

Rice University: Building an Academic Center for Nonprofit Education

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INTRODUCTION

The setting for our nonprofit education center was close to ideal: Support from a dean who cares deeply about nonprofit organizations; encouragement from the university and its renewed focus on reaching beyond its walls on the eve of its centennial; and a generous gift from alumni who have been affiliated with the university for more than 70 years. While these factors were invaluable as we began the process of starting our academic center, the process itself was complex. Among the many challenges: determining a mission, educating the market in a metropolitan area, creating a plan for sustainability, and earning academic credibility for a nascent field at a century-old research university. The one guiding principle was that the center would be serious about the business of the nonprofit sector. Although we are only two years into developing the Center for Philanthropy and Nonprofit Leadership at Rice University, our experiences may be useful to other institutions considering nonprofit education.

HISTORY OF NONPROFIT EDUCATION AT THE GLASSCOCK SCHOOL

The Glasscock School of Continuing Studies has a 23-year history of offering nonprofit courses in Houston. In conjunction with the local Association of

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Fundraising Professionals Chapter, the Glasscock School offered four basic fundraising courses and a noncredit certificate in comprehensive fund development. It ventured beyond fundraising by sponsoring the Best Boards Conference in 2001 and the Leadership Institute for Nonprofit Executives program in 2007. Dean Mary McIntire recognized the need for leadership development in the nonprofit sector and envisioned a center that would provide education to nonprofit staff, board members, and philanthropists, and that was realized in 2009 with a gift from Rice alumni Hank and Demaris Hudspeth.

JUSTIFICATION FOR ENTERING THE NONPROFIT EDUCATION ARENA

Aside from years of hearing that local nonprofit organizations—particularly their boards of directors—could benefit from continuing education and urging the university to create solutions, there was growing evidence to support the need for a nonprofit academic center in Houston. The nonprofit sector has expanded significantly nationwide over the past 20 years, with more than 1 million nonprofit organizations registered with the IRS, employing an estimated 10.5 million people—approximately 10 percent of the US workforce.¹ Although more than 280 colleges and universities offer some form of nonprofit education, fewer than 20 percent are located in the South, and Houston—the fourth largest city in the country—did not have an academic center devoted to nonprofit education.² Houston has almost 1,200 nonprofit organizations with \$500,000+ annual budgets, and a GuideStar search of the greater Houston area indicates more than 18,000 nonprofit organizations are categorized as 501(c)3 public charities. Recently, the gray-ing of nonprofit leadership has become a concern across the county, and it is especially visible in Houston. How would we prepare a workforce and volunteer base adequate to sustain the needs of the community? Houston’s population growth has created new social needs, and its changing demographics required an understanding of different cultures and traditions of giving.³ This increasingly diverse community presents opportunities and challenges for the local nonprofit sector, and Houston could be a model for how nonprofit organizations operate as other cities become more diverse in the future. The time had come for a nonprofit academic center.

FOCUS ON BUILDING A CENTER

The Glasscock School dean and its director of professional development,

Carroll Scherer, had juggled the nonprofit course responsibilities for years; however, they determined a new center would require a full-time director. They chose to hire someone with expertise in philanthropic studies and nonprofit leadership to direct the center, anticipating that internal expertise would yield nimble operations, precise course content, an acquaintance with practitioners who could be potential instructors, and access to scholars to advise on curriculum development.

The new director embarked on a process to determine how this new center could best serve the greater Houston community. Larson and Barnes-Morehead (2001) identified institutional sustainability and academic credibility as requisites for nonprofit academic center success.⁴ Furthermore, Renz and Mirabella's (2006) work on the longitudinal success of academic centers provided useful benchmarking for operations—budget, governance, staffing, faculty issues and revenue streams—and helped frame potential challenges the Glasscock School might encounter.⁵ For example, if an advisory board were developed, who should be invited to serve on it? Would potential supporters be supportive of the center's location within the university? Should it focus solely on noncredit or engage in academic-credit courses and degree programs?

Upon reflection, the time invested in this research was critical to the development of the center. This process allowed the Glasscock School leadership to examine thoughtfully critical issues before assembling a task force to consider the center's future, and it provided objective responses to many of the basic questions community leaders and internal constituents would ask. Additionally, the benchmarking data were useful to conceive department structure and economic modeling for the business plan. From our experience, this discovery process should be a priority for institutions considering entering nonprofit education.

In addition to conducting traditional market research and benchmarking with other universities, director Angela Seaworth and program coordinator Shannon Raffetto took time to study what other organizations, both nonprofit and private, were doing to support the local nonprofit sector. That allowed a better understanding of the competitive landscape in nonprofit higher education and enabled the staff to map the collective efforts to see if there was indeed demand for a center like the one proposed. Educational efforts were examined by specialty, placement within the university, and geographic location. All the other nonprofit support efforts by professional

associations, nonprofit-consulting firms, and philanthropy-support organizations were mapped by function. This process was enlightening in two ways: we learned what other organizations were providing and we found the gaps in educational training where the center could thrive.

We next turned our attention to the local community. The Glasscock School leadership knew creating a center would require support from the university and its faculty. The externally focused goal to serve the Houston nonprofit community also meant that the center’s success would rely on support from the community. The director identified membership organizations that could provide access to the individuals whom the center intended to serve and requested their cooperation to gather information. These were grouped into three functional areas: fundraising, nonprofit, and philanthropy-based organizations that support the work of donors.

Eventually, 2,728 individuals affiliated with the Houston nonprofit sector were surveyed, yielding a 22 percent response rate. The obstacles to accessing some of the audiences the staff wanted to include in our survey illuminated pockets of support and areas of concern that helped guide decisions on how the center could serve the community. It became apparent that fundraisers and other nonprofit staff were interested in the idea of a center to support their profession.

Type of organization	# of membership organizations solicited	# of organizations that participated in the survey
Fundraising	4	4
Nonprofit	5	4
Philanthropy	7	1

The discovery, mapping, and community survey data were compiled into a planning document and shared with a carefully selected strategic-visioning task force. The Glasscock School leadership developed areas of concentration from the research and wanted to test the plausibility with scholars, business leaders, philanthropists, and nonprofit experts. Although the majority of the task force members (64 percent) were based in Houston, the rest represented other areas of the country and were included for their professional expertise and knowledge of the national nonprofit market. The Center for Philanthropy and Nonprofit Leadership (CPNL) is indebted to the seasoned individuals on this task force who dedicated 2 full days to the process of determining how such a center could benefit Houston and vetting pro forma and various growth scenarios that would serve as the basis for the center’s business plan. By the end of the visioning sessions,

the Glasscock School leadership had firm recommendations to consider and enough thoughtful input to craft vision and mission statements for CPNL. As a measure of the strength of the recommendations, the center's leadership has been able to stay focused on the business plan and not be distracted by various potential revenue-generating opportunities that would depart from the mission.

In the early stages of the planning, the leadership could have easily fallen victim to one of the common challenges associated with philanthropy—paternalism. Sensing a need in the community, the university could have made its own assumptions about how it could supply the nonprofit workforce and increase capacity building. Instead, the Glasscock School leadership remained mindful of the lessons of the nonprofit field throughout the planning process. The staff sought input from all the parties it felt CPNL might serve—nonprofit professionals, board members, and organizations—and listened to them. As the center has grown, the staff has continued cultivating individuals involved in the planning process, and they have intentionally tried to build strong, collaborative relationships with other organizations that support the local nonprofit sector.

Community support is critical to the center's mission, and relationship-building strategies have been developed to reach internal audiences within the university and external audiences in the community. After all, the center exists to provide education and nurture leadership among nonprofit professionals and those who support nonprofit organizations. Part of this strategy is reflected in the center's marketing efforts to demonstrate our mission and willingness to serve others in each piece. Finally, the center's leadership strives to create a culture of inclusivity and support that makes all students feel welcome and proud of their choice to explore a career or volunteer role in the nonprofit sector.

WHAT WORKED

Has the strategy behind starting the Center for Philanthropy and Nonprofit Leadership worked? Two years into its development, it looks optimistic. Enrollment has increased by 71 percent since CPNL was founded—approximately 1,500 enrollments in 2.5 years. The center has added 14 open-enrollment courses and two noncredit certificate programs. Awareness appears to be spreading across campus from invitations to partner with other units, lecture opportunities, student inquiries, and contacts from other departments seeking expertise in philanthropy. It is too early to measure

the impact in the community, but thus far there is an extremely high retention rate among the instructor team, students represent every subsector in the nonprofit community, and their capstone projects have been presented to more than 125 organizations. Furthermore, these students are making a difference. In the past few months, three students have assumed nonprofit CEO positions, many other have reported career changes with increased responsibility, and three students were highlighted on a PBS Houston Special about their work in the refugee community.

The staff recognizes the luxury of being able to develop a new program at a century-old institution. The team intentionally examined the best practices of its peer units in the Glasscock School, tried to learn from other centers' development and have taken advantage of the opportunity to establish a nonprofit program in the ideal order. We continue to learn what practices are most effective in our community as the center matures, and with a few years of hindsight, some development steps have clearly propelled the center's growth.

- Researching characteristics of successful nonprofit academic centers.
- Mapping the collective efforts to support the nonprofit community.
- Involving the community in planning.
- Exercising discipline to limit the scope of what the center should do to be a transformational force in the nonprofit community.
- Reflecting on philanthropic principles throughout the planning process.

OBSTACLES

Conversely, we encountered obstacles. Some have been overcome, while others remain. Philanthropy-based organizations appear to be developing an interest in the center's work and in some cases have begun promoting CPNL programs. On occasion, CPNL staff members reassure nonprofit service providers that the Center does not intend to expand into their markets. The goal of maintaining affordable tuition in open-enrollment courses is an ongoing challenge, and it remains to be seen how sustainable the model will be over the long term. Engaging in a fundraising campaign to finance CPNL operations and financial aid will support the viability of the model.


- Challenge of academic credibility as a new field.

- Misperceptions of what our center wants to accomplish.
- Fear from other nonprofit service providers that we may further divide market share.
- Lack of access to philanthropy-based constituencies in our planning process, stemming from protecting donor confidentiality and doubt of the need for such a center.
- Long-term sustainability using a business model with low-tuition for open enrollment courses.

Given the significance of these challenges, CPNL leadership intends to systematically address each of them in working toward the center's five-year growth plan. Foremost is concern about developing relationships that will help sustain the center: internally, by partnering with other units and recruiting an academic advisory committee to help earn credibility as a relatively new field, and externally, as we seek instructors, partners, and funding. We have begun conversations on campus about developing a fifth-year master's program for Rice University students who have demonstrated commitment to the nonprofit sector, and the success of such a program will depend on our internal and external support.

CONCLUSION

Throughout this process, it has become apparent how important it is to embrace the principles of our field. The best practices of nonprofit management, fundraising and stewardship always contribute to the success of nonprofit organizations, and they are particularly important early in the lifecycle of an organization. These have to inform the center not only because we teach students to aspire to these practices in their careers, but also because their adoption will help sustain the program to serve nonprofit professionals.

The nonprofit sector continues to professionalize; yet, it is saddled by the misfortune of using nomenclature based on what it does not do. Non-distribution constraint has little to do with the actual work of our sector, and the term "nonprofit" invites notions that the sector and people who work in it are less than professional. The reality is that nonprofit organizations are businesses, regardless of their mission, and must develop expertise in functional and program areas. The work of the nonprofit sector is all too important to accept lower standards, which is precisely why the Glasscock School is taking this new venture so seriously. Our business is changing lives. 

ENDNOTES

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3. Emerson, M. O., Bratter, J., Howell, J., Jeanty, P.W. & Cline, M. (2012). *Houston region grows more racially/ ethnically diverse with small declines in segregation: A joint report analyzing data from 1990, 2000, and 2010*. Published by the Kinder Institute for Urban Research and the Hobby Center for the Study of Texas at Rice University, p. 3. A recent study of census data found that "as of 2010, the Houston metropolitan area is the most the most racially/ ethnically diverse large metropolitan area in the nation."
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