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*DePaul University*

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**De Paul University**  
**School of Education**

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

**A Dissertation in**  
**Educational Leadership**

**by**

Michael F. Quirk, FSC


**Submitted in Partial Fulfillment**  
**Of the Requirement**  
**For the Degree of**  
**Doctor of Education**

**June 2010**

## APPROVAL OF THE DISSERTATION

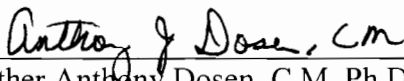
We approve the dissertation of Michael F. Quirk

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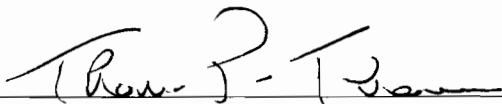
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**Abstract**

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 18<sup>th</sup> 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 became 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 3<sup>rd</sup> 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 scarce 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 19<sup>th</sup> century and the early 20<sup>th</sup> 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 20<sup>th</sup> 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 than 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 14<sup>th</sup> 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 Are Parochial Schools the Answer? 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 To Teach As Jesus Did 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 19<sup>th</sup> 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**

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| <p><i>Yes, I adore God guiding me in all the events of my life</i><br/><i>St. John Baptist de La Salle</i></p> |
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The Brothers of the Christian Schools were founded late in the 17<sup>th</sup> 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 17<sup>th</sup> 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 17<sup>th</sup> 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 17<sup>th</sup> 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 teachers 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 19<sup>th</sup> 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 than 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 through 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 19<sup>th</sup> 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 20<sup>th</sup> 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), decriing 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 in 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 complied 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

| <i>Advancement Measurements</i>   |  |  |
|---|--|--|
|   | Group A  | Group B  |
| What percentage of donors is retained annually?   | 1- >75%<br>1- 50-75%                           | 3 - >75%<br>1 - 50-75%   |
| Has donor base expanded over time?  | 1- significant expansion<br>1- stayed the same | 1 - significant expansion<br>1- modest expansion<br>2- stayed the same |
| How and where are donor records kept?   | 1- Electronic<br>1 - Electronic & paper        | 4- Electronic & paper<br>2 - Razor's Edge                              |
| Do you use a computer-based software advancement support program?   | 1 - Razor's Edge<br>1 - Customized             | 1- Customized<br>1 - Other   |
| How do you measure success of the school's advancement program?   | 1 -Meet budget<br>1- Grow donor base           | 2 -Meet budget<br>2- Grow donor base                                   |
| What are the types/methods of donor and/or volunteer recognition?   | 2 Publication & Event                          | 2 -Publication<br>2- Event   |
| What percentage of donors are individuals who are Catholic?   | 2 - 75-99%                                     | 3 -75-99%<br>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<br>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                                |                                     |  |
|--|-------------------------------------|--|
| <i>Advancement Operations</i>          |                                     |  |
| Questions                              | Group A                             | Group B  |
| Is there a major gifts officer?        | 1-Full Time<br>1- None              | 3- Part of CAO job<br>1- None                            |
| Is there a capital campaign officer?   | 1- Part of CAO job<br>1- None       | 4 - None   |
| Is there a special events officer?     | 1- Part Time<br>1- None             | 2- Full Time<br>1- Part Time<br>1- None                  |
| Is there a planned giving officer?     | 1- Part of CAO job<br>1- None-      | 1- Part of CAO job<br>3- None                            |
| Is there a grant writer?               | 1- Part of CAO job<br>1- Outsourced | 1- Full Time<br>1- Part Time<br>1- Outsourced<br>1- None |
| Is there a government funding liaison? | 2- None                             | 4 - None   |
| Is there a data base manager           | 1- Part Time<br>1- None             | 2- Part Time<br>1- Part of CAO job<br>1- None            |

|   |                         |                                       |
|---|-------------------------|---------------------------------------|
| Is there an advancement administrative assistant? | 1- Part Time<br>1- None | 1- Full Time<br>1- None               |
| Does the advancement office have annual goals?    | 1- Yes<br>1- No         | 2- Yes<br>2- No                       |
| Are there volunteers used in advancement?         | 1- Events<br>1- Support | 1- Solicitation<br>2- Events<br>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<br>1- 2 to-4                   | 1- One<br>2- 2 to 4<br>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<br>1- 2 to 4 years     | 2- More than 4<br>1- 2 to 4 years<br>1- Less than 2 years   |
| Do members of staff hold AAFP membership?                    | 1- Paid membership<br>1- Not a member | 2- Paid membership<br>1- Not a member<br>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  |                 |                 |
|--|-----------------|-----------------|
| <i>Advancement Programs</i>                            |                 |                 |
| Question   | Group A         | Group B         |
| Does the school have an appeal to young professionals? | 1- Yes<br>1- No | 1- Yes<br>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<br>1- No |
| Does the school have corporate sponsorships?           | 1- Yes<br>1- No | 2- Yes<br>2- No |
| Does the school have a donor recognition event?        | 1- Yes<br>1- No | 3- Yes<br>1- No |
| Does the school have an endowment campaign?            | 2- No           | 1- Yes<br>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<br>3- No |
| Does the school have program sponsorships?                   | 1- Yes<br>1- No | 2- Yes<br>2- No |
| Is the school a beneficiary of another service organization? | 2- Yes          | 4- Yes          |
| Does the school conduct special events?                      | 1- Yes<br>1- No | 4- Yes          |
| Does the school have student sponsorships?                   | 1- Yes<br>1- No | 3- Yes<br>1- No |
| Does the school recognize volunteer service?                 | 2- Yes          | 2- Yes<br>2- No |
| Can the school accept donations via its website?             | 1- Yes<br>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.

| Question   | Group A                                       | Group B  |
|--|---|--|
| Are you currently using a consultant?                            | 1- Campaign<br>1- No                          | 4- No  |
| Has the school engaged a consultant previously?                  | 1- Feasibility<br>1- No                       | 1- Campaign<br>2- Feasibility<br>1- No   |
| Does the school intend to engage a consultant in the future?     | 1- Campaign<br>1- No                          | 2- Campaign<br>1- Planning<br>1- No  |
| What are the methods for donor research?                         | 2- Web + personal                             | 1- Web based<br>1- Personal prospect<br>1- Board referral<br>1- Web + personal |
| How often is an appeal sent to the donors?                       | 1- Quarterly<br>1- Monthly                    | 1- Annually<br>3- Semi-annual  |
| Does the school engage in donor solicitation by phone?           | 1- Yes<br>1- No                               | 2- Yes<br>2- No  |
| Does the school engage in donor solicitation by mail?            | 1- Yes<br>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<br>1- None                           | 4- Local   |
| Does the school have any corporate sponsorships/partnerships?    | 2- No   | 2- Yes<br>2- No  |
| What are the special events?                                     | 1- One major event<br>1- No events            | 3- More than one<br>1- One major event   |
| What is the strategy with foundations?                           | 1- Personal contacts<br>1- Research & contact | 1- Personal contacts<br>3- Research & contact                                  |
| What are the in-kind donations?                                  | 2- Program services                           | 1- Program services<br>3- Support services                                     |

|   |  |                                      |
|---|--|--------------------------------------|
| What was the best success with a foundation solicitation? | 1- Board contact<br>1- Family foundation | 3- Family foundation<br>1- Random    |
| What was the reason for success with the foundation?      | 1- Mission<br>1- School personnel        | 2- Site visit<br>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<br>1- No experience | 4- No experience  |
| What were the financial concerns at the time the school opened? | 2- Minimal concerns                     | 2- No concerns<br>1- Minimal concerns<br>1- Operation revenue |
| What were the major obstacles to establishing the school?       | 1- Facility                             | 2- Credibility<br>1- Facility<br>1- Enrollment                |
| What was the importance of philanthropy at beginning of school? | 2- Very Important                       | 2- Very Important<br>2- Not important                         |

|   |   |   |
|---|---|---|
| What was role of individual donors at beginning of school?      | 1- Not important<br>1- No impact          | 1- Very Important<br>1- Important<br>1- Not important<br>1- No impact |
| What were the other sources of initial funding?                 | 1- Religious Order<br>1- Foundation grant | 3- Religious Order<br>1- Local Church                                 |
| What would you do differently if establishing the school today? | 2- Professional advancement               | 1- Charter approach<br>2- Professional advancement<br>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   |                             |  |
|---|-----------------------------|--|
| <i>Board Advancement</i>                                      |                             |  |
| Question  | Group A                     | Group B                                  |
| Is advancement part of the board workshop?                    | 2- No                       | 2- Yes<br>2- No                          |
| Does board have interaction with local community?             | 1- Yes<br>1- None           | 2- Limited<br>2- None                    |
| Is there a stated expectation for board member contribution?  | 1- Implicit<br>1- No stated | 3- Clearly stated<br>1- Implicit         |
| What percent of board members make annual contribution?       | 1- 100%<br>1- 75-99%        | 3- 100%<br>1- 75-99%                     |
| What percent of board members make a major gift contribution? | 1- 100%<br>1- 75-99%        | 1- 100%<br>1- 75-99%<br>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<br>1- No                          |
| Do board members assist with foundation solicitations?        | 2- Yes                      | 1- Yes<br>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  |                                 |                                      |
|--|---------------------------------|--------------------------------------|
| <i>Board Membership</i>                                      |                                 |                                      |
| Question   | Group A                         | Group B                              |
| Is the current board at full complement?                     | 1- Yes<br>1- No                 | 2- Yes<br>2- No                      |
| What percentage of board members is vowed religious?         | 1- Majority<br>1- More than 10% | 2- More than 10%<br>2- Less than 10% |
| What is the nominating process for new board members?        | 1- CEO<br>1- Board Committee    | 4- Board Committee                   |
| Are board members approved by another entity?                | 2- Yes                          | 3- Yes<br>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<br>3- Male                 |
| Who is more successful with solicitation, males or females?  | 1- Female<br>1- Male            | 1- Female<br>2- Male<br>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   |  |  |
|---|--|--|
| <i>Board Operations</i>   |  |  |
| Questions   | Group A                                    | Group B  |
| What are the board's standing committees?                         | 1- Finance<br>1- Fin, Dev & Nom            | 1- Nominating<br>2- Finance<br>1- Fin, Dev & Nom             |
| How are new members oriented to the board?                        | 1- Formal training<br>1- Informal training | 1- Formal training<br>2- Informal training<br>1- No training |
| Is there an annual workshop for board members?                    | 1- Yes<br>1- No                            | 3- Yes<br>1- No  |
| Who conducts the workshop?  | 1- Sponsor                                 | 2-CEO<br>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<br>2- No  |
| Is there a role/job description for board members?                | 1- Yes<br>1- No                            | 4- Yes   |
| Is there a system for recruiting & nominating board members?      | 2- Yes                                     | 2- Yes<br>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.

| Question  | Group A                    | Group B                               |
|---|----------------------------|---------------------------------------|
| What is the Chief Advancement Officer's resume? | 2- Corporate               | 2- Teaching<br>2- School staff        |
| What is the CAO's academic training?            | 1- Finance<br>1- Theology  | 2- Education<br>2- Other              |
| What is the CAO's advancement experience?       | 2- External                | 2- External<br>1- Internal<br>1- None |
| What % of time does CAO spend on management?    | 1- Less than 50%           | 3- More than 75%<br>1- Less than 50%  |
| What % of time does CAO spend on solicitation?  | 1- More than 75%           | 3- More than 75%<br>1- Less than 50%  |
| Who is responsible for major gifts?             | 1- CEO<br>1- None assigned | 1- CAO<br>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.

| <i>Chief Executive Officer</i>  |                                    |   |
|---|------------------------------------|---|
| Question  | Group A                            | Group B   |
| Does the Chief Executive Officer make a personal solicitation of each board member? | 2- Yes                             | 1- Yes<br>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<br>1- Expertise | 1- Expertise<br>3- Advance mission                    |
| What is primary responsibility of the board collectively?                           | 1- Advance mission<br>1- Policy    | 1- Charitable gift<br>1- Advance mission<br>2- Policy |
| Is the CEO hired by the Board?  | 1- Yes<br>1- No                    | 3- Yes<br>1- No                                       |
| What is the CEO's term?   | 1- More than 3 years<br>1- 3 years | 1- 2 years<br>3- No term                              |
| What % of CEO's time is spent on management?  | 1- 50-74%<br>1- Less than 50%      | 1- More than 75%<br>3- Less than 50%                  |
| What % of CEO's time is spent on solicitation?                                      | 2- Less than 50%                   | 3- 50-74%<br>1- Less than 50%                         |

|   |  |   |
|---|--|---|
| What are the financial challenges for the school? | 1- Adding donors<br>1- Operating revenue | 2- Adding donors<br>1- Operating revenue<br>1- Succession |
| What is the CEO's resume?                         | 1- Administration<br>1- Staff            | 2- Administration<br>2- Staff                             |
| What is the CEO's academic training?              | 2- Education                             | 1- Education<br>1- Finance<br>2- Theology                 |
| What is the CEO's advancement experience?         | 2- External                              | 1- External<br>2- Internal<br>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<br>1- Nominal seat | 2- Seat on board<br>1- Nominal seat<br>1- None |
| Is this Board a governing board?                    | 2- Yes                              | 4- Yes   |



**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                         |         |        |        |    |
|----------------------------------|---------|--------|--------|----|
| <i>Donor Survey Demographics</i> |         |        |        |    |
|                                  | 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 an 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 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.

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Table 15

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*Donor Motivation Survey*

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| 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     |                   |

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|  |      |      |      |      |      |
|--|------|------|------|------|------|
| 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



|   |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|
| 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 |
| <b><i>Fundraising &amp; Informational Materials</i></b>                                 |       |       |       |       |       |       |
| 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.

| <i>Table 17</i>               |      |    |
|-------------------------------|------|----|
| <i>Fiscal 2008</i>            |      |    |
| <i>Cost to Raise A Dollar</i> |      |    |
|                               | 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.

| <i>Table 18</i>                                 |      |    |
|---|------|----|
| <i>Fiscal 2008</i>                              |      |    |
| <i>Percentage of Donations from Individuals</i> |      |    |
|   | 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   |      |    |
|--|------|----|
| <i>Fiscal 2008</i>                                   |      |    |
| <i>Percentage of Donations from Foundations/Corp</i> |      |    |
|  | 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  |      |    |
|---|------|----|
| <i>Fiscal 2008</i>                                |      |    |
| <i>Percentage of Donations from Religious Org</i> |      |    |
|   | 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 data 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                                     |      |   |
|--|------|---|
| <i>Fiscal 2008</i>                           |      |   |
| <i>Total Number of Donors of Major Gifts</i> |      |   |
|  | 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   |      |    |
|--|------|----|
| <i>Fiscal 2008 &amp; Fiscal 2009</i>                   |      |    |
| <i>Programs Expense as percentage of total expense</i> |      |    |
|  | 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/mailling, 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](mailto:sloesspe@depaul.edu).

*You may keep this information for your records.*

## Appendix F

**DONOR SURVEY**

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.

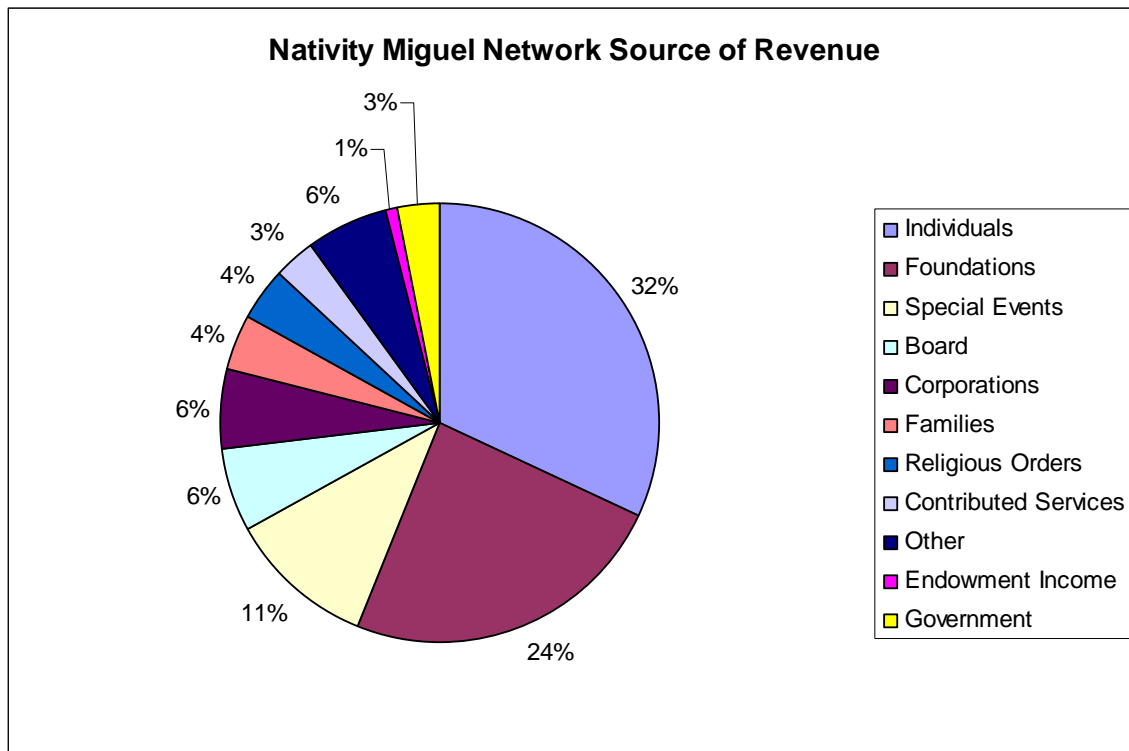
**Strongly Agree**                      **Agree**                      **No Opinion**                      **Disagree**                      **Strongly Disagree**

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



## Appendix H

| Nativity Miguel Network of Schools                                    |   |  |  |  |  |   |  |
|---|---|--|--|--|--|---|--|
| Student Success   |   | School Strength  |  | Membership Value   |  | NMNS Health   |  |
| <i>Outcomes</i>   | <i>Metrics</i>  | <i>Outcomes</i>  | <i>Metrics</i>   | <i>Outcomes</i>  | <i>Metrics</i>   | <i>Outcomes</i>   | <i>Metrics</i>   |
| Empower Member schools to improve student academic success            | <i>Academic proficiency &amp; growth</i><br><i>HS entrance exam</i><br><i>8<sup>th</sup> grade graduation rate</i><br><i>HS enrollment</i>                | Increase viability of Member schools                                   | <i>Application rate</i><br><i>Enrollment</i><br><i>Reserves</i><br><i>Endowment</i><br><i>Staff pipeline</i><br><i>Family involved</i> | Establish NMNS as the model for middle school education in underserved communities   | <i>Media mentions</i><br><i>School pipeline</i><br><i>Key influencer opinion</i>       | Enhance staff capacity to achieve priority outcomes               | <i>School coverage</i><br><i>Employee satisfaction</i><br><i>Member satisfaction</i>                   |
| Empower Member schools to strengthen student character & spirituality | <i>Attendance</i><br><i>Disciplinary issues</i><br><i>Community Service</i>   | Strengthen Member commitment to growth & sustainability of the Mission | <i>Importance of standards</i><br><i>Adoption of standards</i>   | Increase direct financial support to Members   | <i>Grants to members</i><br><i>Financial commitment to programs</i>                    | Engage board members to achieve their highest & best contribution | <i>Board self-assessment</i><br><i>Board fundraising</i>   |
| Strengthen platform of support for alumni in high school & beyond     | <i>GSS utilization</i><br><i>HS graduation</i><br><i>Post-secondary enrollment</i><br><i>Post-secondary retention</i><br><i>Post-secondary graduation</i> | Strengthen administrative & academic capacity of Member schools        | <i>Administrative mastery</i><br><i>Academic mastery</i>   | Sustain Member participation in relevant, high-quality NMNS professional development | <i>PD utilization</i><br><i>Membership renewal</i><br><i>Satisfaction with NMNS PD</i> | Increase level & diversity of funding for NMNS                    | <i>Revenue by source</i><br><i>Unrestricted revenue</i><br><i>Donor base</i><br><i>Donor retention</i> |

## 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](http://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.

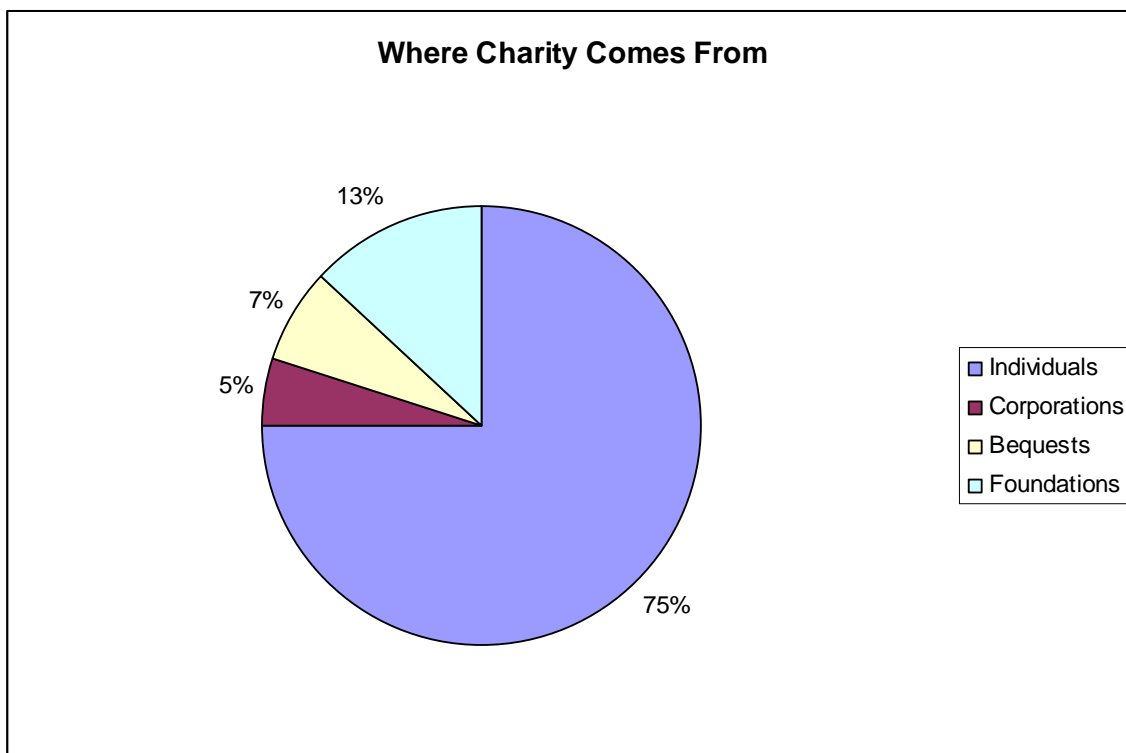
19. Clearly disclose how the charity benefits from the sale of products or services that state or imply that a charity will benefit from a consumer sale or transaction.

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

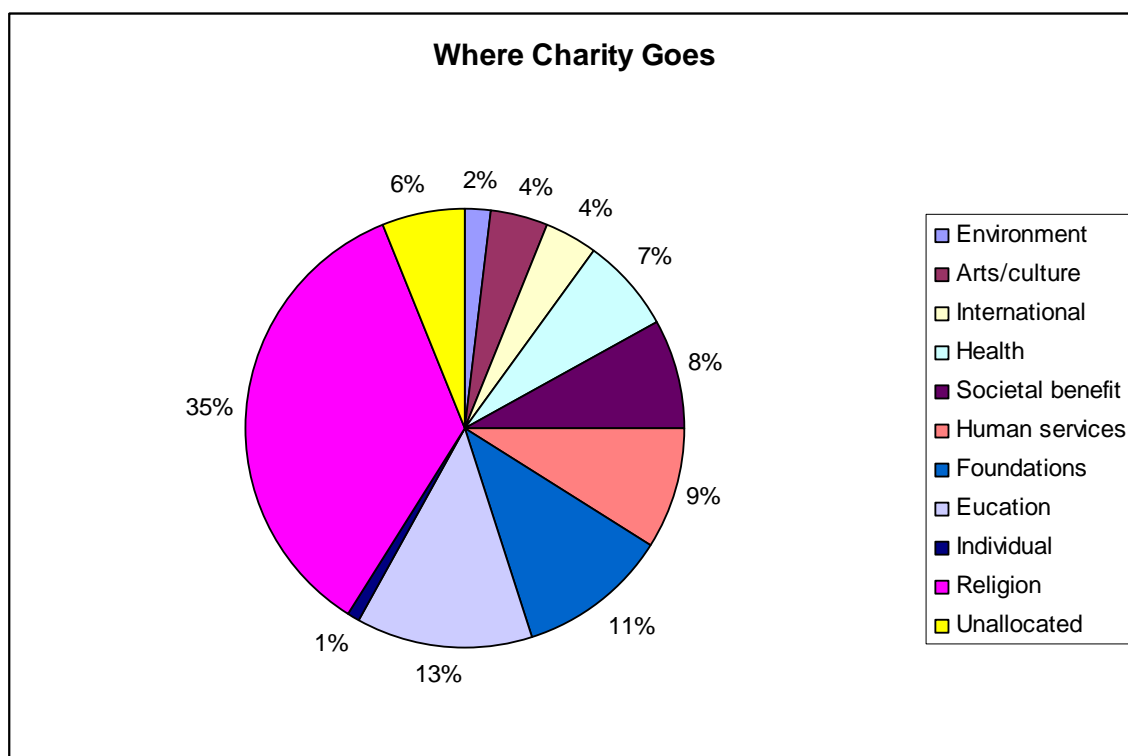
Source: Wall Street Journal November 11, 2009



## Appendix K

## The State of Philanthropy: Distribution of Charitable Donations in the United States

Source: Wall Street Journal November 11, 2009





## Appendix L

**Interview Questions/Session/Coding**

| <i>Advancement Measurements</i> |   |   |
|---------------------------------|---|---|
| Interview                       | Questions   | Coding  |
| CAO                             | What percentages of donors are retained annually?   | More than 75%<br>50-75%                                 |
| CAO                             | Has donor base expanded over time?  | Yes<br>No   |
| CAO                             | How and where are donor records kept?   | Electronic<br>Electronic with backup                    |
| CAO                             | Do you use a computer-based software advancement support program?   | Yes<br>No   |
| CAO                             | How do you measure success of the school's advancement program?   | Meet budget<br>Grow donor base                          |
| CAO                             | What are the types/methods of donor and/or volunteer recognition?   | Publication<br>Event                                    |
| CAO                             | What percentage of donors are individuals who are Catholic?   | 75-99%<br>50-74%  |
| CAO                             | Does the school have its own separately incorporated foundation for the purpose of raising funds for the institution? | Yes<br>No   |
| FDN                             | What were the sources of the initial funding for this school?   | Religious Order<br>Corporate Grant                      |
| <i>Advancement Operations</i>   |   |   |
| Interview                       | Questions   | Coding  |
| CAO                             | Is there a major gifts officer?   | Full Time<br>Part Time<br>Part of CAO job<br>Outsourced |
| CAO                             | Is there a capital campaign officer?  | Full Time<br>Part Time<br>Part of CAO job<br>Outsourced |
| CAO                             | Is there a special events officer?  | Full Time<br>Part Time<br>Part of CAO job<br>Outsourced |
| CAO                             | Is there a planned giving officer?  | Full Time<br>Part Time<br>Part of CAO job<br>Outsourced |

|                              |  |  |
|------------------------------|--|--|
| CAO                          | Is there a grant writer?                                     | Full Time<br>Part Time<br>Part of CAO job<br>Outsourced  |
| CAO                          | Is there a government funding liaison?                       | Full Time<br>Part Time<br>Part of CAO job<br>Outsourced  |
| CAO                          | Is there a data base manager                                 | Full Time<br>Part Time<br>Part of CAO job<br>Outsourced  |
| CAO                          | Is there an advancement administrative assistant?            | Full Time<br>Part Time<br>Part of CAO job<br>Outsourced  |
| CAO                          | Does the advancement office have annual goals?               | Yes<br>No  |
| CAO                          | Are there volunteers used in advancement?                    | Yes<br>No  |
| <i>Advancement Personnel</i> |  |  |
| Interview                    | Questions  | Coding   |
| CAO                          | What is the advancement experience of the advancement staff? | External<br>Internal<br>None                             |
| CAO                          | What is the advancement experience of the volunteers?        | External<br>Internal<br>None                             |
| CAO                          | How many people are on the advancement staff?                | One<br>2-4<br>5 or more                                  |
| CAO                          | Are there job descriptions for advancement staff?            | Yes<br>No  |
| CAO                          | What is the average tenure for advancement staff?            | More than 4<br>2-4 years<br>Less than 2<br>years         |
| CAO                          | Do members of staff hold AAFP membership?                    | Paid<br>membership<br>Not a member<br>Attend<br>workshop |
| <i>Advancement Programs</i>  |  |  |
| Interview                    | Question   | Coding   |
| CAO                          | Does the school have an appeal to young professionals?       | Yes<br>No  |
| CAO                          | Does the school currently have a capital campaign?           | Yes<br>No  |

|     |  |           |
|-----|--|-----------|
| CAO | Does the school have support from religious order?           | Yes<br>No |
| CAO | Does the school have corporate sponsorships?                 | Yes<br>No |
| CAO | Does the school have a donor recognition event?              | Yes<br>No |
| CAO | Does the school have an endowment campaign?                  | Yes<br>No |
| CAO | Does the school submit proposals to foundations?             | Yes<br>No |
| CAO | Does the school have friend-raising events?                  | Yes<br>No |
| CAO | Does the school receive gifts-in-kind?                       | Yes<br>No |
| CAO | Does the school receive non-Title government grants?         | Yes<br>No |
| CAO | Does the school conduct mail solicitations?                  | Yes<br>No |
| CAO | Does the school conduct a phonothon?                         | Yes<br>No |
| CAO | Does the school have a planned giving program?               | Yes<br>No |
| CAO | Does the school have program sponsorships?                   | Yes<br>No |
| CAO | Is the school a beneficiary of another service organization? | Yes<br>No |
| CAO | Does the school conduct special events?                      | Yes<br>No |
| CAO | Does the school have student sponsorships?                   | Yes<br>No |
| CAO | Does the school recognize volunteer service?                 | Yes<br>No |
| CAO | Can the school accept donations via its website?             | Yes<br>No |
| CAO | Does the school receive support from community businesses?   | Yes<br>No |

---

*Advancement Strategies*

| Interview | Question  | Coding                                      |
|-----------|---|---|
| CAO       | Are you currently using a consultant?           | Campaign<br>Feasibility<br>Planning<br>None |
| CAO       | Has the school engaged a consultant previously? | Campaign<br>Feasibility<br>Planning<br>None |

|                   |  |   |
|-------------------|--|---|
| CAO               | Does the school intend to engage a consultant in the future?     | Campaign<br>Feasibility<br>Planning<br>None                           |
| CAO               | What are the methods for donor research?                         | Web based<br>Personal<br>prospect<br>Board referral<br>Web + personal |
| CAO               | How often is an appeal sent to the donors?                       | Annually<br>Bi-annual<br>Quarterly<br>Monthly                         |
| CAO               | Does the school engage in donor solicitation by phone?           | Yes<br>No   |
| CAO               | Does the school engage in donor solicitation by mail?            | Yes<br>No   |
| CAO               | Does the school engage in donor solicitation by e-mail?          | Yes<br>No   |
| CAO               | Can the school accept donations online?                          | Yes<br>No   |
| CAO               | Does the school collaborate with any other agencies for funding? | Local<br>National   |
| CAO               | Does the school have any corporate sponsorships/partnerships?    | Yes<br>No   |
| CAO               | What are the special events?                                     | More than one<br>One event<br>No events                               |
| CAO               | What is the strategy with foundations?                           | Personal<br>contacts<br>Research &<br>contact                         |
| CAO               | What are the in-kind donations?                                  | Program<br>services<br>Support<br>services                            |
| CAO               | What was the best success with a foundation solicitation?        | Board contact<br>Family<br>foundation<br>Random                       |
| CAO               | What was the reason for success with the foundation?             | Mission<br>Site visit<br>School<br>personnel                          |
| <i>Beginnings</i> |  |   |
| Interview         | Question   | Coding  |
| FDN               | What was the Founder's advancement background?                   | Prior experience<br>No experience                                     |

|                          |   |   |
|--------------------------|---|---|
| FDN                      | What were the financial concerns at the time the school opened? | No concerns<br>Minimal concerns<br>Operation<br>revenue           |
| FDN                      | What were the major obstacles to establishing the school?       | Credibility<br>Facility<br>Enrollment                             |
| FDN                      | What was the importance of philanthropy at beginning of school? | Very Important<br>Important<br>Not important                      |
| FDN                      | What was role of individual donors at beginning of school?      | Very Important<br>Important<br>Not important                      |
| FDN                      | What were the other sources of initial funding?                 | Religious Order<br>Local Church<br>Foundation<br>grant            |
| FDN                      | What would you do differently if establishing the school today? | Charter<br>approach<br>Professional<br>advancement<br>Partnership |
| <i>Board Advancement</i> |   |   |
| Interview                | Question  | Coding  |
| CEO                      | Is advancement part of the board workshop?                      | Yes<br>No   |
| CEO                      | Does board have interaction with local community?               | Yes<br>Limited<br>None  |
| CEO                      | Is there a stated expectation for board member contribution?    | Clearly stated<br>Implicit<br>None                                |
| CEO                      | What percent of board members make annual contribution?         | 100%<br>75-99%<br>Less than 50%                                   |
| CEO                      | What percent of board members make a major gift contribution?   | 100%<br>75-99%<br>Less than 50%                                   |
| CEO                      | What percent of board members make capital contribution?        | 100%<br>75-99%<br>Less than 50%                                   |
| CEO                      | Do board members solicit their business associates?             | Yes<br>No   |
| CEO                      | Do board members solicit their personal associates?             | Yes<br>No   |
| CEO                      | Do board members solicit their corporate associates?            | Yes<br>No   |

|                         |  |  |
|-------------------------|--|--|
| CEO                     | Do board members assist with foundation solicitations?       | Yes<br>No  |
| <i>Board Membership</i> |  |  |
| Interview               | Question   | Coding   |
| CEO                     | Is the current board at full compliment?                     | Yes<br>No  |
| CEO                     | What percentages of board members are vowed religious?       | Majority<br>More than 10%<br>Less than 10%             |
| CEO                     | What is the nominating process for new board members?        | CEO<br>Board<br>Committee                              |
| CEO                     | Are board members approved by another entity?                | Yes<br>No  |
| CEO                     | What are the terms for board memberships?                    | 3 years<br>renewable<br>None                           |
| CEO                     | Who is more comfortable with solicitation, males or females? | Female<br>Male<br>Equal                                |
| CEO                     | Who is more successful with solicitation, males or females?  | Female<br>Male<br>Equal                                |
| <i>Board Operations</i> |  |  |
| Interview               | Questions  | Coding   |
| CEO                     | What are the board's standing committees?                    | Nominating<br>Finance &<br>Develp<br>Fin, Dev &<br>Nom |
| CEO                     | How are new members oriented to the board?                   | Formal training<br>Informal<br>training<br>No training |
| CEO                     | Is there an annual workshop for board members?               | Yes<br>No  |
| CEO                     | Who conducts the workshop?                                   | Sponsor<br>CEO<br>External<br>facilitator              |
| CEO                     | Is there a working committee structure for the board?        | Yes<br>No  |
| CEO                     | Are board committee's purposes documented?                   | Yes<br>No  |
| CEO                     | Is there a role/job description for board members?           | Yes<br>No  |

|                                  |   |   |
|----------------------------------|---|---|
| CEO                              | Is there a system for recruiting & nominating board members?                        | Yes<br>No   |
| CEO                              | Are there regularly scheduled board meetings throughout the year?                   | Yes<br>No   |
| <i>Chief Advancement Officer</i> |   |   |
| Interview                        | Question  | Coding  |
| CAO                              | What is the Chief Advancement Officer's resume?                                     | Corporate<br>Teaching<br>School staff                     |
| CAO                              | What is the CAO's academic training?  | Education<br>Finance<br>Theology                          |
| CAO                              | What is the CAO's advancement experience?   | External<br>Internal<br>None                              |
| CAO                              | What % of time does CAO spend on management?  | More than 75%<br>Less than 50%                            |
| CAO                              | What % of time does CAO spend on solicitation?                                      | More than 75%<br>Less than 50%                            |
| CAO                              | Who is responsible for major gifts?   | CAO<br>CEO<br>None assigned                               |
| <i>Chief Executive Officer</i>   |   |   |
| Interview                        | Question  | Coding  |
| CEO                              | Does the Chief Executive Officer make a personal solicitation of each board member? | Yes<br>No   |
| CEO                              | Does the CEO work closely with the Executive Committee of Board?                    | Yes<br>No   |
| CEO                              | What is primary responsibility of the individual board member?                      | Charitable gift<br>Expertise<br>Advance mission<br>Policy |
| CEO                              | What is primary responsibility of the board collectively?                           | Charitable gift<br>Expertise<br>Advance mission<br>Policy |
| CEO                              | Is the CEO hired by the Board?  | Yes<br>No   |
| CEO                              | What is the CEO's term?   | More than 3 years<br>3 years<br>2 years<br>No term        |

|                             |  |  |
|-----------------------------|--|--|
| CEO                         | What % of CEO's time is spent on management?                           | More than 75%<br>50-74%<br>Less than 50%         |
| CEO                         | What % of CEO's time is spent on solicitation?                         | More than 75%<br>50-74%<br>Less than 50%         |
| CEO                         | What are the financial challenges for the school?                      | Adding donors<br>Operating revenue<br>Succession |
| CEO                         | What is the CEO's resume?  | Administration<br>Staff<br>Teaching              |
| CEO                         | What is the CEO's academic training?                                   | Education<br>Finance<br>Theology                 |
| CEO                         | What is the CEO's advancement experience?                              | External<br>Internal                             |
| <i>Sponsor Relationship</i> |  |  |
| Interview                   | Question   | Coding   |
| CEO                         | How does the Board interact with religious sponsor?                    | Seat on board<br>Nominal seat<br>None            |
| CEO                         | Is this Board a governing board?                                       | Yes<br>No  |
| CEO                         | Is this a two-tier model of governance?                                | Yes<br>No  |
| FDN                         | Did school receive assistance from Christian Brothers at the founding? | Yes<br>No  |
| FDN                         | What type of assistance from Chrs Bros at founding?                    | Capital<br>Personnel<br>Salary support           |
| CEO                         | Does school presently receive assistance from Christian Brothers?      | Yes<br>No  |
| CEO                         | What type of assistance from Chrs Bros presently?                      | Operating grant<br>Line of credit<br>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.