



In Brief



University of Illinois at Urbana-Champaign

A BROAD MISSION, CLEAR PUBLIC IMAGE, AND PRIVATE FUNDING: CAN COMMUNITY COLLEGES HAVE IT ALL?

BY JUDITH SUNDERMAN

Community colleges take pride in their open access, comprehensive mission by offering an eclectic array of locally-focused, student-centered, community-based programming. Commitment to this mission is substantial and has resulted in mounting enrollments, strong public support, and continued demands for new programming. Community colleges have delivered on their promise, and ironically the popularity of college programs has grown in spite of vagaries in government funding, trapping institutions between idealistic fervor on the one hand and economic uncertainty on the other. Rather than abandon their pledge to broadly serve local needs, community colleges have sought other sources of financial support. One alternative source is private donations. Many community colleges have established private foundations to direct fundraising programs. Initial efforts at development have led some community college foundations to acknowledge fundraising hurdles not necessarily faced by 4-year institutions. Broadly comprehensive programming at community colleges together with the open door mission can leave community colleges scrambling to find a message that adequately expresses program substance and attracts potential donors. Community colleges are so new to fundraising and development that they have limited experience to draw upon to raise funds that support their unique educational perspective. Compounding the issue is a lack of research on the unique challenges community colleges face as they increase private sources of funding (Milliron, de los Santos, & Browning, 2003).

Community colleges have an opportunity to engage in institutional advancement while conveying a timely and inspiring message, but the collective voice of the institution needs to be focused and clear. As a result, community colleges need to carefully evaluate their mission, public image, financial needs, and donor base in order to identify a coherent and compelling message that speaks to the hearts and minds of constituents. Strategies for overcoming this and other impediments to successful fundraising are offered in this OCCRL brief.

Leveraging Resources

Community colleges receive revenue from a complicated funding mix fueled by natural evolution, historical circumstance, political necessity, and well-intentioned governmental intervention. Since their beginning community colleges have offered low cost, accessible alternatives to students who might not otherwise have educational opportunities (Breneman & Nelson, 1981). In the early history of community colleges while the number of institutions was few, student populations were small, and program offerings were limited, public funding remained mostly within the means of local communities (Cohen & Brawer, 2003). State aid was relatively low and allocated to equalize differences among local tax bases (Garms, 1977). As the number of community colleges, the types of programming, and the overall student population increased, local financing was simply not able to keep up with the needs of the rapidly growing community colleges. Contributions from the local tax base to the income of community colleges remained stagnant (Deegan & Tillery, 1985; Phillippe & Eblinger, 1998). Community colleges were left to compete for limited funds with the school districts, colleges, and universities in the state (Deegan & Tillery, 1985).

Community colleges argue that their allotment of funds has never been equal to the percentage of students served (Breneman & Nelson, 1981). Watkins (2000) found that government appropriations adjusted for inflation decreased by approximately \$1.00 per student over the five-year period from 1989 to 1994. The pattern of state funding has been reduced on average by over 1/3 in the last 25 years (Rizzo, 2003). Tuition and fees have not risen to match the decrease. The one bright spot has been that some institutions are able to marginally increase total revenues by aggressively pursuing alternative sources of funding (Watkins, 2000), hence the current interest in fundraising. Nevertheless, the per student decrease in funding extended throughout the 1990's, and was not mitigated by any

other sources of funds including private benefactors (Kenton, Huba, Schuh, & Shelly, 2005). Community college advocates have identified these unpredictable funding patterns as a form of public abandonment (*Inside Higher Ed*, 2006).

Resource Allocation and the Community College Mission

Community colleges have been very successful at offering flexible, innovative, and inclusive programming that meets the needs of many segments of the community. This success has been both a blessing and a burden. Critics note that often the scope, mission, and underlying philosophy of community colleges have lacked the kind of focus that supports qualitative maturity, calling the model a passion that runs “a mile wide and an inch deep” (VanWagoner, Bowman, & Spraggs, 2005, p. 40). In a 2004 opinion piece in *Change*, Milliron and Wilson (2004) list the multitude of alternative curriculums available in comprehensive community colleges and argue that institutional focus is impossible given the expansive scope of programming.

Hanging on to an Important Mission

To continue to fulfill their comprehensive open access mission, community colleges have struggled to find new sources of revenue (Levine, 2000; Phelan, 1997). George Boggs, President of the American Association of Community Colleges (AACC), lamented that community colleges are at a “crossroads” with an exhaustive mission and long list of program demands but modest funding (Evelyn, 2004). This is a dynamic that is not likely to abate after the Spellings Commission call for institutions to remain affordable while increasing access, accountability, and quality (Bennett, 2006). Community college administrators increasingly identify private funding as a strategy critically important to their future (Morrison, 1995; Roueche, Roueche, & Johnson, 2002).

Estimates of the total number of community college foundations tend to be unreliable. The AACC has not conducted any recent research on the number of established not-for-profit foundations according to Kent A. Phillippe, Senior Research Associate (personal communication, March 16, 2007). Although data from the membership of the Council for Resource Development [CRD], an AACC affiliated organization, indicates an increasing number of community colleges are creating not-for-profit foundations for the purpose of fundraising, the CRD claims membership from only 58% of America’s community colleges (Council for Resource Development [CRD], n.d.). It is questionable whether CRD data can be generalized across all community colleges. Two articles from the same issue of *The Chronicle of Higher Education* support the observation that more community colleges are embracing fundraising strategies. Authors Gose (2006) and Summers (2006) reported that community colleges have been slow to embrace fundraising, but are now beginning to consider it imperative in order to maintain vibrant and innovative programs.

Fundraising has played a significant role at four-year institutions for a long time. These institutions have shown that fundraising efforts can be successful, and they have set a high standard among all institutions of higher education for raising private funds. In 2006, American colleges and universities raised \$28 billion dollars, up from 25.6 billion dollars in 2005 (Council for Aid to Education [CAE], 2006; 2007). To date, only a small proportion of the total dollars raised is attributable to community colleges even though they represent 42% of all higher education institutions (Carnegie Foundation for the Advancement of Teaching, 2005.). Community college fundraising efforts lag significantly behind 4-year institutions. In the 2004-2005 fiscal year, for example, the CAE reported that 126 community colleges received a total of \$226.5 million through private fundraising efforts (CAE, 2005, in *The Chronicle of Higher Education*, 2006). However, additional data on community college fundraising are needed according to Ann E. Kaplan, Director of the Voluntary Support of Education Survey at the CAE. Kaplan stated that a low response from community colleges to the CAE survey creates a danger that the aggregate numbers are not fully reflective of community colleges generally (personal communication, December 7, 2006). Assuming the total dollars reported by community colleges was artificially low, a larger number would still not compare favorably to the billions raised by 4-year institutions.

A self-evident disparity between 2- and 4-year institutions exists with regard to endowments. The 20 community colleges with the largest endowments have total bequests ranging from 9 million to 274.5 million (U.S. Department of Education, 1998). This number pales in comparison to the endowments of the 20 largest universities. In 2005, Harvard’s endowment alone was over 25 billion dollars (National Association of College and University Business Officers [NACUBO], 2006). Research shows that private research/doctoral institutions tend to have the largest endowments, averaging \$128,300 per student while community colleges have the lowest at \$400 per student (CAE, 2006). Nevertheless, many community colleges are becoming much more sophisticated about fundraising. *The Chronicle of Higher Education* reports more community colleges receiving larger donations and accumulating hefty endowments (Gose, 2006). Institutions that focus on fundraising and organize their efforts are experiencing success.

Making Mission the Message

As community colleges organize to raise alternative revenue, their mission and culture has the potential to be an enormous asset. The entrepreneurial spirit that permeates community colleges provides a potential advantage (Faris, 1998). Historically, community colleges have been adept at speedy reorganization and cultural adjustment. In addition, community colleges have held a strategic advantage in local communities because the institution is so embedded and many citizens directly benefit from programs. Tim Burcham, a community college fundraising officer, was quoted in *The Chronicle of Higher Education*, saying

“We consider everyone who lives or works in the community a prospect” (Van der Werf, 1999, *Fund Raising in a Big Way*, ¶ 4). John Lippincott, President of the Council for Advancement and Support of Education (CASE), adds that community colleges are poised for success in the arena of private fundraising. “Community colleges represent the next real growth area of higher-education development” (¶ 4). He predicts that community colleges will follow the pattern established by 4-year institutions whose endowments have doubled in the last decade (Strout, 2006).

Still, in the field of professional fundraising, the strongest predictor of future giving is past donations (Kelly, 2002). In that regard community colleges have some challenges to overcome. According to the CAE (2006), the top three contributors to education in order of significance are alumni, friends, and personal or family foundations. Alumni donors are typically wealthy, middle-aged individuals with strong emotional ties to the institution. They tend to participate in campus activities and donate to their baccalaureate institution. Prestigious institutions are also favored over those who are smaller or lesser known. Nearly half of the donations made to colleges and universities in 2005 came from individuals, and 27% were from alumni (CAE, 2006).

Historically, former students have not supported community colleges to the same extent that alumni support 4-year institutions (CAE, 2006). Alumni giving has never exceeded 3.3% of total donations to community colleges (Kubik, 2002). Successful fundraising is built on long-term relationships and strong emotional connections with the institution (Miller, 1993; Kelly, 2002). Such connections may be more difficult for community colleges because the diverse nature of their student body means that students’ college experience varies widely (Glass & Jackson, 1998). In addition, students, who are at risk when they enter the institution or who attend school part-time or are commuters or distance learners, or who fail to persist are less likely to be either financially able or psychologically inclined to make donations (Glass & Jackson, 1998).

Charlene Nunley, recently retired president of Montgomery College, disagrees with this viewpoint, “I think when we [community colleges] get good alumni data bases and get better at staying connected and reminding our students about the importance of their support. I think our alumni are going to start giving in significant ways back to their community colleges. So that’s why I say ‘look out,’ we’ve a lot to do, but I think we have a great message and I think we have enormous untapped potential. I give a lot of students my business card and ask them to call me after the first semester at their transfer institution. Universally, I get the same response that they are doing well, but they are in bigger classes, people don’t spend as much time with them, and other similar comments. They really miss the nurturing environment of a community college” (C. Nunley, personal communication, February 9, 2007).

Nunley’s institution, Montgomery College, has consistently been one of the top fundraisers nationally, and her experience with fundraising is counter to the prevailing assumptions about the community college. In an interview for the OCCRL Spring newsletter (Vol. 18 [2], <http://occr1.ed.uiuc.edu/Newsletter/index.asp>) she noted that, “[Community colleges] are just getting started. A lot of the people that I’ve been able to convince to make significant gifts to [Montgomery College](#) didn’t ever attend a community college, but they understand the mission. [They see] the power of the community college to bring people into college.” (C. Nunley, personal communication, February 9, 2007).

As Nunley suggests some donors may be attracted to community colleges because of their mission. Community college foundations have had good success soliciting from business, college employees, and the community at large, as well as from private foundations (Piland, 1993). “Enlightened self interest” is a factor in corporate donations (Glass & Jackson, 1998, *Businesses and Corporations*, ¶ 4) making business some of the largest contributors to higher education (Caulkins, Cole, Hardoby, & Keyser, 2002). Companies with local operations value community colleges as stabilizing factors with the ability to educate potential employees, provide training to existing employees, and educate employees’ children.

Nevertheless, establishing relationships with corporations and businesses can be tricky. Profit-making entities tend to expect and prefer commercial relationships. Large businesses may justify philanthropy to stockholders by aligning donations to marketing tools, public relations efforts, or tax advantages. For-profit organizations typically expect tangible returns on their dollar (Withers, 2002). The kinds of emotional appeals that attract individual donors are not likely to persuade businesses and corporations.

Montgomery College in Montgomery County, Maryland is an example of a community college that has made it a priority to find innovative ways to partner with public schools, business, and even universities. According to Nunley, “[In higher education] we have tended to work in our own little silos. I think we also tend to have such big agendas that we don’t set aside the time to build connections” (C. Nunley, personal communication, February 9, 2006). As higher education scholars and practitioners have noted, making connections is key to fundraising.

Democratic ideals and an inclusive mission have made community colleges attractive to private foundations and community-based organizations. The greatest challenge is to successfully match the goals of the community college to the objectives of the foundation (Withers, 2002). Many foundations do not support general education at the undergraduate level looking instead to reward high powered discipline-based research programs. By definition, as undergraduate institutions dedicated to the first two years of college, community colleges lack graduate

level programming that is closely aligned with the advanced research necessary to be competitive for this type of foundation support (Withers, 2002).

The community college mission orients the institution to local causes that may or may not link to major national issues. There are a number of corporate and private foundations with interests that parallel the mission of community colleges. Foundations like the [Lumina Foundation](#) and the [Gates Foundation](#) have focused on higher education and are sensitive to the needs of community colleges. Professional organizations such as the [AACC](#) offer funds to community colleges by acting as an advocate, broker, and resource center for numerous funding opportunities. The [CRD](#) offers education, advocacy and mentoring services exclusively to community college members (CRD, n.d.). [Grantmakers for Education](#) is an umbrella organization for philanthropic organizations, and it has the mission to strengthen fundraising to support education (Grantmakers for Education, n.d.). These are only some of the foundations whose charters promote financial support for the focus and mission of community colleges.

Creating a Culture of Giving

Fundraising has the potential to make a significant difference, but community colleges need to become more sophisticated about reaching potential donors. Many community colleges have not yet discovered the key to highly successful fundraising. Given the fact that government support is not anticipated to rise and some forecasts predict enrollment increases up to 50% over the next decade (Strout, 2006), the budgetary crisis facing community colleges is likely to magnify (Kubik, 2002). Over the next few years community colleges may experience fiscal imperatives that increase their motivation to rely on private funding (Stevenson, 2001), but competition for donations will undoubtedly be fierce, and effective fundraising will require focused planning (Jenkins & Glass, 1999). Part of that planning will need to incorporate a thorough self understanding and the creation of a culture that appeals to potential donors.

When community college presidents and development officers identify factors needed to create a culture of giving, *strong public relations* ranks number one (Duffy, 1980) followed by a *clear public image* (Schuyler, 1997). These are the very issues that have haunted community colleges since their inception. Some argue that the broadly inclusive open door mission has fostered ambiguity and confusion (Deegan & Tillery, 1985; Garms, 1977) resulting in foggy public perceptions of insti-

tutional priorities and organizational purpose. Critics charge community colleges with tackling issues that might better be left to social agencies (Deegan & Tillery, 1985). An article in *The Chronicle of Higher Education* (Vaughn, 2003) described the community college mission as a “much revered metaphor” (¶ 1) in need of reexamination.

Among the recommendations aimed at solidifying fundraising are suggestions that community colleges develop a clearly articulated purpose, focus on their strengths, and appreciate their limits (Lorenzo & Banach, 1992). Community colleges have a powerful message for potential donors. “America’s community colleges have power to bring people into higher education. Our donors could give to other institutions but want to help people who really need it,” says Nunley (Nunley, personal communication, February 9, 2007). Community colleges also have the ability to build a strong community base and develop loyal constituencies (Schuyler, 1997; Duffy, 1980), but they need to mobilize everyone in the organization and create effective collaborations (Babitz, 2003). Lastly, community colleges need to realize that fundraising is a long-term endeavor requiring a commitment to nurturing fruitful relationships over many years (Jenkins & Glass, 1999).

Conclusion

In their short history, community colleges have changed the face of higher education. As institutions of higher learning, they are passionate and deeply committed to the mission of open access and affordability. More people are recognizing the critical importance of continuing this mission. Community colleges are now confronted with a new challenge, one that may be greater and more difficult than any before. They have been highly effective at operating within rapidly changing environments, and in many respects have changed higher education for the better. At the same time they are challenged to rewrite philanthropic practices. National leaders like Nunley believe this is exactly what’s happening. Community colleges have enormous untapped potential coupled with a deep commitment to an important mission, and this combination is powerful. If tapped wisely, this synergy could potentially emerge as a pattern of giving that is highly successful and uniquely different from that of other forms of higher education.

The author: Judith Sunderman, is a doctoral student in Educational Organization and Leadership at the University of Illinois, Urbana-Champaign. She can be reached at jsunderm@uiuc.edu.

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University of Illinois at Urbana-Champaign
College of Education
51 Gerty Drive, CRC Room 129 · Champaign, IL 61820
217-244-9390 · Fax: 217-244-0851
Website: <http://occr.ed.uiuc.edu>