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How donors give to higher education: Thirty years of supporting U.S. college and university missions

Genevieve G. Shaker, Ph.D.
Associate Professor of Philanthropic Studies
Indiana University Lilly Family School of Philanthropy at IUPUI

Victor M.H. Borden, Ph.D.
Professor of Higher Education, Indiana University Bloomington School of Education

Abstract

This investigation of U.S. higher education philanthropy examines 30-year trends in higher education philanthropy, specifically exploring the questions: *How have the purposes that donors support changed over time? How and for what purposes do different groups of donors give across institutions?* We used a longitudinal national sample (1988-2018) of approximately 400 public and private institutions from the Council for Advancement and Support of Education's (CASE) Voluntary Support for Education survey (VSE). In the sample, constituted primarily of 4-year institutions, giving increased by an inflation-adjusted average of 3.6% annually and 175% overall, from $9.1 billion to $25.1 billion during the study period. Donors showed an increasing desire to limit their gifts through restricted giving and supporting current operations rather than capital/endowment purposes. Research was the largest recipient of the restricted current operations dollars. The proportion of current operations dollars for student financial aid declined. All donor types gave more over time. However, organizational donors' contributions increased more as foundation donations surpassed alumni donations. Corporations' share of the giving declined the most. Organizational donors ultimately gave more to public colleges and universities in comparison to individual donors who gave more to private institutions. Consequently, support for public institutions rose during the study and, by 2018, public institutions received more dollars than did private ones. Adapting to ongoing changes in donor behavior, like those discovered in this study, will require institutions to be increasingly tactical and data-driven. Public approval and higher education revenue models are changing substantially, and institutional leaders must attend to complex external forces while also maintaining mission-driven philanthropic strategies.

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Introduction

Philanthropic funding of U.S. colleges and universities is at a high point. Giving to education (and primarily higher education) is second only to religious giving as the largest recipient of donations in the United States (Giving USA Foundation, 2019). More gifts of $1 million or greater (48% of the total 1,449 gifts equaling an inflation-adjusted $90.8 billion) went to higher education than any other purpose between 2000-2012, according to an analysis of publicly announced gifts of $1 million and more (Indiana University Lilly Family School of Philanthropy, 2013a). Individual and organizational donors gave $46.7 billion to higher education in 2018—an increase of 7.2% (or 4.6% inflation adjusted) from the prior year that spanned all donor types and purposes (Council for Advancement and Support of Education [CASE], 2019a). As the economy grew in the last few years, donations to higher education followed a similar pattern (Seltzer, 2018b). Public and private fundraising powerhouses are fielding campaigns with billion-dollar goals at once-impossible levels—and they are achieving their goals (Seltzer, 2017). Institutions like Harvard, Stanford, and University of Chicago are stretching the boundaries of philanthropy with multiyear campaigns raising $9.6, $6.2, and $4.3 billion, respectively (Higher Education Capital Campaigns, 2019; Joslyn & Sandoval, 2018). Public institutions are also pushing their goals upward (Seltzer, 2017). The University of Michigan raised $5 billion in a campaign concluding in 2018 (Joslyn & Sandoval, 2018). The University of Florida, University of Illinois at Urbana-Champaign, Indiana University, and the University of North Carolina at Chapel Hill are all in the midst of campaigns with goals ranging from $3.0 to $4.25 billion (Indiana University, 2017; Seltzer, 2017). A trend in mega gifts and groundbreaking institutional gifts (e.g., $1.8 billion from Michael Bloomberg to Johns Hopkins, $500 million to the University of Oregon from Phil and Penny Knight, and $40 million to Morehouse College from Robert Smith) is raising the profile of postsecondary giving in the public eye (Bloomberg, 2018; Scutari, 2018c; 2018a). Colleges and universities held $616.5 billion in endowment assets and had an average return of 12.2% in 2017 and 8.2% in 2018 (Luke, Redd, Passman, & Edmonds, 2018; Seltzer, 2018a; 2019).

These financial reports are impressive. Several converging forces, however, present an alternative and concerning perspective. Some believe that higher education is not doing enough to serve society and that too much support goes to institutions and students that need it least (Kim, 2017; Shaker & Plater, 2016). Colleges, universities, and their top donors are facing critiques for doing too little to aid needy students with their philanthropic dollars (Foster, 2016; Satija, 2018). Internal and external stakeholders are concerned about the influence that big donors may exert on campuses, compromising institutional independence (Hunt, 2018; Scutari, 2019a; Valbrun, 2018a). Some fear that ideological giving is changing the character of college campuses (Gluckman, 2018; Valbrun, 2018b). The "Varsity Blues" admissions scandal of 2019 raised old questions in a new light about whether donations inappropriately influence institutions' admissions practices (Valbrun, 2019). Commentators are questioning the moral rationale for donors' continued support of the institutions with the largest endowments (Jaschik, 2017) and the limited amount of earnings expended from those endowments (The Chronicle of Higher Education, 2018; Kim, 2017; Thelin & Trollinger, 2014). The public is dubious about the purposes institutional endowments serve (Oxtoby, 2015), yet often does not recognize donor gift restrictions or institutions' ethical and legal obligations to heed those agreements.

Governmental policy and philanthropic trends dovetail with troubling public opinion and academic critiques of philanthropy. There is a sense of uncertainty about what will be included in the reauthorization of the Higher Education Act (American Council on Education, 2019) and its effects on philanthropy are equally unclear. Congress' concern about endowment spending rates is evident in the 2017 federal tax law, which taxes the endowments of private institutions with more than 500 students and endowment assets greater than $500,000 per enrolled student (Seltzer, 2018a). The consequences of American tax policy changes to the individual taxpayer exemption are yet to be fully determined but could lead to dramatic declines in gifts (Delaney & Thompson, 2019; Rooney, 2018). Indeed, in 2018, overall giving increased by .7%, but in inflation-adjusted dollars, there was a decline of 1.7% from the prior year (Giving USA Foundation, 2019). This was the first decline since 2009 and some suspect it was related to tax policy (Hazelrigg, 2019). Giving to all educational purposes was down in 2018 by 3.7% in this analysis, diverging from the VSE's higher education analysis (CASE, 2019a). Moody's is predicting a slowing in philanthropic support to higher education in 2019 (Paterson, 2019). Examinations of philanthropic giving trends show that fewer Americans are giving and volunteering now than 10 years ago, leading to concern about the future trajectory of individual philanthropy (Grimm & Dietz, 2018; Rooney, 2018). For the moment, large gifts are making up the difference, allowing overall charitable giving to hold firm at 2.1% of the GDP (Giving USA Foundation, 2019; Rooney, 2018). As the number of donors sinks and there are fewer smaller- and medium-sized gifts, nonprofits and commentators are troubled by the disengagement of regular, entry-level donors from philanthropy (Giridharadas, 2018; Hall, 2019). Critics argue that philanthropy is becoming too elite and increasingly less democratic—although some say philanthropy to higher education is an important counterweight to government influence and need not be democratic (Ealy, 2012).

How these phenomena will coalesce with higher education's highly successful philanthropic program remains unclear, but change may be on the horizon. Higher education institutions depend on philanthropy as a revenue source that funds all manner of institutional needs and priorities. As Hall (1992) wrote, and others echoed in principle (Rothschild, 2001): "No single force is more responsible for the emergence of the modern university in America than giving by individuals and foundations" (p. 403). We know that individuals are philanthropic for a wide range of reasons and that their gifts serve a broad array of purposes (Bekkers & Wiepking, 2011a; Drezner, 2011; Kelly, 1998). Little research, however, provides a broad perspective on donor giving to higher education over time and across institutions (Drezner & Huehls, 2014; Proper & Caboni, 2014). Existing research is often hidden in dissertations or behind paywalls. Moreover, most academic research focuses only on one donor population (alumni) at single institutions (Drezner, 2011; Drezner & Huehls, 2014; Field, 2011; Proper & Caboni, 2014) rather than on the diversity of donors, institutions, and gift purposes. Studies of the field usually center on what leads alumni to give, not on gift purposes or outcomes (Proper & Caboni, 2014). As a result, it is difficult to understand and explain the current trends in context, to plan for institutional needs, or to recognize and adapt to public concerns and priorities.

Given the gap in the literature and the uncertainties ahead, we investigated U.S. higher education philanthropy and asked: *How have the purposes that donors support changed over time? How and for what purposes do different groups of donors give across institutions?* Our approach was national and used data from a longitudinal sample (1988-2018) of about 400 public and private colleges and universities from the CASE VSE. The VSE sample, constituted primarily of 4-year institutions, was supplemented with data from the National Center for Education Statistics (NCES). During the three-decade study period, giving increased by an inflation-adjusted annual average of 3.6% and 175.1% overall, from $9.1 billion to $25.1 billion. Changes were evident in which donors gave the most, to which institutions, and for what purposes, as noted in the following highlighted findings.

- Contemporary donors were more prone over time to direct their giving to restricted purposes, though the scope of the restrictions may have been modest, for example, restricting use to a specific academic division but not a specific purpose.
- Donors increasingly emphasized current operational needs rather than capital/endowment purposes, which became particularly evident after 2008 and was another sign of donors' desires to limit their gifts.
- Research purposes received at least one-third of the dollars dedicated to restricted current operations at the four study intervals (1988, 1998, 2008, 2018), making it the largest purpose in that category. Academic divisions consistently received about one-fifth of the funding.

- Student financial aid received a maximum of one-eighth of the restricted current operations funding and decreased to about one-tenth of support in 2018.
- Between 1988 and 2018, the proportion of giving shifted from being closely divided between organizations (51.1%) and individuals (49.8%) to a larger proportion from organizations (55.3%) relative to individuals (44.7%).
- Foundation giving increased more quickly as time went on. In the 1980s and 1990s, alumni giving was largest and foundation giving aligned more closely with other individuals' and corporate donation behaviors. By 2018, however, foundations gave the most of all donor types, followed by alumni, other individuals, corporations, and other organizations.
- Corporate donations, as a proportion of the whole, declined by the largest percentage during the thirty years from 1988 to 2018, and alumni giving remained a relatively consistent proportion of giving across institutions.
- Public institutions now receive more dollars than private ones, a reversal from when the study began. Private institutions receive a larger proportion of individual donor support than do public institutions.
- In 2018, public institutions received close to two-thirds of philanthropy for current operations, compared to private ones for whom just over one-half of philanthropy was directed for current operations uses. Capital/endowments received about one-third and one-half of the dollars at public and privates, respectively. Baccalaureate institutions, which are mostly private, received the most capital/endowment support, and multi-campus systems, which are all public, skewed notably toward current operations.
- Organizational donors' giving grew most at institutions with endowments of $100 million and greater.

These and a number of other, more detailed study results are a reminder that even as fundraising implications and outcomes vary by institution, leaders should be prepared for shifts in donor behaviors rather than expect perpetuation of the status quo.

Trends in higher education philanthropy: who gives, for what purpose?

The expansive analysis of this study required an equally wide examination of the literature about higher education philanthropy. This review explores the historic roots of charitable contributions to higher education and the landscape of systemic change, philanthropic giving, and institutional characteristics. It ends with a summary of the literature about donor motivations and behavior broadly, and giving to higher education specifically.

Giving to and fundraising for higher education

Philanthropic influence on U.S. higher education is extensive (Bernstein, 2014; Drezner, 2011; Thelin & Trollinger, 2014). The earliest U.S. colleges (all private until the late 1700s) were created from the ground up and many early gifts came "in-kind" as building supplies, books, livestock, and food, all of which complemented financial funding from individuals, churches, and the government (Drezner, 2011; Thelin & Trollinger, 2014). Harvard, the nation's first college, received its first endowed professorship in 1721. The donor was not an alumnus but rather an Englishman who had not set foot in the colonies (Walsh, 2012). The Hollis Endowed Professorship in Divinity included a number of requirements for the faculty member's academic background and religious doctrine (Thelin & Trollinger, 2014). This is an early example of non-alumni support for post-secondary education and how donors direct the use of their gifts.

Donor interests have influenced the nature of higher education, and their involvement has been consistent, if evolving, over the last 4 centuries. Then and now, donors often give for specific purposes—from facilities to curriculum to research to scholarships (Drezner, 2011; Thelin & Trollinger, 2014). Historical examples show the breadth of donor interest and influence. Post-American Revolution, individuals and organizations pooled funds to broaden curricula to meet the new country's emerging economic interests (Thelin & Trollinger, 2014). Foundations and individuals took interest in providing educational opportunity for women and African Americans, particularly after the Civil War

(Bernstein, 2014). Business leaders dedicated funds to philanthropy during this period for purposes like community stewardship, practical education, memorials, and opportunities for women and Black Americans (Wren, 1983). Around the turn of the twentieth century, a number of wealthy donors gave to create awe-inspiring physical spaces for universities. Foundations also became deeply involved in developing professional education and supporting research in the social sciences (Bernstein, 2014). Giving for non-academic purposes, like athletics, grew in the period from 1930-1950 and remains popular today. “Sustained and systematic contributions” (Thelin & Trollinger, 2014, p. 29) from companies began between World War I and World War II. Federal and state tax laws affirmed this practice and, by the 1960s corporate giving to higher education (75% to privates) for operating costs and capital was in the hundreds of millions (Gasman & Drezner, 2008). Naturally, it also became more important to institutional budgets. More recently, individual and organizational donors have taken a particular interest in providing financial support for needy students, technology on campus, general reform, and faculty research, among other purposes (Bernstein, 2014).

In the early days of American higher education, gifts constituted a notable proportion of college finances, and institutions counted on philanthropic funds to keep the doors open (Cutlip, 1965; Sears, 1990). Today, philanthropy provides funds for an average of 10% of institutional expenditures (Seltzer, 2018b), making it a smaller piece of budgets. This statistic, however, masks noteworthy differences among institutions. For the public sector, enrolling 75% of all students, philanthropy finances an average of 3% of expenditures, while in the private sector, enrolling 25% of students, philanthropy provides an average of 16% of institutional expenditures (Snyder, de Brey, & Dillow, 2019). Public and private institutions alike are emphasizing fundraising, suggesting that philanthropy is a desired part of the revenue mix (Gardner, 2017, 2018; Ruffalo Noel Levitz, 2018). Fundraising itself has transformed radically since its start as a casual affair managed by presidents and their representatives. In the twentieth century, first came professional fundraisers, then fundraising consultancies in the 1950s, and ultimately the realization that fundraising needed a permanent place within institutional structures (Thelin & Trollinger, 2014). Fundraising (i.e., “development” or “institutional advancement”) is a core administrative activity at colleges and universities alike, requiring a significant fiscal and human resource investment (Hodson, 2010).

Fundraising programs have grown exponentially across postsecondary education over the last few decades (Lorin, 2017) leading to questions about the evolution of donor giving during this period. In today’s fundraising environment, sophisticated predictive data systems often guide decision-making, massive development teams can number in the hundreds, fundraising education and training are readily available, and crowdfunding and other advances are creating new modes of asking for and receiving donations (e.g., Lindsay, 2016; O’Neil, 2014). Despite these promising developments, administrative worries include difficulties in connecting with an increasingly diverse alumni-base, concern that the fundraising profession is not reflective of these demographic shifts, and alumni associations’ loss of relevance (Drezner, 2013). For these and other reasons, leaders are concerned that unlike their parents, fewer millennials and younger donors will donate to their alma maters (O’Neil, 2014). Likewise, leaders are fearful that wealthy donors may force unwanted changes in return for their support (Bernstein, 2014). The changing postsecondary landscape may also inform understandings of past and future donor behavior.

Postsecondary giving in a context of change

America’s changing higher education landscape

A hallmark of the American higher education system is its diversity—of type, size, mission, student population—among institutions. The landscape of American higher education has changed notably over the last 50 years. The number of institutions more than doubled between 1973 and 2018, with the greatest change coming in the number of specialized and doctoral institutions (see Table 1). Between 1998 and 2018, enrollments rose by 33%, with the greatest percentage growth within baccalaureate colleges (including former community colleges that now offer a limited range of baccalaureate degrees) followed by the specialized and doctoral institutions (see Table 2). Public universities are increasingly privatized, delegating and selling various functions to for-profit enterprises (Priest & St. John, 2006). Most recently, the sector as a whole is experiencing enrollment declines; institutions are struggling financially, and 80 have closed since 2016 (Christensen & Horn, 2019; Education Dive Staff, 2019; Fain, 2019).

State appropriations have fluctuated since the 1970s, with declines typically larger than the recoveries (Cheslock & Gianneschi, 2008). A result is growing inequality between public and private institutions and stratification of the public sector based on popularity with students, wealth of alumni, and quality of research programs. Following the 2008 recession, state support for higher education waned dramatically. Despite stabilization in more recent years, current funding levels remain below their pre-recession levels by an inflation adjusted $7.0 billion (Snyder, de Brey, & Dillow, 2019), which represents about 10% of all state funding nationally (State Higher Education Executive Officers Association, 2019). All but four states have experienced inflation-adjusted declines in funding, averaging a 16% decline nationwide. Tuition costs have risen significantly at public and private institutions alike and federal grants have remained stagnant, leaving students and their families to bear more of the cost of attendance (Mitchell, Leachman, & Masterson, 2016; Webber, 2017). Knowing how donors designate their gifts over time may provide insight into the public response to these and other changes.

Table 1. Number and percent of U.S. degree granting higher education institutions by Carnegie level, 1973, 1994, & 2018

	1973		1994		2018		Pct. Change 1973-2018
	N	%	N	%	N	%	
Doctoral	173	6.1%	236	6.6%	418	9.7%	141.6%
Master's	456	16.1%	533	14.8%	685	15.8%	50.2%
Baccalaureate	721	25.4%	645	17.9%	837	19.4%	16.1%
Associates	1,063	37.5%	1,463	40.7%	1,000	23.1%	-5.9%
Specialized	424	14.9%	719	20.0%	1,384	32.0%	226.4%
Total	2,837	100.0%	3,596	100.0%	4,324	100.0%	52.4%

Source: Carnegie Foundation for the Advancement of Teaching (2001) and Indiana University Center for Postsecondary Research (n.d.).

Table 2. Enrollment at U.S. degree granting institutions by Carnegie level, 1998 & 2018

	1998		2018		Pct. Change 1998-2018
	N	%	N	%	
Doctoral	4,243,433	28.1%	7,229,265	36.0%	70.4%
Master's	3,230,842	21.4%	3,955,922	19.7%	22.4%
Baccalaureate	1,039,020	6.9%	2,169,558	10.8%	108.8%
Associates	6,041,946	40.1%	5,808,423	28.9%	-3.9%
Specialized	523,956	3.5%	900,641	4.5%	71.9%
Total	15,079,197	100.0%	20,063,809	100.0%	33.1%

Source: Carnegie Foundation for the Advancement of Teaching (2001) and Indiana University Center for Postsecondary Research (n.d.).

Institutional differences in fundraising and giving

Just as the higher education system is diverse and variable, so too is its philanthropy, on a range of measures. Private institutions have long been more motivated to fundraise for donor dollars than public institutions (Conley & Tempel, 2006). For generations, public institutions could count on commitments from state legislatures to provide necessary funding, but this began to change in the 1980s as state appropriations declined. Public institutions responded with a new vigor for fundraising. Still, among similar public and private institutions, the largest beneficiaries of donor dollars are consistently the private universities (Conley & Tempel, 2006; Duronio & Loessin, 1990). Some research shows a negative relationship between alumni giving rates and public institutional control (Terry & Macy, 2007). Elite private research institutions continue to be the most likely candidates for the largest gifts (Bachetti & Ehrlich, 2007; Frumkin & Kaplan, 2010; Rockefeller Philanthropy Advisors [RPA] & TIAA Institute, 2017). Elite public research institutions are also successful fundraisers, with several regularly appearing among the top 20 fundraisers in the nation (e.g., The Chronicle List, 2018). Some small private colleges and regional public institutions are also receiving mega gifts, suggesting that all manner of schools have the potential to generate substantial philanthropic support (Scutari, 2018a, 2018b; 2019a).

A study of all publicly announced million-dollar plus donations to higher education between 2000-2012 (to 1,429 institutions) found that the number and value of gifts to both public and private doctoral/research institutions increased the most during this period (76% and 214%, respectively) followed by liberal arts institutions (30% and 37%) (Indiana University Lilly Family School of Philanthropy, 2013a). Collectively, public institutions experienced a 13% increase in the number of million-dollar plus gifts but a decrease of 51% in the value of those gifts, suggesting that privates received fewer, but larger gifts.

Higher education institutions are said to possess an insatiable desire for additional resources (Bowen, 1980; Ehrenberg, 2003). The return on investment for fundraising is positive and is, therefore, a sensible institutional and financial undertaking (Rooney, 1999). Institutions are prone to become more rather than less similar over time, thus fundraising programs have become increasingly common and well developed across the higher education sector (Leslie & Rhoads, 1995; Thelin & Trollinger, 2014; Tolbert, 1985). At the same time, the external environment affects colleges and universities (Katz & Kahn, 1966; Kelly, 1998; Scott, 2003; Thelin, 2011) and their fundraising (Lasher & Cook, 1996). A good economy stimulates donations and larger gift amounts (Bristol, 1991; Willemain, Goyal, Deven, & Thukral, 1994).

Systems theories suggest that to survive, organizations must make adaptations to changing economic conditions as well as to shifting social and political phenomenon (Bristol, 1991; Katz & Kahn, 1966; Kelly, 1998; Scott, 2003; Willemain, Goyal, Van Deven, & Thukral, 1994). Organizations adjust policies and processes to generate desired outputs (i.e., developing fundraising strategies, priorities, and staffing meant to generate donations). Likewise, because there are multiple organizations in competition with one another for the same pool of resources (Pfeffer & Salancik, 1978) fundraising programs will evolve to seek competitive advantage in the generally unpredictable and unreliable environment (Harris, 1990).

Institutional differences in philanthropic outcomes can result from variations in college and university fundraising strategies and investments. Several studies of institutional fundraising found that increased solicitation efforts (Gottfried & Johnson, 2006), allocation of scarce resources to fundraising and alumni relations (Harrison, 1995), and spending on fundraising (Harris, 1990; Harrison, Mitchell & Peterson, 1995) increased alumni giving. A study of 275 private institutions examined how efficiency in fundraising (i.e., presence of an advancement plan, involvement of top management, number of days it takes to respond to a gift, staff size) related to alumni giving levels (Proper, Caboni, Hartley, & Wilmer, 2009). Of the efficiency variables, only staff size related significantly to enhanced giving levels. In this study, older institutions and those with larger endowments raised more money. Because donors may seek prestige as an outcome of their giving, it follows that well-resourced and prominent institutions are strong fundraisers and that alumni and non-alumni respond positively to these kinds of drivers (Leslie & Ramey, 1988; Trow, 1993; Winston, 1999).

Institutional wealth, in the form of state appropriations and endowments, for example, may also relate to fundraising and philanthropy. One study found that individuals respond to declines in state appropriations by giving more (Leslie & Ramey, 1988), but Cheslock and Gianneschi (2008) discovered the opposite. Research about institutional endowments is more conclusive. According to one longitudinal study of private selective colleges and universities (Ehrenberg & Smith, 2003), wealthier and more prestigious universities (as measured by U.S. News tier rank) raised more money for endowments compared to others, where current operations received more support. Fundraising, therefore, enabled the wealthiest institutions to become wealthier. Leslie and Ramey (1988) and the Indiana University Lilly Family School of Philanthropy (2013a) found that larger endowments correlated with more giving and that high rates of alumni giving are positively associated with million-dollar plus gifts. Philanthropy begets more philanthropy. A ten-year study of alumni giving to public research universities found no divergence or convergence in levels of alumni giving (Simone, 2009). If an institution increased its alumni giving, then other institutions tended to be doing the same thing. When increases occurred, they took place at the average rate, "making it difficult for these institutions to "catch up" to colleges with high levels of giving" (p. 122).

Higher education philanthropy may be influenced by wide-ranging institutional characteristics such as selectivity, graduation rates, and presidential leadership. Research about institutional selectivity and giving (particularly alumni giving) has mixed results. Several studies found that the more selective an institution is, the more likely alumni and non-alumni may be to give and to give more (Leslie & Ramey, 1988; Clotfelter, 2003; Cunningham & Cochi-Ficano, 2002), but when controls were applied, the effect diminished in at least one study (Cheslock & Gianneschi, 2008). Cheslock and Gianneschi (2008) did find that ranking of professional schools was a significant predictor. Simone (2009) likewise found no relationship between selectivity and alumni giving at public research institutions, suggesting that alternatives to typical measures of selectivity may be useful. A study of 195 private master's colleges found that the most salient variables in relation to alumni giving participation were graduation rate, undergraduate population size, and the percentage of on-campus residents (Gunsalus, 2005). Institutions with longer presidential leadership also were found to receive more million-dollar plus gifts than their peers in a study spanning more than a decade (Indiana University Lilly Family School of Philanthropy, 2013a).

It is evident that post-secondary institutions do not receive uniform support and a number of institutional-level factors relate to the distribution of philanthropic funds (Drezner, 2011); longitudinal documentation of giving trends across institutions is needed.

Donor support for higher education

An assortment of motives and factors influence philanthropic giving (Bekkers & Wiepking, 2011a, 2011b, Wiepking & Bekkers, 2012) and these factors can function in concert and simultaneously. Next, we summarize theory and research about who gives to higher education as well as why and how they give.

Individual support for higher education

In 2018, U.S. individuals and entities gave $427.7 billion to charitable causes with an estimated $58.7 billion directed toward education (Giving USA Foundation, 2019). Individuals gave 68% of this total or $292.1 billion and bequests contributed another 9% or $39.7 billion (Giving USA Foundation, 2019). Meanwhile, of the $46.7 billion given to higher education in 2018, $20.7 billion (44.3%) came from individuals (alumni: $12.2 billion, 26%; other individuals: $8.6 billion, 18.3%) (CASE, 2019a). Higher education, therefore, relies less on individual philanthropy than does the nonprofit sector generally (although giving by individuals has been declining recently in its proportion of all charitable giving) (Giving USA Foundation, 2019). Despite this, the vast majority of research on giving to higher education examines the personal characteristics and demographics of individuals—and particularly alumni individuals (Drezner & Huehls, 2015; Proper & Caboni, 2014). This kind of "micro-level" sociological examination assumes that these characteristics are indicators of belonging to social groups with different modes of giving (Barman, 2017). Giving among groups of individuals does sometimes diverge. Male and female alumni give in a similar way, according to most studies (Cunningham & Cochi-Ficano, 2002; Lara & Johnson, 2014; Okunade, Wunnava, & Walsh, 1994; Monks, 2003), although research has also found that women gave more frequently (Holmes, 2009; Eckel & Grossman, 1998) and that men and women give for different reasons (Kim, Gibson, & Ko, 2011). Alumni with more means are more likely to give more (Brown, Dimmock, & Weisbenner, 2014; Clotfelter, 2003; Cunningham & Cochi-Ficano, 2002; Weerts & Ronca, 2007) and make larger gifts, in alignment with most research about philanthropic giving (Wiepking & Bekkers, 2012). Several studies have shown that older alumni are more likely to give and to give more (Grant & Lindauer, 1986; Lara & Johnson, 2014), to a point around retirement age. Little research has examined these kinds of demographic differences among non-alumni donors.

Individuals may feel a strong sense of identification with an organization (e.g., an employer, a religious institution, or an alma mater), which can generate an enhanced desire to donate (Ashforth & Mael, 1989; Mael & Ashforth, 1992). For example, individuals' institutional perceptions and experiences (e.g., of institutional prestige and selectivity; good memories and experiences; involvement, support, and satisfaction) are tied to institutional identification and are relevant in giving (Caboni, 2010; Drezner, 2011; Leslie & Ramey, 1988; Mael & Ashforth, 1992; Simone, 2009; Weerts & Ronca, 2009). Giving behavior is positively associated with student activities (Gardner, 1975; Holmes, 2009; Monks, 2003), social organizations (i.e., Greek life) (Harrison et al., 1995; Morris, 1970), living on campus (McDearmon & Shirley, 2009), satisfaction (Monks, 2003), positive experiences (Clotfelter, 2003), emotional attachment (Gardner, 1975), and post-graduation volunteering (Markoff, 1978). In one study using the VSE and the National Survey of Student Engagement (NSSE), curricular, co-curricular, and environmental measures of student engagement positively related to alumni giving rates at baccalaureate institutions; interestingly the same did not hold for master's or doctoral/research institutions (Field, 2011). Field hypothesized that students who received a more personalized experience formed a deeper sense of identification, which in turn leads to increased charitable inclination. Though lower enrollments were beneficial to giving likelihood in this study, other research found the reverse (Leslie & Ramey, 1988; Indiana University Lilly Family School of Philanthropy, 2013a), a reminder that institutional variation is a factor in giving and that the research is not always consistent.

In comparison to research and theory about individuals' associations with organizations, social identity theory is about identity formation from group membership (and exclusion) (Stets & Burke, 2000; Tajfel & Turner, 1979). Being part of a desired or optimal group reinforces ones' sense of self-confidence and worth. Identifying with a group can influence donor behavior (Reingen, 1982). Alumni of an institution may feel this sense of identification with others who have shared that experience and as a result may be more likely to give (Mael & Ashforth, 1992; Thompson, 2010; Drezner, 2011). In an experiment, Drezner (2018) discovered that the participants from marginalized communities were more responsive to fundraising solicitations when the student recipient shared their identity.

Altruism and awareness of need are motivating for donors, but scholars generally agree that few gifts are made for purely altruistic reasons (Bekkers & Wiepking, 2011b). Alumni (and other individuals) may be motivated to give and to give to a particular purpose by perceived institutional need, social educational benefits, or educational quality (Brown, Dimmock, & Weisbenner, 2014; Leslie, Drachman, Conrad, & Ramey, 1983; Leslie & Ramey, 1988; Weerts & Ronca, 2007; Taylor & Martin, 1995) and also by feelings of pressure, guilt, and joy (Andreoni, 1990). Donors may also gain enjoyment from a sense of personal prestige generated by donating to a prestigious institution (Harbaugh, 1998; James, 1990), as may other individual donors. People give—at least in part—because they receive something in return—be it psychological enjoyment, tax benefits, reputational benefits, or other tangible outcomes and intangible sensations (Bekkers & Wiepking, 2011b). Social exchange theory explains gift giving and gift receiving as reciprocal acts in which both parties receive something (Kelly, 1998). In this view, social returns—from recognition to inclusion in donor groups and access to institutional privileges—drive philanthropic activities (Thompson, 2010). Thus, donors receive a private benefit at the same time that they provide a public one (Kelly, 1998). Alumni and other individuals may enjoy such outcomes and be motivated as a result. Harrison and colleagues (1995) found that the more the institution spent on recognizing donors the more alumni gave.

Individual donors contribute a notable proportion of higher education philanthropy and are relatively well studied. While organizational donors are also quite generous to colleges and universities, they have not received a comparable share of scholarly attention.

Organizational support for higher education

In 2018, corporations gave $20.1 billion (5% of the total) to charitable organizations in the U.S., with $6.9 billion estimated to be from corporate foundations (Giving USA Foundation, 2019). Foundations gave $75.9 billion (18% of the total). Turning to higher education, most recently, foundations gave $14.0 billion (30%), corporations gave $6.7 billion (14%), and other organizations (i.e., civic groups, donor advised funds, public charities) gave $5.3 billion (11% of the $46.7 billion given in all) (CASE, 2019). Comparatively, organizational support within higher education is especially significant and meaningful. Yet our understanding of its antecedents or outcomes rests on only a few key historical sources and a limited number of descriptive and empirical analyses about foundation and corporate support (Bernstein, 2014: Drezner, 2011; Drezner & Huehls, 2014; Field, 2011; Proper & Caboni, 2014; Thelin & Trollinger, 2014).

Foundations. American foundations are required by law to serve charitable purposes, making giving their primary business (Barman, 2017). All four types of U.S. foundations—private independent, private corporate, community, and operational—support higher education, although private foundations are the most prominent because they are the most numerous (79,489 in 2015 or 92% of all foundations) and hold the most assets (Foundation Center, 2019a; Hammack & Smith, 2018). Foundation support to colleges and universities is anchored in historical connections to institutions and personal ties of board members or founders. These relationships lead to giving to particular institutions (e.g., Hewlett Foundation and Stanford, The Duke Endowment and Duke University) (Frumkin & Kaplan, 2010; McClure, Frierson, Hall, & Ostlund, 2017). Private foundations are often created as “vehicle[s] for promoting large-scale, lasting social change,” which can direct their grant-making behaviors (Fleishman, 2007, p. 40). Foundations can be *drivers*, mapping and directing social change efforts; *partners*, developing strategies together with other organizations; and *catalysts*, making general grants to organizations trying to address challenging issues, with few stipulations (Fleishman, 2007). Over time, foundations have acted in all of these ways in relation to higher education. Today, scholars argue that foundations’ resources are relatively limited, meaning they often complement government, business, and other nonprofit efforts, rather than driving social change (Hammack & Anheier, 2013). Foundations can apply pluralistic strategies because they do not rely on a central political authority (Hammack & Anheier, 2013), making them sought-after funders for educational initiatives and enterprises.

Foundations helped shape the American research university; establish the terms for a comprehensive higher education system; and, after World War II, make systemic changes to, for example, strengthen private institutions, fund the humanities, organize agenda-setting commissions, and create defining structures (for example, The Carnegie Classifications) (Bernstein, 2014; Thelin & Trollinger, 2014; Wheatley, 2010). Foundation funding for higher education achieved a number of these aims through supporting institutions’ existing priorities in areas such as scholarships, curricular development, research, and capital (Bachetti & Ehrlich, 2007; Clotfelter, 2007; Kelly & James, 2015). Foundations and higher education worked hand-in-hand in areas of mutual interest, driven mostly by college and university interests and priorities (Wheatley, 2010). At times foundation funding has served progressive aims (such as broadening area studies on campus and supporting foreign policy objectives) but it has also furthered more conservative goals (such as introducing conservative ideologies on campus or encouraging different foreign policy objectives) and apolitical goals (such as medical research) (Bernstein, 2014; Thelin & Trollinger, 2014).

A few critics argue that foundation support in the last 50 years was not truly motivated by desire to change society (Frumkin & Kaplan, 2010) and that it had little enduring effect on higher education (Bachetti & Ehrlich, 2007). Frumkin and Kaplan (2010) base their assertion on analysis of the 50 largest foundation gifts to higher education between 1967 and 2008 and review of 13,500 foundation grants totaling $3.8 billion dollars in 2001. From this, they concluded that the funders favored "core capacity and institution building over access and opportunity" (p. 101). Hammack and Anheier (2013) likewise concluded that most foundation grants focused on traditional priorities of student support, academics, and institutional reputations of colleges and their regions. Yet another study that analyzed giving by the top 15 higher education foundation funders (2003-2008) assessed whether support was community- or institution-centric and found a mix of the two priorities (Ballagh, 2010). The author concluded, more optimistically, that foundation/university relationships had far more positive outcomes "than one might be led to believe from reading the secondary literature" (p. 262).

Recently, some large foundations have preferred collective funding across multiple institutions with the goal of accelerating change on policy priorities such as student access, retention, and completion (Bernstein, 2014; Hall, 2011; Kelly & James, 2015; RPA & TIAA Institute, 2017). This more activist model by newer foundation funders (e.g., The Lumina Foundation, The Bill & Melinda Gates Foundation) is a departure from the traditional mode of foundation philanthropy to higher education (Hall, 2011; Kelly & James, 2015). Haddad and Reckhow (2018) examined this trend in a ten-year analysis of grant making by four top foundation funders of higher education. The two new foundations, The Lumina Foundation and The Bill & Melinda Gates Foundation, spent more of their budgets (25%) on advocacy grants, while the W.K. Kellogg Foundation and The Kresge Foundation went from spending almost nothing in this area to 10% and 18%, respectively. The authors concluded that the older funders were influenced by the newer funders, that foundation funding was "converging," and that there had been a slow decline in traditional support of capital purposes and scholarships by these funders. Perhaps large-scale foundation support has merely changed, not declined, over the past two decades, as some assert (Hall, 2011).

Foundations are "more likely to identify their own priorities…then seek colleges and universities that will adopt those programs and models," (p. 5) according to a RPA and TIAA Institute (2017) joint project. Based on interviews with five large foundations (three of the same foundations as in the Haddad and Reckhow (2018) project) it seems that at least some foundations appear to be acting more like drivers than partners to higher education. The programmatic priorities of all the foundations centered around student access, equity, retention, accomplishment, and completion—consistent with foundations' overall emphasis on people with economic disadvantages. Meanwhile, the RPA and TIAA Institute research also included examination of foundation giving to higher education across 10 years, showing an overall growth trend. An increased proportion of funding was directed for current operations rather than capital purposes, while interest in research remained definitively stronger than departmental support and financial aid. Foundation funding for research may support very narrow purposes (such as individual faculty book projects) as well as broad social goals (such as educational outcomes) (Bernstein, 2014).

Given the focus on research endeavors, it is not surprising that the data show a preference among foundations for giving to the largest and most prestigious institutions (i.e., research universities) (Bachetti & Ehrlich, 2007; Frumkin & Kaplan, 2010; RPA & TIAA Institute, 2017). A yearlong study examined the higher education funding practices of the top twenty-five foundations in North Carolina (McClure et al., 2017):

Social network analysis found that highly selective (and prestigious) research institutions were best positioned in the network and received the vast majority of the philanthropic dollars. Explanations for the imbalance may include the lack of social capital among smaller institutions and that prestigious institutions can dedicate more resources to seeking and managing gifts (Bachetti & Ehrlich, 2007; Frumkin & Kaplan, 2010). Prestigious institutions may also be conducting broader-based research that is more relevant to foundation donors' interests (Bacchetti & Ehrlich, 2007). If foundations are seeking to maximize their outcomes, perhaps these kinds of institutions are the best partners (Bacchetti & Ehrlich, 2007). The attention of foundations to prestigious and well-resourced institutions underscores the notion that foundation donations do more to advance the aims of the wealthy in society than to generate reform (Arnove, 1980; McClure et al, 2017). Giving from corporations may be construed similarly.

Corporations. Corporate philanthropy is a discretionary pursuit and is an outcome of the characteristics of companies themselves (Barman, 2017). It is an organizational phenomenon that takes place inside complex rationalized organizations and is, at best, guided by formal goals and corporate social responsibility plans, but at times more haphazardly organized (Evans, 2015; Gautier & Pache, 2015). Because corporate philanthropy is studied in several fields (i.e., business, nonprofit management, philanthropy), it is difficult to report any consensus of understanding or theoretical agreement (Liket & Simaens, 2015; Love & Higgins, 2007). One established approach explains corporate philanthropy as serving four purposes: profit-making, social responsibility, power preservation and legitimacy, and management of involved parties' interests (Epstein, 2005; Young & Burlingame, 1996). Another perspective portrays philanthropic implementation as driven by individual factors (e.g., motivations of executives), firm level factors (e.g., resources), and field-level factors (e.g., industry structure, externalities) (Gautier & Pache, 2015). Traditional business structures focus on companies' responsibility to the pursuit of economic gain (Epstein, 2005; Young & Burlingame, 1996) and critiques of corporate philanthropy perceive it as being antithetical to their core purpose (Friedman, 1962). Corporate philanthropy is ultimately a business strategy that cannot run counter to the aims of the business, though it does take place on a continuum from altruistically motived to purely profit-oriented (Giroux & Giroux, 2004; Sanzone, 2000) and is highly contextual (Liket & Simaens, 2015). New models (e.g., public benefit corporations) allow companies to integrate a social purpose into their enterprise, and failing to be philanthropic (in some regard) is now an illegitimate business practice (Gautier & Pache, 2015), but this is a relatively recent phenomenon (Latapí Agudelo, Jóhannsdóttir & Davídsdóttir, 2019). In the current context, corporate philanthropy is perceived as a positive force for business competitiveness, profits, employee engagement, and publicity, among other outcomes (Evans, 2015; Gautier & Pache, 2015; Porter & Kramer, 2003).

Little academic research examines corporate philanthropy's social outcomes (Liket & Simaens, 2015) or its implementation within higher education (Clevenger, 2014). Scholars have found connections among economic conditions, social perceptions, and higher education. In an early study of giving to higher education between 1932 and 1974, Leslie et al. (1983) discovered that good business conditions (such as a strong economy and less tax intervention) positively related to corporate giving. Another study determined that regional economic growth fostered corporate giving to higher education because of "greater opportunity for financial associations" (Leslie & Ramey, 1988, p. 131). Corporate giving to education has grown over time (Van Fleet, 2010). Looking at data over forty years (1967-2007), Van Fleet (2010), in alignment with Giving USA data (2019), found that while gifts in absolute dollars declined during economic downturns, corporate giving as a percent of pretax profits stayed relatively stable. This led to the conclusion that corporations were committed to philanthropy. Because corporations are more likely to give in order to receive benefits, Cheslock and Gianneschi (2008) argued that higher levels of state appropriations would generate more opportunity for benefit, finding that corporations gave more to institutions that received more in state dollars (in a national data set between 1994 and 2004).

Corporate gifts to higher education are often discussed within larger analyses of the privatization and commercialization of higher education (Yeakey, 2015) that theorists argue became prominent in higher education within the last several decades (Bok, 2003; Slaughter & Rhoades, 2009). Critics fear the influence of corporate America on institutions' independence and academic freedom, as well as the tendency of institutions to become more business-like by commodifying knowledge for profit-making purposes (Giroux & Giroux, 2004; Sommerville, 2009). Others say that the shared interests of higher education and corporate America can lead to research innovation, a well-prepared workforce, and other benefits (Siegel, 2012). One older study of mostly larger companies (1974-1984) found growing corporate funding for research and concluded that this was a strategic, long-term investment aligned with corporate goals (Muller & Sepehri, 1988). Indeed, it follows that relationships between universities and corporations are based on mutual interests (Elliott, 2006). Benefits are exchanged and business motivations can be both intrinsic and extrinsic (Clevenger, 2014; Elliott, 2006; Mixer, 1993). Meuth (1991) researched 368 corporations and determined that enlightened self-interest was the primary driver of business giving to higher education.

This study focuses with equal regard on the input of philanthropic dollars from organizations and individuals. One of the goals is to create a basic understanding of what gifts from all sources support, and at which kinds of institutions over time. Findings will allow for a more nuanced approach to future studies of why corporations, foundations and individuals support what they do.

Thirty-year trends in higher education giving: A longitudinal analysis

To explore donor giving to U.S. higher education over the past three decades, we employ data from the CASE VSE survey supplemented with data from the NCES Integrated Postsecondary Education Data System (IPEDS). The VSE survey has been conducted annually since 1957, is completed by institutions from across the nation, and is considered the definitive source for examining philanthropic contributions to higher education in the United States, most recently encompassing 79.7% of total voluntary support for higher education and representing about one-third of colleges and universities (CASE, 2019a).[1] The NCES surveys began in the 1980s and provide comprehensive institutional portraits related to student enrollments, academic programs, finances, human resources and a wide array of other institutional characteristics.

Research design (methodology)

To explore changes in giving over time by donor type and purpose, we identified a longitudinal sample of 395 public and private postsecondary institutions, including several large systems that comprise multiple institutions, thus representing around 430 individually accredited postsecondary institutions. These institutions all completed the VSE survey in the fiscal years 1988, 1998, 2008 and 2018, providing us with 30-year trend information. Although we note and later demonstrate that these institutions do not represent proportionately the entire higher education landscape, they are reasonably representative of the institutions that complete the VSE survey, which, as noted, encompasses about 80% of voluntary support for higher education.

Using VSE responses, we present a mostly descriptive analysis of giving at the sampled institutions across 30 years. We explore patterns in giving for different types of donors' (e.g., alumni, other individuals, corporations, foundations, and other organizations) and gift purposes

[1] An estimation process based on percentage change of participants and Carnegie classification of non-participants is used to derive a national estimate (CASE, 2019a). The numbers reported in this study do not include this estimation and, therefore, vary from public reporting about the VSE.

(e.g., unrestricted, research, student financial aid, athletics, academic divisions, etc.). We use several standard characteristics to examine differentiation by institutional type generally for two- and four-year institutions, and more specifically among four-year institutions, of which a far greater proportion complete the VSE. These characteristics include the basic Carnegie Classification category (highest degree level and program mix) and endowment size.

Participants in the VSE can choose to complete the minimal, partial or full version of the study. We drew on the pool of participants who responded to the full survey, which provides the most complete breakdown of gifts by purpose. By focusing on a longitudinal sample that completed the survey each of the years studied, we remove as a confounding variable changes that are due to new institutions and those that have closed since 1988. It is worth noting that the VSE respondent population represents more traditional and historically stable institutions within the U.S. higher education landscape. In particular, it represents few institutions in the for-profit, special focus (e.g., freestanding schools of law, medicine, business, etc.), and two-year (community colleges and other associates institutions) sub-sectors.

Donor Type. The VSE survey provides institution-level data regarding donor type and donation purpose, providing a rich source of information on philanthropic giving trends. For the current analysis, we divide the donors into five types: the first two represent individuals (alumni, other individuals), and the remaining three represent organizations (foundations, corporations, other organizations). Detailed definitions of donor types, listed below, appear in Appendix A1.

- Individual donor types
  - Alumni
  - Other individuals
- Organizational donor types
  - Foundations
  - Corporations
  - Other organizations

Donation purposes. The VSE survey first distinguishes between two broad purposes: current operations and capital/endowment. Current operations are divided into unrestricted and restricted. Restricted purposes are then further detailed into eight categories, and capital/endowment is divided into four sub-purposes. These breakdowns are outlined below; detailed definitions are provided in Appendix A2.

- Current Operations
  - Unrestricted
  - Restricted
    - Academic divisions
    - Faculty/staff
    - Research
    - Public Service
    - Libraries
    - Physical Plant
    - Student Aid
    - Student Athletics
- Capital/Endowment
  - Property, buildings, equipment
  - Unrestricted endowment
  - Restricted endowment (outright plus deferred)
  - Loan Funds

Thus, for each donor type, giving is recorded for two broad purposes and six sub-purposes, with further disaggregation of one sub-purpose (restricted current operations) into eight detailed purposes. Given this study's focus on five donor types, there are eighty variables that describe the full array of donor types and purposes.

As noted, our sample included 395 organizations (including both individual institutions and a number of public university systems comprised of multiple, individually accredited institutions) that completed the full VSE survey for the fiscal years 1988, 1998, 2008 and 2018. Specifically, we include institutions that had values for the sub-purpose levels of current operations and capital purposes. Our data also reflect some changes in the survey. For example, among detailed purposes of restricted current operations, the VSE did not separate out donation amounts to support student athletics before 1998; in that first year of collecting this information, reporting was inconsistent, with some institutions providing that subtotal and others not. In another change, the restricted endowment amount was separated into two variables by 2008, which we added together to parallel the earlier survey form.

We used information on institutional endowment values from fiscal year 1990 to define the level of affluence of institutions. We obtained that information from the VSE data, when available, and filled in missing values from IPEDS data. If an institution did not report this information for 1990, but had reported it in 1989 and 1991, we used the average of those two years as a proxy. We also extracted from IPEDS data institutional characteristics related to control (public/private), and Carnegie Classification. This information is used to compare our sample to several benchmark populations, as well as to explore differences in donation proportion by donor type by institutional type. In the VSE data, some institutions with multiple accredited campuses were reported as a single organization (e.g., Indiana University) while others have data for individual campuses (e.g., University of California system). In our analysis, we matched the IPEDS data to individual campuses and created an aggregated category for those organizations that report their philanthropic activity at the system level and are comprised of multiple campuses in different Carnegie categories. For these multi-campus organizations, individual campus data also were aggregated when determining factors such as overall enrollments.

Findings

The longitudinal sample

We situate our sample by comparing it to all 2018 VSE respondents (VSE2018) as well as all U.S. accredited, degree granting institutions (All DG), and all U.S. four-year, comprehensive degree granting institutions (4YrCmp). These comparisons are summarized in Table 3 and figures 1 through 3.

Table 3. Comparing the VSE longitudinal sample with all 2018 VSE respondents and U.S. degree-granting institutions

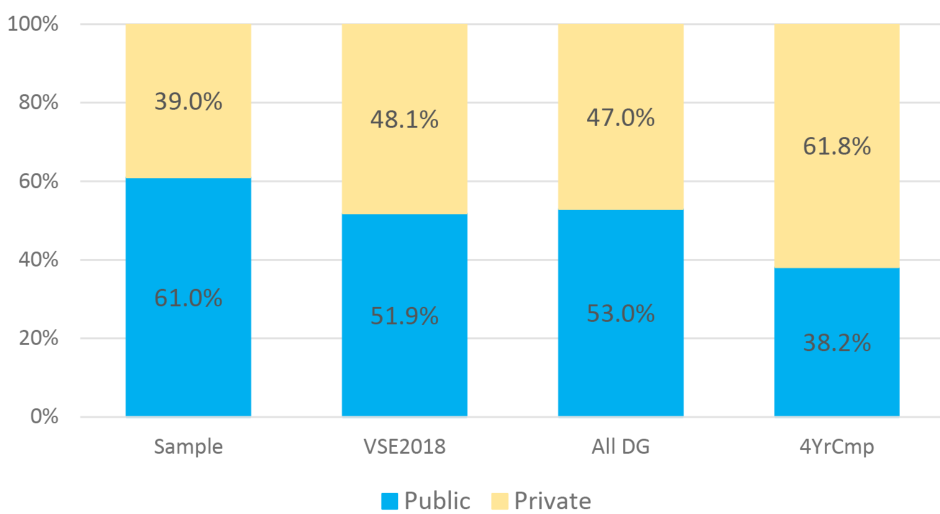
	Number				Percent			
	Sample	VSE2018	All DG	4YrCmp	Sample	VSE2018	All DG	4YrCmp
Control								
Public	241	483	1,439	571	61.0%	51.9%	53.0%	38.2%
Private	154	448	1,278	925	39.0%	48.1%	47.0%	61.8%
Total	395	931	2,717	1,496	100.0%	100.0%	100.0%	100.0%
Carnegie Category								
Doctoral/Research	119	231	310	310	31.2%	25.3%	11.4%	20.7%
Master's	115	294	652	652	30.1%	32.2%	24.0%	43.6%
Baccalaureate	131	242	534	534	34.3%	26.5%	19.7%	35.7%
Specialized 4-Yr	12	39	364		3.1%	4.3%	13.4%	
Associate/2-Yr	5	107	857		1.3%	11.7%	31.5%	
Total	382	913	2,717	1,496	100.0%	100.0%	100.0%	100.0%
Multiple Campus	13	18			3.3%	1.9%		

Table 3. Comparing the VSE longitudinal sample with all 2018 VSE respondents and U.S. degree-granting institutions (continued)

1990 Endowment Size								
< $ 1 million	21	88	614	264	5.3%	14.0%	33.5%	20.9%
$1 to <10 million	98	164	669	524	24.8%	26.0%	36.5%	41.4%
$10 to <100 million	187	278	448	384	47.3%	44.1%	24.5%	30.4%
$100m to 1 billion	81	90	94	86	20.5%	14.3%	5.1%	6.8%
> $1 billion	8	10	7	7	2.0%	1.6%	0.4%	0.6%
Total	395	630	1832	1265	100.0%	100.0%	100.0%	100.0%
Not available		171	885	231		21.3%	32.6%	15.4%

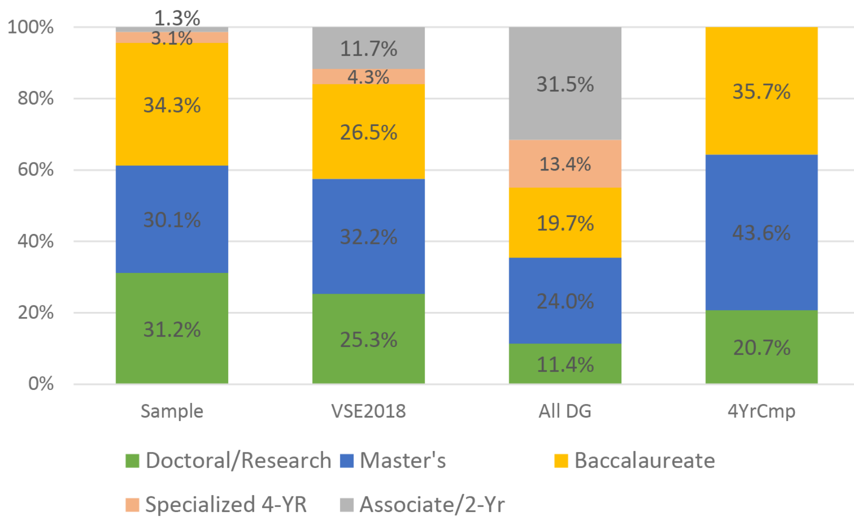
The longitudinal sample over-represents public institutions (Table 3 and Figure 1). Our sample is also skewed heavily toward 4-year, comprehensive (not specialized) institutions, and includes only a handful of associates and specialized four-year institutions (that is, institutions awarding the bachelor's degree or higher in a limited number of fields, such as a freestanding business or health-related school).

Figure 1. Control of sample and comparison group institutions



The longitudinal sample also over-represents doctoral/research universities, especially compared to the broadest, "all degree-granting" institution population (Table 3 and Figure 2). The sample and the 2018 VSE responding population are relatively similar in the proportions of master's and baccalaureate institutions, both over-representing these groups in comparison to the all-degree granting population. However, both the sample and the 2018 VSE responding pool under-represent master's universities among the four-year comprehensive comparison group.

Figure 2. Carnegie category of sample and comparison institutions



When endowment size, characterized by the value in 1990, is categorized into logarithmic bands (<$1 million, $1-10 million, $10-<100 million, $100 million-<1 billion, >$1 billion), the longitudinal sample is relatively "normally distributed" with about half in the middle size group ($10-<100 million), and most of the other institutions evenly split in the second to smallest ($1-<10 million) and second to largest group ($100 million-<1 billion) (Table 3 and Figure 3). While most similar to the 2018 VSE respondent population, the sample over-represents the highest endowed institutions and under-represents less endowed institutions compared to all benchmark groups.

This suggests that the VSE respondent population has become more inclusive, or at least that well-endowed institutions are more consistent respondents. While the broader degree-granting institution population is skewed more toward lower endowment institutions, this skew is slightly mitigated when the associates and special focus institutions are removed from the comparison, but clearly VSE participants include institutions with more substantial endowments. Note that institutions with no (or no reported) endowments (possibly because the institution did not exist in its current form in 1990) were not considered in any of the benchmark groups.

Figure 3. 1990 endowment range of sample and comparison group institutions

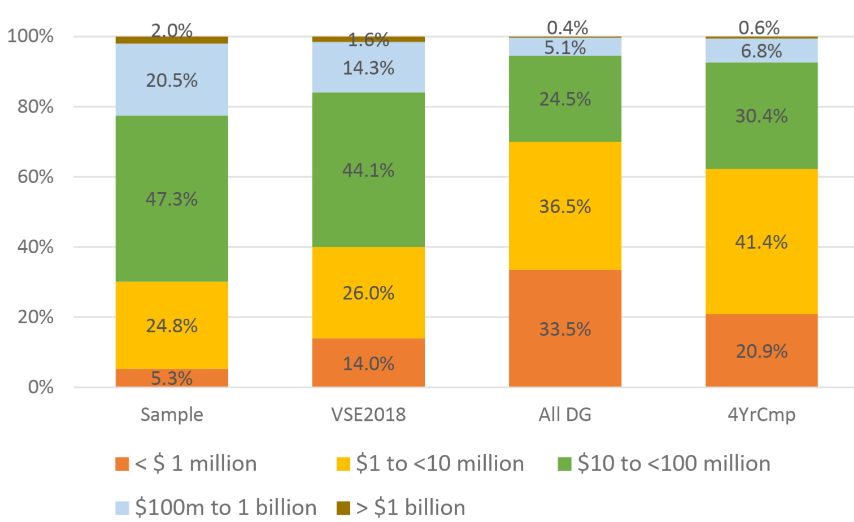


Table 4. Donation activity reported in 2018 VSE by the longitudinal sample compared to all survey respondents

	Sample (N=395)		VSE 2018 (N=931)		Sample as % of VSE 2018
	Amount	%	Amount	%	
Total Giving	**25,103**		**37,710**		**66.6%**
Current Operations	**14,369**	**57.2%**	**21,595**	**57.3%**	**66.5%**
Unrestricted	1,494	6.0%	2,385	6.3%	62.6%
Restricted	12,875	51.3%	19,210	50.9%	67.0%
Capital/Endowment	**10,734**	**42.8%**	**16,115**	**42.7%**	**66.6%**
Property, buildings, equipment	3,078	12.3%	4,575	12.1%	67.3%
Unrestricted endowment	324	1.3%	767	2.0%	42.2%
Restricted endowment	7,328	29.2%	10,766	28.5%	68.1%
Loan Funds	4.0	0.0%	6.7	0.0%	58.6%
Alumni	6,538	26.0%	10,493	27.8%	62.3%
Other Individuals	4,673	18.6%	7,234	19.2%	64.6%
Foundations	7,526	30.0%	10,600	28.1%	71.0%
Corporations	3,594	14.3%	5,382	14.3%	66.8%
Other Organizations	2,772	11.0%	4,001	10.6%	69.3%

Table 4 provides a comparison between the longitudinal sample and the 2018 respondent population of reported donation activity for 2018, by purpose and donor type. Although representing only 42% of responding institutions, the longitudinal sample accounts for two-thirds of all reported donations. The sample also includes institutions with higher levels of donations from organizations, especially foundations, and slightly lower from individuals, and especially alumni. Generally, however, the sample has a similar distribution by purpose and by donor type compared to all 2018 VSE respondents.

The remainder of the analysis focuses on findings available from the longitudinal sample. The representation issues noted in this section should be kept in mind throughout this analysis.

Donor type. In the thirty-year study period (1988 through 2018), unadjusted dollar giving to the institutions in the sample increased by an average annual rate of 6.3% for an overall increase of 487.6% in unadjusted dollars, from $4.3 billion to $25.1 billion. When adjusted for inflation to 2018 dollars, the increase was still dramatic at 3.6% average annually, 175.1% overall, from $9.1 billion to $25.1 billion (See tables 5 and 6, and figures 4 and 5).

For the remaining analyses, we present inflation-adjusted dollar values.

In 1988, individuals and organizations contributed to institutions at similar financial levels: $4.5 billion and $4.7 billion, respectively, in 2018 adjusted dollars. This has changed slightly over time, as organizational philanthropy grew more quickly after 1998 to 55.3% ($13.9 billion) of the 2018 total compared to individuals' 44.7% ($11.2 billion) of the total. In our 2018 analysis, foundations gave more than any other donor type (30.0%/$7.5 billion); followed by alumni (26.0%/$6.5 billion); other individuals (18.6%/$4.7 billion); corporations (14.3%/$3.6 billion); and other organizations, i.e., donor advised funds, religious organizations, fundraising consortia (11.0%/$2.8 billion).

The proportion given by foundations grew the most, by a nearly 10 percentage-point increase, to 30.0% of the total, while corporate giving declined most notably by about 8 percentage points to 14.3% of all contributions.

These organizational entities (and the other types of organizations) contributed more in actual dollars at the end of the study period than at the beginning, showing that all increased their commitment to giving, albeit at different levels. Alumni support has been the most consistent across the decades, beginning at 26.8% of donated dollars and ending at 26.0%, with a bump to 31.2% in between. Both alumni and other individuals declined in the proportion of support as the organizational donors increased their giving at a faster pace. In adjusted dollars, alumni gave the equivalent of $2.4 billion in 1988, while other individuals gave a similar amount ($2.0 billion). Alumni giving increased by 3.5% on average annually while others' giving went up by 2.9%. This differential growth rate was evident as the two groups' giving diverged from a 17.2 point spread in contributions in 1988 to a 28.5 point difference in 1998, a 31.1 point difference in 2008, and a 28.5 point spread in 2018. Interestingly, at the beginning of the study period, giving proportions among all donor types, with the exception of other organizations (8.4%), were relatively closely distributed between 20.3% and 26.8%. By 2018, however, the span was much greater: between 11.0% and 30.0% for all donor types. Other organizations gave the fewest dollars, but had the second fastest annual rate of change, with 4.5% average increases, second only to foundations.

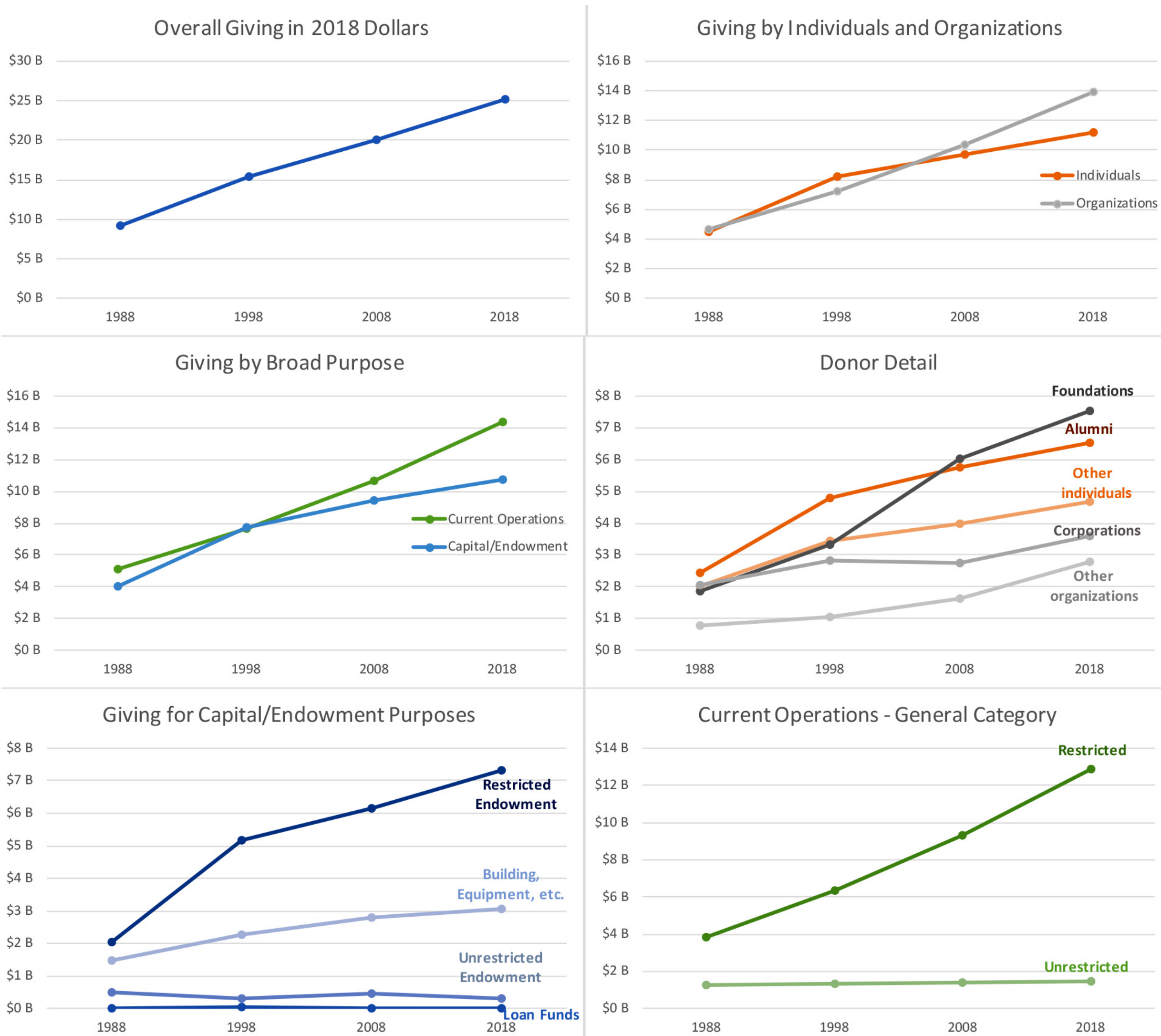
Table 5. Trends in giving by donor type and broad purpose

	Amount (2018 adjusted $millions)					Percent Distribution				
	1988	1998	2008	2018	Avg An'l Pct. Chg.	1988	1998	2008	2018	Change in Percent
Total Giving (Raw Dollars)	**$4,272.4**	**$9,978.6**	**$17,469.4**	**$25,102.7**	**6.3%**					
Total Giving (2018 adj. dollars)	**$9,123.6**	**$15,426.3**	**$20,117.9**	**$25,102.7**	**3.6%**					
Donor Group										
Individuals	4,463.6	8,243.5	9,724.1	11,210.3	3.2%	48.9%	53.4%	48.3%	44.7%	-4.3%
Organizations	4,660.0	7,182.9	10,393.8	13,892.4	3.8%	51.1%	46.6%	51.7%	55.3%	4.3%
General Purpose										
Current Operations	5,107.5	7,678.0	10,685.1	14,369.4	3.6%	56.0%	49.8%	53.1%	57.2%	1.3%
Capital/ Endowment	4,016.1	7,748.5	9,432.8	10,733.8	3.4%	44.0%	50.2%	46.9%	42.8%	-1.3%
Donor Detail										
Alumni	2,442.2	4,806.2	5,756.1	6,537.5	3.5%	26.8%	31.2%	28.6%	26.0%	-0.7%
Other individuals	2,021.5	3,437.3	3,968.0	4,672.8	2.9%	22.2%	22.3%	19.7%	18.6%	-3.5%
Foundations	1,847.6	3,314.7	6,021.9	7,526.4	5.0%	20.3%	21.5%	29.9%	30.0%	9.7%
Corporations	2,047.1	2,829.7	2,746.3	3,594.1	2.0%	22.4%	18.3%	13.7%	14.3%	-8.1%
Other organizations	765.3	1,038.5	1,625.5	2,771.8	4.5%	8.4%	6.7%	8.1%	11.0%	2.7%
Purpose Details										
Capital Purposes										
Building, Equipment, etc.	1,466.0	2,257.5	2,789.6	3,078.4	2.6%	36.5%	29.1%	29.6%	28.7%	-7.8%
Unrestricted Endowment	487.2	290.2	471.9	323.6	-1.4%	12.1%	3.7%	5.0%	3.0%	-9.1%
Loan Funds	24.3	34.8	4.4	4.0	-6.1%	0.6%	0.4%	0.0%	0.0%	-0.6%
Restricted Endowment	2,038.5	5,166.1	6,166.9	7,327.9	4.5%	50.8%	66.7%	65.4%	68.3%	17.5%

Table 6. Trends in current operations giving by donor type and detailed purpose

	Amount (2018 adjusted $millions)					Percent Distribution				
	1988	1998	2008	2018	Avg An'l Pct. Chg.	1988	1998	2008	2018	Change in Percent
Current Operations										
Unrestricted	1,257.2	1,316.9	1,400.1	1,494.4	0.6%	24.6%	17.2%	13.1%	10.4%	-14.2%
Restricted	3,850.4	6,361.1	9,285.0	12,875.0	4.3%	75.4%	82.8%	86.9%	89.6%	14.2%
Academic Divisions	772.9	1,391.9	2,108.8	2,735.3	4.5%	20.1%	21.9%	22.7%	21.2%	1.2%
Faculty/Staff	65.8	77.1	138.4	213.7	4.1%	1.7%	1.2%	1.5%	1.7%	-0.1%
Research	1,456.4	2,254.4	3,135.0	4,302.6	3.8%	37.8%	35.4%	33.8%	33.4%	-4.4%
Public Service	139.8	204.5	336.0	415.4	3.8%	3.6%	3.2%	3.6%	3.2%	-0.4%
Libraries	54.8	64.8	105.2	76.4	1.2%	1.4%	1.0%	1.1%	0.6%	-0.8%
Physical Plant	58.5	119.4	195.3	429.9	7.1%	1.5%	1.9%	2.1%	3.3%	1.8%
Student Aid	467.8	555.7	773.1	1,205.6	3.3%	12.1%	8.7%	8.3%	9.4%	-2.8%
Student Athletics		242.3	710.1	1,012.1	7.8%		3.8%	7.6%	7.9%	7.9%
Other purposes	834.3	1,450.9	1,783.3	2,483.9	3.8%	21.7%	22.8%	19.2%	19.3%	-2.4%

Figure 4. Trends in giving by purpose (general and major) and donor type



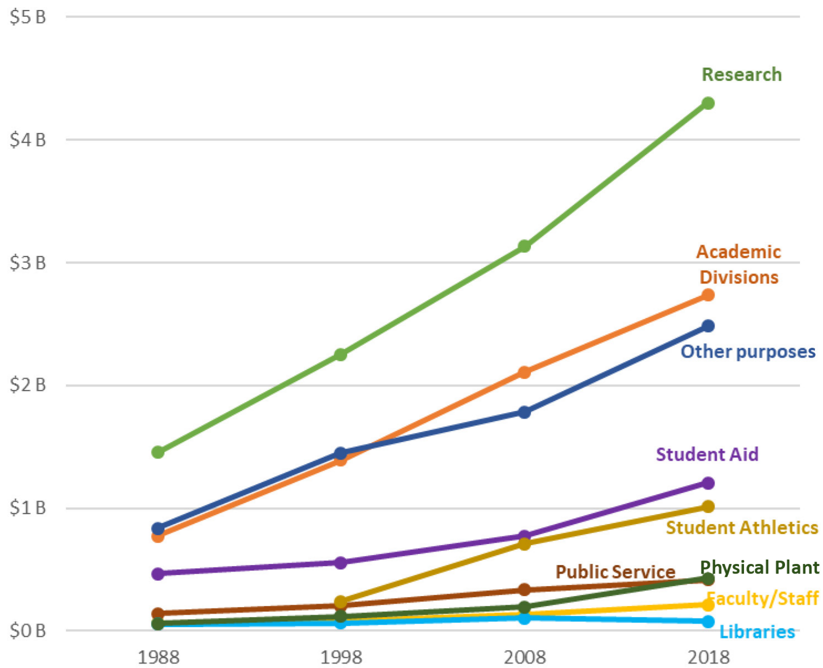
Gift purpose. Donors in the sample have consistently prioritized current operational needs over capital and endowment purposes, except in 1998 when the two categories of gifts converged and received support in close proportion ($7.7 billion and $7.7 billion in 2018 adjusted dollars). From the beginning of the study period in 1988 to the conclusion in 2018, current operations and capital/endowment increased from $5.1 billion to $14.4 billion and $4.0 billion to $10.7 billion, respectively. Giving to the two purposes has increased at a similar rate over time intervals (3.4% for capital/endowment and 3.6% for current operations) with the sharpest increase for capital/endowment coming in the first ten-year span of the study and for current operations in the last ten-year period.

Capital/endowment donations were broken down into four groupings: buildings and equipment, unrestricted endowment, loans, and restricted endowment. Of these, the smallest category of giving, loan funds, bumped up noticeably between 1988 and 1998 before declining precipitously in 2008 and remaining flat in 2018. It has received less than 1% of the capital/endowment funds at all points in time. Conversely, restricted endowed purposes have received a funding majority, ranging from 50.8% (1988) to 68.3% (2018) of the gifts for an increase of 17.5 percentage points. Unrestricted endowment shows an inconsistent pattern, declining from a high of $487.2 million in 1988, down to $290.2 million in 1998, before pushing back upward in 2008 to $471.9 million and then back down again in 2018 to $323.6 million. Finally, donor support for buildings and equipment, which represented over 36% of capital purpose funding in 1988, dropped to about 30% in 1998 and remained at that level through 2018.

Deeper analysis of the current operations and capital/endowment categories (see Table 5 and Figure 5) shows a strong trend toward restricting gifts for limited purposes as opposed to broad institutional discretion in determining gift fund use. Of the funds for restricted current operations, research purposes were dominant, receiving the largest share of funding across the decades, albeit decreasing slightly as a proportion of the total (from 37.8% in 1988 to 33.4% in 2018). The second most prominent priority, academic divisions, maintained a more stable proportion of total funding of slightly over 20%. Student athletics, meanwhile, has increased as a proportion of donor support from its initial documentation in the survey (1998) to date at an average annual pace of 7.8%. Among the smaller support areas, physical plant purposes has increased slightly as a proportion of the total (to 1.8 percentage points); faculty/staff remained relatively proportional (at just under 2% of the total); and public service remained stable (at just over 3% of the total).

Student aid has not been especially popular with donors to these institutions over the decades, garnering nearly the lowest average rate of restricted current operations annual increases (3.3%) and a shrinking proportion of the gifts (from a 12.1% high in 1988 to 8.7% and 8.3% in 1998 and 2008, respectively, and then back up slightly to 9.4% in 2018). Only after 2008 did gifts for this purpose reach the $1 billion mark. This may reflect the general shift from individual to organizational donations, explored further in the next section. The slowest rate of growth was in restricted current operation donations to support libraries, with the total giving amount, adjusted for inflation, actually declining over the past 10 years from $105.2 million to $76.4 million. This could reflect the changing role of libraries in the digital era.

Figure 5. Trends in purposes for restricted current operations giving



Gift purpose by donor type

Current operations unrestricted giving. Individuals have been more likely than organizations to make unrestricted gifts. Of all the donor types, alumni give the most unrestricted gifts, dedicating 50.9% ($558.4 million) of their current operations support to this purpose in 1988 (see Table 7 and Figure 6). However, by 2018, alumni left only 25.8% of their gift dollars unrestricted ($715.9 million). Other individuals' unrestricted giving also declined in proportion from a high of 33.4% (1988) to just 11.7% (2018). Foundations, corporations, and other organizations, which all dedicated no more than 20% to unrestricted purposes in 1988, left 1.7%, 9.1%, and 13.2% less, respectively, to institutional discretion by 2018.

Table 7. Current operations, unrestricted and restricted giving by donor type

	Amount (2018 adjusted $millions)					Percent Distribution			
	1988	1998	2008	2018	Avg An'l Pct. Chg.	1988	1998	2008	2018
Individuals Combined									
Unrestricted	854.4	963.1	1024.1	969.1	0.4%	43.1%	34.3%	26.4%	19.6%
Restricted	1,129.4	1,841.2	2,859.0	3,974.0	4.4%	56.9%	65.7%	73.6%	80.4%
Organizations Combined									
Unrestricted	402.7	353.8	375.9	525.3	0.9%	12.9%	7.3%	5.5%	5.6%
Restricted	2,721.0	4,519.9	6,426.1	8,901.0	4.2%	87.1%	92.7%	94.5%	94.4%
Alumni									
Unrestricted	558.4	719.1	765.9	714.9	0.9%	50.9%	42.9%	34.1%	25.8%
Restricted	538.4	958.1	1,478.2	2,054.7	4.7%	49.1%	57.1%	65.9%	74.2%
Other Individuals									
Unrestricted	296.0	244.0	258.2	254.2	-0.5%	33.4%	21.6%	15.8%	11.7%
Restricted	591.0	883.1	1,380.7	1,919.3	4.1%	66.6%	78.4%	84.2%	88.3%
Foundations									
Unrestricted	79.0	133.4	189.5	269.6	4.3%	7.3%	6.8%	5.4%	5.6%
Restricted	1,003.7	1,825.8	3,327.8	4,553.3	5.4%	92.7%	93.2%	94.6%	94.4%
Corporations									
Unrestricted	204.6	149.3	129.0	136.2	-1.4%	14.4%	7.4%	6.5%	5.3%
Restricted	1,212.6	1,881.1	1,849.2	2,456.4	2.5%	85.6%	92.6%	93.5%	94.7%
Other Orgs									
Unrestricted	119.1	71.1	57.4	119.4	0.0%	19.1%	8.0%	4.4%	5.9%
Restricted	504.7	813.0	1,249.1	1,891.3	4.7%	80.9%	92.0%	95.6%	94.1%

Figure 6 depicts the changes in proportion of giving for restricted and unrestricted current operations purposes from the first (1988) to last (2018) years of the period studied. The consistent shift away from unrestricted giving is clearly evident, as is the continued higher proportion of unrestricted giving by individuals in contrast to organizations.

Figure 6. Restricted and unrestricted current operations giving by donor type

Capital/endowment. The divide in capital/endowment gifts between restricted and unrestricted support is more stark. Alumni, who gave the most of all the donor types for unrestricted endowment purposes in 1988 (19.6%), designated only 4.0% of their giving for this use in 2018 (see Table 8 and figures 7 and 8). Individuals, especially alumni, were most open to this kind of giving when the study period began. The differences among the donor types, however, constricted by the study's end. Other organizations were the only population whose giving for this purpose grew proportionately over the study period, from 5.6% to 6.7%. Although this kind of foundation giving averaged an annual increase, it was not enough to keep on pace with foundations' giving increases to the other purposes. Total unrestricted endowment giving was just $323.6 million in 2018, making it a very small share of the more than $25 billion donated that year.

Restricted endowment gifts, meanwhile, accounted for $7.3 billion in 2018. The 2018 giving in this category ranged from over one-half to over three-fourths of capital/endowment giving from alumni (69.3%), other individuals (75.9%), foundations (64.9%), corporations (55.2%), and other organizations (67.1%). This compares to 1988 when gifts for property, buildings, and equipment were more significant, especially for the organizational donors who gave around half of capital/endowment gifts for these purposes. Changes in individual giving to property, buildings, and equipment have been less dramatic, with support hovering around 20% to 25%. The final category of capital/endowment giving is loan funds, which received only a tiny share of the donor support (less than 1%) from all donor types during the study.

Table 8. Capital/endowment giving by donor type

	Amount (2018 adjusted $millions)					Percent Distribution			
	1988	1998	2008	2018	Avg An'l Pct. Chg.	1988	1998	2008	2018
Individuals Comb.	**2,479.8**	**5,439.2**	**5,841.0**	**6,267.2**	**3.2%**				
Prop, bldgs, equip	636.7	1,182.6	1,307.9	1,548.9	3.1%	25.7%	21.7%	22.4%	24.7%
Loan Funds	17.6	28.1	3.1	1.9	-7.4%	0.7%	0.5%	0.1%	0.0%
Unrestricted endow	434.9	253.8	402.3	207.6	-2.5%	17.5%	4.7%	6.9%	3.3%
Restricted endow	1,390.6	3,974.8	4,127.7	4,508.8	4.1%	56.1%	73.1%	70.7%	71.9%
Organizations Comb.	**719.4**	**1,493.6**	**3,118.9**	**4,466.6**	**6.5%**				
Prop, bldgs, equip	388.3	695.3	1,286.6	1,529.5	4.8%	54.0%	46.6%	41.3%	34.2%
Loan Funds	3.2	4.3	1.1	2.1	-1.4%	0.4%	0.3%	0.0%	0.0%
Unrestricted endow	24.5	23.5	60.4	116.0	5.5%	3.4%	1.6%	1.9%	2.6%
Restricted endow	303.4	770.4	1,770.8	2,819.0	8.0%	42.2%	51.6%	56.8%	63.1%
Alumni	**1,345.4**	**3,129.0**	**3,511.9**	**3,767.9**	**3.6%**				
Prop, bldgs, equip	348.0	653.7	764.8	1,007.5	3.7%	25.9%	20.9%	21.8%	26.7%
Loan Funds	9.5	11.0	0.9	0.4	-10.8%	0.7%	0.4%	0.0%	0.0%
Unrestricted endow	263.2	164.9	176.3	149.3	-1.9%	19.6%	5.3%	5.0%	4.0%
Restricted endow	724.6	2,299.4	2,569.9	2,610.7	4.5%	53.9%	73.5%	73.2%	69.3%
Other Individuals	**1,134.4**	**2,310.2**	**2,329.1**	**2,499.3**	**2.8%**				
Prop, bldgs, equip	288.7	528.9	543.1	541.3	2.2%	25.4%	22.9%	23.3%	21.7%
Loan Funds	8.0	17.0	2.2	1.5	-5.6%	0.7%	0.7%	0.1%	0.1%
Unrestricted endow	171.6	88.9	226.0	58.4	-3.7%	15.1%	3.8%	9.7%	2.3%
Restricted endow	666.0	1,675.4	1,557.8	1,898.1	3.7%	58.7%	72.5%	66.9%	75.9%
Foundations	**358.2**	**876.7**	**2,174.3**	**2,703.5**	**7.2%**				
Prop, bldgs, equip	168.3	337.4	853.8	883.7	5.9%	47.0%	38.5%	39.3%	32.7%
Loan Funds	2.2	3.4	0.8	1.6	-1.0%	0.6%	0.4%	0.0%	0.1%
Unrestricted endow	13.0	15.3	49.5	62.9	5.6%	3.6%	1.7%	2.3%	2.3%
Restricted endow	174.7	520.5	1,270.3	1,755.4	8.3%	48.8%	59.4%	58.4%	64.9%

Table 8. Capital/endowment giving by donor type (continued)

Corporations	**294.9**	**517.0**	**667.1**	**1,001.4**	**4.3%**				
Prop, bldgs, equip	182.0	333.3	338.5	447.0	3.1%	61.7%	64.5%	50.7%	44.6%
Loan Funds	0.6	0.3	0.1	0.1	-5.4%	0.2%	0.1%	0.0%	0.0%
Unrestricted endow	7.8	4.0	5.9	1.8	-4.9%	2.6%	0.8%	0.9%	0.2%
Restricted endow	104.5	179.4	322.6	552.5	5.9%	35.4%	34.7%	48.4%	55.2%
Other organizations	**66.3**	**99.9**	**277.5**	**761.6**	**8.8%**				
Prop, bldgs, equip	38.1	24.5	94.3	198.8	5.9%	57.4%	24.5%	34.0%	26.1%
Loan Funds	0.3	0.6	0.2	0.3	0.0%	0.5%	0.6%	0.1%	0.0%
Unrestricted endow	3.7	4.2	5.1	51.2	9.5%	5.6%	4.2%	1.8%	6.7%
Restricted endow	24.2	70.6	177.9	511.2	11.1%	36.5%	70.7%	64.1%	67.1%

Figure 7. Changes in proportional giving for capital/endowment purposes by individual donors

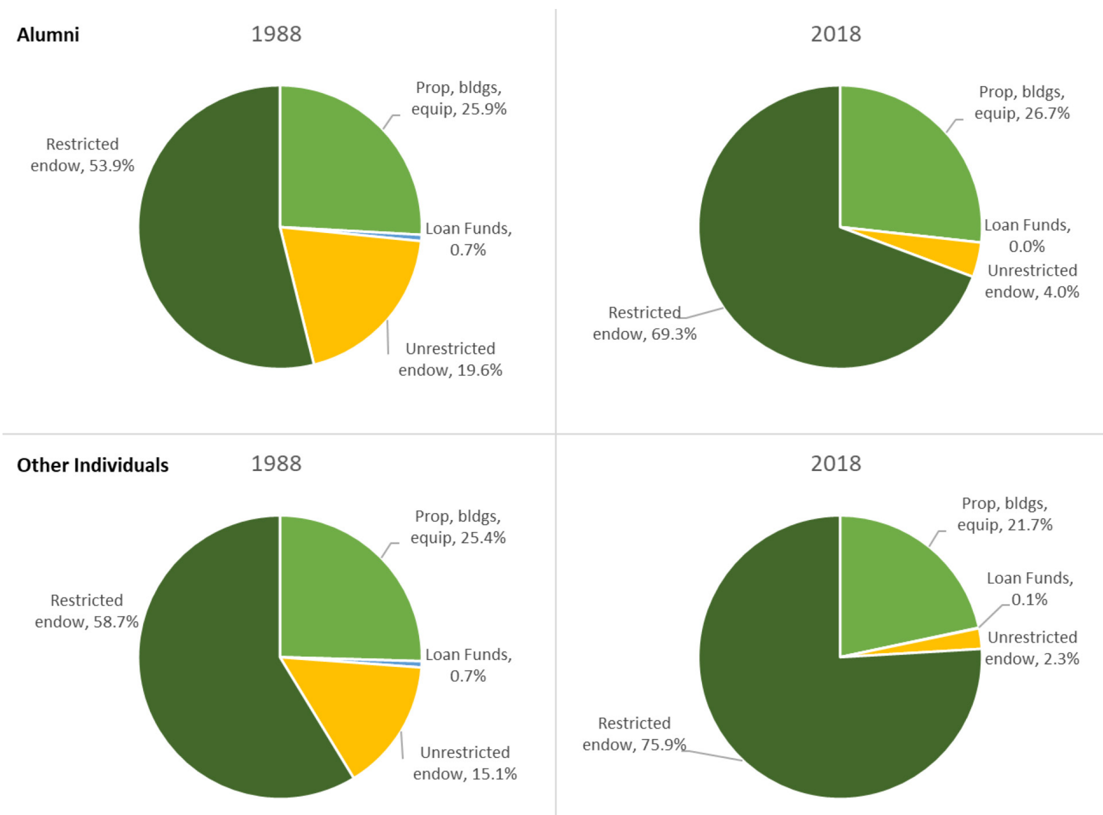
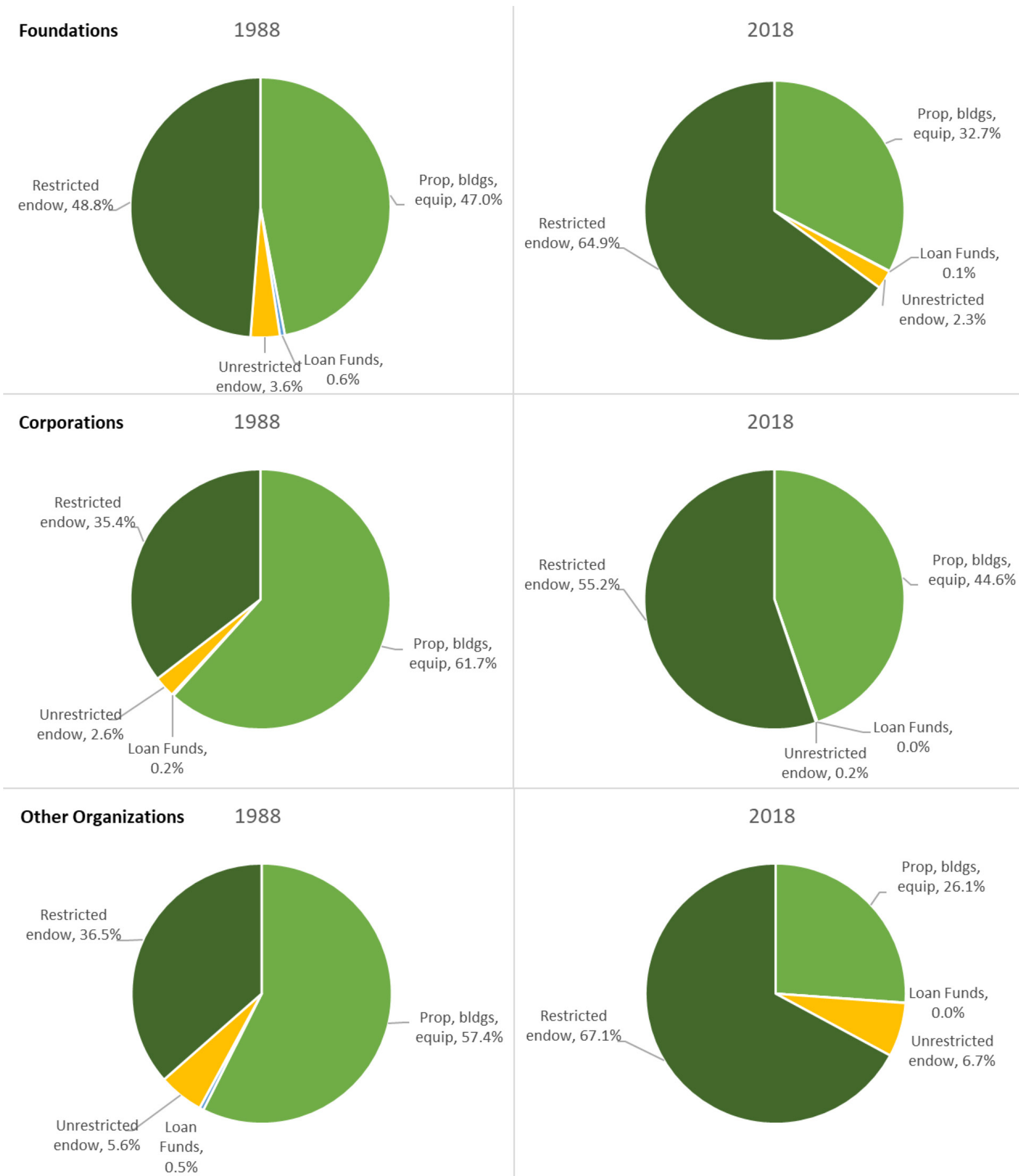


Figure 8. Changes in proportional giving for capital/endowment purposes by organizational donors



Current operations restricted giving. Individuals and organizations vary significantly in their restricted giving for current operations, particularly in research support. Organizational donors directed more than 40% of their giving to research at each time point in the study, compared to individuals whose research supported peaked at 16.1% ($177.6 million adjusted) in 1988 (Table 8, first two panels). Between 1998 and 2018, foundation funding for research quadrupled in adjusted dollars. In 2018, foundations contributed far more to research than any other donor type ($1.9 billion)—more than double what corporations ($940.4 million) and other organizations gave ($877.2 million), about three times more than other individuals ($441.1 million), and more than fourteen times alumni contributions ($135.3 million). Alumni giving for research increased an average of 4.8% during the study, but this meant going from just $34.8 million in 1988 to $135.3 million in 2018. Other individuals increased their research funding at a rate of 4.0% annually, from $142.7 million in 1988 to $444.1 million in 2018. Corporate research contributions have increased, but a large decline between 1998 and 2008 affected funding. In 2018, corporate research funding was only about $110 million more than it was in 1998.

Several other donor behaviors are notable (See tables 9 and 10 and figures 9 and 10). Athletics, which became a category in 1998, was by 2018 much more popular with individual donors (19.2% of giving, see top panel of Figure 9) than with organizations (2.8% of giving). For individual donors, the most radical shift came with the delineation of athletics giving, from giving for all other purposes, which then fell from 41.2% in 1988 to 30.0% by 2018. Alumni prioritized giving to academic divisions more than any other donor group, though this emphasis declined steadily over the study's 30 years (from 36.8% to 26.1%). Student aid funding became less prominent as the years went by, declining in proportion of support across all donor categories, by as little as .9% (for alumni) and as much as 8% (for other organizations). Organizations gave more for student aid than did individuals, although individual support has grown more quickly (3.8% annual average compared to 3.0%). In 1988, foundations gave the most dollars for student aid, followed by corporations then alumni and other individuals (in close order) and, finally, other organizations. By 2018, foundations still gave the most for student aid, then alumni, followed by corporations and other individuals (in close order), and other organizations.

Table 9. Trends in restricted current operations purposes giving among individuals and organizations

	Amount (2018 adjusted $millions)					Percent Distribution				
	1988	1998	2008	2018	Avg An'l Pct. Chg.	1988	1998	2008	2018	Change in Percent
INDIVIDUALS COMBINED										
Academic Divisions	307.6	595.0	710.7	958.1	4.0%	27.8%	32.3%	25.4%	24.1%	-3.7%
Faculty/Staff Compensation	15.6	25.3	106.4	73.1	5.5%	1.4%	1.4%	3.8%	1.8%	0.4%
Research	177.6	180.8	284.6	576.3	4.1%	16.1%	9.8%	10.2%	14.5%	-1.6%
Public Service/ Extension	53.8	64.8	104.6	139.1	3.3%	4.9%	3.5%	3.7%	3.5%	-1.4%
Libraries	32.4	36.8	54.2	43.5	1.0%	2.9%	2.0%	1.9%	1.1%	-1.8%
Physical Plant Op & Maint	14.0	55.4	102.0	155.3	8.6%	1.3%	3.0%	3.6%	3.9%	2.6%
Student Aid	164.7	195.4	320.3	485.1	3.8%	14.9%	10.6%	11.4%	12.2%	-2.7%
Athletics		165.6	547.1	762.3	5.4%	0.0%	9.0%	19.5%	19.2%	19.2%
Other Restricted Purposes	339.5	522.1	570.1	781.2	2.9%	30.7%	28.4%	20.4%	19.7%	-11.1%
Total	1,105.1	1,841.2	2,799.9	3,974.0	4.5%	100.0%	100.0%	100.0%	100.0%	0.0%
ORGANIZATIONS COMBINED										
Academic Divisions	465.3	796.9	1,313.3	1,777.1	4.7%	17.3%	17.6%	20.3%	20.0%	2.7%
Faculty/Staff Compensation	50.3	51.8	291.2	140.6	3.6%	1.9%	1.1%	4.5%	1.6%	-0.3%
Research	1,278.9	2,073.6	2,640.3	3,726.3	3.8%	47.6%	45.9%	40.9%	41.9%	-5.7%
Public Service/ Extension	86.1	139.7	185.3	276.4	4.1%	3.2%	3.1%	2.9%	3.1%	-0.1%
Libraries	22.4	28.0	50.9	32.9	1.3%	0.8%	0.6%	0.8%	0.4%	-0.5%
Physical Plant Op & Maint	44.4	64.0	131.3	274.7	6.5%	1.7%	1.4%	2.0%	3.1%	1.4%
Student Aid	303.1	360.3	451.0	720.5	3.0%	11.3%	8.0%	7.0%	8.1%	-3.2%
Athletics		76.7	227.1	249.8	4.2%	0.0%	1.7%	3.5%	2.8%	2.8%
Other Restricted Purposes	437.4	928.7	1,167.3	1,702.8	4.8%	16.3%	20.5%	18.1%	19.1%	2.9%
Total	2,687.9	4,519.9	6,457.6	8,901.0	4.2%	100.0%	100.0%	100.0%	100.0%	0.0%

Table 10. Trends in restricted current operations purposes giving by donor type

	Amount (2018 adjusted $millions)					Percent Distribution				
	1988	1998	2008	2018	Avg An'l Pct. Chg.	1988	1998	2008	2018	Change in Percent
ALUMNI										
Academic Divisions	192.5	343.6	430.9	536.7	3.6%	36.8%	35.9%	29.1%	26.1%	-10.7%
Faculty/Staff Compensation	10.6	10.9	23.8	32.9	4.0%	2.0%	1.1%	1.6%	1.6%	-0.4%
Research	34.8	60.8	78.1	135.3	4.8%	6.7%	6.3%	5.3%	6.6%	-0.1%
Public Service/ Extension	9.1	9.7	26.9	36.9	4.9%	1.7%	1.0%	1.8%	1.8%	0.1%
Libraries	20.1	17.7	31.0	20.7	0.1%	3.9%	1.8%	2.1%	1.0%	-2.8%
Physical Plant Op & Maint	5.5	25.2	54.3	100.2	10.5%	1.1%	2.6%	3.7%	4.9%	3.8%
Student Aid	82.6	111.3	178.4	306.8	4.6%	15.8%	11.6%	12.1%	14.9%	-0.9%
Athletics		110.0	335.9	500.2	5.4%	0.0%	11.5%	22.7%	24.3%	24.3%
Other Restricted Purposes	167.8	268.9	318.9	385.0	2.9%	32.1%	28.1%	21.6%	18.7%	-13.3%
Total	523.1	958.1	1,478.2	2,054.7	4.8%	100.0%	100.0%	100.0%	100.0%	0.0%
OTHER INDIVIDUALS										
Academic Divisions	115.1	251.3	279.8	421.4	4.6%	19.8%	28.5%	21.2%	22.0%	2.2%
Faculty/Staff Compensation	5.0	14.4	82.5	40.2	7.5%	0.9%	1.6%	6.2%	2.1%	1.2%
Research	142.7	120.0	206.5	441.1	4.0%	24.5%	13.6%	15.6%	23.0%	-1.5%
Public Service/ Extension	44.7	55.1	77.7	102.1	2.9%	7.7%	6.2%	5.9%	5.3%	-2.4%
Libraries	12.2	19.1	23.2	22.8	2.2%	2.1%	2.2%	1.8%	1.2%	-0.9%
Physical Plant Op & Maint	8.5	30.2	47.7	55.0	6.7%	1.5%	3.4%	3.6%	2.9%	1.4%
Student Aid	82.1	84.1	141.9	178.3	2.7%	14.1%	9.5%	10.7%	9.3%	-4.8%
Athletics		55.6	211.2	262.2	5.5%	0.0%	6.3%	16.0%	13.7%	13.7%
Other Restricted Purposes	171.7	253.3	251.2	396.1	2.9%	29.5%	28.7%	19.0%	20.6%	-8.9%
Total	582.0	883.1	1,321.7	1,919.3	4.2%	100.0%	100.0%	100.0%	100.0%	0.0%

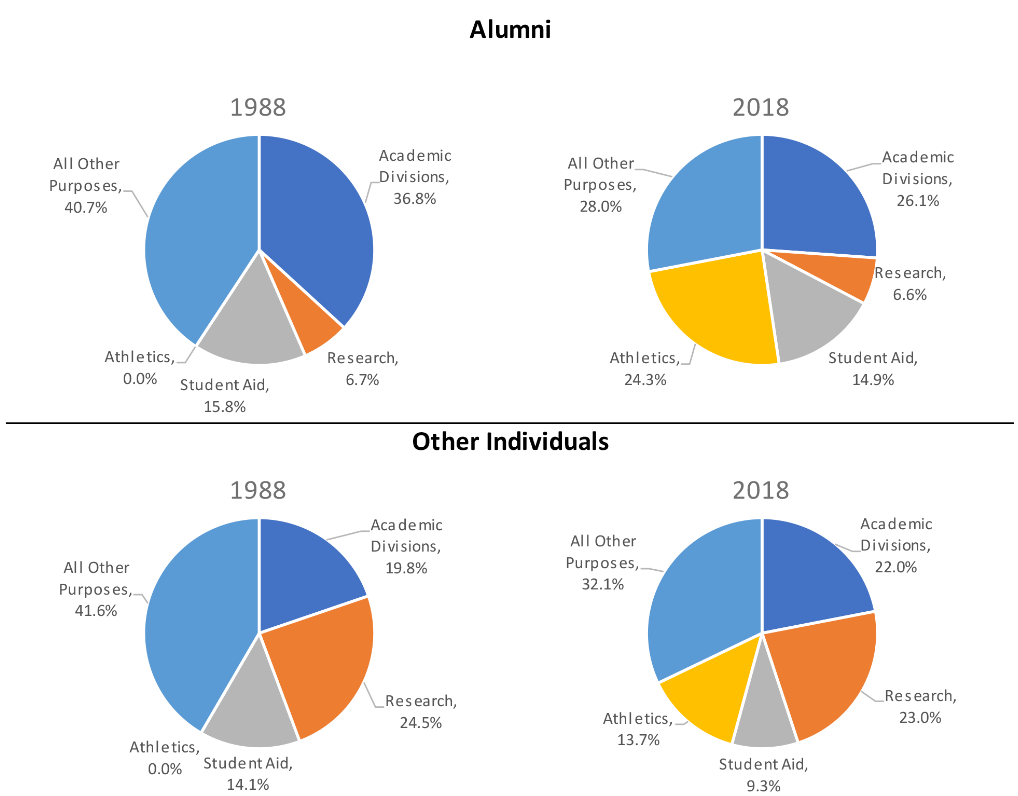
Table 10. Trends in restricted current operations purposes giving by donor type (continued)

	Amount (2018 adjusted $millions)					Percent Distribution				
	1988	1998	2008	2018	Avg An'l Pct. Chg.	1988	1998	2008	2018	Change in Pct.
FOUNDATIONS										
Academic Divisions	140.6	314.3	682.3	909.3	6.6%	14.1%	17.2%	20.5%	20.0%	5.8%
Faculty/Staff Compensation	31.6	24.7	60.8	70.4	2.8%	3.2%	1.4%	1.8%	1.5%	-1.6%
Research	483.4	844.7	1,540.3	1,908.7	4.8%	48.6%	46.3%	46.3%	41.9%	-6.7%
Public Service/ Extension	27.1	55.7	86.5	128.7	5.5%	2.7%	3.1%	2.6%	2.8%	0.1%
Libraries	9.7	13.0	24.8	24.0	3.2%	1.0%	0.7%	0.7%	0.5%	-0.5%
Physical Plant Op & Maint	8.2	19.1	68.7	194.6	11.5%	0.8%	1.0%	2.1%	4.3%	3.5%
Student Aid	127.3	165.3	260.7	427.5	4.3%	12.8%	9.1%	7.8%	9.4%	-3.4%
Athletics		13.8	36.7	58.7	5.1%	0.0%	0.8%	1.1%	1.3%	1.3%
Other Restricted Purposes	166.4	375.3	566.9	831.4	5.7%	16.7%	20.6%	17.0%	18.3%	1.5%
Total	994.4	1,825.8	3,327.8	4,553.3	5.4%	100.0%	100.0%	100.0%	100.0%	0.0%
CORPORATIONS										
Academic Divisions	267.6	408.2	500.0	500.3	2.2%	22.4%	21.7%	27.0%	20.4%	-2.1%
Faculty/Staff Compensation	13.1	18.7	23.4	51.8	4.8%	1.1%	1.0%	1.3%	2.1%	1.0%
Research	550.8	826.2	657.6	940.4	1.9%	46.2%	43.9%	35.6%	38.3%	-7.9%
Public Service/ Extension	30.7	49.7	66.9	77.2	3.2%	2.6%	2.6%	3.6%	3.1%	0.6%
Libraries	6.1	7.5	5.8	3.6	-1.8%	0.5%	0.4%	0.3%	0.1%	-0.4%
Physical Plant Op & Maint	32.1	39.7	31.6	49.6	1.5%	2.7%	2.1%	1.7%	2.0%	-0.7%
Student Aid	107.1	116.2	130.3	185.1	1.9%	9.0%	6.2%	7.0%	7.5%	-1.4%
Athletics		57.1	140.4	161.6	3.7%	0.0%	3.0%	7.6%	6.6%	6.6%
Other Restricted Purposes	185.3	357.7	293.1	486.9	3.4%	15.5%	19.0%	15.9%	19.8%	4.3%
Total	1,192.8	1,881.1	1,849.2	2,456.4	2.5%	100.0%	100.0%	100.0%	100.0%	0.0%

Table 10. Trends in restricted current operations purposes giving by donor type (continued)

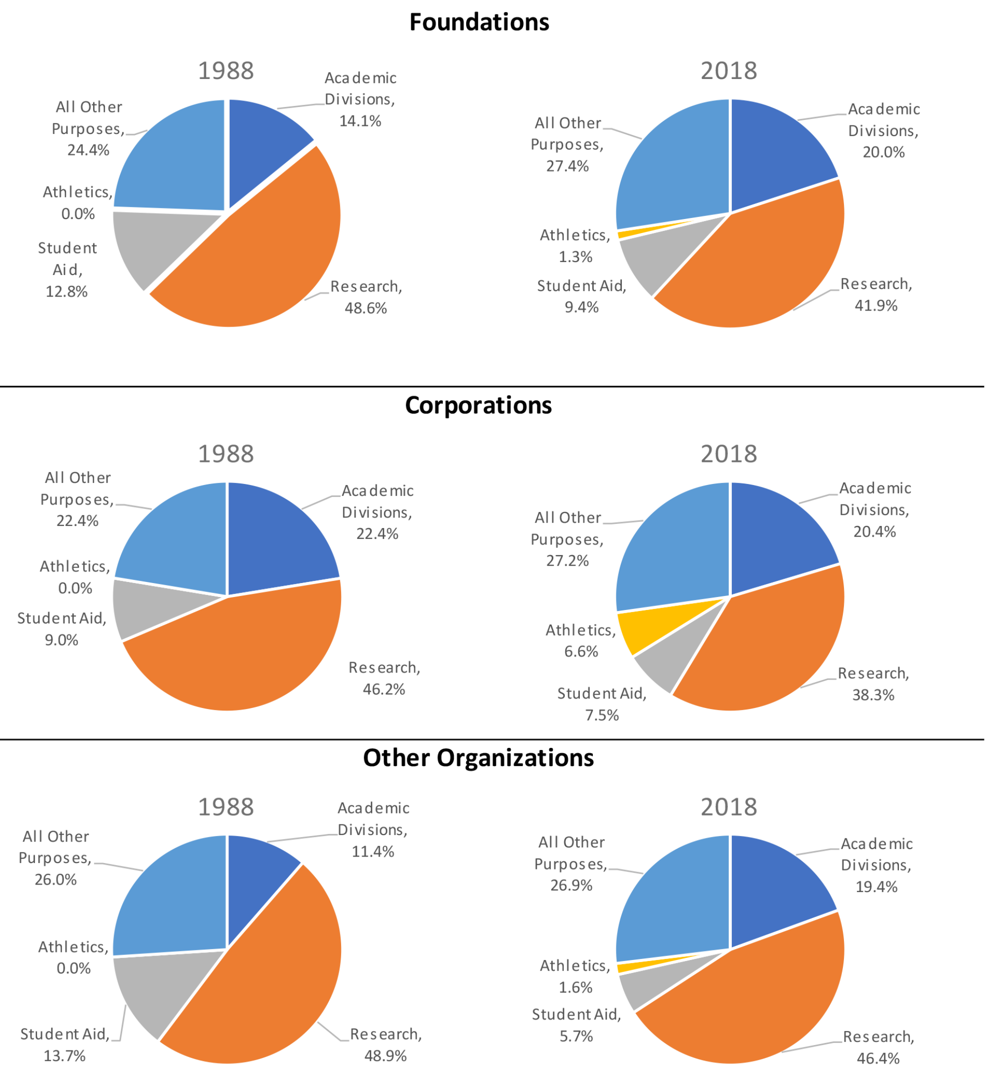
	Amount (2018 adjusted $millions)					Percent Distribution				
	1988	1998	2008	2018	Avg An'l Pct Chg	1988	1998	2008	2018	Change in Pct
OTHER ORGANIZATIONS										
Academic Divisions	57.1	74.5	130.9	367.5	6.6%	11.4%	9.2%	10.2%	19.4%	8.0%
Faculty/Staff Compensation	5.5	8.4	207.0	18.4	4.2%	1.1%	1.0%	16.2%	1.0%	-0.1%
Research	244.7	402.7	442.4	877.2	4.5%	48.9%	49.5%	34.5%	46.4%	-2.5%
Public Service/ Extension	28.3	34.3	31.9	70.4	3.2%	5.7%	4.2%	2.5%	3.7%	-1.9%
Libraries	6.6	7.5	20.2	5.4	-0.7%	1.3%	0.9%	1.6%	0.3%	-1.0%
Physical Plant Op & Maint	4.2	5.2	31.1	30.5	7.1%	0.8%	0.6%	2.4%	1.6%	0.8%
Student Aid	68.7	78.8	59.9	107.9	1.6%	13.7%	9.7%	4.7%	5.7%	-8.0%
Athletics		5.8	50.0	29.5	5.8%	0.0%	0.7%	3.9%	1.6%	1.6%
Current Ops/Other Restricted Purposes	85.7	195.7	307.2	384.5	5.3%	17.1%	24.1%	24.0%	20.3%	3.2%
Total	500.8	813.0	1,280.6	1,891.3	4.7%	100.0%	100.0%	100.0%	100.0%	0.0%

Figure 9. Changes in purposes for restricted current operations giving by individual donor types



Note: All Other Purposes includes: Faculty/Staff Compensation, Public Service/Extension, Libraries, and Other Restricted Purposes

Figure 10. Changes in purposes for restricted current operations giving by organizational donor types



Note: All Other Purposes includes: Faculty/Staff Compensation, Public Service/Extension, Libraries, and Other Restricted Purposes

Gift purpose by institutional control. Examination of donor giving by institutional control showed that private institutions received more funding in 1988 than public institutions ($5.3 billion compared to $3.9 billion), but by 2018 the public institutions received more than the private ones, by about $700 million ($12.8 billion compared to $12.1 billion) (see Table 11). Public institutions consistently received more gifts for current operations (62.5% in 1988 and 64.1% in 2018) than private institutions (51.2% in 1988 and 51.3% in 2018) for which endowment funding constitutes nearly one-half of their gift funding (Figure 11).

Table 11. Current operations and capital donations by institutional control, Carnegie category, and 1990 endowment level: Changes between 1988 and 2018

	1988 (2018 adjusted $millions)			2018 ($millions)		
	Curr Ops	Capital	Total	Curr Ops	Capital	Total
Total Giving	$5,107.5	$4,016.1	$9,123.6	$14,369.4	$10,450.3	$24,819.7
Control						
Public	2,407.7	1,446.7	3,854.4	8,186.4	4,576.3	12,762.7
Private	2,699.9	2,569.3	5,269.2	6,183.0	5,874.0	12,057.0
Carnegie Category						
Multi-campus	773.5	403.5	1,177.0	2,644.3	1,240.9	3,885.2
Doctoral	3,146.0	2,379.4	5,525.5	9,432.1	6,658.5	16,090.6
Master’s	292.9	310.7	603.7	562.1	640.6	1,202.7
Baccalaureate	661.3	774.4	1,435.7	956.8	1,404.1	2,361.0
Special Focus 4-Year	231.5	146.6	378.0	761.0	501.6	1,262.5
Associates	2.3	1.4	3.8	13.1	4.5	17.6
Endowment Category						
<1m	19.6	7.8	27.4	63.3	25.2	88.5
1m-<10m	287.9	172.4	460.3	611.8	408.6	1,020.4
10m-<100m	1,307.2	1,112.3	2,419.6	3,808.3	2,841.5	6,649.8
100m-<1b	2,670.2	2,149.7	4,819.9	7,433.2	5,377.3	12,810.5
1b+	822.7	573.8	1,396.5	2,452.8	1,797.6	4,250.4

Baccalaureate institutions (which are mostly private) received a larger proportion of their funds for capital/endowment (53.9% to 59.5%) than all other institutions types, followed by master’s institutions (51.5% to 53.3%) and doctoral universities (43.1% to 41.4%). Large multi-campus (65.7% to 68.1%) and associates institutions tended to skew more toward current operations (61.8% to 74.5%). Across the study institutions, differences in current operations and capital/endowment tended to grow more magnified by 2018. Considering institutions at their endowment value as of 1990, the least endowed institutions ($10 million and less) received between 60.0% and 71.6% of their funding for current operations in 2018, a ratio that had changed little since 1988. Institutions at all other endowment levels also received more for current operations than for capital/endowment, with institutions with $10 million to $1 billion endowments all receiving about 42% of their funding for capital/endowment in 2018. The greatest positive average annual percentage changes in all giving by institutional control came for public institutions; associates, special focus, and doctoral institutions; and the colleges and universities with the smallest and largest endowments.

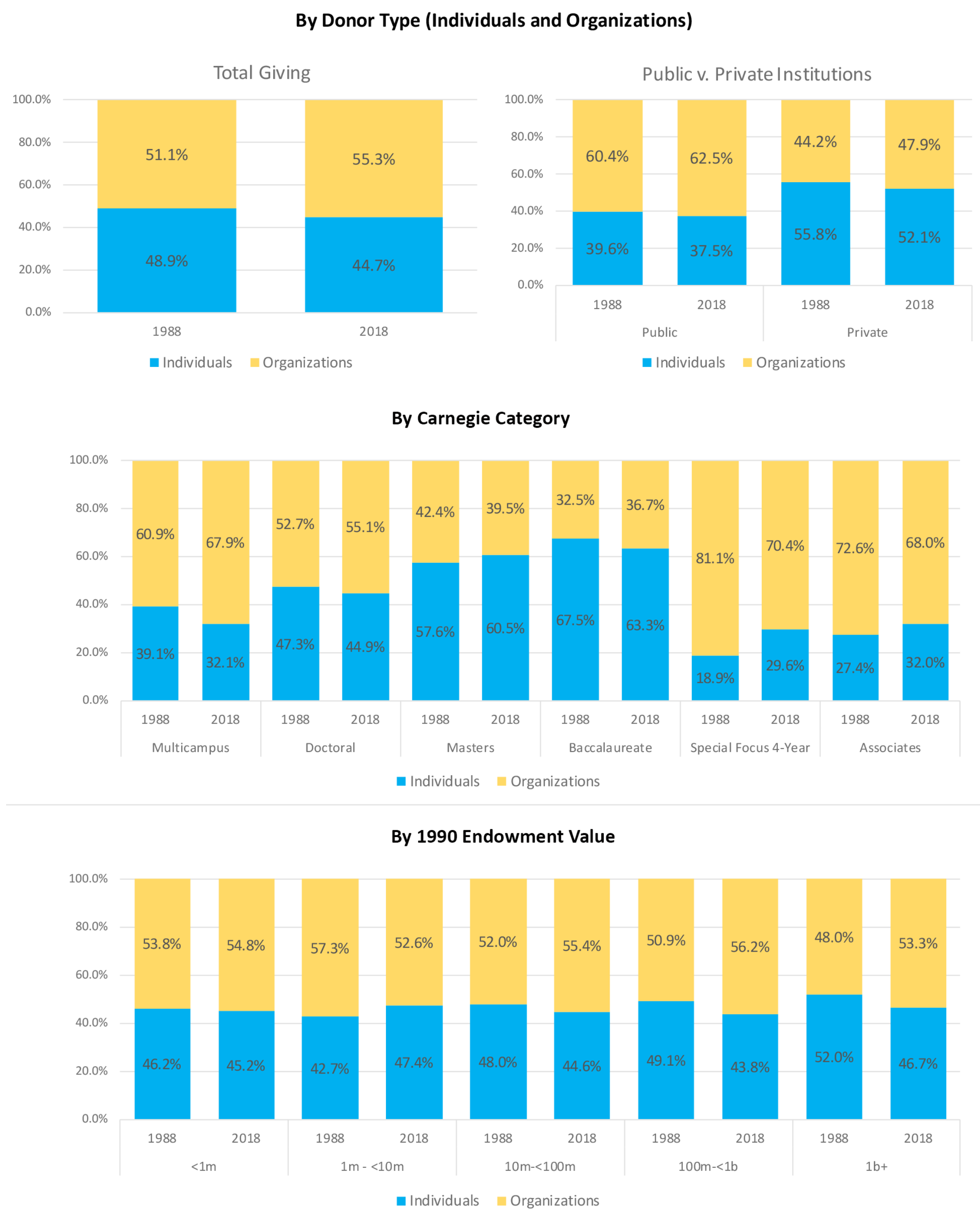
Figure 11. Changes in giving for current operations vs. capital purposes by institutional control, Carnegie category, and 1990 endowment level

Philanthropic support from donors varies by institutional type and wealth, and in most cases these differences became magnified over time (see Table 12 and Figure 12). For example, for public and private institutions a smaller proportion of dollars came from individuals in 2018 (37.5% and 52.1%) than in 1988 (39.6% and 55.8%). Private institutions consistently relied more on individuals, and public institutions received a larger share from organizations. Baccalaureate and masters institutions received more than 50% of their support from individuals. During the study period, the wealthiest institutions ($100 million endowments and up) shifted most toward organizational donors (5.3%). All other institutional groups echoed this shift except those in the $1 million to $10 million endowment wealth group, whose focus on organizational donors declined by 4.7%. The greatest average annual percentage changes in donor emphasis were recorded for public institutions; associates, special focus, and multi-campus institutions; and those with the smallest and largest endowments.

Table 12. Individual v. organizational donations by institutional control, Carnegie category, and 1990 endowment level: Changes between 1988 and 2018

	1988 ($ thousands 2018 adjusted)		2018 ($ thousands)	
	Individuals	Organizations	Individuals	Organizations
Total Giving	**$4,463.6**	**$4,660.0**	**$11,210.3**	**$13,892.4**
Control				
Public	1,524.9	2,329.5	4,826.4	8,031.4
Private	2,938.7	2,330.5	6,383.9	5,861.0
Carnegie Category				
Multi-campus	460.2	716.8	1,257.7	2,659.9
Doctoral	2,614.8	2,910.6	7,303.1	8,958.4
Master's	347.5	256.2	732.5	478.0
Baccalaureate	968.6	467.1	1,535.7	891.7
Special Focus 4-Year	71.5	306.5	375.3	891.6
Associates	1.0	2.7	6.0	12.7
Endowment Category				
<1m	12.6	14.7	40.7	49.4
1m - <10m	196.7	263.6	486.1	539.9
10m-<100m	1,160.7	1,258.9	2,995.0	3,726.8
100m-<1b	2,367.9	2,452.1	5,679.7	7,279.2
1b+	725.8	670.7	2,008.8	2,297.0

Figure 12. Changes in giving by individuals vs. organizations by institutional control, Carnegie category, and 1990 endowment level



Discussion and implications

Striking findings from the study relate to donors' desires to increasingly limit gift use and are two-fold. First was a strong shift toward restricted giving. Since the beginning of higher education in the United States, donors have given for restricted and specific purposes (Drezner, 2011; Thelin & Trollinger, 2014). Donors exhibited this preference in a striking way across the three decades of this study: restricted current operations and restricted endowment support vastly outpaced other gift forms. One caveat is that donors were quite supportive of academic divisions (i.e., academic schools, departments, programs), which allowed for "unrestricted" gift use within particular units. This type of giving gained popularity during the study period (4.5% average annual increase), suggesting a middle ground in which donors proffered a broad gift framework, leaving details to academic administrators in preferred units. Second was a clear emphasis on current operations versus endowments. The desire for funds to serve near-term and not perpetual purposes became more evident after 2008, perhaps reflecting growing doubts about endowment management, use and appropriateness (The Chronicle of Higher Education, 2018; Kim, 2017; Oxtoby, 2015; Thelin & Trollinger, 2014). Donors' desires to witness and shape the use of their gifts also is likely a factor. As they have become less content to put their money in the hands of the institutions without applying limitations for its use, it follows that those limitations may also be time-specific. Noting that changes in institutional fundraising emphases may also have played a role in these changes, hopes for enhancing long-term stability through endowment funds may become ever more difficult to attain. This makes ongoing, annual, and multiyear support from donors at all levels even more important to understand and generate.

Among all donor types, foundation support rose the most quickly and accounted for 30.0% of all the dollars given in 2018. This could be due to the increasing number of private foundations, growing foundation assets, and more grant making in the last 20-plus years (Foundation Center, 2019b). According to additional VSE analysis completed by CASE (2019b), higher education donors are now more likely to contribute through family foundations and avenues such as donor-advised funds (some of which would be considered "other organizations" in the VSE), which may also help explain the general shift toward organizational donors from individual donors. Far from lessening contributions (Bernstein, 2014; Hall, 2011), however, within the bounds of this study, foundations dedicated additional philanthropic efforts to higher education.

Donors and their foundations are increasingly sophisticated and have more stringent expectations for the use of their funds and reporting about the outcomes of their gifts (Goldseker & Moody, 2017), suggesting that institutions must rise to higher levels of accountability—something that society and regulators are also increasingly calling for. Institutional-level attention to structures of support for organizational fundraising and due diligence could help more institutions benefit from foundation largesse. Continued exploration of how foundations are giving, and for what purposes, including with data beyond the VSE, will increase understanding about the points of emphasis of specific foundations. Increased understanding also could help build coalitions and partnerships among like-minded institutions that want to harness the strengths of multiple campuses so as to appeal to large foundation initiatives (RPA & TIAA Institute, 2017).

Foundation giving in this study inclined toward public institutions, doctoral institutions, and well-endowed institutions—echoing other scholarship indicating that foundations are more supportive of large, well-resourced, and prestigious institutions (Bachetti & Ehrlich, 2007; Frumkin & Kaplan, 2010; McClure et al, 2017). While private institutions originally dominated as recipients of donor dollars, that trend had reversed by 2018; the connection of that shift to foundation giving is evident. With an average annual growth rate of 4.3%, public institutions moved from raising 26.8% less than privates in 1988 to generating 5.9% more in 2018. Four-year institutions that were mostly public—multi-campus systems and doctoral institutions—had the fastest annual rates of philanthropic growth.

This study period coincided with declines in once stable state appropriations and new fundraising vigor among public institutions (Conley & Tempel, 2006), which appears to have been fruitful for institutions in our sample. Additional analyses could more closely track how state funding declines relate to the growth in philanthropy at public institutions, and examine the nature of fundraising investments at those institutions.

Several 2019 announcements of $100 million-plus gifts (Conway, 2019; Scutari, 2019b) suggest that public institutions may be receiving larger single gifts than they did in the recent past (Indiana University Lilly Family School of Philanthropy, 2013b). Perhaps it is also true that foundations, which give more to research than to anything else, are seeing powerhouse public institutions as the best prepared to lead innovation and embark on long-term initiatives (Bacchetti & Ehrlich, 2007). Research funding in general was the foremost restricted current operations funding priority throughout the study as a result of organizational donors' support for this purpose, which helped to drive public institutions' new dominance in philanthropic funding. It is worth noting, however, that foundation and corporate support for research pales in the face of governmental contributions to university research (although public investments in basic research are declining) (Mervis, 2017; National Science Foundation,. 2018). This study sample included a larger proportion of public institutions than the 2018 full VSE or the national landscape of four-year institutions, which may exaggerate the findings related to research purposes. Further analysis that includes a larger proportion of private institutions would better capture the extent of this growth in funding support. Another worthwhile analysis would be a deep dive into the types of research that donors support.

Alumni fundraising remains a fruitful activity, while other individual fundraising has been less successful. Alumni consistently gave at least one-quarter of the philanthropic dollars for higher education. This is despite reported declines in the proportion of alumni who make donations (Blackbaud, 2018). Alumni were prone to give more to private institutions, which dominate the baccalaureate category and smaller institutions, where perhaps they were taught about giving as students and recognized the lack of state support. However, prior studies have been inconsistent regarding the effect of institutional size on alumni giving (Field, 2011; Leslie & Ramey, 1988). This is a reminder that alumni giving proclivity is not easily characterized. Alumni tended to be most open to providing support that was unrestricted at the institutional or academic division level. This likely made alumni donors particularly appealing to institutions, which appreciate the flexibility of discretionary funds. Cultivating alumni support at colleges and universities of all kinds, and especially public ones, is a recognized priority and known challenge in the effort to improve or at least maintain the status quo (Conley & Tempel, 2006). So far, efforts to maintain giving seem to be working for alumni, though a rise in alumni giving in the middle decades of this study was lost by 2018. Meanwhile other individuals increased their giving during the study, but at just 2.9% annually—less than the overall rate of increase of 3.6%—and causing a growing differentiation from alumni giving. As a result, other individuals now give a lower proportion of the dollars than in the past and noticeably less than alumni. This suggests that efforts to show other donors why they should give, perhaps because of the value of higher education in communities and society, warrant redoubled attention. More data are sorely needed to understand other individuals' giving motivations, needs and priorities (Drezner & Huehls, 2014; Proper & Caboni, 2014).

Although corporate philanthropy is well regarded as a business practice today (Evans, 2015; Gautier & Pache, 2015; Porter & Kramer, 2003), it had a slower growth rate of just 2.0% annually during the study period and declined as a proportion of giving by 8.1%. Corporate giving, once comparable to foundations and other individuals' contributions, is now substantially less than both types. Good business and economic conditions engender corporate philanthropy (Leslie et al., 1983; Leslie & Ramey, 1988; Cheslock & Gianneschi, 2008) leading to a hypothesis that today's business-friendly governmental policies coupled with the increasing prominence of corporate social responsibility may moderate this decline. Progress, however, will also require continued alignment of business and university philosophies regarding knowledge, innovation, and workforce development (Giroux & Giroux, 2004; Meuth, 1991; Siegel, 2012; Sommerville, 2009). Interestingly, corporate support for research and for student aid increased at an annual average of just 1.9% each during the study timeframe; research support particularly waned in the middle of the study years. The most striking increases were in the "other purposes" category and athletics. Increases in corporate giving particularly benefitted public institutions. Corporate visions for involvement with higher education are diverse and stretch across institutional purposes (and doubtless corporate goals as well). Corporate higher education philanthropy is an area ripe for additional attention. Its growth is far behind other donor types—even as critics assert that universities are more "business-like" than ever and as some big donors are moving into nontraditional corporate structures for their philanthropies (i.e., Mark Zuckerberg) (Bok, 2003; Brakman Reiser, 2018; Slaughter & Rhoades, 2009; Yeakey, 2015).

Higher education evolved significantly during the study period, not least in relation to educational costs. College tuition and fees more than doubled at private, nonprofit institutions, and more than tripled at public institutions from the 1980s to current day (Ma, Baum, Pender, & Libassi, 2018). Pell Grants from the federal government have not kept pace with inflation (The College Board, 2019). The cost of college for American families is higher than ever (Mitchell, Leachman, & Masterson, 2016; Webber, 2017). One might surmise that the parallel rise in philanthropy is helping to fill that gap. Student financial aid (merit- or need-based), however, was a low priority for current operations support. In fact, donors have been giving a smaller proportion of current operations support to student aid recently (9.4%) than they did 30 years ago (12.1%). Foundations give the most for student aid, and alumni are more supportive now than in the past. With only $1.2 billion (out of $14.4 billion in current use funds 2018) earmarked by donors for to direct student aid at the institutional level, it does not appear that philanthropy is filling the cost-to-attend gap (though postsecondary donors are also known to give much more heavily to endowments for this purpose). Other studies show that foundations are supporting student access, retention, and completion (Bernstein, 2014; Hall, 2010; Kelly & James, 2015; RPA & TIAA Institute, 2017) rather than scholarships, indicating that assistance is coming in other forms. VSE data may reflect newer forms of supporting students through the increased giving to academic divisions and research. Unfortunately, however, the VSE data set is not detailed enough in this area to know for sure and this analysis did not delve into the purposes of the restricted endowment giving, providing an important opportunity for future research about philanthropy and direct student support using other data sources and methods.

Conclusion

Public support for higher education over the past three decades has been positive, responding well in strong economic times and progressing through jolts such as the 2008 recession and vicissitudes of unemployment and wage levels. This study showed that donors give more to higher education than they did 30 years ago. The trend lines in this study align with optimistic news about big gifts, big campaigns, and big hopes for higher education philanthropy moving forward. Although there is a documented decline in the number of Americans making philanthropic contributions (Grimm & Dietz, 2018; Rooney, 2018), higher education has yet to see concomitant decreases in dollars received. Because higher education has typically received the most gifts of $1 million and greater (Indiana University Lilly Family School of Philanthropy, 2013a), large donations are likely shoring up drop offs in the number of donors…for the moment.

Fears about alumni association relevance, millennial giving behaviors, and lagging efforts to appeal to diverse donors have not come to fruition in giving declines at this time (Drezner, 2013; O'Neil, 2014). Perhaps institutions' ongoing investments in fundraising (Gardner, 2017, 2018; Ruffalo Noel Levitz, 2018) are creating more robust and sophisticated programs that are inspiring more giving from existing donors. Other unknowns on the horizon are the effects of 2017 tax legislation, anticipated to result in a $19 billion decline in giving to nonprofits (Rooney, 2018) and perhaps already influencing a decline in philanthropy in inflation-adjusted dollars (Giving USA Foundation, 2019). Looming uncertainties related to upcoming election cycles and higher education policy decisions could impact tuition, financial aid, and the regulation of endowments (American Council on Education, 2019; Seltzer, 2018a).

In the face of these phenomenon, this report is a strong reminder that all post-secondary leaders need to be strategic in their fundraising efforts and use data about long-term trends (sector wide, among like institutions, and at their own campuses) to help guide their choices. As donors become more specific and near-term focused in their gift purposes, college and university leaders can also use data to adapt fundraising efforts, programs, and priorities to meet donor preferences and expectations. More fundamentally, at a time when higher education revenue models are changing substantially and public attitudes about higher education are shifting, institutions must attend carefully to the external context in which they operate. Simultaneously, educational mission, vision and priorities must remain a guiding force in shaping philanthropic direction. Only by constantly attending to events inside *and* outside the institution will future leaders be prepared to optimize philanthropic performance and assure that donor generosity is achieving the greatest good.

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Appendix A

This study is based on responses from the VSE survey. The VSE survey provides institutional level data regarding donor type and donation purpose. The definitions of donor type and donation purpose are provided in the following Appendix Tables A1 and A2.

Appendix Table A1 provides the definitions of donor types. We divide the donors into five types; the first two represent individuals (alumni, all other individuals) and the remaining three are organizations (foundations, corporations, all other organizations).

Appendix Table A1. Definitions of donor types

Donor Type	Definition
Individual	
Alumni	All former students at all levels who have earned some credit towards something (i.e., completed at least one course with passing grades)
Other individuals	Includes all non-alumni individuals, including parents, grandparents, faculty/staff*
Organizations	
Foundations	Personal and family foundations, community foundations, private tax-exempt entities
Corporations	For-profit corporations, partnerships, cooperatives, including closely held companies. Includes company foundations, trade associations
Other organizations	Includes religious organizations, fundraising consortia (i.e., United Negro College Fund, United Way),* donor-advised funds

Source: CASE (2018).

*In the VSE, these donor types appear as separate groups. Because these are relatively small groups, for the purpose of this analysis, we grouped them together into pooled categories.

Appendix A—continued

Appendix Table A2 provides the definitions of the two broad purposes of gifts, which are first categorized as current operations and capital/endowment. Current operations gifts are either unrestricted or restricted to specific purposes, resulting in eight distinct sub-categories. Capital/endowment is divided into four sub-purposes, both restricted and unrestricted.

Appendix Table A2. Definitions of donation purposes

Outright Gifts	Definition
Current Operations	
Unrestricted	No restriction at all
Academic divisions	Restricted only to particular academic divisions, no further restriction
Faculty and staff compensation	Restricted to faculty and staff salaries and employment benefits
Research	Restricted private grants for scientific, technical, and humanistic investigations (excluding clinical trials)
Public service and extension	Restricted to non-instructional services for people and groups within or outside the institution (i.e., support activities primarily for radio/tv stations, community service)
Library	Restricted for materials and activities appropriate to a library
Physical plant	Restricted to ongoing operations of building, grounds, facilities, equipment
Student aid	Restricted to financial aid for students, need- and merit-based, awards, etc.
Athletics	Restricted to athletic department, intramural and extramural activities
Other	Restricted to specific uses not classified otherwise such as auxiliary, hospitals, non-academic units
Capital/endowment	
Property, buildings, equipment	Outright gifts of personal property, gifts for purchasing buildings or land, gifts for construction or renovation, gifts to retire debt
Unrestricted endowment	Donor restricts money be held in an endowment but doesn't restrict use of income
Restricted endowment	Donor restricts money to be in endowment and limits use of income to particular purposes. Prior to 1998, this included both outright gifts and the present value of deferred gifts. Starting with 1988, these components were separated but are added together for this analysis to ensure consistency.
Loan funds	Restricted by donors for loans to students, faculty, and staff

Source: CASE (2018).

About the authors

Genevieve G. Shaker, Ph.D., is associate professor of philanthropic studies in the Indiana University Lilly Family School of Philanthropy at IUPUI. Previously, she was an advancement officer for 20 years, most recently as associate dean for development and external affairs for the Indiana University School of Liberal Arts. Professor Shaker's research focuses on fundraising; higher education advancement; philanthropy in the workplace; and philanthropy, public good, and faculty work. She is a fellow of the TIAA Institute and was recognized nationally as the Association of Fundraising Professional's Emerging Scholar. She is associate editor of the journal *Philanthropy & Education*.

Victor M. H. Borden, Ph.D. is professor of higher education and student affairs in the Indiana University Bloomington School of Education, where he also directs the Carnegie Classification of Institutions of Higher Education and serves as a senior advisor to the Executive Vice President for University Academic Affairs. Previously, he directed a campus and the university-wide institutional research offices at Indiana University and worked in IR offices at two other universities. Dr. Borden's general area of scholarship is on using research and analysis for planning, evaluating and improving higher education institutions and systems. Dr. Borden was a Fulbright Specialist in South Africa and is an active contributor to several professional associations, most notably, the Association for Institutional Research, of which he is a Past President.