel. These answers were

then coded, enabling them to be entered into a SPSS Descriptive Frequency instrument.

This SPSS instrument was then used to compare Group A to Group B the categories

below. (Appendix L)

Advancement Measurements: Those indicators the school has selected to yield
accurate measurement of success or failure of an activity (Table 1)
Advancement Operations: Activities designed to operate an advancement office.
(Table 2)
Advancement Personnel: Persons engaged to perform the function and duties of
the advancement office. (Table 3)
Advancement Programs: All activities under the direction of the Advancement
office. (Table 4)
Advancement Strategies: All methods engaged to raise revenue by solicitation of
charitable contributions. (Table 5)
Beginnings: Events related to the initial establishment of the school. (Table 6)
Board Advancement: How board members, individually and collectively, assist in
the school's advancement functions. (Table 7)
Board Operations: Policies and practices required of an effective nonprofit board.
(Table 8)
Board Membership: How individuals join the nonprofit board. (Table 9)
Chief Advancement Officer: Characteristics of the individual who currently is
responsible for the school's advancement programs. (Table 10)

Chief Executive Officer: Characteristics of the individual who currently acts as

the head of the school. (Table 11)

Sponsor Relationship: All activities, procedures, practices that related to the

religious order sponsoring the school. (Table 12)

The Donor Motivation Survey (Appendix F) was mailed to randomly selected

individuals from the school site by school personnel after the survey packet was delivered

to the Chief Executive Officer by the researcher at the conclusion of the site visit. The

packet included an Information Sheet (Appendix E), the Donor Survey and a self

addressed stamped envelope for return upon completion. Surveys were returned to the

researcher's business location and entered manually into a data collector utilizing

SurveyMonkey. SurveyMonkey.com is a subscription website that enables users to create

proprietary web-based surveys. A total of 53 surveys were mailed, 2 were returned with

non-sufficient address, and 27 were returned via mail with valid and readable data for a

return rate of 52.9%.

F. Limitations

The sample schools were asked to provide the school's financial audit/review for

fiscal years 2006, 2007, 2008. The audit provides a means for Board members and donors

to verify that management is reporting the organization's finances accurately. Three

schools compiled with that request and the remaining three provided three years of audits

for fiscal years 2007, 2008, 2009. Two schools did not have separate financial audits

completed in fiscal 2006. However, this did provide the researcher with a three year

financial time frame for each institution and did provide at least two fiscal years, 2007 &

2008, for all schools in the sample.

        The sample schools were asked to provide the school's annual report for fiscal

years 2006, 2007, 2008. No school provided an annual report for 2006 but the majority

did provide annual reports for a three year period. Four of six schools, one of two in

Group A and three of four in Group B, provided annual reports for fiscal 2007. Five of

six schools, one of two in Group A and four of four in Group B, provided annual reports

for both fiscal year 2008 and 2009. This did result in the majority of sample institutions

providing the researcher with three years of sequential annual reports.

IV. DATA ANALYSIS

Data for this study comes from a diverse variety of sources and for purposes of

reporting can be divided into Quantitative data and Qualitative data. The Qualitative data

is reported from information collected in the series of Personal Interviews. The

Quantitative data is reported in the following categories: Donor Motivation Survey;

Annual Report; and Audit.

A. Personal Interviews

Because of the large amount of data collected in the interviews conducted with

school personnel, the 95 questions resulted in 119 responses, it was necessary to analyze

this information into six general areas: Advancement, Beginnings, Board, Chief

Advancement Officer, Chief Executive Officer, and Sponsor Relationship. Because of the

complexity of the data, the researcher created subcategories in the areas of Advancement

(Measures, Operations, Personnel, Programs, Strategy) and Board (Advancement,

Membership, Operations). The majority of qualitative data collected was coded to enable

analysis.

The set of data classified as Advancement was divided into five subsets of

Measures, Operations, Personnel, Programs, and Strategy. The subset of Advancement

Measures analyzed responses to nine questions that dealt with how the school measured

the success of its Advancement effort. For both groups, data shows similarity in the areas

of the need to meet annual advancement revenue goals which are universally dictated by

the operational budget requirements. Group B has higher probability, 75% to 50%, of

retaining donors year to year and both groups have had significant or modest expansion

of it donor base over time. Every school has accurate and reliable electronic donor

records. For both groups, funding from the sponsoring religious order was critical at the

establishment of the school and the majority of donors, 75%-90%, are Catholic. None of

the schools in either group has a separately incorporated foundation for the purpose of

raising money.

Table 1

Advancement Measurements

	Group A	Group B
What percentage of donors is retained annually?	1- >75% 1- 50-75%	3 - >75% 1 - 50-75%
Has donor base expanded over time?	1- significant expansion 1- stayed the same	1 - significant expansion 1- modest expansion 2- stayed the same
How and where are donor records kept?	1- Electronic 1 - Electronic & paper	4- Electronic & paper
Do you use a computer-based software advancement support program?	1 - Razor's Edge 1 - Customized	2 - Razor's Edge 1- Customized 1 - Other
How do you measure success of the school's advancement program?	1 -Meet budget 1- Grow donor base	2 -Meet budget 2- Grow donor base
What are the types/methods of donor and/or volunteer recognition?	2 Publication & Event	2 -Publication 2- Event
What percentage of donors are individuals who are Catholic?	2 - 75-99%	3 -75-99% 1 -50-74%
Does the school have its own separately incorporated foundation for the purpose of raising funds for the institution?	2- No	4 - No
What were the sources of the initial funding for this school?	1 -Religious Order 1- Corporate Grant	4 -Religious Order

The subset of Advancement Operations analyzed responses to ten questions that

dealt with positions and functions identified within the Advancement office. For both

groups, the advancement staff and number of full-time positions contained within were

small in size but within the parameters found by the Center on Philanthropy at Indiana

University [COPIU]. Staffing for planned giving was similar for both groups, assigned as

either part of the Chief Advancement Officer's position or none at all. Donations in the

form of grants from foundations are an important element of annual operating income,

but data showed a wide variety in both groups of staff assignments responsible for

generating grant applications. Both Group A and Group B data show that most schools do

not have a full time administrative assistant assigned to the Advancement office. All

schools in both groups use volunteers to assist in Advancement, most commonly at

special events, and all Advancement offices have annual goals and a published calendar

of events, targets and timelines.

Table 2

Advancement Operations

Questions	Group A	Group B
Is there a major gifts officer?	1-Full Time 1- None	3- Part of CAO job 1- None
Is there a capital campaign officer?	1- Part of CAO job 1- None	4 - None
Is there a special events officer?	1- Part Time 1- None	2- Full Time 1- Part Time 1- None
Is there a planned giving officer?	1- Part of CAO job 1- None-	1- Part of CAO job 3- None
Is there a grant writer?	1- Part of CAO job 1- Outsourced	1- Full Time 1- Part Time 1- Outsourced 1- None
Is there a government funding liaison?	2- None	4 - None
Is there a data base manager	1- Part Time 1- None	2- Part Time 1- Part of CAO job 1- None

	1- Part Time	1- Full Time
Is there an advancement administrative assistant?	1- None	1- None
	1- Yes	2- Yes
Does the advancement office have annual goals?	1- No	2- No
		1- Solicitation
	1- Events	2- Events
Are there volunteers used in advancement?	1- Support	1- No

The subset of Advancement Personnel analyzed responses to six questions

relating to Advancement staff experience. All schools in Group B had advancement staff

with external Advancement experience, and one school in this group had an advancement

office staff of five people. All schools had job descriptions for staff positions and all but

one school, in Group A, took advantage of either membership in or attendance at

functions of the Association of American Fundraising Professionals. Only one school, in

Group B, had combined staff tenure of less than two years.

Table 3

Advancement Personnel

Questions	Group A	Group B
What is the advancement experience of the advancement staff?	1- External	4- External
What is the advancement experience of the volunteers?	2- None	4- None
How many people are on the advancement staff?	1- One 1- 2 to-4	1- One 2- 2 to 4 1- 5 or more
Are there job descriptions for advancement staff?	2- Yes	4- Yes
What is the average tenure for advancement staff?	1- More than 4 1- 2 to 4 years	2- More than 4 1- 2 to 4 years 1- Less than 2 years
Do members of staff hold AAFP membership?	1- Paid membership 1- Not a member	2- Paid membership 1- Not a member 1- Attend workshop

The subset of Advancement Programs analyzed responses to twenty questions

detailing the types of ways the schools raised charitable contributions. Data shows, and

supports evidence shown earlier in this research, that all but one school receive initial

funding from a religious order. For all schools, in both groups, there is similarity in

standard fundraising programs: all have support from corporations and regularly submit

grants to foundations; all schools receive gifts-in-kind and use mail to solicit donations;

all schools conduct events that are designed to raise awareness of the school's mission to

individuals; all schools are a beneficiary of another organization's charitable efforts, have

scholarship sponsorship opportunities and regularly conduct donor and volunteer

recognition events/functions. None of the schools are engaged in a capital or endowment

campaign at the present time, and only one Group B school had engaged in a capital

campaign in prior years. The only significant difference in this area was that three of four

Group B schools did not have any events or programs designed to attract, retain and

develop young professionals as a distinct support group. One Group A school had a

similar event for this purpose.

Table 4

Advancement Programs

Question	Group A	Group B
Does the school have an appeal to young professionals?	1- Yes 1- No	1- Yes 3- No
Does the school currently have a capital campaign?	2- No	4- No
Does the school have support from religious order?	2- Yes	3- Yes 1- No
Does the school have corporate sponsorships?	1- Yes 1- No	2- Yes 2- No
Does the school have a donor recognition event?	1- Yes 1- No	3- Yes 1- No
Does the school have an endowment campaign?	2- No	1- Yes 3- No
Does the school submit proposals to foundations?	2- Yes	4- Yes
Does the school have friend-raising events?	2- Yes	4- Yes

Does the school receive gifts-in-kind?	2- Yes	4- Yes
Does the school receive non-Title government grants?	2- No	4- No
Does the school conduct mail solicitations?	2- Yes	4- Yes
Does the school conduct a phonothon?	2- No	4- No
Does the school have a planned giving program?	2- No	1- Yes 3- No
Does the school have program sponsorships?	1- Yes 1- No	2- Yes 2- No
Is the school a beneficiary of another service organization?	2- Yes	4- Yes
Does the school conduct special events?	1- Yes 1- No	4- Yes
Does the school have student sponsorships?	1- Yes 1- No	3- Yes 1- No
Does the school recognize volunteer service?	2- Yes	2- Yes 2- No
Can the school accept donations via its website?	1- Yes 1- No	4- Yes
Does the school receive support from community businesses?	2- Yes	4- No

The subset of Advancement Strategies analyzed responses to sixteen questions

looking at the approach to foundation solicitation, use of advancement consultants, how

research is done and types of individual solicitation. All schools use the strategy of

research combined with personal contacts, to approach and engage foundations in

charitable support. While only one school has engaged an advancement consultant in the

past, all schools intend to use an advancement consultant in the future as part of a school

capital campaign. None of the schools in Group A have corporate partnerships, but half

the schools in Group B have corporate partnerships. All but one of the Group B have

more than one major special fund-raising event, while only one of the Group A have an

annual major special fund-raising event. Methods to research individual donors varied as

much as the different schools: web based research, personal prospecting and board

member referrals. Group A solicits donors on a quarterly and monthly basis, while Group

B solicits either once a year or twice annually. All schools solicit individuals by mail with

follow-up by either the CEO or CAO to ensure gift is secured. All schools have email

strategies to keep donors informed of news, events and achievements and all schools have

the capability of receiving secure on-line donations over the web. Data shows Group B

schools target family foundations at a greater rate, 75% to 50%, than Group A. While the

school's mission was attractive to securing foundation funding, data clearly showed that a

site visit and introduction to school administration and staff was the reason for success in

being awarded a foundation grant.

Table 5

Advancement Strategies

Question	Group A	Group B
Are you currently using a consultant?	1- Campaign 1- No	4- No
Has the school engaged a consultant previously?	1- Feasibility 1- No	1- Campaign 2- Feasibility 1- No
Does the school intend to engage a consultant in the future?	1- Campaign 1- No	2- Campaign 1- Planning 1- No
What are the methods for donor research?	2- Web + personal	1- Web based 1- Personal prospect 1- Board referral 1- Web + personal
How often is an appeal sent to the donors?	1- Quarterly 1- Monthly	1- Annually 3- Semi-annual
Does the school engage in donor solicitation by phone?	1 -Yes 1- No	2- Yes 2- No
Does the school engage in donor solicitation by mail?	1- Yes 1- No	4- Yes
Does the school engage in donor solicitation by e-mail?	2- No	4- Yes
Can the school accept donations online?	2- Yes	4- Yes
Does the school collaborate with any other agencies for funding?	1- Local 1- None	4- Local
Does the school have any corporate sponsorships/partnerships?	2- No	2- Yes 2- No
What are the special events?	1- One major event 1- No events	3- More than one 1- One major event
What is the strategy with foundations?	1- Personal contacts 1- Research & contact	1- Personal contacts 3- Research & contact
What are the in-kind donations?	2- Program services	1- Program services 3- Support services

What was the best success with a foundation solicitation?	1- Board contact 1- Family foundation	3- Family foundation 1- Random
What was the reason for success with the foundation?	1- Mission 1- School personnel	2- Site visit 1- School personnel

The set of data classified as Beginnings looked at responses to seven questions

related to the establishment of the school. Data collected showed that only one of six

School Founders had any prior experience, training or background in Advancement and

that there was adequate financial support in the first years of operation. There were no

indicators that highlighted finance as one of the major obstacles to the school's

establishment in either group, in fact lack of a proper facility and credibility of mission

with local community were cited as the most significant obstacles. The data shows that

philanthropy was considered to be very important in the establishment of the school, but

also shows little importance to individual philanthropy at the school's beginning. The

data showed that for the majority of the sample initial funding came from the religious

order/sponsor. Lastly, when asked about how funding would be done differently than at

the time of establishment, data from both groups showed that experience has concluded a

need for an early and professional approach to Advancement.

Table 6

Beginnings

Question	Group A	Group B
What was the Founder's advancement background?	1- Prior experience 1- No experience	4- No experience
What were the financial concerns at the time the school opened?	2- Minimal concerns	2- No concerns 1- Minimal concerns 1- Operation revenue
What were the major obstacles to establishing the school?	1- Facility	2- Credibility 1- Facility 1- Enrollment
What was the importance of philanthropy at beginning of school?	2- Very Important	2- Very Important 2- Not important

		1- Very Important
		1- Important
What was role of individual donors at beginning of school?	1- Not important	1- Not important
	1- No impact	1- No impact
What were the other sources of initial funding?	1- Religious Order	3- Religious Order
	1- Foundation grant	1- Local Church
		1- Charter approach
		2- Professional
What would you do differently if establishing the school today?	2- Professional	advancement
	advancement	1- Partnership

The set of data classified as Board was further divided into three subsets of

Advancement, Membership and Operations. The subset of Board Advancement looked at

the response to ten questions analyzing individual board members involvement with the

advancement effort. Half of Group B indicated that advancement was part of board

workshops, while neither in Group A indicated the same. No school in either group had

representative Board membership from the local neighborhood/community. Three of four

in Group B indicated that there were clearly stated expectations for board members to

make an annual charitable donation, only one Group A school indicated there was an

implicit understanding of this expectation to board members. While all schools indicated

board members solicited support from among their personal and professional

relationships, Group B found more board members soliciting support from corporate

relationships and also found board members less likely to engage in soliciting support

from foundations. All schools had success with generating support from board members;

all schools had at least 75% of board members making an annual contribution, while

three of four in Group B indicated a 100% participation rate from board members in the

annual fund. When asked about the levels of giving, half of Group B had board members

contributing a major gift while all of Group A indicated at least 75% of board members

contribute a major gift. At the time of the research no school in either group was

conducting a Capital Campaign.

Table 7

Board Advancement

Question	Group A	Group B
Is advancement part of the board workshop?	2- No	2- Yes 2- No
Does board have interaction with local community?	1- Yes 1- None	2- Limited 2- None
Is there a stated expectation for board member contribution?	1- Implicit 1- No stated	3- Clearly stated 1- Implicit
What percent of board members make annual contribution?	1- 100% 1- 75-99%	3- 100% 1- 75-99%
What percent of board members make a major gift contribution?	1- 100% 1- 75-99%	1- 100% 1- 75-99% 2- Less than 50%
What percent of board members make capital contribution?	No data	No data
Do board members solicit their business associates?	2- Yes	4- Yes
Do board members solicit their personal associates?	2- Yes	4- Yes
Do board members solicit their corporate associates?	2- Yes	3- Yes 1- No
Do board members assist with foundation solicitations?	2- Yes	1- Yes 3- No

The subset of Board Membership looked at the responses to seven questions

relating to board membership. Data showed half the schools did not currently have boards

at full complement, that there were open seats on the schools board of directors. Data also

showed that members of religious orders had membership on all the boards and in one

case the majority of board members were religious. Four of five schools had functioning

nominating committees which served as the major vehicle for recruiting new board

members. All but one school was governed by the two-tier model of governance in which

the membership of the board of directors required approval by the corporate member, in

all cases the sponsoring religious order(s). Data shows that school personnel in Group A

believe that females are more comfortable with soliciting charitable donations and

support for the mission, while it shows the opposite in Group B. All respondents agree

that both male and females have equal success with garnering support for the school

mission.

Table 8

Board Membership

Question	Group A	Group B
Is the current board at full complement?	1- Yes 1- No	2- Yes 2- No
What percentage of board members is vowed religious?	1- Majority 1- More than 10%	2- More than 10% 2- Less than 10%
What is the nominating process for new board members?	1- CEO 1- Board Committee	4- Board Committee
Are board members approved by another entity?	2- Yes	3- Yes 1- No
What are the terms for board memberships?	2- Renewable 3 year	4- Renewable 3 year
Who is more comfortable with solicitation, males or females?	2- Female	1- Female 3- Male
Who is more successful with solicitation, males or females?	1- Female 1- Male	1- Female 2- Male 1- Equal

The subset of Board Operations looked at responses to nine questions pertaining

to the workings of the board of directors for the sample institutions. All schools had

working committee structure with regularly scheduled meetings, job description (role and

responsibilities) for members and established systems for recruiting and nominating

individuals for board membership. While all but one school, in Group A, had annual

workshops/retreats for the board, only one school in each group had formal training for

new board members. Two schools, one in each group, did not have an active working

board committee to support the Advancement efforts of the school. The likelihood a

school would have an annual workshop for board members was higher, 75% to 50%, in

the Group B.

Table 9

Board Operations

Questions	Group A	Group B
What are the board's standing committees?	1- Finance 1- Fin, Dev & Nom	1- Nominating 2- Finance 1- Fin, Dev & Nom
How are new members oriented to the board?	1- Formal training 1- Informal training	1- Formal training 2- Informal training 1- No training
Is there an annual workshop for board members?	1- Yes 1- No	3- Yes 1- No
Who conducts the workshop?	1- Sponsor	2-CEO 1- External facilitator
Is there a working committee structure for the board?	2- Yes	4- Yes
Are board committee's purposes documented?	2- Yes	2- Yes 2- No
Is there a role/job description for board members?	1- Yes 1- No	4- Yes
Is there a system for recruiting & nominating board members?	2- Yes	2- Yes 2- No
Are there regularly scheduled board meetings throughout the year?	2- Yes	4- Yes

The set of data classified as Chief Advancement Officer looked at the responses

to six questions regarding the individual assigned to direct the advancement office of the

sample institution. In Group A, all the CAOs had prior experience in corporate for profit

settings and had external advancement experience prior to serving in their present

capacity. This data was different for Group B, in which none had experience outside a

nonprofit setting and only half had external advancement experience. Only one CAO had

a degree in a non-theology or non-education related field. Three of the four officers in

Group B spent more than 75% of their time on advancement management, while only

half in Group A spent less than 50% of their time on advancement management. Three of

four Group B note the person most responsible to secure major gifts in the Chief

Executive Officer, while only 50% indicate similar result for Group A. This data is

supported by additional data that indicates three of four of Group B CAOs spent less than

50% of their time on solicitation while 50% of Group A spent more than 75% of their

time on solicitation.

Table 10

Chief Advancement Officer

Question	Group A	Group B
What is the Chief Advancement Officer's resume?	2- Corporate	2- Teaching 2- School staff
What is the CAO's academic training?	1- Finance 1- Theology	2- Education 2- Other
What is the CAO's advancement experience?	2- External	2- External 1- Internal 1- None
What % of time does CAO spend on management?	1- Less than 50%	3- More than 75% 1- Less than 50%
What % of time does CAO spend on solicitation?	1- More than 75%	3- More than 75% 1- Less than 50%
Who is responsible for major gifts?	1- CEO 1- None assigned	1- CAO 3- CEO

The set of data classified as Chief Executive Officer covered the responses to

twelve questions regarding the person who occupies the senior administrative office in

the sample institution. While previous data indicated that the CEO is responsible for

solicitation of major gifts, only 25% of Group B CEOs make a personal appeal for a

charitable donation to board members, while in Group A 100% of CEOs making a

personal appeal. Between both groups only one CEO, part of the Group A, indicated that

the primary individual responsibility of board members was to make a charitable gift to

the school. Data shows all others believe the primary individual responsibility of a board

member is to advance the mission of the school and provide the CEO with their

respective professional expertise. Regarding the board's primary collective responsibility

data shows uniform responses indicating adherence to policy together with advancing the

mission. In all but one case, the CEO is hired by the board. Three of four CEOs in Group

B do not have a defined term of office and two do not have formal contracts. For Group

A the term of the CEO is at least 3 years. Most CEOs in Group B spend the same amount

of time on management, less than 50%, as do half the CEOs in Group A, but they (Group

B) spend more time on solicitation than their counterparts in Group A. All CEOs see the

necessity to expand the current donor base and increasing operating revenue as key

challenges to the schools future viability. While CEOs in Group B both had prior school

administrative experience and academic background in education, only one CEO in this

group had an academic background in education while two others had academic

backgrounds in theology, one in finance. Only one CEO, in Group B, came into his

present position without any background in advancement.

Chief Executive Officer		
Question	Group A	Group B
Does the Chief Executive Officer make a personal solicitation of each board member?	2- Yes	1- Yes 3- No
Does the CEO work closely with the Executive Committee of Board?	2- Yes	4- Yes
What is primary responsibility of the individual board member?	1- Charitable gift 1- Expertise	1- Expertise 3- Advance mission
What is primary responsibility of the board collectively?	1- Advance mission 1- Policy	1- Charitable gift 1- Advance mission 2- Policy
Is the CEO hired by the Board?	1- Yes 1- No	3- Yes 1- No
What is the CEO's term?	1- More than 3 years 1- 3 years	1- 2 years 3- No term
What % of CEO's time is spent on management?	1- 50-74% 1- Less than 50%	1- More than 75% 3- Less than 50%
What % of CEO's time is spent on solicitation?	2- Less than 50%	3- 50-74% 1- Less than 50%

What are the financial challenges for the school?	1- Adding donors 1- Operating revenue	2- Adding donors 1- Operating revenue 1- Succession
What is the CEO's resume?	1- Administration 1- Staff	2- Administration 2- Staff
What is the CEO's academic training?	2- Education	1- Education 1- Finance 2- Theology
What is the CEO's advancement experience?	2- External	1- External 2- Internal 1- None

The set of data classified as Sponsor Relationship showed the responses to seven questions regarding the schools formal corporate relationship with the Brothers of the Christian Schools. Only one school, in Group B, did not have a formal or nominal seat on the board of directors reserved for a member of a religious order. All boards were organized as governing boards with fiscal responsibility for the school, and all but one were organized in the two-tier model of board governance. All schools received financial assistance from the Christian Brothers at the time of the school's establishment, but presently half of each group, no longer receive financial support from the religious order. The most common type of financial assistance was salary support of religious personnel employed at the school, with Group B being most likely to receive this type of support. Support also was provided by either operating grants from the District (local religious administrative unit) or providing a line of credit.

Table 12

Sponsor Relationship

Question	Group A	Group B
How does the Board interact with religious sponsor?	1- Seat on board 1- Nominal seat	2- Seat on board 1- Nominal seat 1- None
Is this Board a governing board?	2- Yes	4- Yes

		3- Yes
Is this a two-tier model of governance?	2- Yes	1- No
Did school receive assistance from Christian Brothers at the founding?	2- Yes	4- Yes
What type of assistance from Chrs Bros at founding?	1- Capital 1- Salary support	1- Personnel 3- Salary support
Does school presently receive assistance from Christian Brothers?	1- Yes 1- No	2- Yes 2- No
What type of assistance from Chrs Bros presently?	1- Operating grant	2- Operating grant 1- Line of credit

The data collected in the Personal Interviews also yielded information indicating

the sample schools meet most of the thirteen measurements the Nativity Miguel Network

of Schools regards as necessary for sustainability. None of the schools in this sample

receive any federal, state or municipal government financial assistance outside the federal

Title I funds.

Table 13

NMNS Fundraising Rubric

Sample Schools	1	2	3	4	5	6
Standards						
Development Office	Meets	Meets	Meets	Meets	Meets	Meets
Donor database	Meets	Meets	Meets	Meets	Meets	Meets
Foundation grants	Meets	Meets	Meets	Meets	Meets	Meets
Major Gifts	Meets	Meets	Meets	Meets	Meets	Meets
Annual Appeal	Meets	Meets	Meets	Meets	Meets	Meets
Government grants	None	None	None	None	None	None
Special Events	Meets	Meets	Meets	Meets	Meets	Meets
Corporate partners	Meets	Meets	Meets	Meets	Meets	Meets
Onoing donor identification	Meets	Meets	Meets	Meets	Meets	Meets
Capital campaign	None	None	Meets	None	None	None
Endowment	None	None	Meets	None	None	None
Regular communications	Meets	Meets	Meets	Meets	Meets	Meets
Contingency funds	Meets	Meets	Meets	Meets	Meets	Meets

B. Donor Motivation Survey

The Donor Motivation Survey used a Likert-scale survey of twelve statements to be completed by individual donors who contributed $1,000 or more in any one of a three year period to a sample institution in this research. The survey participant was asked to qualify him/herself in three identifiers before responding to the twelve statements: gender, years in professional life, and status as an alumnus/a of a Lasallian school. The survey was not designed to enable researcher to distinguish or identify the respondent with a particular school. (See Appendix F)

Respondents were asked to make one of five choices on the Likert-scale in reply to statements concerning his motivation for making a charitable contribution, with whom that decision is made, factors influencing his decision to make a charitable donation, satisfaction with that decision, and quality of response from the school.

The respondents were 63% male and 37% female with an average of 33 years in professional life/career (a high of 53 years and a low of 12 years). A little less than half of the respondents were graduates of Lasallian schools (44%). The survey did not ask respondent to distinguish whether they attended an elementary, secondary or tertiary Lasallian institution. A larger number of respondents (60%) disagreed or strongly disagreed with the statement that their involvement as a donor was due to prior relationship with the Lasallian educational mission.

Table 14				
Donor Survey Demographics				
	Male	Female		N
Gender	64.30%	35.70%		28
	Average	High	Low	
Years of Service	33 yrs	53 yrs	12 yrs	28
	Yes	No		
Graduate of a Lasallian School	46.40%	53.60%		28

Most respondents (75%) agreed or strongly agreed that federal income tax laws

impacted their decision to make a charitable donation, with nearly 30% strongly agreeing.

Twenty percent disagreed or strongly disagreed with the statement that federal income

tax laws impacted their decision to make a charitable contribution.

Every respondent agreed that the school properly acknowledged the charitable gift

and they, the donors, believed their charitable donation has made on impact. Only one

respondent disagreed with the statement that the information received from the school

was accurate and understandable.

The survey participants' wide range of different responses to the statement that

federal tax laws impacted their decision to include charitable bequest in estate planning is

noted because this was the only response that indicated an even distribution of answers

given to the choice of responses.

More than 70% agreed or strongly agreed with the statement that their decision to

make a charitable gift was done in consultation with a spouse indicating a high number of

married donors. The vast majority, 88%, agreed or strongly agreed that their charitable

donations come from their annual income. However, 20% indicated that their charitable

donations came from their capital wealth when only one respondent, or 4%, answered the

opposite.

Seventy-eight percent agreed or strongly agreed that as their income decreases, so

to would their charitable donations noting that it should be no surprise that donations

would decrease during a recession. However, nearly a fifth of the respondents (19%)

answered No Opinion to this statement, reinforcing the 20% who indicated that their

charitable donations are generated from capital wealth.

Eighty-four percent of respondents indicated that the primary motivation for their

charitable giving was the realization of their own good fortune and success in life. The

research is not able to distinguish if the good fortune was financial or general life

conditions. Sixty percent agreed or strongly agreed with the statement that they consider

themselves to be in the upper income bracket of their profession, while nearly a quarter,

24%, disagreed with this statement.

Table 15

Donor Motivation Survey

Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Federal income tax laws impact my decision to make charitable donations.	28.6	46.4	3.6	17.9	3.6
I feel I have been adequately acknowledged for my donation(s) to San Miguel School?	64.3	35.7			
Federal estate tax laws impact my decision to include charitable bequests in my estate planning.	21.4	17.9	25	28.6	7.1
The decision to make a charitable donation to San Miguel School was done in consultation with and assent of my spouse.	53.6	17.9	17.9	10.7	

My personal motivation in deciding to make a charitable donation to San Miguel was because of my prior relationship with the Christian Brothers (Brothers of the Christian Schools).	17.9	21.4	3.6	46.4	10.7
My charitable donations come primarily from my annual income	42.9	46.4	7.1	3.6	
My charitable donations come primarily from my capital and wealth and not related to my annual income.	3.6	17.9	7.1	46.4	25
If my annual income decreases, I am likely to decrease my overall charitable donations.	7.1	64.3	17.9	10.7	
I would consider the primary motivation for my gift as a return of the good fortune I have had in my life	35.7	46.4		14.3	3.6
I consider myself to be in the upper income bracket for my profession	21.4	42.9	14.3	21.4	
I believe my gift to San Miguel has made an impact.	46.4	53.6			
The information I receive from San Miguel School is accurate and understandable	60.7	35.7		3.6	

C. Annual Reports

This study compared the information published in the sample organizations'

annual reports for comparison to the Better Business Bureau Standards for Charity, the

metrics of the Nativity Miguel Network of Schools and also to complete a comparison of

Group A to Group B.

The following items in the annual report were analyzed. The sources of revenue

were analyzed by individual donations, foundation grants, corporate support and support

from religious order/congregation. Also, researcher was able to ascertain the number and

gender of board members and the total number of major donors in three categories:

individuals, foundation/corporation and religious organization.

        The research shows that all sample schools meet the Better Business Bureau

Standards for Charities (Appendix I) in all five standards for Governance & Oversight, in

all seven standards for Finances, and in all four standards measured for Fundraising &

Informational Materials. The remaining two standards for Fundraising & Informational

Materials, Standard 19 and Standard 20, were not measured, as they do not apply to any

schools used in this sample. Research was not able to make a determination (labeled on

Table 16 as U/D: Undetermined) on the Standard 6 (bi-annual performance assessment

by board), but noted that four of six sample schools met the remaining standard for

Measuring Effectiveness.

Table 16	*1*	*2*	*3*	*4*	*5*	*6*
Better Business Bureau Measurements						
Governance & Oversight						
1.Board oversight	Meets	Meets	Meets	Meets	Meets	Meets
2.Minimum of five voting members	Meets	Meets	Meets	Meets	Meets	Meets
3.Face-to-face meetings	Meets	Meets	Meets	Meets	Meets	Meets
4. Compensated members	Meets	Meets	Meets	Meets	Meets	Meets
5. Conflicts of interest	Meets	Meets	Meets	Meets	Meets	Meets
Measuring Effectiveness						
6.Organizational assessment	U/D	U/D	U/D	U/D	U/D	U/D
7. Annual report to governing body	Meets	Meets	Meets	Meets	No	N/A
Finances						
8. Total program expenses/total expenses = >65%	Meets	Meets	Meets	Meets	Meets	Meets
9. Total fund raising expense/ total related contributions = < 35%	Meets	Meets	Meets	Meets	Meets	Meets
10. Avoid accumulating funds that could be used for current program activities.	Meets	Meets	Meets	Meets	Meets	Meets
11. Annual financial statements prepared in accordance with generally accepted accounting principles.	Meets	Meets	Meets	Meets	Meets	Meets

12. Include breakdown of expenses allocated to program, fund raising and administrative	Meets	Meets	Meets	Meets	Meets	Meets
13. Accurately report the charity's expenses.	Meets	Meets	Meets	Meets	Meets	Meets
14. Board-approved annual budget	Meets	Meets	Meets	Meets	Meets	Meets
Fundraising & Informational Materials						
15. Solicitation material that is accurate & truthful.	Meets	Meets	Meets	Meets	Meets	Meets
16, Annual report available to all, on request	Meets	Meets	Meets	Meets	Meets	Meets
17. Charity website includes the same information in annual reports	Meets	Meets	Meets	Meets	Meets	Meets
18. Address privacy concerns of donors	Meets	Meets	Meets	Meets	Meets	Meets
19. Sale of products or services	N/A	N/A	N/A	N/A	N/A	N/A
20. Response to complaints brought to BBB	N/A	N/A	N/A	N/A	N/A	N/A

The data collected from the Annual Reports did not provide the expected depth of

information anticipated by the researcher. While all samples schools provided annual

reports, they did not comply with the request to provide an annual report from each of the

years 2006, 2007, 2008. From the materials provided to the researcher there were two

years, 2008 and 2009, which had sufficient information from at least one school in Group

A and from all four schools in Group B to make a valid comparison in the following

categories: source of revenues; cost of advancement per dollar raised; source of charitable

donations.

Individual donations accounted for 61% of all contributions in Group A and half

of the schools in Group B met or exceeded this benchmark. Grants from foundations

accounted for 38% of all contributions in Group A, but only one school in Group B

exceed this benchmark. Corporate support accounted for 6% of contributions in Group A;

however, one school in Group B exceeded this benchmark significantly.

All schools in Group B exceed the benchmark established by Group A in the

category of the cost of advancement per dollar raised, which was $ .09. Group B's cost of

advancement per dollar raised was $ .06. The sample schools' costs of advancement were

significantly lower than the national average as cited by the Center on Philanthropy at

Indiana University.

Table 17

Fiscal 2008
Cost to Raise A Dollar

	Mean	N
Group A	0.09	1
Group B	0.06	4
National Average (COPIU)	0.24	64

The source of charitable donations was analyzed from data provided in the annual

reports and the researcher divided donors into one of three categories: individual donors,

foundation donors, and religious organization donors. For schools in Group B individual

donors composed the greatest percentage of donors, averaging 62.9% over the two year

period analyzed while composing 58% of Group A. Both Groups exceeded the average

for the Nativity Miguel Network of Schools.

Table 18

Fiscal 2008
Percentage of Donations from Individuals

	Mean	N
Group A	58	1
Group B	62.9	4
Nativity Miguel Network	31	64

Foundation/corporation donors represented 29% of the number of gifts for Group

B schools and 32% of the number of gifts for Group A. This matched the average for the

Nativity Miguel Network of Schools.

Table 19

Fiscal 2008
Percentage of Donations from Foundations/Corp

	Mean	N
Group A	32	1
Group B	29	4
Nativity Miguel Network	30	64

While religious organization donors represented 9% of the donors for Group A,

this same group had a slightly lower average, 8.5%, for Group B. Both Groups were more

than twice the Nativity Miguel Network average of 4%.

Table 20

Fiscal 2008
Percentage of Donations from Religious Org

	Mean	N
Group A	9	1
Group B	8.5	4
Nativity Miguel Network	4	64

When analyzing the total number of individuals and/or organizations that made a

gift of $1,000 or more (major gift) in a single year, the researcher was only able to

compare date for Fiscal 2008. Group B had a higher average number of major gift donors

than Group A, however Group B includes one sample with more than 200 donors and one

sample with less than 25 donors.

Table 21

Fiscal 2008
Total Number of Donors of Major Gifts

	Mean	N
Group A	110	1
Group B	122	4

D. Financial Audit

The researcher was able to collect data from all six samples for two years of

audited financial material, 2007 & 2008. The researcher was able to compare the ratio of

contributions received to total revenue, cost of academic programs as a percentage of

expenses, and amount of unrestricted funds per student. For Group A the ratio of

contributions to total revenue for the two samples included was 93% and 38%. For Group

B the average ratio of contributions to total revenue was 73%. The disparities between

the samples in Group A indicate this is not an appropriate ratio for comparison.

The data showed that Group A and Group B were nearly identical, 79% and

80%, regarding cost of programs as a percentage of expenses. This meets the

measurements set forth by the Nativity Miguel Network and exceeds similar expense

ratios found in the comparable organizations cited in Chapter II and exceeds the

standards set forth Better Business Bureau.

Table 22

Fiscal 2008 & Fiscal 2009
Programs Expense as percentage of total expense

	Mean	N
Group A	79	1
Group B	80	4
Nativity Miguel Network	75	64
Comparative Non-NMNS	72.9	2
Better Business Bureau Standards for Charity	65	

Schools in Group B maintained higher amounts of unrestricted funds per student

than Group A, $8,700 per student versus $6,500 per student. This data could be suspect

as one school in Group B had a very high amount, $16,000, and only one school in Group

A provided any data for this measurement. Eliminating the high amount from the sample

school in Group B as an anomaly reveals Group A and Group B are almost identical:

$6,500 and $6,400 respectively.

An analysis of the financial data provided, while not identical for all sample

schools, indicators of financial stability. For schools in Group A, none indicated any

deficit spending for the periods reported. However, for Group B three of the four sample

schools showed at least one year in three of deficit spending. One school experienced two

of three consecutive years of deficit spending and another sample school showed deficit

spending in two of four years reported. Only one school in Group B showed no deficit

spending in the four years reported. This data showing 50% of the schools in this study

operating a deficit budget is higher than the 44% of Nativity Miguel Network of Schools

which operated in a deficit for the same time period. (Nativity Miguel Network)

V. FINDINGS AND CONCLUSIONS

Findings

Personal Interviews

The fact that the majority of School Founders had no prior Advancement
background and that none of the institutions had financial concerns in the early years
once the school was established meant that financial planning or forecasting was a minor
concern in the initial stages of the schools' development. Researcher notes that from the
experience of the Founders, finance was not indicated as an obstacle to the school's
opening, and it was a revelation to researcher that interviewees noted that a credibility
gap between the school and the local community was as significant an obstacle to
opening as was finding an appropriate facility. There was a slight disconnect between the
indication that philanthropy was considered important at the establishment but that
individual philanthropy had little or no impact. It came as no surprise that upon reflection
there was unanimity from the founders that Advancement was a missing piece in the
establishment of the schools. There was minimal distinction between the two groups in
this category of data.

In the analysis of data pertaining to Advancement, there were no significant
differences between Group A and Group B in Measures, Operations, Personnel and
Programs. In the category of Advancement Strategies there were some minor differences

between Groups A & B. Group B schools targeted Family Foundations for solicitation at

a greater rate than did schools in Group A, 75% to 50%. Group B schools were more

likely than schools in Group A to have corporate partnerships and sponsorships.

The data from the Personal Interviews highlights the absence of professional staff

in the area of Planned Giving. While it is a characteristic that San Miguel-Model Schools

have a small alumni donor base, this need should not eliminate Planned Giving as an

important part of the Advancement strategy of the school. While grants from foundations

represent a significant portion of a San Miguel-Model School's annual operating income,

averaging 40%, it was surprising to find that only one school, in Group B, had a full time

grant writer on staff. The fact that most schools, five of six, had individuals with external

advancement experience was viewed as positive augured well for the schools'

advancement program. The fact that all but one of the advancement offices participated in

the AAFP was a positive sign of the ongoing development and professionalism of the

schools' advancement efforts. Tenure of advancement staff was stable and indicated low

turnover, a very positive signal for a successful advancement program. The majority of

schools in Group B did not have a vehicle to attract young professionals but this was also

found in half the schools in Group A. This lack of a concerted effort to engage young

professionals in support of the school mission was noted and could portend negative

results for future advancement strategies.

Group A schools conducted fewer special events and solicited donors more

frequently than did schools in Group B. Special events, by their nature are time and

resource consuming. The fact that most in Group B had more than one event indicates

significant human resources might be devoted to this strategy. It is promising to see every

school actively involved in a variety of methods to research individual donors and their

capacity to make charitable contributions. Group B solicits individual donors on a less

frequent basis than Group A. It is unclear to the researcher whether more frequent

solicitation of individual donors would result in higher response rates or increased

charitable donations. The fact that all schools have on-line donation capabilities and keep

donors informed via email is evidence the advancement program is keeping up with the

latest developments in advancement technology.

The researcher discovered a significant difference in the expectations that board

members make an annual charitable donation and note that the difference is more

favorable for Group B and not Group A. Data showing that two thirds of all schools had

100% board participation in annual giving was encouraging. An important indicator was

the data which showed that Group B had board members either capable or willing to

annually make a major gift to the school. Data indicated one third of the schools do not

have an active board advancement committee, but research did not seek additional data to

indicate the reason for this dynamic.

Data indicates that the CEO in Group B is the person most responsible for

soliciting major gifts and spends a significant portion of his time in solicitation. This

could be a result of the small size of the advancement staff.

Donor Motivation Survey

The researcher was surprised that more than half the respondents (60%) did not

either graduate from a Lasallian institution or felt being associated previously with a

Lasallian ministry was not a motivator to become a donor. This is evidence to the

researcher that those engaged in advancement have successfully engaged a donor base

that is wider than the Lasallian association of ministries from which it was founded. The

concern noted by one interviewee that San Miguel-Model Schools could erode the donor

base of another local Lasallian ministry could not be substantiated and these survey

results give evidence that the majority of donors were not previously associated with a

Lasallian ministry.

It is clear for the majority of donors that the deduction(s) allowed by the Internal

Revenue Service is an important factor in an individual's decision to donate to charity.

The overwhelming positive responses regarding acknowledgement of gift and accuracy

of information from the school indicates that the operations of the advancement office are

smoothly run. The fact that every respondent believes their charitable donation has made

an impact is evidence that the school has done an effective job in communicating the

importance of charitable giving towards achieving the school's mission.

The difference in the participants responses to whether one's charitable donations

come from annual income or capital wealth indicates to the researcher that the present

donor base of these schools, while successful, would not be considered in the super-

wealthy category as noted by the IRS. The researcher saw a conflict in these responses

and posited that it is possible individuals do not consider themselves wealthy individuals.

This would concur with indications in the Chapter II in which wealthy Americans do not

consider themselves wealthy.

The fact the vast majority of donors indicated that during economic downturns,

their ability to donate decreases indicates the necessity for the school to have significant

reserves to weather the volatile economic periods. This is also supported in the analysis

of financial data, as it does appear to be the case in two of the sample institutions who

experienced a downward trend over a three year time period from 2007 -2009 in total

contributions and total revenue during the most recent economic recession. For one

sample institution that downward trend was more than 30%.

The disparity of responses regarding estate planning coincides with the fact the

majority of schools do not make Planned Giving a strategic priority of their advancement

program, a conclusion noted above from Personal Interview analysis. However, the fact

that the majority of donors were married and that they consulted with spouse before

making the decision to donate indicates the opportunity to institute a solid planned giving

program.

Annual Reports

The researcher found the schools in Group B were more efficient when it came to

the cost to raise a dollar by a group average of 50%, $.06 vs $.09. The researcher noted

that these are statistics provided by the sample schools and could be misleading

depending upon how and what costs were allocated specifically to the advancement

efforts. Figures for both Group A and Group B compare to the same benchmark for De

La Salle Academy in New York and all are below the national averages for nonprofit

advancement costs and indicate a highly efficient advancement operation.

The research also showed similarities in sources of revenue and sources of

charitable donations, indicating parallel strategies among all sample schools in both

groups in raising funds. The researcher did not find a unique pattern of either source of

revenue or source of charitable donations which would indicate a best practice by one

sample that could be successfully implemented at other schools. Only one school, in

Group B, had a lower than average gross revenue from individual donations which might

indicate a need to expand the individual donor base to insure some financial stability. No

sample school in either group depended upon religious congregations for more than 15%

of their source of charitable donations. This finding contrasts with the data indicating that

the sample schools depended heavily on funding from the religious order at the school's

establishment, and researcher concludes the sample schools have successfully expanded

their donor base.

Financial Audit

Because the data provided was not complete for each group over a three year

period, the findings from the Annual Financial Audit are inconclusive and limited. One

school in Group A had a higher ratio of contributions to total revenue than Group B and

one school in Group B had a much lower ratio of contributions to total revenue than

Group B's average. Samples in Group B, three of four, had deficit spending in at least

one of the years reported and 50% the group experienced deficit spending in at least half

the years they provided financial audits. While these same schools had enough

unrestricted funds to balance the deficit spending, this indicates a serious deficiency in

the financial stability of the organization.

Conclusions

The researcher's original Hypotheses were not supported by the findings in this

study. There was no indication that schools in Group A had stronger financial position

than schools in Group B. Research showed minimal differences between the Groups with

regards to Boards, Advancement Program, Advancement Personnel or Advancement

Strategies. The Donor Motivation Survey clearly indicated that federal tax laws are a

motivator for charitable giving and prior connection to the Lasallian mission was not a

motivator for donors.

1) The data gathered from individual donors at the major gift level via the Donor

Motivation Survey is helpful and yielded some insights; however, the researcher

concluded that a similar survey targeting only board members would have been more

helpful to future advancement efforts. A survey specifically targeting individuals with

regard to Planned Giving would also have been more appropriate to gauge future

charitable support for the sample schools.

2) As the charity expands its donor base, and the sample schools have showed a

steady progress on this aspect, it may prove helpful to the institution's long term viability

to seek out individuals who would be considered *Very Wealthy* by IRS standards, for both

a steady stream of annual charitable commitment from the donor and the opportunity for

a planned gift.

3) A sophisticated and professional approach to Planned Giving could result in the

schools having appropriate financial resources to attain financial stability. While it is

recognized that individual schools do not have the financial or human resources to

establish a complete planned giving program, this may be one area in which the Nativity

Miguel Network of Schools can provide system-wide support and opportunity.

4) The sample schools in both Groups held up well when analyzing the indicators

set forth by the Nativity Miguel Network to gauge a member school's sustainability. Five

of the sample schools have an established development office and the remaining school is

the beneficiary of shared development efforts from its parent organization. The sources of

funding have diversified over time and these sources have shifted from primarily support

from religious orders and foundation grants to the majority of donations generated from

individual contributions. Leadership at the schools has been stable at both the Chief

Executive Officer and Chief Advancement Officer. Only one of the sample schools has

ever conducted capital campaign and none have engaged in an endowment campaign.

None of the sample schools rely on funding from government (municipal, state, federal)

sources outside Title programs for students who qualify for free or reduced lunch.

5) It is a solid conclusion of the study that every San Miguel-Model School

should have a formal and established strategy to engage young professionals to help raise

money for the mission, provide future leadership opportunities, and establish solid

individual relationships with potential donors.

6) The school advancement office should evaluate every special event it conducts

and annually measure their advancement success and validity to ensure scarce human

resources are not wasted.

7) No sample had a specific effort or campaign to build the endowment and with

the financial sustainability of a charitable organization depending upon the ability to

secure a reliable steady income flow it would seem appropriate for San Miguel-Model

Schools to engage in an ongoing campaign to establish a school endowment.

8) While personal wealth is not the only qualification for board membership,

consideration should be given to the ability and willingness of board members being able

to make a minimum annual contribution to the school of $1,000, as well as the capacity to

individually make or secure from another source, a capital gift.

9) As some administrators, three of five who answered, believe females are more

comfortable than and equally as successful as men in getting charitable donations it may

indicate the school should actively seek to increase female membership on the school's

board of directors. Data from the annual reports showed only one school, in Group B.

with equal number of female and male board members. However, there was no

significant difference in the amount of charitable contributions for this sample school.

10) Every San Miguel-Model School should make it a priority to have a standing

board committee devoted primarily to support the advancement efforts of the school.

The researcher believes that further research in the following areas would be

beneficial: studying the development of Boards of Directors (governing board) of San

Miguel-Model Schools; research on the training and continuing advancement education

for Board members; further study of comparable educational organizations which have

achieved financial stability; and study of how faith-based organizations conduct

feasibility planning when considering opening educational ventures that rely heavily on

charitable donations for operating support.

Postscript

A third of the questions included in the interview with the School Founder were

not analyzed by coding the responses and entered into the SPSS collector. The responses

are recounted here in the conclusion to provide additional observations by the researcher.

A comment from one of the professional staff with significant prior experience in advancement indicated a belief that despite the challenge of annually securing charitable donations there is 'more money out there to donate than there are good organizations to fund.' More than one interviewee indicated that both personal fortunes of donors and funds available for awarding foundation grants were significantly and negatively affected by the recession of 2008-2009. One senior administrator indicated a 30% decline in available foundation funds as a result of the recent recession and stock market decline. A senior advancement professional, who was decidedly not a fan of raising money by conducting special events, worried that schools spend a lot of time and energy to net minimal charitable dollars, and recommends advancement efforts should focus only on major donors who can make larger gifts to the school. Schools should not 'spend dollars to chase dimes'. More than one administrator indicated advancement efforts should concentrate primarily on people of means and should seek board members who understand that their major role is to raise money for the school.

The interviews with those individuals who participated in the establishment of the sample schools revealed there was almost no attention given to how the school would raise the money to operate the school in the long term. No interviewee mentioned a formal feasibility study which included the need for an advancement program. All admitted a naiveté regarding the success of the school regarding finance and advancement, credibility with the local community, capacity of volunteer staff and student enrollment. More than one person indicated the expectation that the endeavor would succeed simply because of its mission. In the seventeen years since the

establishment of the first San Miguel type school, two have ceased operations due to lack

of proper funding. A sign of a financially stable nonprofit is that the organization's

reserves, or endowment, should be an amount equal to the organization's annual budget.

None of the schools participating in this research, despite an average existence of eleven

years, had yet to achieve this benchmark.

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VII. APPENDIX

Appendix A

Date

_____, President
_____
_____
_____

Dear _____,

It was a pleasure to be introduced to you at the Nativity/Miguel Network Conference last fall. As I indicated to you at that time I am a doctoral candidate at De Paul University conducting research concerning the relationship between charitable donations - philanthropy and a school's financial vitality. The subjects of my research are the San Miguel Model Schools and I would like to include _____ in my sample.

For purposes of this research, if you will allow me to include your school in the research, I would request the following:

1) You provide me with institution's Audit/Review for fiscal years 2006, 2007, 2008;
2) You provide me with institution's Annual Report for fiscal years 2006, 2007, 2008;
3) You provide me with the institution's various publications, especially development-related publications/mailing, for the past two years;
4) You provide me with the institution's By Laws and Articles of Incorporation;
5) You agree to allow me to conduct a site visit and access to the school CEO/president, school's founder and school's chief advancement officer so that I may interview them;
6) You aid me in randomly selecting 10 donors and sending to them confidential and anonymous surveys.

I will be contacting you in the next week to learn of your response to this request and to answer any questions you have about this research. If you would like to contact me, call _____ (daytime), _____ (evening & weekends), or via email at _____.

Thank you for your consideration of this request.

Sincerely,

Michael F. Quirk

Appendix B

Interview questions for the Chief Executive Officer of a San Miguel Model School

Board Membership/Makeup

1. May I have a list of current board members, along with their company and/or affiliations?

2. Is the current board at full compliment?

3. What are the committees of the Board? Are they active and do they match the requirements in the corporation's By Laws?

4. How does one get nominated to become a member of this Board?

5. Do board members have to be appointed/approved by another corporate entity?

6. How are new Board members orientated to the school and Board operations?

7. Is there an annual retreat/workshop/seminar for Board members?
   a. If so, who conducts said retreat/workshop/seminar?
   b. If so, is advancement part of the retreat/workshop/seminar?

8. What are the terms for board members?

Governance Indicators

Working committee structure	YES - NO
Regular board and committee meetings	YES - NO
Committees' missions, purposes and membership documented	YES - NO
Job descriptions for board members	YES - NO
Systems for nominating and recruiting	YES - NO

Board responsibility

9. How does Board interact with local (geographic) community?

10. How does Board interact with the corporate Member?

11. Is there a stated expectation for members to make an annual charitable contribution?

    a. What percentage of board members make an annual charitable contribution?

    b. What percentage of board members make a major gift?

    c. What percentage of board members make a capital gift?

    d. Do you make an annual personal solicitation for a charitable donation to each board member?

12. Do you as CEO work closely with Board chair and/or Board executive committee?

13. What do you see as the primary responsibility of the Board members?
    a. Individually

    b. Collectively

14. Do Board members assist the advancement effort by making solicitations to others?
    a. Individual business associates

    b. Personal associates

    c. Corporate solicitations

    d. Foundation solicitations

    e. Who is more comfortable with solicitation, males or females?

    f. Who is more successful with solicitation, males or females?

15. How are Board members trained or supported to make solicitations to individuals or organizations/foundations/corporations?

Board authority

16. Is the CEO selected and hired by the Board?

17. What is length/term of CEO contract?

18. Is this a governing board or an advisory board?

19. Is this a two-tier model of governance?

20. What percentage of time do you spend on
    a. Management and administration?
    b. Advancement and donor cultivation and solicitation?

21. What are the financial challenges to the school over the next three years?

22. What is your personal experience and resume?

23. What is your prior advancement experience/background?

Appendix C

Interview questions for the Chief Advancement Officer of a San Miguel Model School

ADVANCEMENT OPERATIONS

Background

1. What is the CAO's personal experience and resume?

2. What is the CAO's prior advancement experience/background?

3. Are other members of the school's management experienced in advancement?

4. Other than Board members, are there any school volunteers that have experience/background in advancement?

Advancement Personnel
1. What positions constitute the members of the Advancement Department?

2. What is the experience and background of the members of the AD staff?

3. What percentage of time do you spend on
   a. Advancement management and administration?
   b. Donor cultivation and solicitation?

4. Are there job descriptions for advancement staff?

5. What is the average tenure for advancement staff at this school?

6. Is the advancement staff full-time or part-time?

7. Is there one person tasked with solicitation of individual major gifts?

8. Do you have a full-time or part-time major gifts officer?

9. Do you have a full-time or part-time campaign officer?

10. Do you have a full-time or part-time special events officer?

11. Do you have a full-time or part-time planned giving officer?

12. Do you have a full-time or part-time grant writer/research officer?

13. Do you have a full-time or part-time government liaison?

14. Do you use volunteers to help in advancement programs? What capacities/roles are volunteers most effective?

15. Do you have a full-time or part-time advancement data base officer?

16. Do you have a full-time or part-time advancement administrative assistant?

17. Do you currently utilize the services of an advancement consultant?
    a. If yes, for what purpose?

18. Have you utilized the services of an advancement consultant in the past?
    a. If yes, for what purpose?

19. Do you plan on employing the services of an advancement consultant in the next 2-3 years?
    a. If yes, for what purpose?

20. Are any of the advancement officers members of or certified by the Association of Fund Raising Professionals?

21. What percentage of donors is retained year to year?

22. Has donor base expanded over time?

Advancement Operations

1. How and where are donor records kept? Are they accurate?

2. Do you use a computer-based software advancement support program?
    a. If yes, which software product is currently in place?

3. What are the methods used for donor research?

4. How often, during the course of a year, is a donor sent an appeal/solicitation?

    a. Methods of solicitation?
        i.   Phone   YES-NO
        ii. Mail   YES-NO
        iii. Email   YES-NO
        iv. Online   YES-NO

5. Does the school outsource any aspect of the advancement program?

6. Does the school collaborate with any other entity for solicitation(s)?

7. Does the school have any corporate partnerships?

8. Is there an annual advancement calendar?

9. Does the advancement department have annual goals and/or action plans?

10. What are the special events conducted by the advancement department?

11. How do you measure success of the school's advancement program?

12. What are the types/methods of donor and/or volunteer recognition?

13. What is the strategy to secure funding from private and/or public foundations?

14. What services are donated (gifts in kind)?

15. What was the best success SMS has had with a foundation(s) grant request?
    a. What was the most important reason for this success?

16. What percentage of donors are individuals who are Catholic?

17. Does the school have its own separately incorporated foundation for the purpose of raising funds for the institution?

18. Which of the following is part of the school's advancement program?
    a. Appeal to young professionals
    b. Capital/building campaign
    c. Congregation/Sponsor support
    d. Corporate partnerships
    e. Donor recognition events
    f. Endowment campaign
    g. Foundation grant appeals/grant application
    h. Friend-raiser events
    i. Gifts in kind
    j. Non-Title federal/state government grants
    k. Mail solicitation
    l. Phonothon
    m. Planned Giving
    n. Program/activity sponsors
    o. Service organization beneficiary
    p. Special Events
    q. Student-Sponsor Scholarships

r. Volunteer recognition
s. Web-site solicitation/On-line donation
t. Local community/neighborhood business program

Appendix D

Interview questions for the Founder of a San Miguel Model School

SCHOOL ESTABLISHMENT & FOUNDATION

1. What was the genesis for the school's founding?

2. What was your motivation to help establish this school?

3. Was there a particular inspiration, example, idea that led to the school's establishment?

4. What were your advancement and/or financial background/expertise at the time of the school's establishment?

5. What were the sources of the initial funding for this school?

6. What were the financial concerns in the school's early years?

7. What were the obstacles to establishing and opening the school?

8. What was the importance of philanthropy/charitable donations in the establishment of the school?

9. What was the role of individual donors in the school's founding?

10. Who helped with the initial funding: government, foundation, corporation, individual, local community, local church?

11. Did you receive financial support from the local District of the Brothers of the Christian Schools?
    a. If yes, what was the initial grant amount or type?

12. Are you satisfied with the current level of philanthropy/charitable giving?

13. How have the funding sources changed/diversified since school founding?

14. With regard to advancement, what would you do different now?

15. Does the local District of the Brothers of the Christian Schools support the school?
    a. If yes, with what means (financial, personnel, facility)?

16. What are your concerns for the school's future?

Appendix E

INFORMATION SHEET FOR PARTICIPATION IN RESEARCH STUDY

THE IMPACT OF CHARITABLE DONATIONS ON THE FINANCIAL VIABILITY OF ALTERNATIVE CATHOLIC MIDDLE SCHOOLS THAT FOLLOW THE SAN MIGUEL-SCHOOL MODEL

As a donor to a San Miguel-Model School you are being asked to participate in a research study being conducted by Michael F. Quirk, a doctoral student at DePaul University (Chicago, IL). We are asking you to participate because we are trying to learn more about the relationship between charitable donations and the financial vitality of San Miguel-Model Schools.

You are receiving this study because your name was chosen randomly from a listing of donors who have contributed more than $1,000 to a San Miguel Model School within the calendar years of 2006, 2007, 2008. The package including this information sheet, survey instrument and stamped self-addressed return envelopes were left by this researcher at the San Miguel Model School for forwarding to you anonymously. The researcher was not provided with and has no personal information about anyone who participates in this survey.

This study will take between 5 and 10 minutes. If agree to be in this study, you are asked to complete the enclosed 12 question Likert-scale survey and return by mail the completed survey in the self-addressed stamped envelope provided. You can choose not to participate. There will be no negative consequences if you decide not to participate.

If you have questions about this study, please contact the researcher Michael F. Quirk, FSC at 773-XXX-XXXX and/or the researcher's dissertation chairperson, Dr. Barbara Rieckhoff at xxxxx@depaul.edu. If you have questions about your rights as a research subject, you may contact Susan Loess-Perez, DePaul University's Director of Research Protections at 312-362-7593 or by email at sloesspe@depaul.edu.

You may keep this information for your records.

Appendix F

<u>DONOR SURVEY</u>

This survey is an important part of data collection for doctoral research examining the impact of charitable giving for San Miguel Model Schools. Your name has been randomly selected from a list of donors at the San Miguel School you support. This survey is being sent from the school directly to you and the researcher does not have any of your personal information and/or donor records.

Please complete the form and return to the researcher in the envelope provided. Thank you for your participation in this research.

Gender: Male _____   Female _____
Years of Professional Life: _____

Did you attend and/or graduate from a Lasallian school? Yes_____ No ___
(Any educational institution conducted by or sponsored by the De La Salle Christian Brothers)

As a donor to a San Miguel Model School please rate your answers following the scale below:
(Please circle the appropriate answer)

1. Federal income tax laws impact my decision to make charitable donations.

Strongly Agree	**Agree**	**No Opinion**	**Disagree**	**Strongly Disagree**

2. I feel I have been adequately acknowledged for my donation(s) to San Miguel School?

Strongly Agree	**Agree**	**No Opinion**	**Disagree**	**Strongly Disagree**

3. Federal estate tax laws impact my decision to include charitable bequests in my estate planning.

Strongly Agree	**Agree**	**No Opinion**	**Disagree**	**Strongly Disagree**

4. The decision to make a charitable donation to San Miguel School was done in consultation with and assent of my spouse.

Strongly Agree	**Agree**	**No Opinion**	**Disagree**	**Strongly Disagree**

5. My personal motivation in deciding to make a charitable donation to San Miguel was because of my prior relationship with the Christian Brothers (Brothers of the Christian Schools).

Strongly Agree   **Agree**   **No Opinion**   **Disagree**   **Strongly Disagree**

6. My charitable donations come primarily from my annual income.

Strongly Agree   **Agree**   **No Opinion**   **Disagree**   **Strongly Disagree**

7. My charitable donations come primarily from my capital and wealth and not related to my annual income.

Strongly Agree   **Agree**   **No Opinion**   **Disagree**   **Strongly Disagree**

8. If my annual income decreases, I am likely to decrease my overall charitable donations.

Strongly Agree   **Agree**   **No Opinion**   **Disagree**   **Strongly Disagree**

9. I would consider the primary motivation for my gift as a return of the good fortune I have had in my life.

Strongly Agree   **Agree**   **No Opinion**   **Disagree**   **Strongly Disagree**

10. I consider myself to be in the upper income bracket for my profession.

Strongly Agree   **Agree**   **No Opinion**   **Disagree**   **Strongly Disagree**

11. I believe my gift to San Miguel has made an impact.

Strongly Agree   **Agree**   **No Opinion**   **Disagree**   **Strongly Disagree**

12. The information I receive from San Miguel School is accurate and understandable.

Strongly Agree   **Agree**   **No Opinion**   **Disagree**   **Strongly Disagree**

Appendix G

Nativity Miguel Network of Schools –Sources of Revenue for Schools

Nativity Miguel Network Source of Revenue

Legend:
- Individuals
- Foundations
- Special Events
- Board
- Corporations
- Families
- Religious Orders
- Contributed Services
- Other
- Endowment Income
- Government
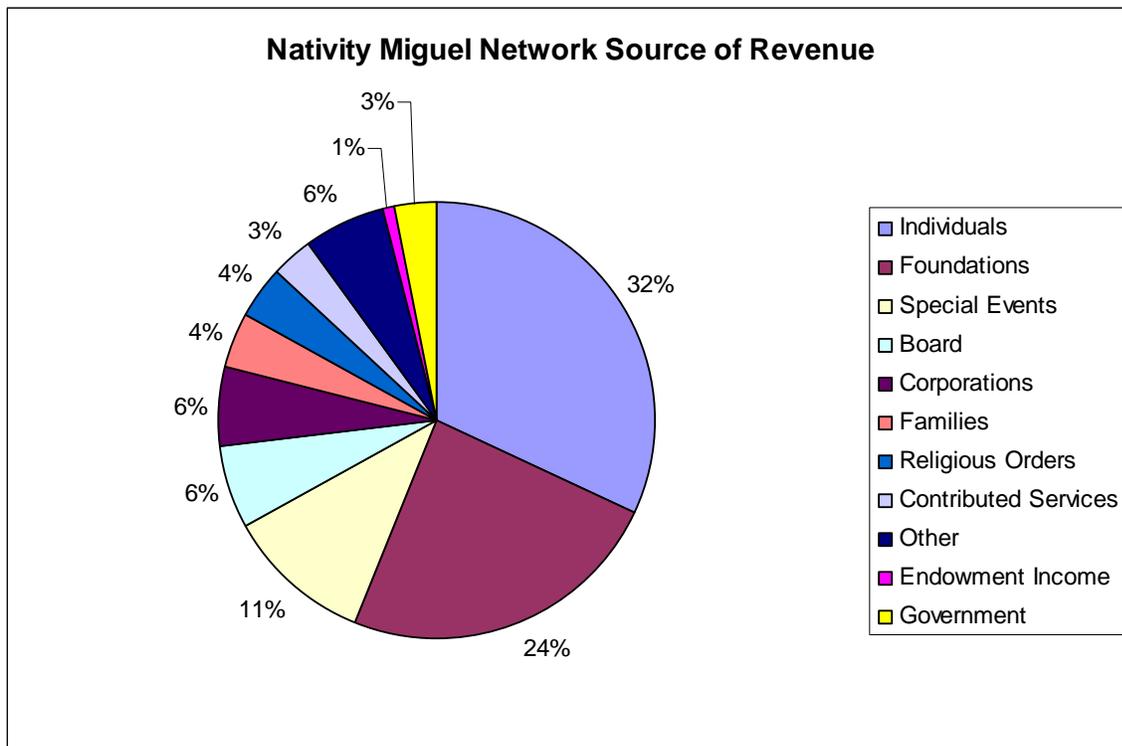
Appendix H

Nativity Miguel Network of Schools							
Student Success		School Strength		Membership Value		NMNS Health	
Outcomes	*Metrics*	*Outcomes*	*Metrics*	*Outcomes*	*Metrics*	*Outcomes*	*Metrics*
Empower Member schools to improve student academic success	*Academic proficiency & growth* *HS entrance exam* *8th grade graduation rate* *HS enrollment*	Increase viability of Member schools	*Application rate* *Enrollment* *Reserves* *Endowment* *Staff pipeline* *Family involved*	Establish NMNS as the model for middle school education in underserved communities	*Media mentions* *School pipeline* *Key influencer opinion*	Enhance staff capacity to achieve priority outcomes	*School coverage* *Employee satisfaction* *Member satisfaction*
Empower Member schools to strengthen student character & spirituality	*Attendance* *Disciplinary issues* *Community Service*	Strengthen Member commitment to growth & sustainability of the Mission	*Importance of standards* *Adoption of standards*	Increase direct financial support to Members	*Grants to members* *Financial commitment to programs*	Engage board members to achieve their highest & best contribution	*Board self-assessment* *Board fundraising*
Strengthen platform of support for alumni in high school & beyond	*GSS utilization* *HS graduation* *Post-secondary enrollment* *Post-secondary retention* *Post-secondary graduation*	Strengthen administrative & academic capacity of Member schools	*Administrative mastery* *Academic mastery*	Sustain Member participation in relevant, high-quality NMNS professional development	*PD utilization* *Membership renewal* *Satisfaction with NMNS PD*	Increase level & diversity of funding for NMNS	*Revenue by source* *Unrestricted revenue* *Donor base* *Donor retention*

Appendix I

Better Business Bureau: Standards for Charity Accountability

The following measurements and their definition/description are taken from the Better

Business Bureau's Standards for Charity Accountability (www.bbb.org).

Governance and Oversight

1. A board of directors that provides adequate oversight of the charity's operations and its

staff.

2. A board of directors with a minimum of five voting members.

3. A minimum of three evenly spaced meetings per year of the full governing body with a

majority in attendance, with face-to-face participation.

4. Not more than one of 10% (whichever is greater) directly or indirectly compensated

person(s) serving as voting member(s) of the board. Compensated members shall not

serve as the board's chair or treasurer.

5. No transaction(s) in which any board or staff members have material conflicting

interests with the charity resulting from any relationship or business affiliation.

Measuring Effectiveness

6. Have a board policy of assessing, no less than every two years, the organization's

performance and effectiveness and of determining future actions requires to achieve its

mission.

7. Submit to the organization's governing body, for its approval, a written report that

outlines the results of the aforementioned performance and effectiveness assessment and

recommendations for future actions.

Finances

8. Spend at least 65% of its total expenses on program activities. Formula: Total program expenses/total expenses = >65%

9. Spend no more than 35% of related contributions on fund raising. Formula: Total fund raising expense/ total related contributions = < 35%

10. Avoid accumulating funds that could be used for current program activities. To meet this stand, the charity's unrestricted net assets available for use should not be more than three times the size of the past year's expenses or three times the size of the current year's budget, whichever is higher

11. Make available to all, on request, complete annual financial statements prepared in accordance with generally accepted accounting principles.

12. Include in the financial statements a breakdown of expenses that shows what portion of these expenses was allocated to program, fund raising and administrative activities.

13. Accurately report the charity's expenses, including and joint cost allocations, in its financial statements.

14. Have a board-approved annual budget for its current fiscal year, outlining projected expenses for major program activities, fund raising and administration.

Fund Raising and Informational Materials

15. Have solicitations and informational materials, distributed by any means, which are accurate, truthful and not misleading, both in whole and in part.

16. Have annual report available to all, on request, that includes:

    a. the organization's mission statement;

    b. a summary of the past year's program service accomplishments;

    c. a roster of the officers and members of the board of directors;

d. financial information that includes (i) total income in the past fiscal year, (ii) expense in the same program, fund raising and administrative categories as in the financial statements, and (iii) ending net assets.

17. Include on any charity website that solicit contributions, the same information that is recommended for annual reports, as well as the mailing address of the charity and electronic access to its most recent IRS Form 990.

18. Address privacy concerns of donors by

a. providing in written appeals, at least annually, a means for both new and continuing donors to inform the charity if they do not want their names and address shared outside the organization, and

b. providing a clear, prominent and easily accessible privacy policy on any of its websites that tell visitors (i) what information, if any, is being collected about them by the charity and how this information will be use (ii) how to contact the charity to review personal information collected and request corrections (iii) how to inform the charity that the visitor does not wish his/her personal information to be shred outside the organization, and (iv) what security measures the charity has in place to protect personal information.

19. Clearly disclose how the charity benefits from the sale of products or services that state or imply that a charity will benefit from a consumer sale or transaction.

20. Respond promptly to and act on complaints brought to its attention by the BBB Wise Giving Alliance and/or local BBB's about fund raising practices, privacy policy violations and/or other issues.

Appendix J

The State of Philanthropy: Sources of Charitable Donations in the United States

Source: Wall Street Journal November 11, 2009

Where Charity Comes From

- Individuals — 75%
- Corporations — 5%
- Bequests — 7%
- Foundations — 13%
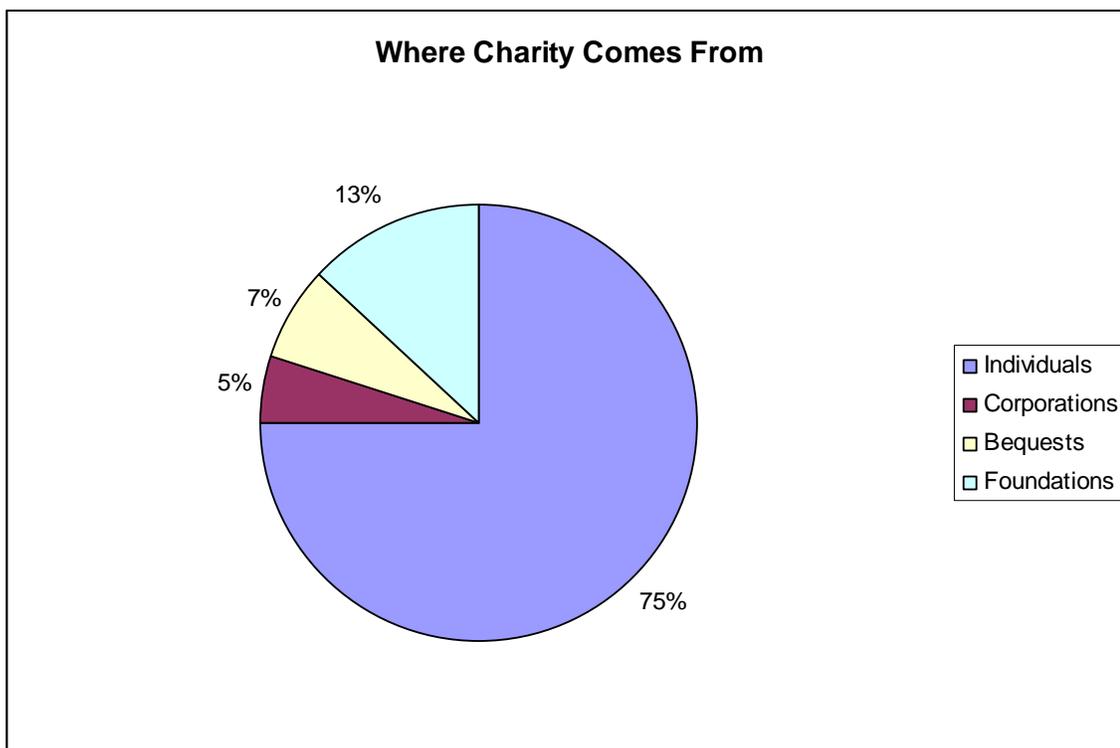
Appendix K

The State of Philanthropy: Distribution of Charitable Donations in the United States

Source: Wall Street Journal November 11, 2009

Where Charity Goes

Legend
Environment
Arts/culture
International
Health
Societal benefit
Human services
Foundations
Eucation
Individual
Religion
Unallocated

Values shown on chart: 6%, 2%, 4%, 4%, 7%, 8%, 9%, 11%, 13%, 1%, 35%
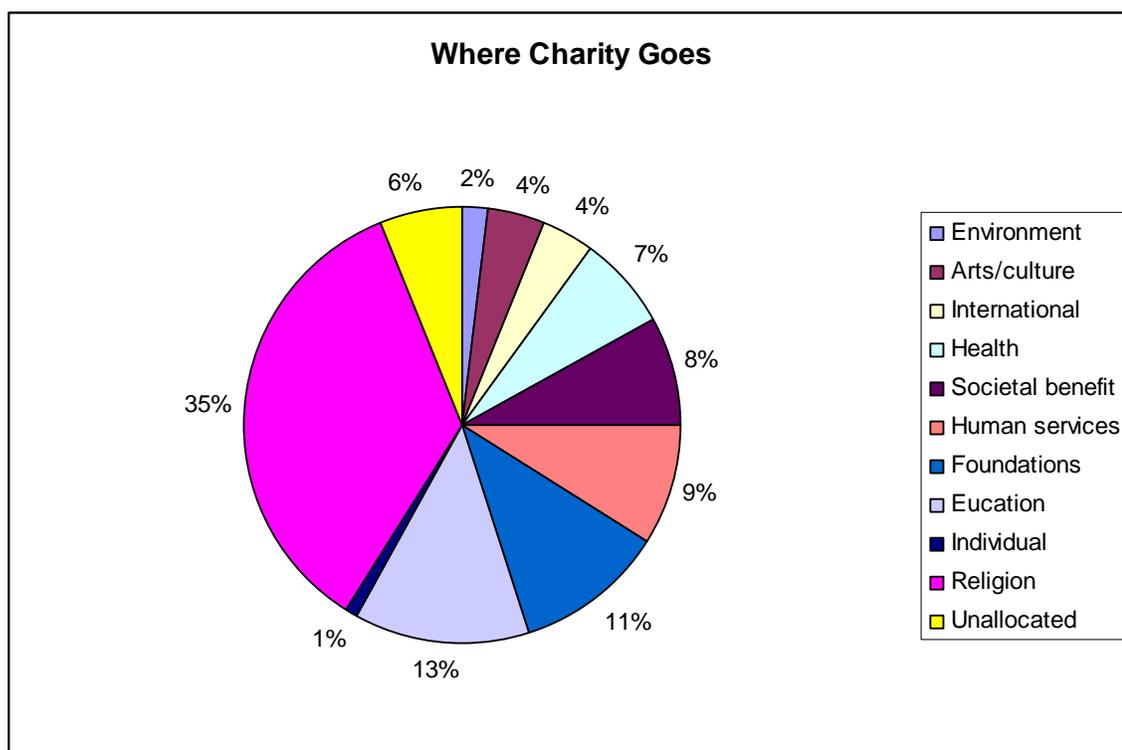
Appendix L

Interview Questions/Session/Coding

Advancement Measurements

Interview	Questions	Coding
CAO	What percentages of donors are retained annually?	More than 75% 50-75%
CAO	Has donor base expanded over time?	Yes No
CAO	How and where are donor records kept?	Electronic Electronic with backup
CAO	Do you use a computer-based software advancement support program?	Yes No
CAO	How do you measure success of the school's advancement program?	Meet budget Grow donor base
CAO	What are the types/methods of donor and/or volunteer recognition?	Publication Event
CAO	What percentage of donors are individuals who are Catholic?	75-99% 50-74%
CAO	Does the school have its own separately incorporated foundation for the purpose of raising funds for the institution?	Yes No
FDN	What were the sources of the initial funding for this school?	Religious Order Corporate Grant

Advancement Operations

Interview	Questions	Coding
CAO	Is there a major gifts officer?	Full Time Part Time Part of CAO job Outsourced
CAO	Is there a capital campaign officer?	Full Time Part Time Part of CAO job Outsourced
CAO	Is there a special events officer?	Full Time Part Time Part of CAO job Outsourced
CAO	Is there a planned giving officer?	Full Time Part Time Part of CAO job Outsourced

Interview	Questions	Coding
CAO	Is there a grant writer?	Full Time Part Time Part of CAO job Outsourced
CAO	Is there a government funding liaison?	Full Time Part Time Part of CAO job Outsourced
CAO	Is there a data base manager	Full Time Part Time Part of CAO job Outsourced
CAO	Is there an advancement administrative assistant?	Full Time Part Time Part of CAO job Outsourced
CAO	Does the advancement office have annual goals?	Yes No
CAO	Are there volunteers used in advancement?	Yes No

Advancement Personnel

Interview	Questions	Coding
CAO	What is the advancement experience of the advancement staff?	External Internal None
CAO	What is the advancement experience of the volunteers?	External Internal None
CAO	How many people are on the advancement staff?	One 2-4 5 or more
CAO	Are there job descriptions for advancement staff?	Yes No
CAO	What is the average tenure for advancement staff?	More than 4 2-4 years Less than 2 years
CAO	Do members of staff hold AAFP membership?	Paid membership Not a member Attend workshop

Advancement Programs

Interview	Question	Coding
CAO	Does the school have an appeal to young professionals?	Yes No
CAO	Does the school currently have a capital campaign?	Yes No

Interview	Question	Coding
CAO	Does the school have support from religious order?	Yes No
CAO	Does the school have corporate sponsorships?	Yes No
CAO	Does the school have a donor recognition event?	Yes No
CAO	Does the school have an endowment campaign?	Yes No
CAO	Does the school submit proposals to foundations?	Yes No
CAO	Does the school have friend-raising events?	Yes No
CAO	Does the school receive gifts-in-kind?	Yes No
CAO	Does the school receive non-Title government grants?	Yes No
CAO	Does the school conduct mail solicitations?	Yes No
CAO	Does the school conduct a phonothon?	Yes No
CAO	Does the school have a planned giving program?	Yes No
CAO	Does the school have program sponsorships?	Yes No
CAO	Is the school a beneficiary of another service organization?	Yes No
CAO	Does the school conduct special events?	Yes No
CAO	Does the school have student sponsorships?	Yes No
CAO	Does the school recognize volunteer service?	Yes No
CAO	Can the school accept donations via its website?	Yes No
CAO	Does the school receive support from community businesses?	Yes No

Advancement Strategies

Interview	Question	Coding
CAO	Are you currently using a consultant?	Campaign Feasibility Planning None
CAO	Has the school engaged a consultant previously?	Campaign Feasibility Planning None

Interview	Question	Coding
CAO	Does the school intend to engage a consultant in the future?	Campaign Feasibility Planning None
CAO	What are the methods for donor research?	Web based Personal prospect Board referral Web + personal
CAO	How often is an appeal sent to the donors?	Annually Bi-annual Quarterly Monthly
CAO	Does the school engage in donor solicitation by phone?	Yes No
CAO	Does the school engage in donor solicitation by mail?	Yes No
CAO	Does the school engage in donor solicitation by e-mail?	Yes No
CAO	Can the school accept donations online?	Yes No
CAO	Does the school collaborate with any other agencies for funding?	Local National
CAO	Does the school have any corporate sponsorships/partnerships?	Yes No
CAO	What are the special events?	More than one One event No events
CAO	What is the strategy with foundations?	Personal contacts Research & contact
CAO	What are the in-kind donations?	Program services Support services
CAO	What was the best success with a foundation solicitation?	Board contact Family foundation Random
CAO	What was the reason for success with the foundation?	Mission Site visit School personnel

Beginnings

Interview	Question	Coding
FDN	What was the Founder's advancement background?	Prior experience No experience

Interview	Question	Coding
FDN	What were the financial concerns at the time the school opened?	No concerns Minimal concerns Operation revenue
FDN	What were the major obstacles to establishing the school?	Credibility Facility Enrollment
FDN	What was the importance of philanthropy at beginning of school?	Very Important Important Not important
FDN	What was role of individual donors at beginning of school?	Very Important Important Not important
FDN	What were the other sources of initial funding?	Religious Order Local Church Foundation grant
FDN	What would you do differently if establishing the school today?	Charter approach Professional advancement Partnership

Board Advancement

Interview	Question	Coding
CEO	Is advancement part of the board workshop?	Yes No
CEO	Does board have interaction with local community?	Yes Limited None
CEO	Is there a stated expectation for board member contribution?	Clearly stated Implicit None
CEO	What percent of board members make annual contribution?	100% 75-99% Less than 50%
CEO	What percent of board members make a major gift contribution?	100% 75-99% Less than 50%
CEO	What percent of board members make capital contribution?	100% 75-99% Less than 50%
CEO	Do board members solicit their business associates?	Yes No
CEO	Do board members solicit their personal associates?	Yes No
CEO	Do board members solicit their corporate associates?	Yes No

Interview		Coding
CEO	Do board members assist with foundation solicitations?	Yes No

Board Membership

Interview	Question	Coding
CEO	Is the current board at full compliment?	Yes No
CEO	What percentages of board members are vowed religious?	Majority More than 10% Less than 10%
CEO	What is the nominating process for new board members?	CEO Board Committee
CEO	Are board members approved by another entity?	Yes No
CEO	What are the terms for board memberships?	3 years renewable None
CEO	Who is more comfortable with solicitation, males or females?	Female Male Equal
CEO	Who is more successful with solicitation, males or females?	Female Male Equal

Board Operations

Interview	Questions	Coding
CEO	What are the board's standing committees?	Nominating Finance & Develp Fin, Dev & Nom
CEO	How are new members oriented to the board?	Formal training Informal training No training
CEO	Is there an annual workshop for board members?	Yes No
CEO	Who conducts the workshop?	Sponsor CEO External facilitator
CEO	Is there a working committee structure for the board?	Yes No
CEO	Are board committee's purposes documented?	Yes No
CEO	Is there a role/job description for board members?	Yes No

Interview	Question	Coding
CEO	Is there a system for recruiting & nominating board members?	Yes No
CEO	Are there regularly scheduled board meetings throughout the year?	Yes No

Chief Advancement Officer

Interview	Question	Coding
CAO	What is the Chief Advancement Officer's resume?	Corporate Teaching School staff
CAO	What is the CAO's academic training?	Education Finance Theology
CAO	What is the CAO's advancement experience?	External Internal None
CAO	What % of time does CAO spend on management?	More than 75% Less than 50%
CAO	What % of time does CAO spend on solicitation?	More than 75% Less than 50%
CAO	Who is responsible for major gifts?	CAO CEO None assigned

Chief Executive Officer

Interview	Question	Coding
CEO	Does the Chief Executive Officer make a personal solicitation of each board member?	Yes No
CEO	Does the CEO work closely with the Executive Committee of Board?	Yes No
CEO	What is primary responsibility of the individual board member?	Charitable gift Expertise Advance mission Policy
CEO	What is primary responsibility of the board collectively?	Charitable gift Expertise Advance mission Policy
CEO	Is the CEO hired by the Board?	Yes No
CEO	What is the CEO's term?	More than 3 years 3 years 2 years No term

Interview	Question	Coding
CEO	What % of CEO's time is spent on management?	More than 75% 50-74% Less than 50%
CEO	What % of CEO's time is spent on solicitation?	More than 75% 50-74% Less than 50%
CEO	What are the financial challenges for the school?	Adding donors Operating revenue Succession
CEO	What is the CEO's resume?	Administration Staff Teaching
CEO	What is the CEO's academic training?	Education Finance Theology
CEO	What is the CEO's advancement experience?	External Internal

Sponsor Relationship

Interview	Question	Coding
CEO	How does the Board interact with religious sponsor?	Seat on board Nominal seat None
CEO	Is this Board a governing board?	Yes No
CEO	Is this a two-tier model of governance?	Yes No
FDN	Did school receive assistance from Christian Brothers at the founding?	Yes No
FDN	What type of assistance from Chrs Bros at founding?	Capital Personnel Salary support
CEO	Does school presently receive assistance from Christian Brothers?	Yes No
CEO	What type of assistance from Chrs Bros presently?	Operating grant Line of credit None

Vita
Michael F. Quirk

The researcher is a vowed member of the Institute of the Brothers of the Christian Schools and spent thirty years working in the educational field, the majority as chief administrator of a private Catholic secondary school. The author has had additional experience as a college program administrator, college adjunct professor, and secondary school instructor and coach. His undergraduate and graduate degrees are from Lewis University majoring in Business Administration. He has served on boards of directors at the university, secondary and middle school level and is the chairman of two charitable educational foundations. The author is currently the chief executive officer of a nonprofit financial and managerial services corporation.