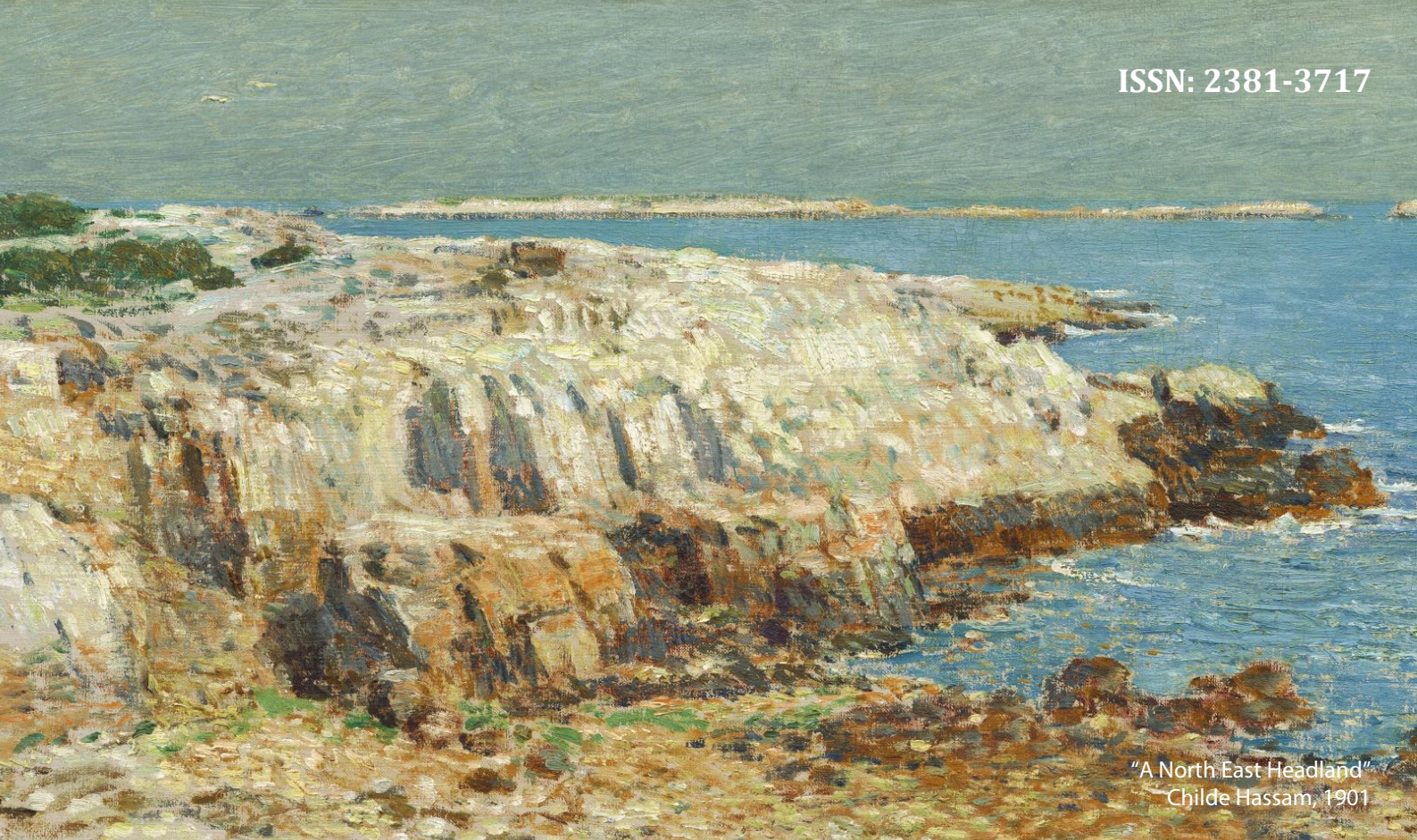




"A North East Headland"
Childe Hassam, 1901

JPNA

JOURNAL OF PUBLIC AND NONPROFIT AFFAIRS

SPRING 2019
VOLUME 5 ISSUE 1

Research Articles

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David Berlan
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JOURNAL OF PUBLIC AND NONPROFIT AFFAIRS
a journal of the Midwest Public Affairs Conference

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The *Journal of Public and Nonprofit Affairs (JPNA)* focuses on providing a connection between the practice and research of public and nonprofit affairs. This is accomplished with scholarly research, practical applications of the research, and no fees for publishing or journal access. JPNA publishes research from diverse theoretical, methodological, and disciplinary backgrounds that addresses topics related to the affairs and management of public and nonprofit organizations.

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Journal of Public and Nonprofit Affairs

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Introduction to the Issue

Lindsey M. McDougle – Rutgers University-Newark

The 2019 Midwest Public Affairs Conference (MPAC) takes place September 19-20, 2019. It will be held at the Paul H. O'Neill School of Public and Environmental Affairs at Indiana University Purdue University in Indianapolis. The theme for this year's conference is *Less is More: A Themeless MPAC*. This concept (of "less is more"), in many ways, is applicable to the current landscape of public and nonprofit affairs.

Indeed, public and nonprofit management scholars have begun to explore the many ways in which less is often more. For example, there have been attempts to understand mechanisms of publicness in mental health treatment facilities (Merritt, Cordell, & Farnworth, 2017); and, there is also work measuring how fewer social networks can influence the public's philanthropic engagement with nonprofit organizations (Scharf, 2014). We, therefore, invite scholars, researchers, and practitioners to consider the ways in which this concept (of "less is more") could manifest itself in the public and nonprofit sectors.

An exciting aspect of MPAC this year is that it will be held concurrently with the Teaching Public Administration Conference (TPAC). Both, MPAC and TPAC will have a combined registration. Therefore, individuals may attend both at no additional cost. Combining these conferences should allow participants to explore, celebrate, and enhance the full diversity of public and nonprofit theory, praxis, and pedagogy as it relates to the concept of "less is more."

Similar to this year's MPAC theme, there is no particular theme that ties together the research articles in this issue of the Journal of Public and Nonprofit Affairs (JPNA). However, each of the articles in this issue adds to our understanding of public and nonprofit affairs in meaningful ways. In particular, the first research article by Berlan, Shen, and Klay (2019) explores the history and evolution of the Southeastern Conference on Public Administration (SECoPA). In the article, the authors examine the extent to which SECoPA has remained true to its founding mission.

The next research article by Collins, Kim, and Tao (2019) focuses on the topic of citizen satisfaction. The article explores how quantity and quality of public service provision affect how satisfied citizens are with their public services. Using data from a pair of municipal surveys, the authors find that quality and quantity are indeed, both, significant antecedents to citizen satisfaction. This finding leads the authors to call for more nuanced conceptualizations of citizen satisfaction in the public sector.

Shaul Bar Nissim and Schmid (2019), in their research article *Rethinking the Social Welfare Regime: The Case of Public Policy Toward Israeli Philanthropists*, propose modifications to traditional social welfare regime typologies based on the nature of the relationship that exists between government and philanthropy in the context of shifting welfare regimes.

Denison, Yan, and Butler (2019), in their research article, use financial data for nonprofit organizations extracted from the National Center for Charitable Statistics (NCCS) digitized files to examine the extent to which a reliance on different nonprofit revenue sources affects nonprofit revenue volatility and total revenue growth.

The last research article in the issue by Millesen and Carman (2019) uses data collected from 800 individuals serving as board members of 42 different performing arts nonprofits. In the study, they report on board member evaluations of their own individual participation as well as board member evaluations of the board's collective governance process.

Although each of the research articles in this issue of JPNA focuses on a different aspect of public and nonprofit affairs, collectively they all provide theoretical and practical guidance for those operating (whether research-wise, pedagogically, or practically) in these sectors.

The sole article in our Current Issues in Practice section for this issue provides insight into an important, though often overlooked, aspect of volunteer management: that is, the aging of volunteers. In this article, Russell, Heinlein Storti, and Handy (2019) present the results of a survey of volunteer administrators who share their organization's current policies and perspectives about volunteer retirement.

To close out the issue, Klatt (2019) provides a review of Paul A. Verkuil's (2017) book *Valuing Bureaucracy: The Case for Professional Government*.

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Journal of Public and Nonprofit Affairs

Vol. 5, No. 1

The History and Evolution of the Southeastern Conference for Public Administration

David Berlan – Florida State University

Ruowen Shen – Florida State University

W. Earle Klay – Florida State University

The Southeastern Conference for Public Administration (SECoPA) began in 1969 in the wake of reapportionment and desegregation. The founders of SECoPA sought to promote the emergence of a new South, one that would be both dynamic and inclusive, by promoting the practice and study of public administration throughout the region. In the decades since, SECoPA has continued to host annual conferences serving the region. Through coding and analysis of annual conference programs, and using the lens of new institutionalism, this article explores SECoPA's history and fidelity to its founding mission. The annual conferences have been responsive to concerns of public administration scholars in the region, but drastic declines in practitioner participation mirror broader trends in the profession.

Keywords: Academic Conference, Profession of Public Administration, Southern States

In just three years in the 1960s, three actions of the federal government removed the straitjacket the South had imposed upon itself. When southerner Lyndon Johnson signed the Civil Rights Act of 1964 and the Voting Rights Act of 1965, legal segregation in the South was abolished. Segregation had been, in essence, a self-imposed straitjacket. Its legalized racism had inhibited the South's economic development and political maturation for more than a century. Southern states had also allowed their rural areas to dominate their legislatures. In 1962, the U.S. Supreme Court ruled Tennessee's malapportioned legislature to be unconstitutional in *Baker vs. Carr* (369 US 186). The reapportionment of southern states that followed greatly increased representation of urban communities in state legislatures. Rapid changes followed throughout the South.

Academics from public administration faculties at southern universities were aware of the new dynamism emerging in the region. They strongly believed that quality public administration, devoted to equal treatment for all, would be essential for creating a new South. Conversations among them, within states, and at national conferences led to efforts to establish a regional conference that would assist practitioners in governments throughout the South during this period of transition. Starting with its 1969 inaugural conference in Florida, the Southeastern Conference for Public Administration (SECoPA) began serving as a key venue for sharing and

disseminating information about public administration throughout the region and beyond. It has continued to host its annual meetings ever since.

After a decade of increasingly formal existence, SECoPA incorporated itself as a nonprofit organization in 1978. It incorporated in Florida, but it has no formal headquarters there or in any other state. As with any active organization, SECoPA's strategies, focus, and structures have evolved over time—intentionally and unintentionally. This article explores this process of evolution through analysis of annual SECoPA conference programs. We first identified changes in participant composition and topics of presentations over time. We then reflected on the changes within the context of other historical changes at SECoPA and in the field of public administration. We conclude by examining how SECoPA has addressed its founding purpose—that is, helping public administrators promote quality government, economic development, and equity in resolving social problems.

History of SECoPA

Two prior articles in the *Southern Review of Public Administration* laid out the history of SECoPA (Duffey & Pugliese, 1977; Pugliese & Duffey, 1982), as did remarks at SECoPA's 1992 meeting (Teasley, 1992). To avoid excessive duplication, this article will provide just enough history of the organization to introduce it to an audience unfamiliar with these earlier articles and remarks. We owe a debt of gratitude to these authors, all three of whom were early leaders in SECoPA, for chronicling the organization's early years.

SECoPA began in 1969 with its first regional conference hosted in Florida. This was just before the American Society for Public Administration (ASPA) altered its constitution to create regions of the nation from which some of ASPA's council members were to be elected (Duffey & Pugliese, 1977). During its first decade of existence, SECoPA took a form characterized by Duffey and Pugliese (1977) as a “loose” network, with activity centered on the annual conferences. The fledgling conference made two critical choices in 1972: establishing a seed fund to help chapters host conferences and rejecting an offer by national ASPA to sponsor the meetings (ibid). SECoPA's founders were ASPA members. SECoPA has worked closely from its inception with ASPA chapters in the South and its membership is comprised of southern ASPA members, but SECoPA operates independently of ASPA.

In 1978, SECoPA formally incorporated as a nonprofit organization in the state of Florida (Pugliese & Duffey, 1982). All members of ASPA chapters in the southeastern region were considered members of SECoPA. Florida's chapters played strong roles in the organization's early years, initially accounting for half of SECoPA's membership (though quotas limited their representation on SECoPA's board) (Duffey & Pugliese, 1977). In 1979, SECoPA adopted its first set of bylaws (Pugliese & Duffey, 1982).

Throughout its history, SECoPA has primarily focused on the annual meeting. An early SECoPA leader asserted that staging the annual conference is SECoPA's primary mission (Teasley, 1992). SECoPA financially supported the start-up of a new academic journal called the *Southern Review of Public Administration* (SRPA), which began in 1978 and became the *Public Administration Quarterly* in 1984. SECoPA is very different from ASPA, and it has steadfastly retained its legal independence from ASPA (Teasley, 1992). ASPA operates continuously with a full-time paid staff. SECoPA has chosen to remain a fully volunteer organization with no paid staff members. Initially the annual conferences lacked formal controls that might restrain decisions by host chapters and committees (Teasley, 1992). Host chapters now enter into formal agreements with the SECoPA board. As early as the 1970s, SECoPA had become the largest, best organized, and best attended region in ASPA with a tradition of annual meetings almost always making money; the only exception to that success was when a hurricane interrupted its conference in Pensacola (Teasley, 1992).

The founders of SECoPA had several goals in mind for the conference. They simultaneously sought to advance the quality of public administration scholarship and the practice of our field in the South. Its founders wanted SECoPA to be an inexpensive conference in order to attract practitioners and enable students to attend and participate. It remains one of the least-expensive professional conferences in the field. The founders believed that both scholarship and enlightened practice would promote economic and social development in the region. Consequently, efforts were made to encourage practitioners to attend and to share insights from their practice. At the time of SECoPA's founding, ASPA chapters had far greater numbers of in-service members than they do presently. The findings of this study help to highlight the difficulties that now exist in attracting substantial numbers of practitioners to ASPA-related conferences.

Theory and Methods

To trace the evolution of SECoPA since its incorporation, we coded and analyzed presentations at the annual conferences from 1979 through 2015. SECoPA archives contain no conference programs prior to 1979. Due to unavailability of paper or electronic programs from the years 1995, 1998, 2005, or the years before 1979, these years were excluded from our analysis. We coded conference programs for each of the 34 years for which they were available. The information captured provides details about individual participants in each panel session, including their professional background (academic or practitioner according to their declared affiliation; those without an affiliation were conservatively assumed to be practitioners) and the main topics addressed in their individual paper or the broader panel. Unlike a previous study of national ASPA (Rubin, 2000), we did not attempt to capture the gender of presenters, as we would have had to make too many assumptions based on presenter first names to feel comfortable with coding accuracy. In examining participant roles, we also differed from Hildreth and Woodrum's (2009) more recent examination of the Association for Budgeting and Financial Management's (ABFM) annual conferences. We attempted to code different roles for conveners/chairs, paper presenters, and discussants, but we found some conference programs labeled these roles differently. As a result, we elected to treat all participants the same, as simply participants, in analyzing and reporting results. We were unable to secure similar information about the number of attendees, their backgrounds, or whether any participants were students. For the 27 conference programs that included information on SECoPA's board, we also captured the academic/practitioner breakdown of members.

This coding took an inductive approach, with initial codes being developed to cover topics addressed in the presentations and panels. We then collapsed the codes into a briefer set of topic codes that align with major subfields of public administration and related disciplines. The topics were recoded to fit this set. For panels or papers with multiple topics, up to three codes were captured. We coded conveners and discussants according to the panel's topic; further, we coded authors of individual papers with the paper's topic (if it differed from that of the broader panel). This approach was intended to capture most topics addressed in presentations, but it came with a downside in that some panels and presentations covering two or three topics were counted multiple times. This created the potential for some bias, likely increasing the share of presentations for less frequent topics at the expense of more common topics. One of the authors of this study has attended more than 90% of SECoPA conferences (beginning in 1970) and is a former officer of the organization. All three authors developed the coding approach, and one author conducted the final round of coding to ensure consistency.

We also conducted a series of interviews, informal conversations, and presentations to serve as member checks on the validity of our findings and to gain insights otherwise unattainable in the conference programs. The first eight interviews/conversations and the first two presentations were held shortly after we completed our first full draft. They were mostly conducted with long-running leaders at SECoPA. Initially, we just used this feedback to check

our confidence in the findings, but at the suggestion of a peer reviewer we incorporated responses from these interviews and conducted three additional interviews with current or recent leaders of SECoPA to ensure that we had a broadly representative group of participants (see Table 1 for interviewee demographics). The perspectives and board initiatives identified by these respondents quickly reached sampling saturation due to participants' common histories of serving as leaders in their local ASPA chapters, on SECoPA's board, and in ASPA. We used these interview responses to add detail and nuance to the analysis rather than as a source for our findings. As we did not initially obtain permission to use respondent names, we have not linked individual respondents to their comments.

Shifts in membership and conference content are to be expected amongst any professional organization. For SECoPA, there has been a marked reduction in practitioner participation, as well as some shifts in the topics addressed in presentations and discussions (see Chart 1 in the next section). Such changes can be influenced by multiple factors. In striving to make sense of our findings, we have found it useful to utilize a new institutionalism theoretical framework. New institutionalism's isomorphic forces concepts (DiMaggio & Powell, 1983) provided us a useful lens for understanding how different forms of influence may have shaped the topics and composition of SECoPA's annual meetings. Three forms of these forces encourage similarity between organizations, with coercive isomorphism emerging from pressures brought by powerful external actors to adopt their values or goals; mimetic isomorphism occurring through the emulation of successful peers; and normative isomorphism appearing through the adoption of broader professional or societal norms. These forces generally lead individuals and their organizations to incorporate ideas from elsewhere and can explain shifts that mirror those occurring in professions, other associations, and society more broadly. Divergences between SECoPA and these other entities and ideas could be expected to occur when the divergent ideas are central to the organization's identity and help establish its legitimacy.

Coercive isomorphism can occur in many forms. For example, official actions by ASPA to include or exclude a state from ASPA's region that includes southeastern states could affect SECoPA. Federal and state policy changes that alter the practice of public administration, such as mandates to privatize activities, would be expected to have resultant impacts on conference topics. Government actions, such as reducing practitioner travel funding, might be expected to diminish participation. On the other hand, changes in government policies could encourage practitioners to interact with academics to solve new problems.

Mimetic isomorphism has not only happened over time but has been encouraged for public administration academics. A quantitatively trained Herbert Simon (1947) wanted to enhance the prestige of public administration on campuses by emulating the natural sciences. On the other hand, a political theory trained Dwight Waldo (1948) sought to enhance the prestige of public administration programs on campuses by emulating departments of philosophy. SECoPA members belong to numerous professional associations, including not just ASPA and other regional associations, but also various subfield or competing associations in public administration (e.g., the Association for Public Policy Analysis and Management and the Public Management Research Association for academics; the International City Management Association and the National Institute of Governmental Purchasing for practitioners). SECoPA members also attend other disciplinary conferences (e.g., the Academy of Management and American Political Science Association). But where SECoPA members identify opportunities unaddressed by these other venues and incorporate them into SECoPA meetings, this can be possibly viewed as intentionally rejecting mimetic pressures.

Finally, normative isomorphism would shape SECoPA's annual meetings through the individuals leading it at a given point in time and through broader societal shifts. For example, the Association of Government Accountants (AGA) has been actively promoting norms of transparency and a long-range stewardship approach to financial reporting.

Table 1. Interviewee Characteristics

Characteristic	<i>n</i>
Practitioner	3
Academic	8
Male	8
Female	3
Current SECoPA Board Member or Officer	5
Former SECoPA Board Member or Officer	5 ^a
ASPA Board Member or Officer 2 ^a	

^aone interviewee fits two roles.

SECoPA members who belong to the AGA might be expected to promote those topics. SECoPA extends considerable freedom in influencing program content to each conference's hosting committee, so the professional backgrounds of those hosting each conference could also be expected to shape the choice of participants and topics. Shifts in societal norms have clearly influenced SECoPA. Such shifts motivated its founding, causing it to emphasize such topics as managing diversity. SECoPA was intentionally founded to alter the shape of governmental institutions in the South—not mimic what had gone before.

Evolution of SECoPA

SECoPA's first seven annual meetings involved a relatively small number of participants, but between 1976 and 2007 the annual meetings generally tended to attract between 100 and 200 annual participants (see Table 2). Since 2008 the number of participants on the program increased to range between 250 and 500. SECoPA held these meetings throughout the South, though almost a third were held in Florida.

Over time, SECoPA has experienced a dramatic change in participant composition. Though even the earliest conferences in this analysis saw the majority of participants coming from academic backgrounds, conferences in the early 1980s saw practitioners comprising around 40% of panel participants (see Chart 1). The mid- to late-1980s saw this drop to around 30%, which continued declining (albeit with some significant fluctuations) to average around 20% throughout most of the 1990s. This pattern continued and worsened (from the perspective of SECoPA's original intent) in the 2000s, dropping to around 10% by the middle of the decade. It has not improved since and, in 2014, reached a low of 5%. A significant proportion of SECoPA panels have incorporated a practitioner or two, often as convener or discussant, and have continued to do so even in the face of declining practitioner involvement (see Chart 2). Instead, the conferences have seen significant declines in panels engaging multiple practitioners, with practitioner only- or dominated-panels all but extinct in the past 15 years.

Board member composition has not followed the same trend as conference participants (see Chart 3). When incorporated in 1978, the board was evenly divided between members from academic and practitioner backgrounds, though in most subsequent years far more scholars have served on the board. After a brief span in the 1990s when there were no practitioners on the board, members from practice have since been regular contributors to it. This is in part due to deliberate efforts by SECoPA's leadership to recruit practitioners to serve. For the years we could observe board data, almost a quarter of directors were practitioners. This is a significantly higher rate than recent conference participants.

The relative independence of SECoPA planning committees has influenced their selection of topics over time. The programs of many professional conferences are decided in a centralized manner. SECoPA, on the other hand, has extended considerable influence about programs to the ASPA chapters that sponsor each annual conference. For example, the 1988 conference

Table 2. Conference Locations and Size by Year

Year	Location	<i>n</i>	Year	Location	<i>n</i>
1969	Tampa, FL	26 ^a	1995	Savannah, GA	Unknown ^c
1970	Atlanta, GA	54 ^a	1996	Miami, FL	196
1971	Hollywood, FL	103 ^a	1997	Knoxville, TN	240
1972	Atlanta, GA	36 ^a	1998	Delayed	0 ^d
1973	Nashville, TN	78 ^a	1999	Pensacola, FL	185
1974	Orlando, FL	92 ^a	2000	Greensboro, NC	166
1975	Williamsburg, VA	80 ^a	2001	Baton Rouge, LA	120
1976	Miami Beach, FL	145 ^a	2002	Columbia, SC	194
1977	Knoxville, TN	151 ^b	2003	Savannah, GA	116
1978	Charleston, SC	145 ^b	2004	Charlotte, NC	161
1979	Montgomery, AL	146	2005	Little Rock, AR	Unknown ^c
1980	Orlando, FL	146	2006	Athens, GA	147
1981	Jackson, MS	164	2007	Nashville, TN	151
1982	Louisville, KY	270	2008	Orlando, FL	495
1983	Tallahassee, FL	135	2009	Louisville, KY	258
1984	Memphis, TN	75	2010	Wilmington, NC	445
1985	Charleston, SC	128	2011	New Orleans, LA	299
1986	Pensacola, FL	122	2012	Coral Springs, FL	271
1987	New Orleans, LA	154	2013	Charlotte, NC	265
1988	Birmingham, AL	192	2014	Atlanta, GA	356
1989	Jackson, MS	263	2015	Charleston, SC	348
1990	Clearwater Beach, FL	281			
1991	Charlotte, NC	151			
1992	Montgomery, AL	169			
1993	Cocoa Beach, FL	192			
1994	Lexington, KY	112			

^aFrom Duffey & Pugliese, 1977.

^bFrom Pugliese & Duffey, 1982.

^cConference program unavailable.

^dConference cancelled due to hurricane.

in Birmingham, Alabama, reflected the scholarly interests of its program chair, Mary Guy, who is a noted scholar of diversity issues, by incorporating more papers and presentations on topics related to gender and racial diversity than any other conference. This flexibility results in some interesting variations in relative emphasis on topics from year-to-year. But there are some clear longitudinal trends (see Tables 3, 4, and 5). Some are troubling and others encouraging.

Financial management and human resources were consistently emphasized throughout the 1980s and 1990s, but this emphasis has decreased since the turn of the century. In the early 1980s, personal computers were first introduced into offices on a massive scale. SECoPA's presenters reflected this for a couple of years (1983 and 1984), but technology has never been a principal topic since. Law and criminal justice was substantially emphasized during the 1980s and early 1990s before receding. Early SECoPA leaders with backgrounds in criminal justice, like Jeff Duffey, influenced the relative frequency of the topic. As these leaders were replaced by younger members who were more attuned to other topics, a decline in law and criminal justice occurred.

Other topics, e.g., nonprofit management, international/comparative administration, and defense/emergency management, appeared infrequently until the late 1990s or early 2000s, when all three saw increasing attention. Defense and emergency management topics spiked in response to global events—notably 9/11, the wars in Afghanistan and Iraq, and hurricanes

Chart 1. Percent of Participants from Academic and Practitioner Backgrounds

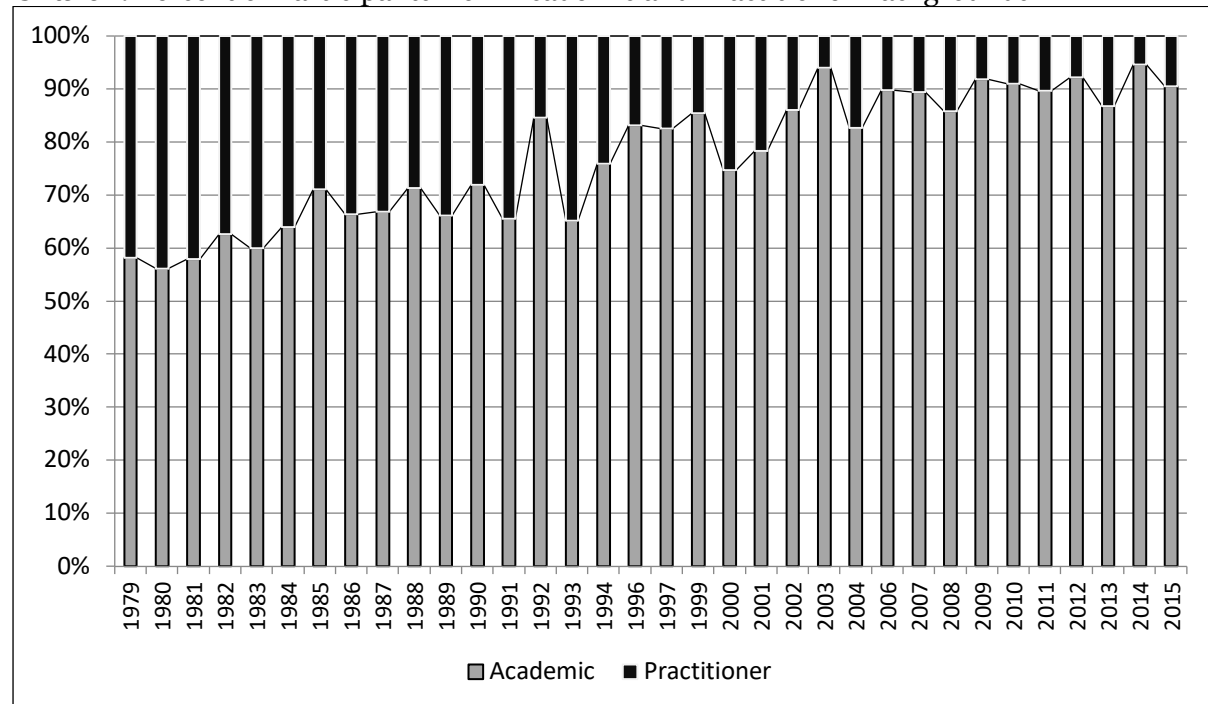
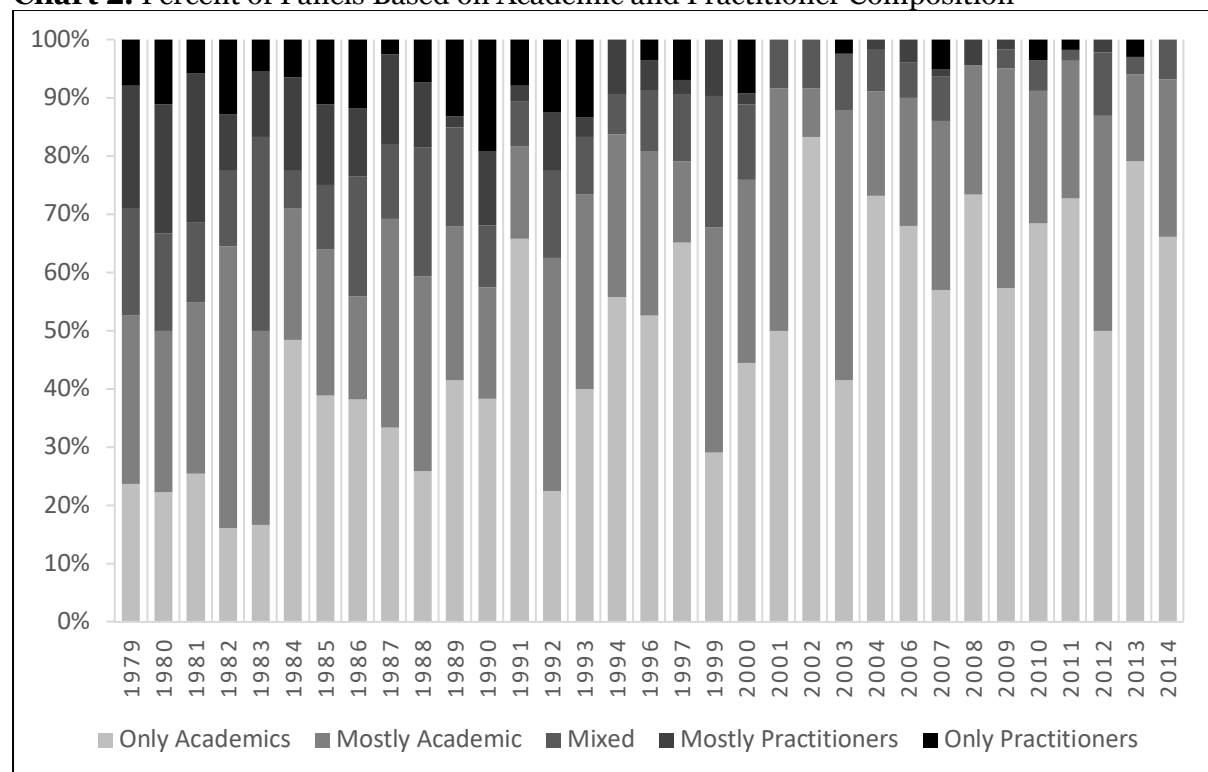
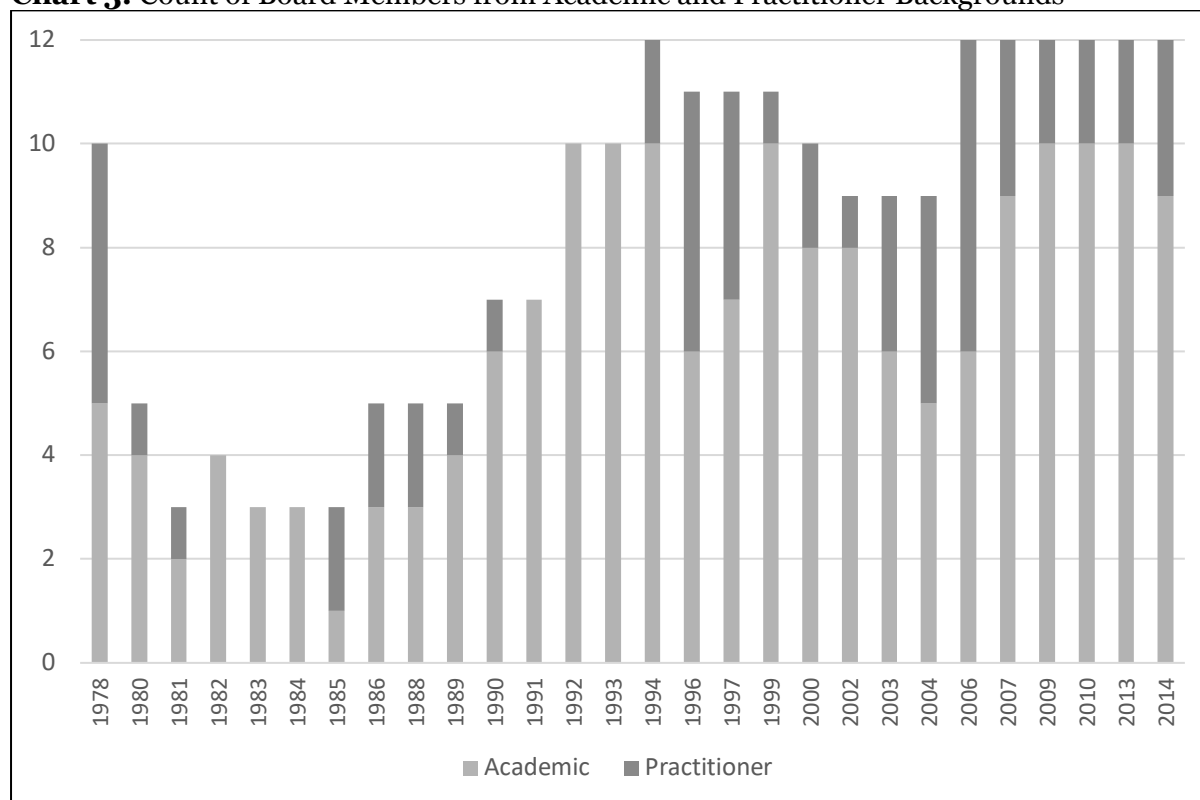


Chart 2. Percent of Panels Based on Academic and Practitioner Composition



Note: 'Only Academics' denotes panels without any practitioner participants; 'Mostly Academics' denotes panels with at least one practitioner but at least twice as many academic participants; 'Mixed' denotes panels with relatively balanced composition; 'Mostly Practitioners' denotes panels with at least one academic but at least twice as many practitioner participants; 'Only Practitioners' denotes panels without any academic participants.

Chart 3. Count of Board Members from Academic and Practitioner Backgrounds



Katrina and Sandy. Papers and presentations related to collective safety are now repeatedly evident at SECoPA meetings.

In 2001, SECoPA leaders formally decided to encourage the international exchange of information in public administration. In that year, they created an award to be given annually to a practitioner or scholar who has fostered the exchange of information internationally in our field. The award is named in honor of Dr. Peter Boorsma, a scholar and political leader in the Netherlands. SECoPA has also experienced a gradual increase in internationally focused panels and presentations. SECoPA's "internationalization" reflects two influential trends that strengthened in the 1990s and 2000s: the pressures of globalization on public administration education (Devereux & Durning, 2001; Kettl, 2001) and the broader internationalization of faculty in higher education (Marvasti, 2005). (In 2015, half of the applicants for a broadly defined Assistant Professor position in the Askew School of Public Administration and Policy of the Florida State University were doctoral graduates of American universities who were born in other countries.) A half century ago, in the decades immediately following the United States' emergence from World War II as a major global power, there was much interest in the United States about comparative public administration and international development. That interest waned, but judging from SECoPA presenters, it now seems to be on the upswing again.

Nonprofit management began to be emphasized in many public administration programs in the 1990s. SECoPA's presentations on nonprofit management followed suit, but with a mild lag effect. Some graduate courses and programs in nonprofit management date to the 1980s; Moreover, during the 1990s the numbers of nonprofit programs grew rapidly. About half of them were tied to MPA or MPP programs (Mirabella & Wish, 2001; Wish & Mirabella, 1998; Young, 1999). Academic activity in nonprofit management primarily began in the northeast and midwest (Wish & Mirabella, 1998). It was only in the mid-1990s that nonprofit management became a continuing topic of interest in the South. Activity in SECoPA mirrors that pattern. Growth of these programs slowed but continued into the 2000s, with the topics

Table 3. Percent of Presentations by Policy Field

Year	Defense and Emergency Management	Education	Environment and Energy	Health	Law and Criminal Justice	Planning and Economic Development	Social Policy and Human Services	Technology
1979	9%	3%	2%	7%	8%	4%	7%	1%
1980	1%	2%	2%	0%	<u>16%</u>	<u>12%</u>	5%	1%
1981	0%	0%	0%	0%	<u>16%</u>	0%	8%	0%
1982	2%	0%	5%	1%	<u>12%</u>	2%	0%	2%
1983	2%	2%	3%	2%	<u>12%</u>	3%	5%	5%
1984	1%	6%	0%	1%	1%	2%	1%	<u>12%</u>
1985	0%	0%	1%	<u>12%</u>	3%	9%	8%	2%
1986	3%	3%	0%	0%	3%	3%	3%	5%
1987	1%	0%	6%	9%	4%	6%	3%	1%
1988	0%	2%	5%	2%	8%	1%	3%	0%
1989	2%	2%	4%	3%	6%	4%	2%	2%
1990	3%	3%	6%	4%	9%	<u>11%</u>	2%	5%
1991	3%	0%	7%	2%	<u>10%</u>	2%	2%	1%
1992	4%	0%	7%	8%	5%	7%	2%	2%
1993	4%	2%	5%	6%	4%	8%	5%	3%
1994	1%	3%	4%	7%	2%	6%	1%	4%
1996	1%	1%	2%	4%	3%	8%	4%	7%
1997	2%	2%	4%	4%	5%	7%	5%	6%
1999	1%	5%	6%	4%	3%	3%	9%	2%
2000	2%	4%	1%	4%	6%	<u>11%</u>	3%	0%
2001	1%	3%	3%	7%	2%	7%	2%	3%
2002	4%	4%	4%	4%	4%	4%	4%	4%
2003	3%	4%	5%	5%	1%	5%	4%	4%
2004	4%	1%	5%	5%	3%	4%	3%	3%
2006	3%	3%	2%	4%	5%	8%	5%	6%
2007	4%	6%	2%	6%	5%	9%	3%	2%
2008	7%	2%	4%	4%	3%	<u>10%</u>	2%	5%
2009	3%	1%	1%	8%	2%	8%	5%	3%
2010	4%	4%	4%	2%	2%	9%	3%	3%
2011	8%	5%	5%	5%	4%	6%	1%	3%
2012	5%	3%	3%	2%	4%	7%	1%	1%
2013	4%	6%	5%	7%	4%	7%	3%	3%
2014	3%	5%	5%	6%	4%	6%	6%	4%
2015	3%	5%	3%	5%	3%	6%	4%	1%

Note: Bold text denotes 5% of more of all presentations. Underlined bold text denotes 10% or more of all presentations.

Table 4. Percent of Presentations by Management Field

Year	Ethics	Financial Management	Human Resources	Networks, Partnerships, and Procurement	Other Management and Policy	Performance and Evaluation	Politics and Participation
1979	5%	<u>11%</u>	<u>10%</u>	4%	7%	3%	1%
1980	0%	<u>16%</u>	7%	3%	6%	<u>10%</u>	0%
1981	4%	<u>12%</u>	11%	0%	8%	<u>14%</u>	4%
1982	3%	<u>12%</u>	11%	9%	8%	<u>13%</u>	4%
1983	0%	<u>13%</u>	<u>13%</u>	5%	6%	7%	1%
1984	0%	9%	<u>14%</u>	<u>13%</u>	<u>12%</u>	3%	7%
1985	1%	<u>13%</u>	3%	<u>14%</u>	5%	6%	5%
1986	3%	<u>11%</u>	7%	2%	<u>14%</u>	<u>14%</u>	5%
1987	0%	<u>13%</u>	<u>12%</u>	1%	<u>15%</u>	0%	2%
1988	3%	<u>10%</u>	<u>11%</u>	6%	6%	8%	6%
1989	2%	8%	<u>15%</u>	2%	<u>14%</u>	4%	5%
1990	4%	9%	6%	6%	<u>10%</u>	5%	2%
1991	2%	<u>12%</u>	<u>17%</u>	5%	7%	6%	1%
1992	2%	8%	<u>10%</u>	1%	9%	8%	1%
1993	3%	<u>10%</u>	<u>10%</u>	5%	7%	7%	<u>10%</u>
1994	5%	<u>14%</u>	5%	6%	8%	4%	4%
1996	5%	6%	8%	2%	3%	6%	3%
1997	6%	7%	3%	6%	<u>10%</u>	4%	2%
1999	4%	<u>10%</u>	3%	7%	<u>10%</u>	5%	3%
2000	4%	8%	6%	2%	<u>14%</u>	7%	8%
2001	8%	9%	6%	3%	3%	7%	5%
2002	2%	7%	7%	5%	7%	4%	5%
2003	1%	8%	4%	6%	<u>10%</u>	4%	<u>12%</u>
2004	4%	9%	7%	9%	4%	9%	7%
2006	3%	9%	9%	6%	3%	2%	5%
2007	2%	6%	6%	9%	5%	7%	4%
2008	2%	4%	5%	7%	5%	5%	6%
2009	1%	9%	4%	2%	6%	3%	4%
2010	3%	5%	7%	8%	3%	8%	6%
2011	5%	7%	8%	6%	2%	7%	4%
2012	4%	7%	7%	6%	3%	6%	7%
2013	3%	4%	8%	6%	4%	6%	8%
2014	3%	7%	4%	3%	5%	3%	4%
2015	3%	5%	6%	6%	7%	4%	7%

Note: Bold text denotes 5% of more of all presentations. Underlined bold text denotes 10% or more of all presentations.

Table 5. Percent of Presentations by Geographic and Demographic Focus

Year	Diversity	International	Local and State Administration	Nonprofits	Public Administration, Education, and Research
1979	3%	0%	7%	0%	7%
1980	3%	1%	9%	0%	9%
1981	4%	0%	15%	1%	1%
1982	5%	0%	9%	0%	0%
1983	2%	0%	14%	3%	1%
1984	7%	0%	10%	0%	0%
1985	3%	0%	8%	0%	9%
1986	5%	0%	10%	0%	10%
1987	10%	0%	14%	0%	1%
1988	14%	0%	8%	3%	3%
1989	5%	0%	19%	0%	3%
1990	5%	0%	2%	2%	7%
1991	2%	2%	11%	0%	8%
1992	8%	0%	10%	0%	8%
1993	5%	0%	2%	1%	3%
1994	5%	3%	13%	1%	3%
1996	3%	3%	15%	5%	11%
1997	3%	4%	8%	2%	9%
1999	3%	4%	6%	3%	7%
2000	3%	0%	4%	5%	6%
2001	5%	3%	10%	4%	8%
2002	4%	8%	10%	4%	5%
2003	1%	11%	9%	2%	2%
2004	5%	3%	10%	4%	4%
2006	3%	5%	10%	1%	7%
2007	2%	3%	12%	3%	2%
2008	2%	5%	7%	3%	8%
2009	3%	4%	15%	6%	11%
2010	4%	5%	7%	8%	4%
2011	4%	6%	6%	6%	2%
2012	4%	7%	16%	4%	4%
2013	6%	4%	7%	5%	1%
2014	8%	9%	8%	4%	3%
2015	7%	5%	8%	6%	4%

Note: Bold text denotes 5% of more of all presentations. Underlined bold text denotes 10% or more of all presentations.

becoming more integrated into public administration programs (Mirabella, 2007). Many early nonprofit management classes were taught by adjunct instructors. But when nonprofit-oriented scholars increasingly joined public administration faculties in the South, SECoPA panels began to reflect their engagement.

Actions by the Network of Schools of Public Policy, Affairs, and Administration (NASPAA) have affected the frequency of panels and papers on public administration education topics at SECoPA conferences. When NASPAA has contemplated and issued changes to its policies and standards, people have sought to share questions and insights about them at SECoPA education-oriented panels. These papers were most frequent during the earliest years of peer review (i.e., the late 1970s and early 1980s). They subsequently spiked when NASPAA revised its standards. NASPAA first published a list of programs in substantial conformity in 1980. NASPAA formalized its accreditation process in 1985 and 1986; further, it revised its standards in 1992 and 2009.

With the exception of local and state administration, there has been much variation in the frequency of other topics. Some topics have emerged with substantial attention for a conference or two at the time but, thereafter, remain below or substantially below 10% of conference participants. During the past two decades, SECoPA's meetings reveal a shift from a few focal topics to diffuse presentations across a wide range of topics. This may speak to the broader trend of SECoPA domination by academia, where individual scholars present on their particular interests rather than forming panels to address topics of broad relevance to practice.

Discussion

SECoPA's history reveals the ability of a regional, broadly focused professional conference to survive without substantially bureaucratizing itself. SECoPA continues to rely on local ASPA chapters to organize and manage annual conferences. Though this local control is generally viewed positively, SECoPA leaders note that it results in substantial variation that can have an impact on conference strategies. Evolution in conference participants and topics reveal shifts in the organization's identity. Some of those changes are positive. Others indicate challenges the organization needs to address. Our analysis of SECoPA's conference programs over the years reveals that the organization has been true to its original intent, with a couple of notable exceptions.

For the most part, the evolution of topics covered at SECoPA reveals the composition and interests of the region's scholars. The wide array of topics addressed at SECoPA meetings today speak to a potentially broad appeal. On the other hand, declines in presentations on financial management and human resources management suggest that SECoPA's meetings might be neglecting topics that practitioners must deal with daily. Practitioners can choose to attend other conferences, and some of these are primarily attuned to improving the practice of such things as local government management, financial management, information technology, and human resource management. Local, state, and national meetings of professional associations serving such groups as city and county administrators, finance directors, purchasing officials, and human resources management specialists tend to be dominated by practitioners and consultants. Competition from these more specialized conferences is viewed by SECoPA leaders as factoring significantly into declining practitioner involvement. Very few of those conferences have substantial participation by academics in public administration. Unfortunately, university promotion and tenure committees encourage academics to present to other academics, and they tend to discount non-academic presentations.

Public administration is inherently multidisciplinary. Greater efforts to encourage participation from other fields with significant overlap, e.g., criminal justice and social work, could help to make our conferences more interdisciplinary and potentially relevant to both practitioners and scholars. If SECoPA's host chapters and their partnering universities encourage participation from non-ASPA members (practitioners and scholars alike) at SECoPA conferences, it may help to increase their involvement and recruitment to local ASPA

chapters. Interviews revealed some difference of opinion on how much freedom SECoPA has to reach outside ASPA membership, but some flexibility exists.

The growing academic domination of SECoPA, shown in the decreased practitioner involvement in panels, raises troubling issues for the organization. This pattern is not unique to SECoPA, as it exists throughout ASPA. When one of the authors joined ASPA as a practitioner in 1969, ASPA's membership was pushing 17,000. The number of ASPA members today is less than half that. Considering that the number of academic members is greater today than in 1969, the decline in practitioner members is even more startling. Throughout this decline, SECoPA's leadership has taken some efforts to maintain practitioner involvement, including not requiring papers from practitioner presenters and keeping conference costs low, which they view as particularly necessary due to governments cutting back on conference travel. ASPA leadership has similarly paid attention to the challenge and sought ways to reverse the declines, especially in trying to reinvigorate local chapters.

The American Planning Association (APA) provides an insightful contrast with ASPA (and thus SECoPA), as it has been both a predominantly practitioner venue and the main academic conference for urban planners. Its primary journal (*Journal of the American Planning Association*) reveals a similar ability to reach both audiences, while ASPA's (*Public Administration Review*) and SECoPA's journals (*Public Administration Quarterly*) are heavily oriented to academics. Emulating APA's dedication to making conferences and publications relevant and useful to practitioners would be critical for both ASPA and SECoPA to revitalize practitioner involvement. One such means to accomplish this would be to offer continuing education credits for conference panels and even develop a certification requiring them.

An original mission of SECoPA was to help practitioners and scholars to interact and help one another to solve problems. At around 10% practitioner participation, as has been the case since the early 2000s, the conference may now lack a critical mass of people from governments, nonprofits, and for-profits to make it appear relevant and useful to them. Further, panels that include only scholars can easily neglect the practical relevance of the research being shared, allowing for a drift away from SECoPA's original purpose to advance public administration in the southeast. Scholars need to interact with practitioners to learn about problems and hear about best practices to share in their classrooms. To address this challenge, SECoPA can learn from its earlier conferences—adding practitioners to panels as discussants, recruiting practitioner-led panels, and drawing from the local community of government agencies and nonprofit organizations to a greater extent than it has in the last two decades—especially if SECoPA is willing to alter its bylaws to permit greater participation from practitioner nonmembers of ASPA in SECoPA's leadership roles and potentially consider the conference as a recruiting tool.

Sometimes, in guiding institutional change, it helps to recall an institution's origins. An original intent of SECoPA was to focus on the problems of people in the South. From that perspective, the relative paucity of presentations on social policy, ethics, and diversity limits discussions of inequality. The near disappearance of practitioners from the ranks of SECoPA presenters (in 2014 only one in 20 conference presenters were practitioners) likely contributes to the scarcity of these topics. Practitioners deal with these types of problems repeatedly. Clearly, the disappearance of practitioner members from ASPA has deeply affected SECoPA. It has also been our experience that recent applicant pools for faculty positions include relatively few applicants with practitioner experience. So-called "pracademics" were once common among public administration faculties. In the decades immediately following World War II, many public administration scholars, such as Herbert Simon and Dwight Waldo, learned from war-related experiences. In 2015, only one-fourth of the applicants to the broadly defined Assistant Professor position mentioned above at the Florida State University

had any significant practitioner experience (defined as something more than that typically required for an MPA level internship).

Bridging the academic-practitioner gap is an appropriate and needed mission for regional conferences. A major challenge ahead will be rebuilding bridges that have largely disappeared. SECoPA has shown an ability to remain a viable and energetic institution, but it is one with challenges ahead. Addressing social problems and engaging practitioners are clearly challenges that lie ahead for SECoPA and its sister regional conferences.

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Managing for Citizen Satisfaction: Is Good Not Enough?

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Citizen satisfaction is a popular means of performance management. It underscores a common conception that citizens are customers who are concerned about the quality of public goods and services. We offer a theory that suggests the quantity of public goods and services is also important. We develop our theory based on democratic models of the public where citizens are concerned about equity and accessibility to public goods and services. Using data from two municipal surveys and Structural Equation Modeling (SEM), we test three hypotheses and find that both quality and quantity of public service provision are significant antecedents to citizen satisfaction. In our conclusion, we explain how these results call for a more complex conceptualization of the performance associated with managing for citizen satisfaction, and we recommend public managers develop and employ skills that recognize the complex consumptive and democratic attributes of citizens in a public economy.

Keywords: Citizen Satisfaction, Service Quality, Service Quantity, Performance Measurement, Equity

Especially at the local level of government, professional public managers and elected officials face strong pressures to satisfy citizens. If they do not meet or exceed citizen satisfaction, these public managers and elected officials may face replacement resulting from the economic and political consequences of citizens voting with their ballots or their feet (Oates, 1972; Ostrom, Tiebout, & Warren, 1961; Peterson, 1981; Van Ryzin, Muzzio, Immerwahr, Gulick, & Martinez, 2004). Reliance on citizen satisfaction performance measures is controversial; however, this could be because the means to (and results of) citizen satisfaction have not yet been fully explored. For the purposes of this article, we define citizen satisfaction as “...happiness or contentment with an experience or experiences with the services (or goods, or process, or programs) provided by government bureaucracies and administrative institutions” (Morgeson, 2014, p. 7).

Market models of public administration (i.e., treating citizens as customers) value easily measured and communicated performance indicators, such as those from satisfaction surveys. Elected officials often hold professional public managers accountable for these types of indicators (Bozeman, 2002). Yet, some scholars suggest that market models of citizen satisfaction misidentify the nature of citizens; consequently, managerial attention is directed

toward the aggregated preferences of individual customers and away from the public interest (Denhardt & Denhardt, 2003; Jones & Needham, 2008).

Kelly (2005) summarizes the implications of this debate about citizens, satisfaction indicators, and performance accountability when asking whether we are “...sure that our drive to measure and report the performance of public programs amounts to accountability for outcomes that *matter to citizens*” (emphasis added; p. 76). With different conceptions of who citizens are (i.e., consumers or all citizens regardless of consumer status), then, it is likely that managers may overlook some elements of what matters as they work under the imperative to manage for citizen satisfaction.

This research is about citizen-centric performance measurement and professional public management, especially at the local level of government. In particular, we ask whether the quality of government service provision is the only evaluative criterion that matters for satisfied citizens or whether the quantity of government goods and services offered also affects citizen satisfaction. Although these questions apply to public managers at all levels of government (Morgeson, 2014), these issues are most relevant for municipal governments (especially in the context of council–manager forms and strong mayors with Chief Administrative Officers [CAOs]). These questions are important for local public managers because, traditionally, these managers have considered better service quality to be a critical component of improving citizen satisfaction. Our research, however, reminds public managers to pay attention to the quantity of public service provision as well.

To answer our research question, we first examine the tension between market models of public administration that view citizens as individualistic customers concerned about the quality of public goods and services. Then, we explore democratic models of public administration, in which citizens are participant-partners who are concerned about equity and accessibility to public goods and services within a collective production and consumption enterprise. We recognize the complexity of citizens’ roles and preferences and theorize that both quality and quantity assessments of government service provision predict “what matters to citizens” and, thus, their satisfaction.

Using data from two municipal surveys and Structural Equation Modeling (SEM), we test three hypotheses and we find that both quality and quantity are important to citizens because they affect citizen satisfaction. In our conclusion, we discuss how this research can inform related debates about the utility of citizen satisfaction as a performance metric and the importance of using citizen satisfaction in conjunction with deliberative democratic institutions.

What Makes a Satisfied Citizen?

How to manage for citizen satisfaction is a debate largely driven by one’s conception of citizens (Thomas, 2013). On the one hand, scholars who see citizens as consumers regard satisfaction as a central managerial objective (Kaboolian, 1998; Kettl, 1993; Nagel, 1997; Osborne & Gaebler, 1992; Powell, Greener, Szmigin, Doheny, & Mills, 2010; Song & Meier, 2018). However, adopting this conception leads to a parallelism that limits citizen satisfaction to quality assessments of public goods and services. By implication, managing for citizen satisfaction becomes an exercise in quality control. Indeed, the central tenet in private sector management is that the quality of goods and services is the primary driver of consumer satisfaction (Anderson & Fornell, 2000; Fornell, Johnson, Anderson, Cha, & Bryant, 1996; Oliver & Swan, 1989).

Maintaining and improving consumer satisfaction (i.e., quality assessments) is important for retaining or even enhancing customer loyalty, retention, and willingness-to-pay for private

goods (Babakus, Bienstock, & Van Scotter, 2004; Homburg, Koschate, & Hoyer, 2005). Public management scholars operating from the consumer conception have observed similarities when using quality assessments to explain variation in citizen satisfaction. The best example is the application of the American Customer Satisfaction Index framework as an indicator for citizen satisfaction (Brown, 2007; Rodríguez, Burguete, Vaughan, & Edwards, 2009; Van Ryzin, Muzzio, Immerwahr, Gulick, & Martinez, 2004; Van Ryzin, 2004a; Van Ryzin, 2004b; Van Ryzin, 2005; Van Ryzin, 2015; Vigoda-Gadot & Mizrahi, 2007). The parallel between customers and citizens even extends to the linkage between higher quality assessments and outcomes such as citizen retention (Van Ryzin et al., 2004), willingness-to-pay for government provision (Collins & Kim, 2009; Donahue & Miller, 2006; Simonsen & Robbins, 2003; Wilson, 1983), and trust in government (Barnes & Prior, 1996; Van de Walle & Bouckaert, 2003; Van Ryzin, 2007; Vigoda-Gadot, 2006; Yang & Holzer, 2006). In sum, adopting a citizen-customer conception considers citizen satisfaction to primarily be a function of meeting the service quality needs of citizens.

However, previous studies question the validity of this service quality conceptualization. First, citizens' expectation of services may significantly affect their judgment (Morgeson, 2012; Van Ryzin, 2013; Hjortskov, 2018). Second, citizens' cognitive and information limitations may hinder accurate assessment of service quality (Olsen, 2017; Belle, Cantarelli, & Belardinelli, 2017; Andersen & Hjortskov, 2015; Barrows, Henderson, Peterson, & West, 2016). Third, citizens may hold anti-public sector biases that negatively skew their perceived service quality (Olsen, 2015; Marvel, 2015; Van de Walle, 2018). Last, context effects, such as different question orders in the design of a citizen survey, can substantially influence results (Hjortskov, 2017).

Instead of criticizing the flaws of a market approach to citizen satisfaction, other studies view citizens as participants in democratic collective decision-making about public welfare (Alford, 2002; DeLeon & Denhardt, 2000; Denhardt & Denhardt, 2003; Jones & Needham, 2008). From this perspective, citizens are community members who obtain utility from collective goods and services, rather than an atomistic utility of an individual consumer. Therefore, a bundle of public goods and services that benefits all the citizens may be as significant as providing quality goods and services. In this regard, the critique does not diminish the importance of service quality as an essential determinant of citizen satisfaction. Instead, it raises concerns about the inequalities of political power that ultimately affect who has access to certain public goods and services (Barnes & Prior, 1995; Fountain, 2001; Hood, Peters, & Wollmann, 1996; Jung, 2010; Martin & Webb, 2009; Potter, 1988; Furlong, 2013). In other words, satisfied citizens may not only require a provision of quality goods and services but may also require adequate and equal access to them.

The descriptions of market versus democratic models of citizens above are admittedly broad and oversimplified, but they highlight important normative debates that seemingly present a competing dichotomy. However, as Jung (2010) explains, understanding citizens is not an exercise building conceptual silos, but "citizens" do play many roles in the public space. Members of the public who shop in stores also make locational decisions about where to live, they are clients of bureaucratic services, and voters in elections. Segmenting the public into discrete conceptual categories does not describe the complex phenomenon of public attitudes or behaviors. However, simplifying assumptions is often necessary to gain purchase on explaining and predicting public attitudes and behaviors. Therefore, even if scholars gravitate toward market or democratic models of the public, we must recognize that the roles, activities, and preferences of citizens are multiple and overlapping, so democratic and market conceptions are not expected to be mutually exclusive. Hence, we embed citizens in the context of public economy to frame a theory that integrates multiple perspectives, extends extant theories, and strengthens empirical evidence about managing to enhance citizen satisfaction.

A Composite Theory of Managing for Citizen Satisfaction

To extend our understanding of citizen satisfaction, we begin with the premise that citizens play multiple, overlapping roles as consumers of public goods within a local public goods market and a local democratic polity. We focus on the role of citizens as customers who hold attitudes and demonstrate behaviors similar to customers in private markets. Indeed, citizens can act like customers when choosing among discrete and bundled government service provision based on quality (Teske, Schneider, Mintrom, & Best, 1993; Tiebout, 1956). Failure to satisfy citizens can motivate relocation to other jurisdictions (Peterson, 1981; Van Ryzin et al., 2004). Despite the existence of theoretical critiques of citizen consumerism (Jung, 2010), the idea of citizen consumerism is consistent with empirical research that finds quality assessments of government provision to be positively related to citizen satisfaction (Brown, 2007; Roch & Poister, 2006; Van Ryzin, 2004a). Therefore, we present the following testable hypothesis:

Hypothesis₁: An increase in the assessed quality of public amenities is associated with an increase in citizen satisfaction.

Although we are willing to accept that citizens can think and behave as customers, they are also positioned as owners in a public economy. This public economy places an emphasis on public values rather than on unitary, narrow evaluations of quality. Ownership originates from political rights, duties, and civic participation that imbues citizens with a social calculus emphasizing the public values potentially realized by holding and exercising controls over the governance enterprise. Schachter (1995) compares this role to shareholders in the private sector, but citizens make financial investments (i.e., taxes) and hold both elected officials and public managers accountable for collective interests, or what Musgrave (1959) describes as the provision for “public wants” (p. 15).

Smith and Huntsman (1997) appropriate a similar metaphor to explain that citizens are “...coinvestors and equal shareholders of the public trust” (p. 312). As they point out, investment needs not be limited to financial capital because both political and social capital can also be directed toward the creation of public values, which entails the provision of community assets (e.g., land, parks, and facilities), wealth creation, and the equitable access to the benefits thereof. These public values derive from the underlying social exchange in which citizen-owners are willing to invest financial, political, and social capital. They invest this capital under the expectation that governing agents will identify and deliver the collective benefits that equitably diffuse through society (Alford, 2002). Therefore, the ownership role draws attention to the collective transaction and outcomes of social exchange rather than the individual transaction and outcomes of market transactions.

The local government arena provides a salient example of how ownership can influence citizen satisfaction apart from quality assessments. In this context, citizens act as owners when they incorporate municipalities, extend municipal authority through annexation, or create special districts for narrow issue-area governance (Oakerson, 1999). As shareholders of the public trust, citizens engage one another, elected representatives, and appointed professional managers through democratic institutions (both formal and informal) to make collective decisions about the provision of community assets. Ostrom and colleagues (1961) identify this collection of discrete community assets as the bundle of government provision that defines what assets or amenities are excluded or included and, if included, how many.

In sum, a bundle includes both a quality and quantity of goods and services. The quantity dimension suggests that citizens may be more or less satisfied based on whether community assets are accessible to themselves or others, regardless of bundle quality. We theorize that as owners, citizens have expectations regarding what government *should* provide. Gaps between delivered and expected provision should lead to lower satisfaction. Such gaps are likely to arise

from budgetary constraints, tax competition, information-poor public economies, and the inherent vagaries of aggregating individual preferences into a collective choice (Arrow, 1951; Klingner, Nalbandian, & Romzek, 2002; Oakerson, 1999). Such deviation between an expected and observed quantity of amenities presents an expectation gap that drives citizens toward dissatisfaction. Therefore, we identify the bundle gap as a key assessment of the quantity of amenities in government provision that exists when citizens perceive too few preferred amenities in the extant bundle. The bundle gap should be directly and inversely associated with citizen satisfaction as specified in the hypothesis below:

Hypothesis₂: An increase in the perceived bundle gap is associated with a decrease in citizen satisfaction.

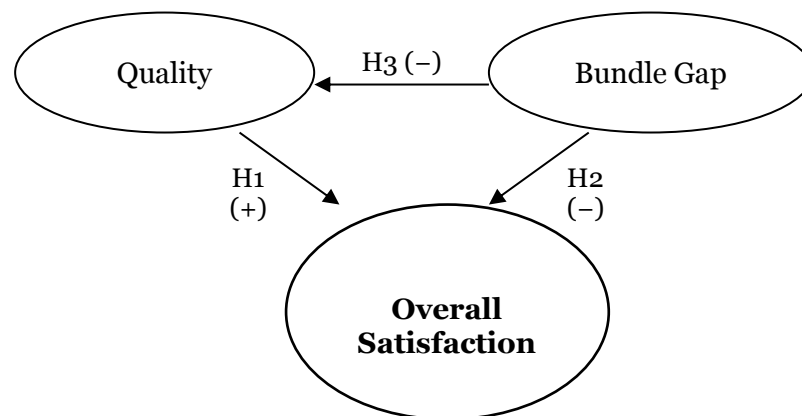
Thus far we have moved beyond a singular focus on citizen-customers and quality to identify a second factor that theoretically influences citizen satisfaction. The two hypotheses presented above suggest that quality and quantity assessments independently affect satisfaction. However, we do not expect that quality and quantity assessments are unrelated. Proponents of the two-factor theory of customer satisfaction argue that some determinants of satisfaction are necessary but not sufficient conditions for inducing satisfaction (Hui, Zhao, Fan, & Au, 2004; Maddox, 1981; Oliver, 1997; Swan & Combs, 1976). More specifically, the two-factor theory suggests that quality assessments are necessary conditions for satisfaction, but other factors may mitigate the impact of quality on satisfaction. If customers do not have access to desired goods and services, their frustration may cause them to develop a negative attitude toward the quality of goods and services (Armistead, 1990; Johnston & Lyth, 1991; Walker, 1990). Johnston (1995), for example, finds that unavailable services (meaning lack of service quantity and limited range of services available) are associated with customer dissatisfaction. Similarly, studies by Zhou and Soman (2008) and Hui and colleagues (2004) show that access to goods and services as a result of long waits or perceived unfairness diminishes quality assessments and satisfaction. Similar findings show that the accessibility of social welfare services affects quality assessments and ultimately satisfaction with those services (Rhee & Rha, 2009).

For citizen satisfaction, provision decisions determine the quantity of public service provision. These decisions set the physical conditions under which citizens can gain access to the services. This presents a condition in which quantity assessments may affect quality assessments (Guengant, Josselin, & Rocaboy, 2002); according to the two-factor theory, this linkage should ultimately affect satisfaction. Therefore, we argue that although citizens may find the bundle of services offered to be sufficient, *perceptions* of a bundle gap may generate citizen frustration with the quantities provided, thus diminishing satisfaction by reducing quality assessments. Therefore, we propose that an increase in the perceived bundle gap (as a quantity assessment) has an indirect impact on citizen satisfaction by reducing perceived quality as specified in the hypothesis below:

Hypothesis₃: An increase in the perceived bundle gap is associated with a decrease in the perceived quality of an extant service provision.

These three testable hypotheses, summarized in Figure 1, present a theory that challenges the typical justifications for using citizen satisfaction in performance accountability. Even if quality is a key antecedent to citizen satisfaction, our theory proposes that the quantity of services is important as well. If public managers or elected officials do not consider both quantity and quality of public services, then quality alone may not be enough to satisfy citizens. The following section details the research design and tests used to examine the hypotheses presented above.

Figure 1. A Public Economy Model of Citizen Satisfaction



Data and Methodology

The data for the study were collected from surveys in two Texas cities: Lubbock and Arlington. The Earl Survey Research Laboratory at Texas Tech University randomly sampled households within Lubbock and Arlington and conducted phone interviews with an individual at least 18 years of age in each of the surveyed households. Random selection of household members was not part of this protocol. The sample frame was the city-at-large with no other substrata. The Lubbock survey was fielded in June of 2006, while Arlington's was fielded August through September of 2006. The cooperation rate was 43% for the Lubbock survey and 46% for the Arlington survey with roughly equal sample sizes ($n_{Lubbock}=429$ and $n_{Arlington}=400$).

The selection of these cities provides a robust environment for hypothesis testing. The cities are similar in demographic indicators as suggested in Table 1. Both cities serve large, diverse populations that have significant service demands on public managers. Both cities have a council–manager form of government. Lubbock often benchmarks with Arlington. Yet, Arlington is embedded in a densely populated metropolitan area with more than 130 municipal corporations. Lubbock, located in West Texas, is a central city within a metropolitan area that has only a few other (very small) municipalities. Using data from two cities provides an advantage over analyses that rely upon only one polity because we can control, at least in part, for contextual differences.

The survey used for both municipalities focused on overall satisfaction with the complex bundle of goods and services commonly known as parks and recreation. This substantive area of municipal management provides an excellent opportunity to assess our model. First, the nature of goods and services in a parks-and-recreation bundle varies significantly. These bundles include physical goods such as facilities and parks, and services such as programs and sports leagues. The components of a bundle vary in both quality and quantity. In short, there should be sufficient variation to explore the linkage between quality assessments and bundle gaps derived from specific assets and services. Hence, there should be sufficient variation to analyze overall citizen satisfaction with parks and recreation, a bundle of goods and services. We think this type of approach is generally analogous to examining overall satisfaction with all municipal amenities. In each case, the underlying process involves an evaluation of the component amenities in a complex bundle of services as well as overall citizen satisfaction with that bundle. The scope may differ, but theoretical mechanisms should be the same according to our model. Van Ryzin and colleagues (2004) suggest significant variation across subgroups of municipal amenities, but no theory as of yet explains such variation.

Table 1. Demographic Comparisons

Variable	Lubbock	Arlington
Population (2003)	206,481	355,007
Persons under 18 years of age (2000)	24.90%	28.30%
White persons (2000)	72.90%	67.70%
Persons of Hispanic or Latino origin (2000)	27.50%	18.30%
Black or African American persons (2000)	8.70%	13.70%
High school graduates age 25+ (2000)	79.50%	84.90%
Median value of owner-occupied housing units (2000)	\$69,500	\$96,400
Median household income (1999)	\$31,844	\$47,622
Land area in square miles (2000)	115	96

Table 2 presents the descriptive statistics of our dependent and independent variables. The dependent variable is overall satisfaction with a municipality's parks and recreation goods and services measured using a seven-point scale. As with all attitudinal measures, the data represent numerical indications of subjective evaluations. The bundle gap is a composite score of dummy variables aggregated for 13 park facilities or programs. For instance, if a respondent indicated that five out of 13 facilities or programs currently available in the city were too few, the bundle gap score was five. An increase in the score should be negatively associated with our satisfaction measure.

The proposed model includes one latent independent variable: *quality*. We first evaluated the construct validity of 14 measures for the quality variable using Maximum Likelihood Estimation. Table 3 presents the magnitudes and significance of the factor loadings for the measured indicators associated with quality. All the estimated factor loadings are statistically significant ($p < 0.001$) and confirm the unidimensionality of the measurement model. Among the indicators, "quality of facilities and fields at the parks" is the most prominent indicator (standardized factor loading=0.76), while "quality of golf course" is the least prominent indicator (standardized factor loading=0.55).

We use Structural Equation Modeling (SEM) to test the hypotheses derived above. Figure 2 describes the model specification with the variables in rectangles as single indicators and the oval indicating the latent variable. Control variables include the number of children in the household, education, age, and income levels of respondents. These variables control for variation in park preferences, visitation, and perceived benefits (Walker, 2004). SEM has been widely used to investigate complex models that include latent variables associated with multiple indicators, mediating relationships among the variables, and multigroup comparisons. SEM has been particularly important in the citizen satisfaction literature (Van Ryzin et al., 2004; Vigoda, 2002; Wen, Lan, & Cheng, 2005). This approach values consistency as we attempt to build upon the solidly laid foundation of previous literature. We used AMOS 6.0 to estimate the model parameters for hypothesis testing and for conducting a multigroup comparison to determine whether the values of the model parameters are moderated by group membership, i.e. Lubbock or Arlington.

Results

To test the goodness of model fit to the data, we report four statistics. First, the χ^2 statistic is significant ($p < 0.001$). This result indicates that the null hypothesis, i.e. that the model has a perfect fit in the population, is rejected at the 0.001 level. However, relying only on the χ^2 statistic is limited because the statistic is sensitive to the sample size and the size of correlations (Kline, 2004). In addition to the χ^2 test, we calculated three additional fit indices: Normed Fit

Table 2. Descriptive Statistics of Independent and Dependent Variables

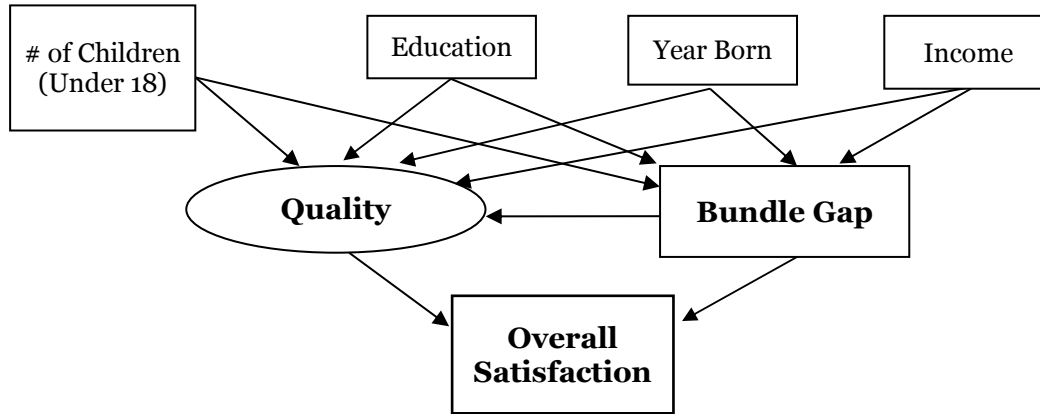
Variables	Mean	Standard Deviation
Quality (1: "very low quality"... 7: "very high quality")		
Park areas	5.31	1.41
Recreation programs, classes, or special events	5.11	1.46
Facilities and fields at the parks	5.08	1.45
Jogging, walking, or bicycle trails	5.21	1.65
Athletic leagues for adults	4.96	1.54
Athletic leagues for children	5.53	1.35
Youth programs or camps	5.21	1.52
Senior citizen activities	4.91	1.57
Athletic fields and courts	5.22	1.39
Public pools	5.04	1.60
Tennis center	5.01	1.64
Public golf courses	5.15	1.58
Community centers	5.16	1.48
Disc golf	4.41	1.90
Bundle Gap (Quantity) (1: "Too few," 0: "Enough")		
Park areas	0.38	0.49
Recreation programs, classes, or special events	0.30	0.46
Jogging, walking, and bicycle trails	0.53	0.50
Athletic leagues for adults	0.28	0.45
Athletic leagues for children	0.28	0.45
Youth programs or camps	0.34	0.48
Senior citizen activities	0.31	0.46
Athletic fields and courts	0.30	0.46
Public pools	0.41	0.49
Public golf courses	0.18	0.38
Community centers	0.37	0.48
Disc golf areas	0.19	0.40
Extreme sports parks	0.41	0.49
Aggregate Bundle Gap Score (range: 0~13)	4.28	3.31
Satisfaction (1: "very dissatisfied"... 7: "very satisfied")	5.22	1.46

Table 3. Standardized Factor Loadings of Quality Indicators

Quality Indicators	Factor Loadings
Park areas	0.64***
Recreation programs, classes or events	0.75***
Facilities and fields at the park	0.76***
Jogging, walking or bicycle trails	0.68***
Athletic leagues for adults	0.69***
Athletic leagues for children	0.67***
Youth programs or camps	0.70***
Senior citizen activities	0.64 [†]
Athletic fields and courts	0.73***
Pools	0.67***
Tennis courts	0.60***
Gold course	0.55***
Community (recreation) center	0.75***
Disc golf	0.57***

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

[†]indicates that loading is fixed to 1 for the indicator in unstandardized solution.

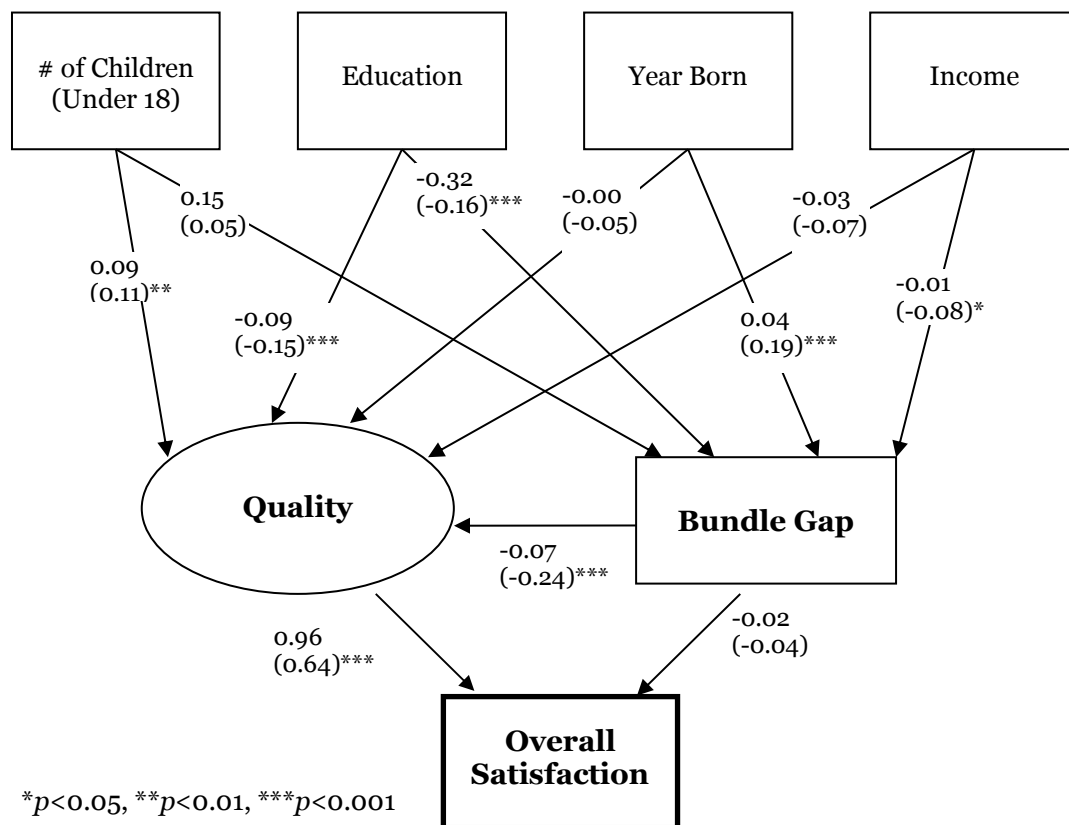
Figure 2. Structural Relationships for Estimation of Citizen Satisfaction

Index (NFI), Comparative Fit Index (CFI), and Root Mean Square Error of Approximation (RMSEA). We report values greater than 0.90 for NFI and CFI, which is considered as a good fit (Bentler & Bonett, 1980; Bentler, 1990). The RMSEA score, which is smaller than 0.05, is considered an excellent fit of the data to the proposed model (Browne & Cudeck, 1993). In sum, all the fit index values suggest a good fit of the hypothesized structural model to the data (NFI=0.91; CFI=0.94; RMSEA=0.05).

The estimation result of the structural model reported in Figure 3 supports Hypotheses 1 and 3, while no statistically significant evidence is reported for Hypothesis 2. The path from perceived quality to overall satisfaction (Hypothesis 1) is positive and significant at the $p < 0.001$ level. The link from bundle gap to perceived quality (Hypothesis 3) is negative and significant at the $p < 0.001$ level. The bundle gap, then, imposes an indirect impact ($p < 0.001$) on overall satisfaction through perceived quality. However, the path from bundle gap to overall satisfaction is not statistically significant. Thus, we find no support for Hypothesis 2. The association between bundle gap and overall satisfaction is mediated by citizens' perceived quality of goods and services. When citizens determine the degree to which they are satisfied with parks and recreation services, the perceived inadequate quantity does not directly reduce satisfaction. There is an indirect effect, however, mediated through quality assessments. In other words, citizens may not notice the insufficient quantity of parks and recreation services unless this insufficiency diminishes quality assessments of the services—which ultimately triggers the decrease in overall satisfaction. This finding implies that citizens are sensitive to unrealized opportunities of enjoying parks and recreation amenities because the bundle gap is counted into the quality assessment as a factor-depreciating quality (see Figure 3).

The proposed model reveals that the underlying structure reasonably fits the data without adding any constraints based on group membership (i.e., either Lubbock citizenship or Arlington citizenship). However, some social, political, and economic differences between these two cities may create variance between them; therefore, the parameter estimates could vary across the two groups. To address this concern, we conducted a multiple group comparison with the null hypothesis that the two samples are drawn from the same population. First, we estimated the unconstrained model that allows parameters to differ across groups. The fit indices from this estimation show an adequate fit of the model to the data (χ^2 statistic=673.60, d.f.=304, $N=829$, $p < 0.001$; NFI=0.86; CFI=0.92; and RMSEA=0.04). Next, we examined a constrained model by forcing all the parameters to be equal across the two groups. We then compared the χ^2 difference between the unconstrained and constrained models.

Table 4 shows a significant difference between the models. The constrained model significantly reduces the goodness of fit at the $p < 0.001$ level. From this result, we can conclude

Figure 3. Unstandardized (and Standardized, in Parentheses) Estimates

that all the constraints are not reasonable. Additionally, we can conclude that, because the constrained model added parsimony with only a minimal increase in the χ^2 , it does not significantly improve the model compared with the unconstrained model. Therefore, we need to estimate the parameters by using the unconstrained model (see Table 4).

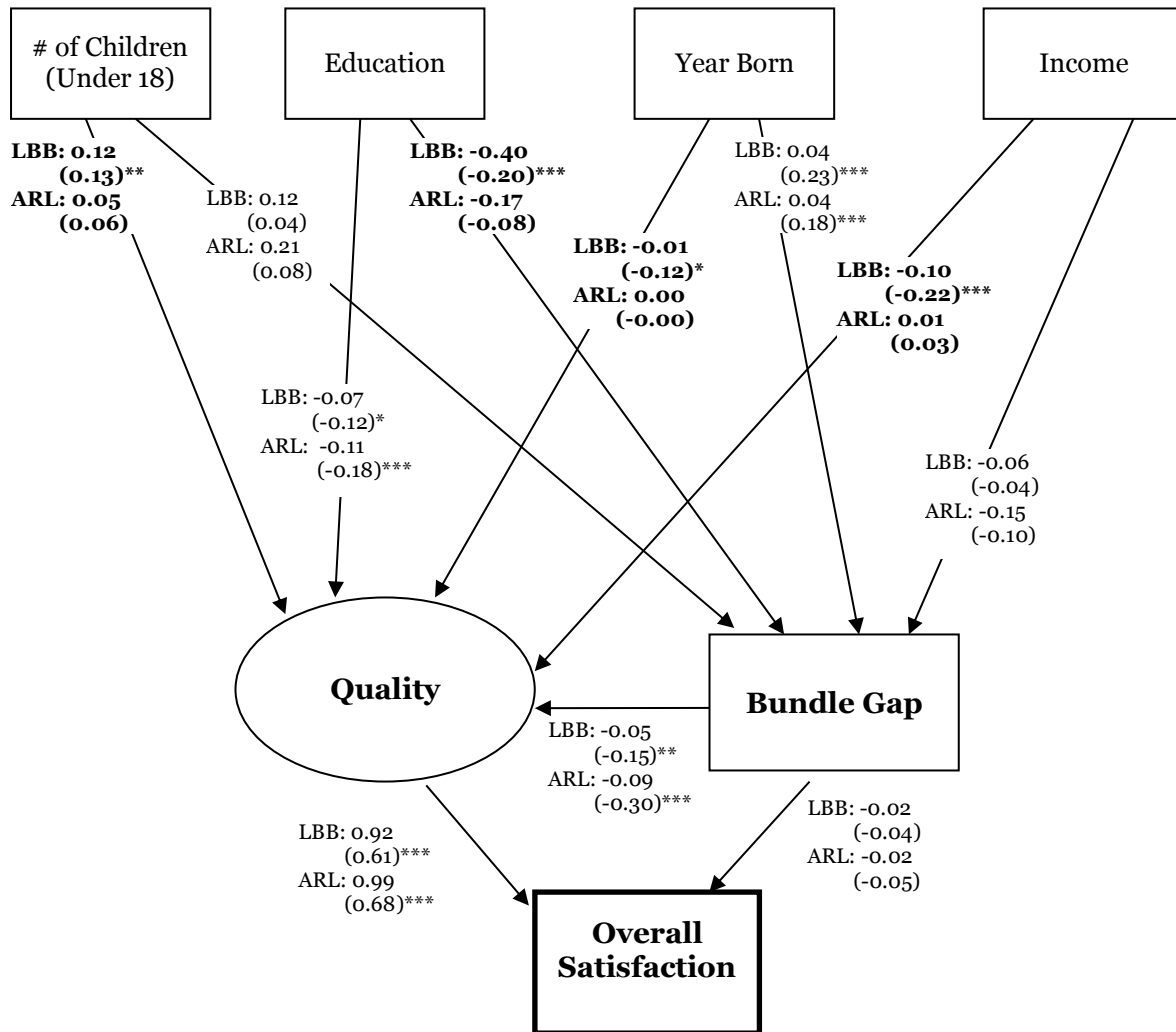
Figure 4 reports significant differences of path coefficients between the municipalities only in the paths from control variables to quality and bundle gap variables (i.e., the path coefficient is statistically significant in one city but not significant in the other, which is indicated by bold font). There is no significant difference between the two groups in terms of path coefficients among the focus variables: *bundle gap*, *quality*, and *satisfaction*. The multigroup comparison findings are identical to the findings in the base model. Specifically, the bundle gap is not an antecedent that is directly associated with the level of overall satisfaction. Yet, we still observe an indirect effect between the bundle gap and the level of overall satisfaction, which is mediated by citizens' quality assessment (see Figure 4).

Discussion and Conclusions

The major goal of this study was to determine whether quantity assessments, in addition to quality assessments, influence citizen satisfaction of public goods and services. Our empirical findings support the conclusion that both quantity and quality of public goods and service provision influence citizen satisfaction with complex bundles of public amenities. However, we do not find evidence supporting the hypothesized *direct* relationship between quantity and satisfaction. Therefore, we conclude that managing for citizen satisfaction requires a more complex conceptualization about what matters to citizens. Indeed, simple citizen-customer models that primarily focus on quality assessments should also recognize that quantity assessments also matter to some extent. Both economic and democratic models of citizens inform this approach.

Table 4. Multiple Group Analyses by Citizenship

	χ^2	d.f.
Unconstrained model	673.60	304
Constrained Model	749.13	341
$\Delta \chi^2$	75.54	
Δ d.f	37	
$\Delta \chi^2$ (critical value)	52.19 ($p=0.05$)	
	59.89 ($p=0.01$)	
		69.35 ($p=0.001$)

Figure 4. Unstandardized (and Standardized, in Parentheses) Estimates for Multi-Group Model

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Note: LBB refers to Lubbock and ARL refers to Arlington.

The findings from the research suggest that public managers should redefine the performance problem of citizen satisfaction as being concerned with both quality *and* quantity assessments. Managing for citizen satisfaction requires prioritizing amenities that need to be improved (Van Ryzin & Immerwahr, 2004; Van Ryzin, 2007), changing the way services are delivered (Kelly, 2005), and producing quality services more efficiently (Kamensky, 2008). However, some quantity-oriented strategies should be important to public managers who seek to improve citizen satisfaction. In particular, public managers who are oriented toward customer models of the citizenry typically require strategies that recognize a democratic conception of the public. For example, if we assume that the politics-administration dichotomy is more prescriptive than descriptive, then professional managers already recognize that they are political actors in a game with elected officials. Although the two actors *may* have aligned objectives (e.g., to increase citizen satisfaction), often they will not. Professional managers, for instance, may want to collect taxes to increase the quality or quantity of goods and services, while elected officials may not. Elected officials, then, have strong incentives to provide constituent-specific goods that may not add collective value to the community.

Such tension is the fundamental normative justification for a politics-administration dichotomy. Yet, professional public managers may need to coalesce and leverage public dissatisfaction with quantity to motivate a greater willingness to pay for more provision of desired public amenities (Collins & Kim, 2009). Such political action may be directed toward the public at large or during the development of policies and budgets with elected officials. In contrast, elected officials may be concerned with citizen satisfaction, but they may also have incentives to act contrary to the objective of increasing collective citizen satisfaction by promoting more localized and limited pockets of satisfaction congruent to their elector interests. Elected officials may blame public managers for “poor” performance if citizen satisfaction declines or does not meet some standard. Public managers, however, cannot blame elected officials for failure to comply with professional advice that could support greater satisfaction.

Professional public managers undoubtedly exercise some influence over provision decisions, especially those concerned with production technology or outreach. To some degree, managers may exercise discretion that creates a direct trade-off between quantity and quality, but a quality-only approach to citizen satisfaction assumes a more expansive scope of managerial control than is warranted. Even if quality is good or improved, either the public or the elected officials could hold professional staff accountable for quantity decisions that are more directly and appropriately associated with elected officials.

We also recognize that professional managers do have some accountability for both the quality and quantity of services. For example, public managers have strong incentives to ignore citizen-centric assessments such as satisfaction by emphasizing more objective, professionally defined indicators and engaging in “marketing” and “outreach” campaigns to “correct” public misperceptions (Kelly, 2005, p.78). Such strategies may be partially justified in light of the failure to find consistent linkages between objective performance indicators and citizen satisfaction (Kelly & Swindell, 2002; Swindell & Kelly, 2000). Yet, substituting professional preferences regarding the quality and quantity of public services raises concerning questions about the democratic accountability of public bureaucracies.

We conclude, then, with three recommendations regarding managing for citizen satisfaction. First, professional public managers can benefit from recognizing the complex and overlapping roles of the public. The people who consume, either directly or indirectly, the benefits of public goods and services do so as both atomistic consumers and a democratic community. Managing for citizen satisfaction requires professional public managers and elected officials to navigate this complex environment, whether cooperatively or not.

Second, our results suggest that practitioners proceed cautiously when measuring and assessing citizen satisfaction because it is challenging to disentangle quality and quantity. In practice, this means that instrument design should include both dimensions, and statistical analysis of citizen satisfaction should deconstruct the antecedents by quality and quantity when feasible. Just as a quality-importance matrix analysis is useful, so is a quality-quantity matrix. Doing so may mitigate some concerns about using citizen satisfaction as a goal in performance management.

Finally, future research should address the limitations of this study. These limitations include the number of municipalities selected to analyze as well as the selected bundle of provisions. Investigating more (and different) units of government, different bundles of public provisions, and incorporating time-series analysis can confirm or extend the findings in this research.

In conclusion, this research highlights the importance of accounting for a richer, more complex, conceptualization of the public that includes both market and democratic models. This, however, is only the starting point for theoretical developments that encompass the mutual inclusivity of these approaches. Additional research is necessary to confirm and extend these results. These findings should encourage practitioners, though, to focus carefully on the meaning behind satisfaction numbers so that they can obtain actionable information about both the quality and quantity of public goods and services.

Disclosure Statement

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Rethinking the Social Welfare Regime Model: The Case of Public Policy Toward Israeli Philanthropists

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Following a study on the changing relations between government and philanthropy in Israel, this study highlights the need to rethink the typology of social welfare regimes proposed by Anheier and Daly (2007). The findings of our study indicate that there has been a rapprochement between government and philanthropy in Israel. This trend has led to formal dialogue and collaborations. This trend has also promoted the development of policies toward philanthropy in various government ministries and agencies. The development and implementation of these policies have been facilitated by changes in the unique contextual factors of Israel's welfare regime. Based on the findings, we propose a conceptualization for understanding governmental policies toward philanthropy in shifting welfare regimes. With regard to the theoretical and practical implications of the study, we propose a model for hybrid welfare regimes that are experiencing ongoing changes.

Keywords: Government and Philanthropy, Public Policy, Social Welfare Regimes, Alienation and Suspicion, Cross-Sectoral Collaborations

The past three decades have witnessed far-reaching changes in the interests and activities of philanthropy and philanthropists. These changes have affected many areas of the modern state and society. Philanthropy is defined as private giving of money and time for public goods to the benefit of others, including individuals, families, communities, and public institutions (Bekkers & Wiepking, 2010; Lenkowsky, 1999; Payton, 1988; Sulek, 2010). For the purpose of this article, we focus on elite philanthropists who have been defined as wealthy individual donors who seek to make a long-lasting impact on society (Anheier & Leat, 2002; Berrebi & Yonah, 2017; Frumkin, 2006; Havens, O'Herlihy, & Schervish, 2006). The philanthropy of the elite is rooted in normative values of compassion and contributing to the community (Payton, 1988) as well as in "moral action" that seeks to improve the well-being of others (Daly, 2012; Schervish, 1998). Elite philanthropists in Israel also view themselves as playing an important role in the national effort to create a change in society. Toward that end, they contribute substantial amounts of money, which distinguishes them from other philanthropists (Schmid & Rudich Cohn, 2012).

In recent decades, there has been an increase in the scope of giving in many countries. This increase has been accompanied by changes in the goals and channels of contributions as well

as by changes in the philanthropic sector's relationships with government (Salamon, 2014). By operating through private and public foundations, philanthropists have become involved in initiating, funding, and providing social and human services as well as in supporting health services, education, religion, culture, and the arts. As described by Jung and Harrow (2015), "From Europe to Asia, from Australia to the Americas, philanthropy is acting as agenda setter, public service provider, stakeholder, advocate, supporter and challenger of governments" (p. 47).

Philanthropic foundations have gained access to the state and to state allies in a complex and politically delicate process (Duffy, Binder, & Skrentny, 2010; Newland, Terrazas, & Munster, 2010). These new expressions of philanthropy, which have also been defined as *new philanthropy*, characterize many Western countries that have been experiencing changes in their relationship with the voluntary sector and philanthropy (Harrow & Jung, 2011; Horvath & Powell, 2016; Mills, 2011).

In Israel, the expansion of new philanthropy, the increased scope and volume of giving by wealthy Israelis who have formed philanthropic foundations, and the creation of new channels for giving have all accelerated the changing relationship between government and philanthropists (Katz & Greenspan, 2015). Official data indicate that there has been growth in giving in Israel since the 1990s. In 2015, Israeli donations totaled NIS 5.9 billion (or US \$1.7 billion). This consisted of donations from households (68%), corporations (28%), and estates (4%) (Israel Central Bureau of Statistics, 2017). The share of Israeli charitable contributions out of total income for Israeli nonprofit organizations was 35%, whereas the remainder (65%) derived from overseas charitable contributions. This constitutes an increase of 21% in Israeli contributions compared with previous years (2006–2007) when donations from abroad totaled 70% in comparison to 30% from Israel.

It has been argued that the overall growth of philanthropy represents a new philanthropic movement, which has developed fresh vehicles and approaches to philanthropy. This process has been described as a transformation from the concept of philanthropy as charity to the concept of rational and strategic philanthropy (Cobb, 2002; Katz, 2005; Wagner, 2002). There are those who question whether this really represents a new development, thus, challenging the idea of a new philanthropy (Breeze, 2005). However, new philanthropists behave differently from traditional philanthropists. They have adopted business-like behavior, which is oriented toward goal achievement and measurable objectives that have a positive impact on the well-being of the citizens and clients to whom they contribute (Frumkin, 2006). Toward this end, new philanthropy has become involved in initiatives that have traditionally been the responsibility of government (Jung & Harrow, 2015).

Developments in philanthropy and its interface with government have yet to be the focus of theory building and empirical research, particularly in Israel. These developments highlight the growing importance of exploring cross-sectoral relations and promoting discussions on the need to formulate official public policy toward philanthropy. The current article responds to this need by exploring the relationship between government and philanthropists in Israel. This exploration is based on a conceptual framework that combines the typology of social welfare regimes proposed by Esping-Andersen (1990, 1999) with those proposed by Anheier and Daly (2007). In doing so, we are able to assess official government policies toward philanthropists in different social welfare regimes. We are also able to assess how the expressions of those policies are analyzed.

The Interface between Government and Philanthropy: State of Research

The changing role of government and the initiation of innovative social, cultural, educational, and other programs have led to a growing interface between government and philanthropists. This situation highlights the need to delineate the boundaries between the parties and to

formulate policy guidelines (Calanni, Siddiki, Weible, & Leach, 2014; Gerlak & Heikkila, 2011). Existing studies relate primarily to changes that have occurred in the social, political, and economic contexts in which these actors operate (Eikenberry, 2006). These studies have focused on the relationships between governmental and nongovernmental organizations, including private and family foundations. It should be noted that these foundations have no legal status but are considered by government to be nonprofit organizations (Schmid & Almog-Bar, 2016).

The developing relationship between government and philanthropy has been explored mainly in the United States, Canada, the United Kingdom, European countries, and Australia. In these countries, efforts have been made to create opportunities for dialogue, joint ventures, and collaborations between the parties (Abramson, Soskis, & Toepler, 2012; Bushouse, 2009; Elson, 2011; Emerson, Nabatchi, & Balogh, 2012; Giddens, 2013; Keast & Brown, 2006, Keast & Mandell, 2014; Macmillan, 2013; Phillips, 2003; Scaife, McDonald, & Smyllie, 2011). Recent research indicates that not only are philanthropists trying to preserve their autonomy from government, but their role is perceived as being either complementary or disruptive to government. Complementary philanthropy aims to increase the provision of public goods and services, whereas disruptive (or adversarial) philanthropy attempts, through their contributions, to alter the public discourse about social issues and create an agenda that represents philanthropic interests and concerns (Horvath & Powell, 2016). Some argue that the disruptive model is central to maintaining philanthropy's autonomy. As argued by Newland, Terrazas, and Munster (2010), "Independence from, and at times competition with government priorities are a trademark of philanthropy and an integral part of what makes it a powerful and effective force of change" (p. 18; see also Reich, 2012).

These types of relations between government and nongovernmental actors (including private and family foundations) are an outcome of the political tradition as well as the unique cultural and social regime in different countries (Nickel, 2018; Salamon, 1995, 1999; Salamon & Anheier, 1998). They reflect the fiscal policy of government toward nongovernmental organizations and foundations (Clotfelter, 2007; Hall, 2006; Peck & Guo, 2014; Reich, 2012; Sealander, 1997). A review of the relationships between governments and philanthropy in its different modes of operation (individuals, foundations, and donor-advised funds) indicates that different governments have different approaches toward philanthropy (De Wit, Neumayr, Handy, & Wiepking, 2018). On the one hand, there are countries that support, subsidize, and foster philanthropy. On the other hand, there are countries that ignore the potential contribution of philanthropy to the state and society at large (Layton, 2015). The countries that support philanthropy have a fiscal policy that aims to increase the role of philanthropy in national efforts to improve the well-being of citizens. This policy is expressed in the granting of fiscal incentives to philanthropy that plays "a central role in the nourishment and regulation of the charitable sector" (Simon, Dale, & Chisolm, 2006, p. 267).

In countries that subsidize the nonprofit sector and grant generous fiscal incentives, the nonprofit sector is larger than in countries that provide limited fiscal support. Fiscal policy is a barometer of government policy toward philanthropy, and fiscal incentives for philanthropy are "a political mechanism that shifts some of the authority and responsibility of allocating public funds from the majority decision-making process to individual donors" (Benshalom, 2008, p. 2). However, fiscal incentives tend to have a marginal, albeit often considered important, effect on high-end donors in most countries and they do not ultimately play a significant role in their philanthropic activity (Hossain & Lamb, 2012; Lin & Lo, 2012; Steinberg, 1990). Establishing a formal policy is also connected with other factors such as espoused ideology, social and economic values, government preferences, and philanthropists' personal motives and areas of interest. Additionally, there are factors related to the prevailing environment and dominant social regime in each country.

A review of the literature indicates that there is a lack of comprehensive theoretical explanations regarding the relationship between governments and philanthropy. Moreover, existing studies do not account for the increased visibility and engagement of contemporary philanthropy with local governments. Although there has been a great deal of scholarly research on civil society, there is still a need to develop relational models that focus on government and philanthropy and that provide stronger explanations of how these relations are formed as well as their implications. For this reason, the present study focused on policies toward the voluntary sector in different types of political, legal, and fiscal regimes. These regimes (defined by Breeze, Gouwenberg, Schuyt, and Wilkinson [2011] as contextual factors) influence the extent to which a government considers philanthropy to be a partner or collaborator in its efforts to cope with and respond to social, educational, health, and other needs and challenges.

Conceptual Framework

To better understand these factors as well as the relationship between governments and philanthropy (including individuals, private and family foundations, and governmental policy toward these in different social regimes), we have adopted the typology proposed by Anheier and Daly (2007) which follows the model proposed by Esping-Andersen (1990). According to Anheier and Daly, there are different models of social regimes. These have been defined as “liberal,” “social democratic,” “corporatist,” and “statist.” In the “liberal model,” represented by the United States and the United Kingdom, a lower level of government social welfare spending is associated with a relatively large nonprofit sector. There is a relatively limited level of government social welfare spending and a sizeable nonprofit sector. Foundations form largely parallel alternatives to the mainstream and act as a safeguard for non-majoritarian preferences. The boundaries between foundations and government in this model are relatively clear and defined. Loose government control enables philanthropic foundations to operate according to their own discretion and set their own priorities for contributions. Philanthropists are engaged in policy communities and, together with interest groups and government, work to set agendas and formulate policy. Prominent examples include the involvement of philanthropy in developing policy solutions such as school privatization and welfare reform in the United States (Franklin, 2014).

In the “social democratic model,” state-sponsored and state-delivered social welfare protections are extensive, and there is little room left for service-providing nonprofits and philanthropy. In this type of regime, the nonprofit sector performs an advocacy and personal expression role rather than a service-providing role. In Sweden, for example, a substantial network of volunteer-based advocacy, recreational, and hobby organizations exist alongside a highly developed welfare state. Foundations that operate in such an environment tend to offer programs that either complement or supplement state activities. The majority of grantmaking foundations are small, and they are involved to some extent in the provision of social, educational, and health services.

In the “corporatist model,” the state is encouraged to consider common causes with nonprofit institutions. In this model, nonprofit organizations function as one of the long arms of government to support key social elites in the provision of social welfare services. In this context, foundations by and large maintain some form of subsidiary relation with the state. Moreover, in this model operating foundations are part of the social welfare or educational system. Some countries with a corporatist regime, such as Germany and the Netherlands, encourage philanthropy and its contribution to the public and social sphere. These countries implement a fiscal policy of granting tax incentives, whereas others have no official policy toward philanthropic foundations, as is the case in Spain, Italy, and Portugal.

In the “statist model,” the state retains the upper hand in a wide range of social policies, but the state does not serve as the instrument of an organized working class as in the social democratic regime. Rather, it exercises power on its own behalf or on behalf of business and economic elites, but with a fair degree of autonomy sustained by long traditions of religious organizations providing social and human services. In such settings, limited government social welfare protection does not translate into high levels of nonprofit action, as it does in liberal regimes. Rather, both government social welfare protection and nonprofit and philanthropic activity remain highly constrained (e.g., in Ireland and Greece). Philanthropic foundations provide social services and are closely connected with faith-based organizations as well as with other nongovernmental organizations. In these contexts, government maintains complex relations with philanthropic foundations, most of which are grantmaking.

We use the typology described above as a basis for examining the relationship between government and philanthropy in Israel. Using these typologies, we aim to better understand the story of the relationship between government and affluent Israeli philanthropists. These individuals often exhibit their willingness to join forces with government in initiating innovative programs to the benefit of special target populations (both individuals and communities). Finally, we explore to what extent there is an official government policy toward philanthropy in Israel, as reflected in the different vehicles and avenues employed by government in a country where the boundaries between the social regimes, as proposed by Anheier and Daly (2007) not only coexist but are blurred.

Methodology

The research was conducted using a qualitative-interpretative paradigm. Two lists of the research population were created using purposive sampling. The first list containing the population of philanthropists was obtained from a database of local affluent donors developed by the authors. The database was created during their years of researching Israeli philanthropy. This database is annually updated by searching online research and media publications. Additional names of potential interviewees were added along the way as part of a snowball sampling technique (Panacek & Thompson, 2007). The list of philanthropists contained the names of 63 major, well-known Israeli philanthropists who engage in organized charitable activities and who have had previous experience in joint ventures with governmental agencies. We contacted these philanthropists by email and phone and requested their participation in the study. Nine philanthropists did not respond to our invitation, and 24 declined to participate due to lack of interest, lack of time, or conflicting schedules. The second list included 31 government officials from a range of governmental agencies. These individuals were selected based on their ongoing working relations with Israeli philanthropists. Twelve of them declined to participate in the study.

The final sample population included a total of 48 interviewees: 30 philanthropists (18 men, and 12 women) and 18 senior government officials (12 men, and six women). The philanthropists who comprised the final sample shared similar attributes. All of them were Jewish, and almost all of them were descendants of families that immigrated to Israel from Europe. They all resided in metropolitan areas in central Israel, and they defined themselves as nonobservant or mildly observant in terms of religiosity. They were also all “self-made,” first-generation wealthy residents. For most, their fortune originated from business, high-tech, and industry. They all operated a private foundation. The sample did not include non-Jewish philanthropists or Jewish philanthropists from other countries.

We conducted in-depth, semistructured face-to-face interviews in Hebrew with participants. The interviews were then transcribed. These included five preliminary interviews aimed at testing the research tool, which was used as part of the data analysis. The interview related to the following topics:

- Socio-demographic characteristics (e.g., age, sex, education);
- Their motives for, and areas of, giving;
- Formative events inspiring their philanthropic activities;
- Their perceived meaning of philanthropy;
- Their ideas about the scope of giving and its impact on relations with government agencies and officials;
- Their perceptions of the extent of philanthropic cooperation versus confrontation with government agencies;
- Their perception of government machinery and functioning;
- The extent to which they are involved in government decision-making;
- Their perceptions of the changing relations of government and philanthropy through the years;
- Their philanthropic achievements; and
- Their thoughts about barriers and dilemmas in developing philanthropic relations with government.

Another source of data was a variety of documents, which included minutes of meetings held by formal governmental forums and committees of the Israeli parliament, as well as position papers, government decisions, op-eds, reports, and other formal and informal publications and correspondence.

Although we identified a conceptual framework for this study, our data analysis was inductive and reflective (Pratt, 2009). It consisted of several stages. These stages, which included an initial analysis using category construction and an open coding technique. This was followed by content analysis of the transcribed interviews (Araujo, 1995; Corbin & Strauss, 1990). Seventeen categories were identified, mapped, and linked to five main categories. After this, coding was performed again based on the five main categories, and the data were classified accordingly.

In addition, several activities were performed to establish the credibility of the research findings (Silverman, 2000; Whittemore, Chase, & Mandle, 2001). First, data analysis was performed in a spiral process and it was repeatedly reviewed by both researchers. Second, the findings were explored using multiple analyses by both researchers, a research assistant, four of the research participants, and a scholar who was external to the study. Finally, the main themes from the interviews and the documents were triangulated in order to complement the categories and check for gaps in the findings.

Findings

Trust and Alienation in Relations between Government and Philanthropy

For many decades, philanthropists in Israel have engaged informally with government in initiating nonstrategic, sporadic, and ad hoc programs. As one philanthropist put it “[These are] two parallel lines that will never meet.”

Interactions often formed as a result of a common interest between government and philanthropy to respond to a particular need and as a result of a desire of philanthropists to ensure government’s collaboration and support. Philanthropists also aspired to gain formal and informal legitimacy for their initiatives in areas where government played a major role as service provider. These relations were not prolonged, and there was no overarching policy on the part of government (Haski-Leventhal & Kabalo, 2009). Lack of continuity and the absence of formal arrangements have motivated philanthropists to operate according to their own

personal motives and goals, which do not always correspond with a government's policies and priorities. However, this relationship has changed with the appearance of new philanthropy.

New Israeli philanthropists are highly involved in their initiatives. They promote a proactive strategy for giving and volunteering. They are goal-oriented and results-oriented while striving to make an impact on their beneficiaries (Katz & Greenspan, 2015; Silber, 2012). These philanthropists have entered into public arenas traditionally controlled by government while demonstrating superiority to government officials. In fact, they consider themselves to be a role model for government; as suggested by one philanthropist, "The only way to encourage government to take action is to show them how things get done."

Israeli philanthropists have been trying to influence government officials to change their conservative and traditional attitudes and behavior. Their activities are often taken with a grain of salt by many government officials, who have doubts regarding their motives. As one official remarked, "The rich always think 'what will I gain, how will it promote my image, and how can it help me associate with the political echelon?' There is no real altruistic spirit."

The attitudes expressed by the philanthropists have resulted in increased alienation and tension with government, which senior government officials perceive as threatening Israeli democracy. According to these officials, the threat lies in the desire they believe philanthropists have to impose their ideas on government without exploring the extent to which those ideas meet national priorities. As this government official remarked, "Who decided that an executive of a big firm has the ability to teach a school principal how to be a better manager? This is the kind of philanthropy that I fear." This approach has been further enhanced by the autonomy that characterizes the activities of these philanthropists, as one of them described, "The state needs to take care of everyone, but I, as a philanthropist, have a choice. For example, I can choose to take care only of those who play the violin. That is my prerogative."

Some government officials were deterred by the antagonistic attitude of philanthropists, which they saw as condescending and disrespectful of their working methods and of their professional skills and abilities. A government official captured that perception. "Ultimately, philanthropy brings in relatively little money but wants to run the whole show. Sorry, but someone here is confused."

At the same time, there have been several philanthropic-led initiatives that have attracted government participation to the point where government has played a major role in their implementation after which the philanthropists moved on to other initiatives. This is also known as "impregnating the government" (Shimoni, 2017).

For their part, philanthropists have often been critical of the working policies and methods of government officials. As suggested by one philanthropist, "Government officials are engaged in damage control. They create endless rules and regulations so that nothing bad will happen." These are perceived as limiting a government's ability to make systemic changes or introduce organizational and structural reforms, contrary to the working methods and guidelines of philanthropists. As a philanthropist described it: "The government is a complex system, and to produce one change requires 8,000 regulatory approvals. Public taxes are the funds that finance this process and ultimately only a third of the projects are fulfilled. Consequently, the philanthropist's cent is equal to three times more than that of the government."

Another philanthropist described the challenges of working with government officials. "They are experts in creating plans that can never be executed and forming divisions that are solely dedicated to placing barriers and hardships for philanthropists. This requires funding a part-time employee whose job is communicating with the government." One philanthropist described his previous experience promoting a joint initiative with government "...I go to the

Ministry of Communications, and they say one thing, the Ministry of Justice another, the Ministry of Finance another, and so on—the right hand doesn't know what the left hand is doing.” Finally, philanthropists also complained about lack of experience, skills, and expertise needed to work with government.

Changes in the Welfare Regime and Government-Philanthropy Relations

The changing relationship between government and philanthropy in Israel has been influenced by a shift away from a socialist economic welfare regime and the adoption of a quasi-neoliberal regime. In this process, government has focused on promoting and implementing state social regulation, legislation, supervision, contract management, and evaluation (Lahat & Talit, 2015). This shift has facilitated a path for non-state actors to assume leading roles in providing social services. The movement of the Israeli welfare regime toward a liberal or hybrid model created a regulatory role for the state (Gal, 1998, 2004; Haber, 2011; Levi-Faur, 2014). Thus, the state was defined as navigator rather than rower, and it focused on planning social and educational initiatives. The state assumed the role of policymaker and engaged in initiating and designing social and other programs as well as in determining standards and guidelines for nongovernmental organizations in charge of providing services.

These changes have led to ambiguity in the working relations between government and philanthropy in Israel, as one philanthropist remarked, “A triangle was formed, which was characterized by unclear boundaries. The situation where no one knew what to give and what to receive led to an erosion in the functioning of all parties.” Therefore, the need to determine organizational boundaries and division of roles among government, nongovernmental organizations, and philanthropy became evident.

In the early 2000s, the growth of civil society organizations in Israel prompted a public discourse on the roles and mission of these organizations. Public committees such as the Galnor Committee (2003) and the Aridor Committee (2004) examined government's approach toward civil society in Israel and recommended the formulation of an official policy aimed at regulating relations between the parties and at encouraging transparency and accountability. Despite these recommendations, these committees did not address the relationship between government and philanthropy. Ultimately, they ignored the need to propose an overall policy.

However, further changes in Israeli society since the 1980s have resulted in the growth of existing needs as well as in the emergence of new needs that government has struggled to meet. As a result, government has reached the conclusion that philanthropy could and should become a substantial partner in efforts to promote national initiatives, despite the ambivalent relations between them. As noted by one government representative, “There has been a change in attitude towards philanthropy...they know what they're talking about, so, instead of clashing with them try to listen to them.” There was also growing recognition that philanthropy can play the role of a catalyst, as claimed by a senior government ministry official. “It is very important that philanthropic capital be dedicated to expanding the boundaries of government activities through a gradual process and not be constrained by them.” In fact, one of the sentences we have often heard repeated by government officials when stressing the importance of philanthropy is, “It takes a long time to change the direction of an aircraft carrier.” This referred to the belief that government moved slowly and ponderously, and that it needed philanthropy because philanthropy was more flexible and nimbler.

The growing predisposition toward collaborating with philanthropy has led to the creation of several partnerships and initiatives, specifically in the areas of children and youth at risk; integrating adults with disabilities into Israeli society; enhancing the quality of human resources in the education system by creating high-quality training institutions; and reinforcing civil responses to emergencies, trauma, and emotional stress (Almog-Bar &

Zychlinski, 2012). In addition, the Second Lebanon War in 2006 emphasized the central role that philanthropists played—often preceding government in responding efficiently and effectively to the emergency situation created by the war. As a result, there has been growing acknowledgment of the mission and role of nonstate actors on the part of government as well as an understanding of the need to establish ongoing dialogue and cooperation (Shimoni, 2017). As a government official remarked, “The prevailing opinion is that there is more to gain from cooperation than there is from operating independently with no connection.”

An Emerging Public Policy toward Philanthropy: Initiating a Dialogue

The evolving relationship between government and philanthropy in Israel has led to the creation of a formal mechanism in the form of round tables, which serve as platforms for tri-sector discourse, action planning, and dialogue among the parties. A central round table was established in the Prime Minister’s Office following Government Decision No. 3190 in February 2008, which included representation of central ministries that were part of the round table (Prime Minister’s Office, 2008, 2011). The purpose of the round table was to create a direct channel of communication between government and philanthropy across various areas of activity—thereby enabling government to be more attuned to the expectations, desires, and capabilities of philanthropists. The creation and operation of the round table was a direct outcome of pressure from the political echelon, which often imposed its perceptions about what the role of philanthropy should be. According to one government official, “Everything starts with pressure from senior politicians, prime ministers, and the like...and then the ultimatum.”

This often resulted in differences in the working experience of philanthropists with the political and professional officials in government agencies; as discussed by another philanthropist, “Finding the right person in the ministry who is dedicated to promoting our initiative is always a challenge, as not every political decision is translated into the hard work and motivation of the professional you end up working with.” Nevertheless, many government officials interviewed felt that, despite being forced to participate in this round table dialogue, the experience turned out to be rewarding. As one official remarked, “Since we were pressured into the dialogue, it could have been perceived as meaningless and even humiliating. Instead we developed a feeling of true discourse and the beginning of something new.”

Additional round tables were formed within the Ministries of Education, Social Services, Justice, Finance, and others. The creation and proliferation of the round tables symbolized a shift in government’s perception of philanthropy and a growing desire to find an effective mechanism that endorsed collaborative action oriented toward the creation of social and economic value. As expressed by one of the philanthropists, “When there is such support, it is a strong bolster, and is worth much more than financial support.” Ultimately, these round tables served as a platform for enhancing legislation, legitimacy for philanthropic activity, and regulation.

Our findings indicate that the round tables, as their name suggests, helped to set the stage for a reciprocal interaction, thus promoting cooperation between the parties. Previous communications had been characterized by a structural hierarchy that preserved government control over the measures, programs, and initiatives it undertook with philanthropists. As one government official remarked, “We have to be careful that the tail does not rattle the dog...you need to know how to lead and not be led.”

The round tables represented a new underlying rationale adopted by many government officials who believed that there was a need to work together with philanthropy, as expressed by the following interviewee: “...No one has enough resources, and if they do, they need the legislation. If they have the legislation, they are short of money. If they have the legislation and

the money, they lack the operational capabilities. Power has its limitations, and today no one can say 'I can do it alone.'"

The round tables indicated government's recognition of philanthropy's contribution to the creation of new initiatives, its ability to think out of the box, introduce new administrative techniques, and complement and supplement existing programs as well as enhance the scale and scope of services. To date, the round tables have facilitated comprehensive policy steps and actions while promoting a policy agenda regarding philanthropy and philanthropists in Israel. The flexibility of the round tables has provided an outlet for philanthropy to be heard, express critical views of government, and engage in meaningful dialogue with government and civil society. This dialogue has encouraged government to set a clear stance toward philanthropy and stipulate its policy agenda based on a productive and fruitful discourse. Finally, the round tables highlighted the institutionalization and regulation of the relations between government and philanthropy through what has become a formal dialogue that encourages a collaborative relationship and the formulation of a policy agenda backed by various steps and actions.

Toward an Overarching Governmental Policy

Our findings also indicate that in the absence of an overarching policy, most governmental agencies developed their own independent policy toward philanthropy (Schmid & Shaul Bar Nissim, 2016). The lack of defined goals and targets regarding a relationship with philanthropists prompted governmental agencies and ministries to adopt adhoc and short-term approaches. These approaches led to fluctuations in attitudes toward philanthropic initiatives. A government official captured the dilemmas stemming from the dispersed policies of governmental ministries toward philanthropy. "The more government officials concentrate on achieving their goals and on implementing working policies, the easier it is to facilitate their relationship with philanthropy. When ministries zigzag, the relationship with philanthropy is complex."

A change in this structure occurred, as mentioned, with the formation of the round tables and the understanding that there is a need to formulate an overarching policy toward philanthropy by setting a formal policy agenda and exploring alternatives for policymaking. This has led to deliberations on the role of philanthropy in the modern democratic state as well as to shared areas of activity and areas in which government has a stake in promoting philanthropic involvement given lack of resources.

In this context, the dialogue between government and philanthropy has created an opportunity to bridge ideological and cultural gaps, initiate new programs, and share resources and professional experience. Furthermore, the various round tables have promoted the creation of legal and fiscal platforms that have encouraged philanthropic behavior while also regulating philanthropic activities. The round tables served as a platform for developing policies and actions in a coordinated and planned way. In previous years, there was an absence of leadership and guidance, which resulted in a lack of coordination and communication between ministries, clerical foot dragging, and copious red tape on the part of government.

An analysis of official documents published in recent years attests to the efforts of various governmental and nongovernmental agencies to formulate policies for the voluntary sector in general and philanthropy in particular. These efforts aimed primarily to promote a policy that encourages giving and volunteering on the part of Israeli philanthropists and households (Prime Minister's Office, 2011). Some of the outcomes of these deliberations include attempts to broaden the definition of tax-exemptions for efforts to encourage giving, cancellation of the employers' tax for nonprofits, lowering the floor and raising the ceiling for tax-deductible contributions, and approval of tax exemptions on donations through an individual's payroll (Prime Minister's Office, 2015). These responses correspond to a government policy toward

philanthropy and shed light on government's desire to promote a spirit of giving in Israeli society in order to create social and economic value for the benefit of clients—citizens.

Discussion

The rise and growth of philanthropic activity in Israel, along with changes in its role and mission in the public sphere, raise questions and dilemmas regarding relationships between philanthropy and government as well as questions about the issue of public policy toward philanthropy in Israel (Anheier & Daly, 2007; Franklin, 2014; Reich, 2006, 2012). Our findings suggest that the development of public policy toward philanthropy can be influenced by changes in contextual factors of a state's welfare regime (Anheier & Daly, 2007; Esping-Andersen, 1990). In this study, specifically, public policy toward philanthropy in Israel was shown to be influenced by the establishment of a hybrid, amorphous social welfare regime consisting of social democratic and neoliberal ideological elements (Gal, 2004; Haber, 2011; Lahat & Talit, 2015). Israel is undergoing a transformation from the social-democratic welfare regime that characterized it for many years and is moving fast toward a neoliberal welfare regime that encourages entrepreneurship and a free market.

These changes have led to the growth of nonprofit organizations and the privatization of social and human services in Israel (Gidron et al., 2003). These changes have also led to the diminishing role of government and the growing involvement of new philanthropy in funding national and social initiatives (Shimoni, 2017; Silber, 2012). This, in turn, has led to the transfer of power and responsibility to the private sector and for-profits, who had been the main providers of services that government had given responsibility to until recently. At the same time, the role of philanthropists and their relations with government have changed. As long as the social democratic regime remained dominant in Israel (nearly four decades), the role of philanthropists was limited with regard to the provision of social, educational, and cultural services. In the early 1980s, as Israel shifted toward a neoliberal regime, the relationship between philanthropists and government changed as well. In that process, there was a need to overcome accumulated mistrust, tensions, and alienation that characterized these relations in earlier years. The ongoing shift toward a neoliberal welfare system has required government and nongovernmental organizations to rethink their relationship and the relative advantages of each party. It has also required them to strengthen collaboration and cooperation and remove barriers that restrain new initiatives. The proliferation of round tables and the expansion of multisector dialogues are further indications of government's increasingly positive view of cooperation and cross-sectoral partnerships (Schmid & Almog-Bar, 2016).

The Israeli case is an example of regimes that go beyond the typology proposed by Anheier and Daly (2007). It raises questions and reservations about policies toward philanthropy in countries characterized by a combination of social democratic foundations and neoliberal ideology. In these types of regimes, the importance of philanthropy and its interaction with government (as well as the division of labor between government and philanthropy) requires a new conceptualization that is not reflected in current theoretical models. As welfare regimes change to amorphous hybrid structures, perceptions of the roles and missions of philanthropists have altered, and a unique niche has been created for philanthropic engagement.

These shifts toward hybrid social welfare regimes raise questions about broader processes of blurring boundaries between welfare regime types and about the implications of those processes for the roles and responsibilities assumed by new philanthropists. The fluidity of welfare regimes also highlights the need to formulate a public policy toward philanthropists, who often define the respective areas and domains of engagement. Recognizing the particular advantages of philanthropic organizations allows a government to think outside the box and

be more creative and innovative in its own operations. Nevertheless, government has adopted an ambivalent approach, which expresses dilemmas and challenges and hinders the formulation of a policy agenda toward philanthropy that extends beyond fiscal regulations. This ambivalence provides the basis for a twofold perception of philanthropists as both independent funders and as partners of government. As independent funders, philanthropists generate a tension between contributory and disruptive behavior in negotiating with government (Horvath & Powell, 2016; Reich, 2006). As partners, collaborations lead to innovations and productive joint ventures and initiatives (Schmid & Almog-Bar, 2016).

This duality has posed obstacles to the formulation of a public policy toward philanthropy in Israel leading to a process that can be described as a delicate dance (Phillips, 2003) in which both sides work together to find the appropriate balance in the institutionalization of their relations. This includes a process of trial and error regarding different policy alternatives and forms of collaborations, while seeking to create a formal policy that is aligned with the local welfare regime and governmental priorities.

It is important to note that these insights should be understood within the methodological context in which they were developed. There was an inevitable selection bias in this research due to the fact that the authors examined a group of high-capacity donors who already are probably disproportionately active in philanthropic activity and more preemptive about defining their relations with government.

Implications for Theory and Practice

The Israeli case study presented in this paper contributes to enhancing our understanding of policies toward philanthropy in different regimes and their implications for the relations between government and philanthropy. A central question relates to the need for a public policy toward organized philanthropy. Different approaches can be taken in the attempt to answer this question. The first approach supports philanthropy's independence and attaches little importance to the nature of its relations with government, thus relinquishing the need for a formal policy. According to this approach, philanthropy's independence should be maintained through the development of innovative initiatives and prototypes to be emulated, absorbed, and diffused through a government's bureaucratic system and mechanisms. A second approach highlights the importance of philanthropic activity as a significant actor that collaborates with government. This approach maintains that it is desirable to formulate a clear policy toward philanthropy based on a mutual discourse in which the parties negotiate an agreed-upon definition of roles and missions.

Our research suggests that Anheier and Daly's (2007) theoretical model of government-philanthropy relations may need to be refined and adjusted to account for ongoing changes in the social and political systems of many countries. It could, for example, include multiple models representing new, integrated forms of social welfare regimes. The above-mentioned changes affect the relationship between government and philanthropy, and highlight the need for discourse regarding public policy on philanthropy. Toward that end, the sectors may benefit by redefining each other's roles and division of labor in order to maximize the economic and social value of efforts on behalf of potential beneficiaries.

No matter what approach is chosen, the process of formulating a policy toward organized philanthropy needs to be considered carefully. A strong regulatory component or a rigid definition of roles and division of labor may lead to a loss of philanthropy's relative advantages. These advantages include flexibility, risk taking, the ability to develop groundbreaking and innovative programs, adaptability, and proximity to beneficiaries. Regulation should also remain moderate because over-regulation deters philanthropy from cooperating with government. Policymakers in Israel understand this principle, as demonstrated by the 2018

decision that provides incentives to ministries that reduce regulation by 30%. Ministries with excessive regulatory procedures and guidelines are now fined.

These developments highlight the need for future research on the interest of new philanthropy in collaborating with government and on the circumstances under which such collaborations should exist. Research should also probe the significance and centrality of philanthropy to governments in different welfare regimes, which operate either in favorable or limiting environments. Finally, as the attributes and activities of philanthropists are constantly changing, research should aim to develop conceptualizations of different types of philanthropists who have differing interests, activities, and strategies.

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Managing Risk and Growth of Nonprofit Revenue

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Managers of nonprofit organizations are challenged to manage revenue growth and risk (i.e., volatility) in order to sustain current and future financial operations. Although the negative repercussions of revenue risk are generally perceived as undesirable, not all risk is bad. If higher levels of revenue risk are compensated with a greater amount of revenue growth, then organizations may rationally pursue volatile revenues that produce growth. This article examines the extent to which a reliance on major revenue sources by nonprofit organizations affects the magnitude of total revenue volatility as well as the pace of total revenue growth. A monitoring application is introduced that can be used to compare the effectiveness of revenue management among similar nonprofit organizations. It can also be used to guide nonprofit managers striving to achieve sustainable financial growth for their organizations.

Keywords: Revenue Risks, Revenue Growth, Revenue Volatility

Achieving a balance between the often-conflicting goals of revenue growth and revenue stability poses a serious challenge for efficient nonprofit management. Both objectives are critically important for the financial sustainability of nonprofit organizations—particularly now that nonprofits are tasked with handling more and more traditional government services. Indeed, as state and local governments face increasingly tumultuous political environments and growing pressures to increase efficiency and downsize, nonprofits have undertaken additional service responsibilities. To continue providing these services, it is crucial for nonprofit organizations to maintain adequate financial resources.

Traditionally, many of the public services provided by not-for-profit (i.e., nonprofit) organizations have been funded by government grants and fees. However, to accommodate the growing demand for services, nonprofits must become increasingly entrepreneurial in terms of utilizing multiple revenue sources to generate sufficient resources to accomplish their missions. Thus, revenue growth is often considered to be one of the primary goals when it comes to the financial management of nonprofit organizations.¹

At a minimum, a nonprofit organization should have sufficient annual revenue growth to sustain current operations in future years. Revenue growth is also important for nonprofit organizations that seek to expand future service levels. At the same time that many nonprofits are seeking revenue growth and resource expansion, others are struggling with the immediate

challenge of revenue instability. The dilemma for these organizations is that many long-term sources of revenue growth are volatile from year-to-year. Unstable revenue streams cause a variety of concerns, such as service provision disruptions and difficulties related to budgeting and financial planning. Despite these concerns, it is not generally feasible to completely eliminate revenue volatility. Instead, these concerning effects can be mitigated through savings and short-term loans as long as an organization's average annual revenue growth is sufficient to accommodate saving for (and servicing) these sources.

Young (2007) asserts that "the central features of nonprofit finance are its diverse income sources...and the need for each organization to find the strategies that will enable it to capture the income mix that best accomplishes its social mission" (p. 7). In this study, we explore which of the major nonprofit revenue sources contribute to nonprofit revenue growth and stability while controlling for financial ratios and other factors. Using financial data from the National Center for Charitable Statistics (NCCS) between 1998 and 2003, we test models that account for factors affecting the volatility and growth of nonprofit revenues. We consider the impact of the 2000 recession on nonprofit growth and stability and explore whether the effects of the major revenue components were consistent before and after the recession. The findings from this study offer important guidance for achieving sustainable nonprofit organizational development through revenue management.

The remainder of the article is structured as follows. The next section discusses two categories of relevant literature. We first review factors and assessments of nonprofit financial vulnerability and bankruptcy. We then focus on the financial impact of different revenue structures, with a particular focus on the potential connection between the mix of revenue sources that an organization has and its resource capacity. The next section outlines the methodology, the data, and the models. The fourth section discusses our empirical results. Finally, the last section concludes with a discussion of management implications.

Literature Review

Nonprofit Financial Performance

Research on nonprofit financial performance can be categorized into two groups. The first category focuses on assessment and helps to identify the financial factors that lead to organizational bankruptcy or demise. While the present study is not directly concerned with bankruptcy, bankruptcy is one possible result of excessive financial risk; therefore, this literature may help identify determinants of nonprofit financial risk.

The research on nonprofit financial performance indicates that nonprofit bankruptcy is associated with the types of revenue sources and/or the combinations of revenue sources available to a given nonprofit. Drawing on resource dependence theory, Grønbjerg (1990) argued that government funding is more stable than other sources. This gives nonprofit organizations an incentive to secure government funding to enhance their revenue growth and revenue predictability, as discussed by Kingma (1993). However, Chabotar (1989) suggested that nonprofit organizations should diversify their revenue bases to avoid becoming overly dependent on any single source of revenue. Thus, minimizing their financial vulnerability.

The work of Chang and Tuckman (1994) confirmed that diversified revenue sources are more likely than concentrated revenue sources to form a strong financial foundation. In addition, the authors pointed out that a nonprofit's activities and the magnitude of its fundraising expenditures affects its ability to diversify revenues. Froelich (1999) and Jegers (1997) acknowledged the potential benefits of revenue diversification but also discussed related concerns and constraints. Similarly, Frumkin and Keating (2011) argued that the desirability of revenue diversification is not always clear because revenue concentration offers some

significant benefits, such as lower administrative and fundraising expenses. Bowman (2011) examined nonprofit capacity and sustainability issues from both long- and short-term perspectives. He argued that long-term perspectives focus on maintaining or expanding services, while short-term perspectives aim for resiliency or capacity to absorb “occasional economic shocks while making progress toward meeting long-term objectives” (p. 39).

The Tuckman and Chang (1991) study is one of the most influential articles on nonprofit financial risk. The authors argued that revenue diversification is just one of four ways to reduce financial vulnerability. Their seminal study identified a conceptual framework for assessing financial vulnerability among nonprofits using four vulnerability criteria: inadequate equity balances, revenue concentration, low administrative costs, and low or negative operating margins.

A number of studies have used Tuckman and Chang’s (1991) vulnerability measures to predict the bankruptcy of nonprofits. For example, Greenlee and Trussel (2000) and Trussel (2002) empirically tested the utility of the Tuckman-Chang vulnerability measures using multiyear national nonprofit samples. Hager (2001) tested the Tuckman-Chang measures using a population of nonprofit arts organizations and concluded that the measures were able to predict the demise of some nonprofit organizations, but not all types of arts nonprofits. Gordon, Fischer, Greenlee, and Keating (2013) compared the Tuckman-Chang model with the bankruptcy forecasting model in the corporate sector and concluded that neither was effective in predicting financial vulnerability. Instead, the authors proposed an expanded model that included factors capturing reliance on commercial activities and endowment sufficiency and showed that their model significantly outperformed its predecessors. In summary, financial risk differs greatly among nonprofit organizations and is contingent upon organizational and financial characteristics.

A second category of literature suggests that nonprofit financial risk can be controlled through proactive strategies to manage financial resources and improve an organization’s financial strength. Similar to the first body of literature identified, this literature also draws on resource dependence theory. Hodge and Piccolo (2005) found that privately funded agencies were less vulnerable to economic shocks than government or commercially funded agencies. They also found that a CEO’s strategic interactions with the board depended partly on the nature and mix of the organization’s resources. Meanwhile, Fischer, Wilsker, and Young (2011) observed that revenue composition was usually driven by the nature of services provided. The authors found that organizations with mostly private benefits relied primarily on earned program revenues, while publicly oriented organizations relied more heavily on donations.

Given the importance of accumulating capital assets to expand service provision and achieve long-term sustainability, Yan, Denison, and Butler (2009) examined the extent to which revenue diversification and government grants were incorporated into debt financing decisions. To do so they used data from a national sample of arts, culture, and humanities nonprofit organizations. Their findings suggested that nonprofit organizations with greater revenue diversification were more likely to issue debt but did not necessarily have higher debt ratios. Government financial support, they found, increased both an organization’s likelihood of issuing debt and its debt ratio. In a similar line of research, Denison (2009) showed that nonprofit organizations with greater program revenues, contributions, total assets, total revenues, and executive compensation were more likely to rely on mortgages. Denison (2009) also found that special event fundraising is a disincentive to bond financing and that an organization’s use of debt is affected by the nature of its mission.

Chikoto and Neely (2013) examined revenue concentration and revenue growth. Using IRS Form 990 data similar to the data that we use in our study, they found that a nonprofit organization’s revenue growth is inversely related to revenue diversification, as measured by a Herfindahl-Hirschman Index (HHI). The authors concluded that revenue concentration is

more effective in generating revenue growth in the short-term, but that the effects are reversed in the long-term. Our research complements Chikoto and Neely's (2013) work in that it examines both revenue growth and risk by identifying the revenue sources with the most potential for growth and the least amount of volatility, thus permitting some nonprofit managers to potentially manage and benchmark revenue sources.

Quantitative Risk and Return Measures

Risk managers often differentiate between risk and uncertainty. Risk is the volatility in outcomes that can be measured with probabilities. Uncertainties are unexpected outcomes that are difficult to predict (Crouhy, Galai, & Mark, 2006). We focus on volatility risk in this study by calculating the standard deviation of annual growth in annual revenue collections of nonprofit organizations.

The financial priorities of nonprofits are arguably different than those of for-profit corporations and tax-supported governments. However, some of the concepts in the literature on risk and return in the for-profit sector can be applied to nonprofit organizations. In Markowitz's (1952) seminal article, in which he laid out his portfolio theory, he also articulated the fundamental maxim of mean-variance models: that "the investor does (or should) consider expected return a desirable thing and variance of return an undesirable thing" (p. 77). Thus, investors typically expect a greater average return when the variance of returns is high. Tobin's (1958) work established the standard deviation as a preferred method to measure variance. Furthermore, the works of Markowitz (1952), Tobin (1958), and many others demonstrate the widely observed principle that increasing average returns in for-profit markets generally requires taking on greater risk with respect to the variance of returns. This premise has also been applied to commercial firms in the context of diversification and capital structure (see, for instance, Amit & Livnat, 1988a, 1988b; Rubinstein, 1973). The financial risk of a corporation is also influenced by the debt and fixed asset leverage (Brealey & Myers, 1991).

Revenue volatility is a familiar concept in corporate finance. Revenue collections are frequently unpredictable and fluctuate year-to-year. As an active approach to mitigate the impact of volatility, many organizations and individual investors use the strategy of portfolio diversification. Diversification reduces risk more than yield as long as the price movements of different securities in an investment portfolio are not perfectly correlated (Brealey & Myers, 1991). A single security's contribution to the (market) risk of the whole portfolio depends on how sensitive the security is to market movements.

A similar rationale can be applied to the revenue structure and percentage growth in revenue of nonprofit organizations (Kearns, 2007; Kingma, 1993). By employing multiple revenue sources, similar to a mix of security holdings, an organization may reduce its financial risk hedging against the decline of any single revenue while enabling the total revenues to grow over time (Frumkin & Keating, 2002). However, this improved revenue stability may come at the cost of suppressed revenue growth.

Carroll and Stater (2009) also conducted a study relevant to this research. They used a national sample of nonprofit organizations from 1991 to 2003 to empirically test the function of revenue diversification in stabilizing nonprofit revenue streams. Their results indicated that equal reliance on earned income, investments, and contributions can indeed reduce concerns about revenue volatility. Regarding the existence of the risk-reward relationship, their research used a proxy approach to examine whether an organization's growth potential, as measured by fund balance and retained earnings, helps to reduce revenue volatility; they found that both factors were negatively associated with volatility, suggesting a complementary relationship rather than a trade-off.

The preceding discussion of the literature on financial vulnerability and quantitative measures of risk and return gives rise to the following hypothesized relationship:

Hypothesis₁: Standard deviation (i.e., risk) and percentage growth of annual revenues (i.e., return) are inversely related.

Important control variables include revenue shares of government grants, contributions, program revenue, investment revenue, fixed-assets leverage, and debt leverage, along with an organization's size, age, and nonprofit subsector.

Model Development

Revenue growth is measured by calculating the six-year average of the annual change in total revenues. Specifically, the percent change in total revenues for organization j is given by equation [1], where the difference in total revenues of period t and period $t-1$ is divided by the last period's revenues. The average percent change in total revenues of organization j for the six years of observations in our sample is given by equation [2]. Financial risk is measured by the standard deviation of the five annual percent changes in total revenue for organization j given by equation [3].

$$\Delta R_{jt} = \frac{R_{j,t+1} - R_{jt}}{R_{jt}} \quad [1]$$

$$\overline{\Delta R_j} = \frac{1}{5} \sum_{t=1}^5 (\Delta R_{jt}) \quad [2]$$

$$R_j^{SD} = \left[\frac{1}{4} \sum_{t=1}^5 (\Delta R_{jt} - \overline{\Delta R_j})^2 \right]^{1/2} \quad [3]$$

The recent work of Mayer, Wang, Egginton, and Flint (2014) argued that the trade-off between volatility and expected growth of revenue should not be taken for granted; instead, the specific effects of revenue diversification on volatility and expected growth vary with changes in portfolio components. It is, therefore, a practical challenge for nonprofit managers and an empirical question for nonprofit researchers to identify whether nonprofit organizations have peculiar financial characteristics that contribute to a given level of revenue instability and growth (which we use as our dependent variables).²

A first step is to examine the overall correlation between average growth and the standard deviation. The aggregate mean–variance trade-off is examined through the correlation coefficient of the sample mean and the variance. The correlation coefficient between the sample average revenue growth and the standard deviation of revenue growth is 0.98, suggesting strong evidence of a risk and return trade-off. Organizations with high average revenue growth rates are associated with high standard deviations in revenue growth rates. Note that, while this finding is intuitive, there is nothing mathematically requiring that the standard deviation should be high relative to revenue growth for a specific organization. For example, an organization that has consistent revenue growth of 10% every year for four years would have a fairly high average annual growth of 10% for the period with a low standard deviation of zero.

We consider the six major revenue sources to be a unique investment in a nonprofit organization's financial portfolio (Kearns, 2007; Kingma, 1993). These revenue sources manifest with different degrees of economic responsiveness to the macro environment. The total return of a portfolio is the weighted average return of the individual securities that comprise the portfolio. Therefore, the mean growth in total revenues ($\overline{\Delta R_j}$) for organization j can be broken down into the weighted average growth in each of the six major revenue sources

i , as shown by equation [4]. Here $\overline{\Delta R_{ji}}$ is the mean annual percent growth for revenue source i , and w_{ij} is the proportion of the revenue from individual source (i) to total revenues for organization j . The sum of the weighted percent change for each revenue source equals the total average annual growth rate (i.e., percent change in total revenues) for each organization. Similarly, the standard deviation for the total growth rate (R^{SD}) is divided into the weighted average components for each revenue source as shown in equation [5]. Unlike Carroll and Stater (2009) who used the HHI to measure revenue diversification, we examine the individual impact of each revenue source on revenue volatility and growth using the weighted average approach. Therefore, our model does not require the assumption that equal shares of revenues are optimal.

$$\overline{\Delta R_j} = \sum_{i=1}^6 \overline{\Delta R_{ji}} w_{ji} \quad [4]$$

$$R_j^{SD} = \sum_{i=1}^6 R_{ij}^{SD} * w_{ij} \quad [5]$$

Based on the associations previously discussed in the nonprofit and corporate literature, we establish two models to further investigate the growth and volatility of the total revenue of nonprofit organizations as follows:

$$\text{Revenue Average Growth} = \alpha + \beta(\text{Major Revenue Sources}) + \gamma(\text{Financial Ratios}) + \delta(\text{Economic Factor}) + \phi(\text{Nonprofit Subsectors}) + \varepsilon$$

$$\text{Revenue Standard Deviation} = \alpha + \beta(\text{Major Revenue Sources}) + \gamma(\text{Financial Ratios}) + \delta(\text{Economic Factor}) + \phi(\text{Nonprofit Subsectors}) + \varepsilon$$

The two dependent variables are *average annual total revenue growth* and *the standard deviation of revenue growth*, as discussed above. The explanatory variables are the same for both models. The explanatory variables are described in Table 1 and fall into four categories. The first category comprises five of the six major revenue sources for nonprofits: contributions, program revenues, dues, investments, and other revenues. Grant revenue is omitted. The revenue variables are measured as a proportion of total revenue. The inclusion of the proportion of each revenue source is based on the weighted average return formula in equation [4]. Therefore, the beta for each revenue source can be interpreted as the sample mean return of an individual revenue source (relative to grant revenue). The same logic applies to the standard deviation model.

The second category of explanatory variables consists of several financial measures. The log of total revenue captures economies of scale and organizational size. The fixed-asset ratio is the ratio of fixed assets to total organizational assets and is a measure of the revenue-producing assets. The fixed-asset ratio measures the portion of the total assets that may be used to provide services, as opposed to endowment funds that generate investment revenues. The bond ratio, mortgage ratio, and liability ratio capture the influence of financial leverage on revenue growth and volatility. Financial leverage occurs as a result of the fixed cost associated with obligatory debt service payments.

The third category is the economic climate of the state in which the nonprofit organization is located and is measured by the log of state personal income. The effects of economic climate are also considered by creating a dichotomous variable equal to one during and after the recession and examining this dichotomous variable's interactions with the other variables.

The fourth category is the organizational characteristics of the nonprofit organization within the nonprofit subsectors represented in the sample described in Table 2. The two control variables in this group are organizational age and nonprofit subsector (i.e., NTEE classification code) in which the organization operates.

Table 1. Description of Variables

Variable	Definition	Mean	Standard Deviation
Average Growth	Average of annual % change in total revenue	0.200	0.677
Standard Deviation	Standard deviation of % change in total revenue	0.422	0.882
Coef_variation	Ratio of standard deviation over growth	-	-
Grants	% of government grants of total revenue	0.170	0.231
Contribution %	% of contributions of total revenue	0.338	0.446
Program Revenue %	% of program revenues of total revenue	0.385	0.387
Dues %	% of membership dues of total revenue	0.034	0.125
Investment %	% of investment income of total revenue	0.053	0.139
Other Revenue %	% of other revenues of total revenue	0.020	0.077
Ln_total_rev	Natural log of total revenue	13.526	1.867
Fixed_ratio	Ratio of fixed assets to total assets	0.302	0.300
Bond_ratio	Ratio of bond to long term fixed debt	0.014	0.081
Mort_ratio	Ratio of mortgage to long term fixed debt	0.096	0.199
Liab_ratio	Ratio of total liabilities to total assets	0.360	0.528
Ln_state_inc	Natural log of state personal income	15.704	1.008
Age	Number of years since organization was founded	20.158	16.138
No Age	Dummy variable=1 if age missing	0.019	0.137
NTEE	26 major classifications of NTEE (dummy variables)	-	-
Recession	Dummy variable=1 for years 2001, 2002 and 2003	-	-
Recessionx--	Interaction of post-recession with specific variable	-	-

The focus of our analysis is on examining the average risk and growth factors among organizations (and not within an organization) over time. The between estimator, or group means estimator, is an appropriate and robust model for this purpose (see Greene, 2008, p. 189). We collapsed the annual observations by calculating the mean to produce a single observation for each organization, with its corresponding values for the average annual revenue growth and the standard deviation. The values of the continuous explanatory variables were averaged by organization over the time period, and betas were estimated through regressions on the single cross section.³ The between estimator model captures only differences among organizations (not within organizations). Organizational differences in annual total revenues were measured through the average and standard deviation of annual growth, which were calculated when the data were collapsed.

Data Description

The financial data for nonprofit organizations were extracted from the National Center for Charitable Statistics (NCCS) Digitized Data, which provides comprehensive information from

Table 2. Nonprofit Subsectors Represented in the Sample

NTEE Code	NTEE Category	Total Organizations	% of Sample
A	Arts	9,795	9.36
B	Education	13,533	12.93
C	Environment	1,961	1.87
D	Animal	1,151	1.10
E	Health	13,713	13.10
F	Mental	4,898	4.68
G	Disease	2,735	2.61
H	Medical Research	843	0.80
I	Crime	2,379	2.27
J	Employment	2,414	2.31
K	Food	999	0.95
L	Housing	7,198	6.88
M	Public Safety	571	0.55
N	Recreation	2,965	2.83
O	Youth	2,987	2.85
P	Human Services	19,969	19.07
Q	International	1,608	1.54
R	Civil Rights and Advocacy	851	0.81
S	Community Improvement	4,781	4.57
T	Philanthropy	4,154	3.97
U	Science and Tech	737	0.70
V	Social Science Research	297	0.28
W	Public and Societal Benefit	1,029	0.98
X	Religion Related	2,881	2.75
Y	Mutual Membership	240	0.23
Total		104,691	100

Notes: NTEE=National Taxonomy of Exempt Entities. Category Z is omitted due to no observations.

the 990 forms that all nonprofit entities with \$25,000 or more in gross receipts are required to file annually with the IRS. The NCCS Digitized Data includes observations for individual nonprofit organizations from 1998 to 2003. Compared with more traditional sources of information in this field, e.g., the IRS Statistics of Income Sample Files (SOI), NCCS Digitized Data offer several advantages such as the inclusion of all qualified nonprofit units and improved quality and reliability of the financial information. Although the NCCS data do have limitations, these data files (when properly cleaned) have shown to be generally reliable sources of information for nonprofit financial management studies, as discussed by Carroll (2009) and others (e.g., Froelich & Knoepfle, 1996; Froelich, Knoepfle, & Pollak, 2000). The socio-economic data depicting the macro environments in which the nonprofit organizations operate were obtained from the U.S. Bureau of Economic Analysis.

Total revenue is a key variable because it provides the basis for the dependent variables: *annual average operating revenue growth* and *standard deviation*. The total revenue reported on the 990 form is based on more revenues than included in the analysis. Therefore, an alternative measure of total revenue was constructed that summed the six major revenue sources of interest: contributions, grants, program revenues, dues, interest income, and other miscellaneous revenues (which includes unrelated business income).

A significant amount of data cleanup was necessary before the data could be used.⁴ The dollar amounts were adjusted to real dollars (year 2000) using the consumer price index before the average revenue growth rates and standard deviations were calculated for the dependent variables. The time-series was collapsed into a single measure by organization. If a nonprofit, as identified by its Employer Identification Number (EIN), was missing data for any year, the

organization was dropped from the sample.⁵ In this way, we ensured that there were six observations per organization prior to collapsing.

After collapsing the data into a single cross-section by organization, several extreme values were identified. Using extreme values produces regressions with large measurement errors and large standard errors driven by a small percentage of the observations. Outlier bias was removed by trimming the data on both tails of the distribution. Trimming is preferred to arbitrarily omitting outliers (Andrews, et al., 1972; Stuart & Ord, 1987, pp. 49-50). Therefore, the data were trimmed by 1% to remove unusually high and low values for the dependent variables, which could have created bias in the regression estimates.⁶ Following the advice of Bowman, Tuckman, and Young (2012), the observations were also filtered to remove organizations that did not report on the 990 form that they used the accrual basis of accounting.

Approximately 2% of the observations were missing age data. Therefore, we created a variable called *no age*, i.e., a dummy variable that is equal to one if an organization's date of establishment is missing from the 990. We observed that organizations with missing establishment dates were more likely to be older. Coding in this way allowed us to keep more than 6,500 observations in the sample that did not report age but met other data requirements.

Empirical Test

The regression results for the group means are shown in Table 3. Model 1 shows the coefficients for the dependent variable *average annual revenue growth*. Model 1 is based on the mean values of the variables for organizations with six years of data available to calculate the average revenue growth. Similarly, model 2 reports the coefficients for the dependent variable *standard deviation* for organizations with six years of data available to calculate the standard deviations and means of the explanatory variables.

The two models have *F*-statistics that are statistically significant and coefficients on explanatory variables that are mostly statistically significant. The coefficient on the revenue variables should be interpreted in relation to government grants, the omitted revenue category. Program revenues and dues have a negative impact on total revenue growth. Contributions, investment income, and other revenue sources all have a positive impact on total revenue growth. Program revenues and dues also have a negative impact on the standard deviation. This means that the revenue sources that are most stable are the same revenue sources that decrease the potential for revenue growth. Similarly, organizations with a higher percentage of revenues from contributions, investment income, and other revenue sources see greater volatility in total revenue (i.e., larger standard deviation). The findings, therefore, provide consistent evidence in support of the mean-variance theory or the risk and return trade-off.

The control variables for the leverage ratios provide interesting insight into revenue growth and volatility. Firms with higher proportions of fixed assets relative to total assets tend to experience slower revenue growth but are also less volatile. The leverage ratios indicate that nonprofit organizations that issue bonds experience greater revenue growth and higher revenue volatility. Organizations with mortgages are also associated with slight revenue growth and statistically significant impacts on revenue volatility.

The 24 NTEE code variables capture the subsectors in which nonprofit organizations operate. The arts category (A) is the omitted category. Therefore, arts organizations serve as the reference point for interpreting the coefficients of the NTEE dummy variables. Nonprofit organizations providing services in the areas of education (category B), environment (category

Table 3. Regression Results and Coefficient Estimates (Including Marginal Coefficient of Variation)

Variables	(1) Average Annual Growth		(2) Standard Deviation		(3) Marginal CV
Contribution %	0.058**	(0.001)	0.292**	(0.011)	5.04
Program Revenue %	-0.127**	(0.001)	-0.112**	(0.010)	0.88
Dues %	-0.154**	(0.012)	-0.100**	(0.022)	0.65
Investment %	0.164**	(0.014)	0.581**	(0.018)	3.54
Other Revenue %	0.185**	(0.026)	0.514**	(0.033)	2.78
Ln_total rev	-0.021**	(0.001)	-0.036**	(0.001)	1.70
Fixed_ratio	-0.145**	(0.008)	-0.157**	(0.010)	1.08
Bond_ratio	0.233**	(0.027)	0.187**	(0.033)	0.80
Mort_ratio	0.061**	(0.013)	0.062**	(0.016)	1.01
Liab_ratio	-0.012**	(0.004)	-0.026**	(0.005)	2.16
Ln_state_inc	0.008**	(0.002)	0.002	(0.002)	NA
NTEE B	0.024**	(0.008)	-0.014	(0.010)	NA
NTEE C	0.061**	(0.016)	0.086**	(0.019)	1.42
NTEE D	0.023	(0.019)	-0.012	(0.024)	NA
NTEE E	0.025**	(0.009)	-0.006	(0.011)	NA
NTEE F	-0.058**	(0.011)	-0.145**	(0.014)	2.50
NTEE G	-0.044**	(0.012)	-0.081**	(0.017)	1.87
NTEE H	0.044+	(0.023)	0.007	(0.029)	NA
NTEE I	-0.121**	(0.015)	-0.173**	(0.018)	1.43
NTEE J	-0.052**	(0.015)	-0.105**	(0.018)	2.04
NTEE K	-0.057**	(0.021)	-0.151**	(0.026)	2.66
NTEE L	-0.001	(0.010)	-0.020	(0.013)	NA
NTEE M	-0.103**	(0.026)	-0.147**	(0.033)	1.43
NTEE N	-0.047**	(0.013)	-0.069**	(0.016)	1.46
NTEE O	-0.044**	(0.013)	-0.112**	(0.017)	2.55
NTEE P	-0.050**	(0.008)	-0.119**	(0.001)	2.38
NTEE Q	0.010	(0.017)	-0.017	(0.021)	NA
NTEE R	-0.054*	(0.023)	-0.109**	(0.028)	2.03
NTEE S	-0.027	(0.0111)	0.002	(0.014)	NA
NTEE T	0.008	(0.012)	-0.019	(0.015)	NA
NTEE U	0.022	(0.025)	0.029	(0.030)	NA
NTEE V	-0.007	(0.037)	-0.054	(0.046)	NA
NTEE W	-0.051*	(0.021)	-0.074**	(0.026)	1.47
NTEE X	-0.081**	(0.013)	-0.164**	(0.016)	2.01
NTEE Y	0.055	(0.041)	0.012	(0.051)	NA
No_age	0.091**	(0.015)	-0.043*	(0.021)	(0.47)
Age	-0.003**	(0.000)	-0.004**	(0.000)	1.17
Constant	0.525**	(0.035)	0.960**	(0.045)	1.83
Observations	104,691		102,684		
R ²	0.044		0.089		

** $p < 0.01$, * $p < 0.05$, + $p < 0.1$

Notes: Robust standard errors in parentheses. The Coefficient of Variation (CV) is the standard deviation divided by average return. The Marginal CVs are the coefficients from model 2 divided by the coefficients from model 1. NA means not applicable because one or more coefficients are not statistically significant.

C), healthcare (category E), and medical research (category H) exhibit higher average revenue growth and greater revenue volatility than those in the arts subsector. On the other hand, nonprofit organizations providing services in the areas of mental health (category F), crime and law (category I), employment (category J), food (category K), housing (category L), public

safety (category M), recreation (category N), youth (category O), human services (category P), civil rights and advocacy (category R), public and societal benefits (category W), and religion (category X) exhibit slower revenue growth and less revenue volatility relative to those in the arts subsector.

In terms of total revenue, larger organizations experience slower average growth and smaller standard deviations in annual revenues. The age of an organization is statistically significant, but the magnitude of the age coefficient is not substantial. This implies that, everything being equal, as an organization gets older its revenue growth diminishes but the organization also experiences less revenue volatility.

The economic climate of the state in which a nonprofit is located has an interesting impact on revenue growth and volatility. Specifically, nonprofit organizations in states with higher aggregate personal income exhibit modest increases in revenue growth and revenue volatility. The short-term effect of the economy is examined in a later model.

The literature on financial risk and return frequently employs the coefficient of variation as a convenient method to compare risk and return (Markowitz, 1952). The coefficient of variation is the ratio found by dividing the standard deviation by the average return. The right-hand column of Table 3 provides a ratio of risk to return that we call the marginal coefficient of variance (CV). This is calculated by dividing the coefficients from the standard deviation model (model 2, Table 3) by the coefficients from the average revenue growth model (model 1, Table 3). Thus, the ratio provides a quick way to compare the risk per unit of return (i.e., growth) for each explanatory variable. For example, a 1 percentage point increase (0.01) in the average proportion of revenue from contributions increases the annual growth by 0.000574 percentage points and the standard deviation by 0.00292 percentage points. The standard deviation increases five times more than the growth in annual revenue.

The marginal CV ratio quantifies the increase in revenue growth in relation to the increase in the standard deviation (i.e., risk) to facilitate comparisons across variables. Every unit of annual growth arising from an increased reliance on contributions is associated with an increase of 5.04 units in the standard deviation. A high value for this ratio indicates that increasing the proportion of revenues from contributions will increase revenue volatility more than annual revenue growth. The lower the marginal CV ratio, the more growth is generated relative to changes in revenue volatility. Consider, for example, investment revenue. A 1 percentage point increase in the proportion of investment revenue increases growth by 0.00164 percentage points and standard deviation by 0.00581 percentage points. The marginal CV ratio is 3.54, indicating that the growth from interest revenues comes at the cost of substantially more revenue volatility. Investment revenues increase total revenue volatility more per unit of growth when compared with the other revenue sources. The program revenues variable has the lowest marginal CV meaning that, on average, program revenues offer the best opportunity to reduce volatility relative to growth. Note that the marginal CV ratio is not meaningful where the regression coefficient is not statistically significant.

The coefficients in Table 3 provide an industry-wide average that may be used to predict how alterations in an organization's revenue mix might better balance risk and revenue growth. For example, an organization that is predominately reliant on program fees might increase growth opportunities by decreasing this reliance and pursuing other revenue sources, such as contributions and investment revenues—assuming these revenue sources are viable options. The dilemma here is that contributions and investments are, on average, more volatile. The information in Table 3 provides some insight into the relative growth potential and risk. It is important to note that the actual growth and risk potential of a nonprofit organization may differ from the sector averages derived through the regression model. For example, an education-oriented nonprofit organization may be able to adjust its program fees (i.e., tuition) to build revenue growth, while a human services nonprofit organization that provides services

principally on behalf of governments might have little room to negotiate fee increases. Investment management strategies, therefore, can vary widely in terms of risk tolerance, meaning that organization-specific investment risk and returns may deviate from market-wide findings. This concept will be discussed further in the next section.

Bowman (2011) argues that a short-term aspect of the nonprofit revenue goal is to be able to absorb external economic shocks. There is no reason to assume that revenue growth will remain constant over time as the prevailing industry-wide environment changes. Rather, the coefficients in Table 3 are expected to be different when viewed in the short-term compared with the long-term. To explore this scenario, we next look at whether the growth and risk coefficients changed in the periods during and following the economic recession. The binary variable *recession* is created with a value equal to zero for the years 1998 through 2000 and a value equal to one for the years 2001 through 2003. Experts vary in opinion as to the end of the recession period, but the unemployment rate was still as high as 6% in 2003 (Maxfield, 2006). By 2004, gross domestic product was growing and the unemployment rate was falling. Thus, we define the recession period as 2001 through 2003. The average revenue growth, the standard deviation, and the average values of the explanatory variables are calculated prior to, and during, the recession period for each organization. The pre-recession and recession panels are analyzed together, with the dichotomous recession variable interacting with the revenue percentage variables and other key explanatory variables except NTEE variables. The results are shown in Table 4.

The coefficients on the explanatory variables are based on information in both panels. The coefficients used in the interaction variables indicate the adjustment of the coefficients in the recession panel. For example, the coefficient on investment revenue is 0.32 for the average growth model. The coefficient on investment interaction is -0.40, meaning that the combined coefficient in the recession panel is approximately -0.08 ($0.32 - 0.40 = -0.08$). Thus, following 2000, investment revenues were associated with a negative growth rate and less risk (i.e., smaller standard deviation). Of particular interest is the fact that the magnitude of the coefficient on investment revenues is substantially less than that on the aggregate coefficient. The combined coefficient on investment revenues in the standard deviation model dropped to 0.11 ($1.00 - 0.89 = 0.11$) during the economic decline. Thus, for an average organization, an increase of 1 percentage point on the proportion of revenues from investments decreased the average growth of revenues by eight percentage points and increased the standard deviation by eleven percentage points during and after the recession. This suggests that many managers of nonprofit organizations became much more risk-averse in their investment policies following the market decline. Note that the dummy variable *recession* indicates that both average growth and standard deviation were lower in the 2001 to 2003 panel, suggesting a shift to low-risk, low-yield investments, such as U.S. treasuries.

Template for Decision-Making

The models presented in Table 3 may be used by managers of individual organizations to assess strategic opportunities and evaluate performance in relation to revenue management. Financial officers may be able to alter an organization's revenue mix in the long run to accomplish financial goals of revenue growth and stability. Average revenue growth may be enhanced by increasing the proportions of total revenues derived from contributions, investment revenues, and other miscellaneous revenues. Revenue volatility may be reduced by increasing the proportions of total revenues derived from program revenues and membership dues.

Some critics of the nonprofit revenue diversification literature argue that nonprofit managers may have minimal opportunities to dramatically alter their organization's revenue mixes. Fortunately, the regression models in Table 3 can be employed to find adjusted performance

Table 4. Regression Results and Coefficient Estimates (Pre-Recession and Recession Panels)

Variables	(1)		(2)	
	Annual Growth		Standard Deviation	
Constant	0.769**	(0.043)	1.461**	(0.068)
Contribution %	0.021	(0.019)	0.130**	(0.036)
Program Revenue %	-0.214**	(0.014)	-0.253**	(0.024)
Dues %	-0.275**	(0.019)	-0.302**	(0.033)
Investment %	0.319**	(0.024)	1.001**	(0.046)
Other Revenue %	0.150**	(0.034)	0.380**	(0.055)
Ln_total_rev	-0.033**	(0.002)	-0.062**	(0.003)
Fixed_ratio	-0.135**	(0.008)	-0.171**	(0.012)
Bond_ratio	0.297**	(0.035)	0.282**	(0.036)
Mort_ratio	0.044**	(0.013)	0.045**	(0.018)
Liab_ratio	0.010*	(0.005)	-0.020**	(0.006)
Ln_state_inc	0.006**	(0.002)	-0.002	(0.003)
Age	-0.003**	(0.000)	-0.002**	(0.000)
No Age	0.061**	(0.013)	-0.046**	(0.017)
Recession	-0.586**	(0.052)	-0.561**	(0.091)
Recessionx Contribution %	0.006	(0.024)	-0.038	(0.055)
Recessionx Program Revenue %	0.089**	(0.017)	-0.005	(0.038)
Recessionx Dues %	0.183**	(0.023)	0.097*	(0.048)
Recessionx Investment %	-0.398**	(0.028)	-0.894**	(0.058)
Recessionx Other Revenue %	0.049	(0.044)	0.029	(0.078)
Recessionx Ln_total_rev	0.028**	(0.002)	0.023**	(0.003)
Recessionx Fixed_ratio	0.104**	(0.010)	0.115**	(0.015)
Recessionx Bond_ratio	-0.217**	(0.040)	-0.134**	(0.049)
Recessionx Mort_ratio	-0.016	(0.016)	-0.036	(0.023)
Recessionx Liab_ratio	-0.016**	(0.006)	0.016*	(0.008)
Recessionx Ln_state_inc	0.002	(0.003)	0.016**	(0.004)
Observations	327,485		295,745	
R ²	0.043		0.058	

** $p < 0.01$, * $p < 0.05$, + $p < 0.1$

Notes: Robust standard errors in parentheses. NTEE variables included in models, but not interacted or reported.

benchmarks conditional upon an organization's revenue mix—even if this revenue mix is considered to be beyond the nonprofit manager's control. Regression-adjusted performance measures have been applied in many settings, including education (Stiefel, Rubinstein, & Schwartz, 1999) and job training (Schochet & Fortson, 2014).

A manager of a nonprofit organization may find the regression-adjusted performance measures by using the following steps:

- Calculate the organization's actual change in revenue growth and standard deviation using equations [1], [2], and [3]
- Calculate the organization's average values for the continuous explanatory variables for both models in Table 3.
- Use the mean values of the exploratory variables in models 1 and 2 in Table 3 to find the predicted values of growth and standard deviation.
- Compare actual and predicted growth and standard deviation.

To illustrate, Table 5 provides individual data on five of the nonprofit organizations included in the sample. The organizations are similar in that they are classified in NTEE category “A” and have missions associated with musical performance in metropolitan centers.

The regression models in Table 3 can be employed to calculate adjusted performance measures, while holding the revenue mix constant. The basic premise of regression-adjusted measures is that the actual performance is compared with predicted performance, which is estimated through a regression model that incorporates the key factors beyond management control. In this application, the organization’s performance measures are the average annual revenue growth and standard deviation between 1998 and 2003. The actual revenue growth and standard deviations for the five organizations are listed in Table 5 in the columns labeled Org_1 through Org_5. The predicted values are derived from regression models 1 and 2 in Table 3.

The predicted values of average revenue growth and standard deviation provide points of comparison that account for an organization’s revenue mixes and for the values of other control variables in the model. Organization 1 performed at the expected average return and more commendable is that the actual standard deviation is nearly half of the predicted standard deviation. Organization 2 was also near the benchmark for revenue growth; however, it is disconcerting that the actual standard deviation was more than double the predicted value, indicating much higher revenue volatility than that of organizations with a similar revenue mix. Organization 3 generated revenue growth 18 percentage points above the predicted value with an actual standard deviation equal to the predicted standard deviation. Organization 4 experienced a standard deviation greater than expected, but generated revenue growth an impressive 25 percentage points above the predicted value. Finally, Organization 5 had average volatility and growth in revenues.

Coefficients of variation were calculated for the actual and predicted values. Organizations 1, 3 and 4 are relatively low risk for their average growth and are beating their benchmarks. Organization 2 is experiencing excessive revenue volatility compared with the other organizations in the sample. These findings suggest that management should investigate what makes their revenues so volatile or consider less-volatile revenue options.

Regression-adjusted performance measures may be tailored to individual nonprofit organizations by building models on adequate samples of similar organizations rather than on all subsectors of the nonprofit sector, as we do in our application. In sum, Table 5 provides an example of an application of our model to five specific nonprofit organizations. Perhaps managers of nonprofit organizations may be able to use the model’s results to change the factors within their control to influence the organization’s revenue growth and volatility.

Conclusion

The academic research on the revenue sources of nonprofit organizations has focused primarily on financial insolvency and revenue volatility. This study adds a mean-variance perspective to the evaluation of revenue management that explicitly incorporates revenue growth. The findings from our study indicate that organizations that rely heavily on program revenues and dues experience less revenue volatility. However, this revenue stability comes at the cost of slower total revenue growth. By contrast, organizations that rely to a greater degree on contributions, investments, and other revenue sources, such as unrelated business income, experience both a higher degree of revenue volatility and a higher average revenue growth. In addition, we find that between 2001 and 2003, nonprofit managers generally became more risk-averse and conservative in their investments in balancing financial risk and yield. We also illustrated how our models may be used to determine risk-adjusted performance measures of total revenue growth and volatility.

Table 5. Illustration of the Adjusted Performance Measures for Revenue Management

	Organization				
	Org_1	Org_2	Org_3	Org_4	Org_5
Performance Measures					
Actual Average Revenue Growth	0.22	0.17	0.41	0.40	0.25
Predicted Average Revenue Growth	0.22	0.14	0.23	0.15	0.26
Actual Standard Deviation	0.28	0.79	0.59	0.58	0.51
Predicted Standard Deviation	0.45	0.31	0.59	0.46	0.68
Actual CV ⁺⁺	1.27	4.65	1.44	1.45	2.04
Predicted CV ⁺⁺	2.05	2.21	2.57	3.07	2.62
Control Variables					
Contribution %	35.90	51.10	52.20	8.60	1.70
Program Revenue %	47.50	41.90	34.30	90.80	74.00
Investment %	1.30	2.50	13.50	0.20	7.80
Other Revenue %	3.80	0.00	0.00	0.40	16.50
Ln_total_rev	13.51	17.43	10.34	11.45	9.51
Fixed_ratio	0.02	0.03	0.32	0.00	0.00
Liab_ratio	0.40	0.27	0.00	0.00	0.00
Age	9	4	17	19	21
Ln_state_inc	6.02	6.48	5.12	5.47	5.67

Note: The illustrative organizations (Org_1 – Org_5) in Table 5 are all music-performing nonprofit organizations in metropolitan areas. The predicted values of average revenue growth and standard deviation are based on model coefficients in Table 3. The five organizations are classified in NTEE category “A” and have zero values for the following variables: Dues percent, Bond ratio, and Mortgage ratio. To illustrate Org 1 predicted mean growth: $YY = 0.058 \times 0.359 + -0.127 \times 0.475 + 0.164 \times 0.013 + 0.185 \times 0.038 + -0.021 \times 13.51 + -0.145 \times 0.02 + -0.012 \times 0.40 + -0.003 \times 9 + 0.008 \times 6.02 + 0.525 = \sim 0.22$. The Coefficient of Variation (CV) is the actual (predicted) standard deviation divided by the actual (predicted) average return.

Because the NCCS digitized data are comprised of larger organizations that will be more resilient to the financial problems that plague smaller nonprofit organizations, our findings may not be applicable to smaller organizations. Still, these findings can guide financial managers of nonprofit organizations in promoting revenue structures designed to strike a balance in the financial objectives of revenue growth and volatility. Nonprofit organizations confronted with more volatile revenue mixes may also actively consider risk mitigation strategies, such as reserve funds, lines of credit, and insurance, to minimize potential negative impacts.

Notes

1. We are not suggesting that revenue growth is the paramount objective. Revenue growth is one of several financial objectives for the manager of a nonprofit to balance (see Finkler, Smith, Calabrese, & Purtell, 2017, pg. 16.). Furthermore, the appropriate growth level will depend on the attributes of the nonprofit organization. For these reasons, it is useful to understand the typical risk and return relationships of the primary revenue sources in the nonprofit sector.
2. Managers of nonprofit organizations will have more difficulty managing a portfolio of revenues than an investment manager will have diversifying investments. Not all revenue sources will be available to a nonprofit organization and changing the mix of revenues may be a difficult and lengthy process. Nonetheless, understanding the risk and return attributes of various revenue sources can guide managers in developing financial policies appropriate for their mix of revenues.
3. These calculations are programed in the “be” (between effects) option of xtreg in STATA.

4. The steps to clean the data are adapted from Bowman et al., 2012.
5. The observations with missing data comprised 5.29% of the overall sample. To check robustness, the models in Table 3 were also estimated though extrapolations of the missing observations and included in the sample. These model results are not reported but are similar to those reported in Table 3.
6. Trimming 1% appears to sufficiently address the estimation bias. Trimming at 2% and 3% had little effect on the regression estimates, so we determined that trimming at the 1% level was sufficient. We considered Winsoring but felt like the outliers in the sample could be caused by human error! thus, we could not be sure that the real numbers should be proxied by another large number.

Disclosure Statement

The authors declare that there are no conflicts of interest that relate to the research, authorship, or publication of this article.

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Building Capacity in Nonprofit Boards: Learning from Board Self-Assessments

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Boards of directors of nonprofit charitable organizations have long been responsible for serving essential purposes and performing critical agency functions. Given these responsibilities, it seems reasonable to expect that a periodic review of a board's capacity to effectively govern a nonprofit charitable organization be conducted. Using data collected from 800 individuals serving as board members of 42 different performing arts nonprofits, this study reports on board member evaluations of their individual and collective participation in the governance process through a self-assessment undertaken to inform decision-making and build capacity at both the board and organizational levels. Findings suggest the need for more (or better) training/orientation opportunities; focused, intentional, and tailored recruitment processes; clear communication, greater role clarity, and specificity regarding board performance expectations; greater understanding about best practices and the need to add value; and time to cultivate openness and collegiality among the board members and between the board and staff.

Keywords: Nonprofit Governance, Self-Assessment, Capacity Building

Boards of directors of nonprofit charitable organizations have long been seen as serving essential purposes and performing critical agency functions. An estimated eight million Americans serve as board members or trustees of nonprofit organizations nationwide (Salamon, 2012). The public as well as public authorities expect that these individuals (who voluntarily give their time, experience, expertise, and other resources) will assure that the more than 1.41 million nonprofit organizations in the United States are governed effectively. Moreover, it is expected that these individuals will assure that the more than \$1.73 trillion in total revenue that these organizations generate is spent responsibly (Urban Institute, 2015). Given this extent of human and financial investment, it seems reasonable to expect that a periodic review of a boards capacity to effectively govern an organization be conducted.

While it is still by no means common, in recent years, many nonprofit boards have undertaken a self-assessment process in order to determine how to strengthen their performance—and ultimately strengthen the performance of the organization they govern (Harrison & Murray, 2015; Holland, 1991; Liket & Maas, 2015; Renz, 2016). This study reports on board member evaluations of their individual and collective participation in the governance process through a self-assessment undertaken to inform decision-making and build capacity at the board and organizational levels. Data for the study were collected over a two-year period (May 2013–

June 2015) from 800 individuals serving as board members of 42 different performing arts nonprofits. Each of the participating board members engaged in a self-assessment process administered by BoardSource, which then compiled the results and made the data available for synthesis and analysis.

The self-assessment asked board members to evaluate their performance using a series of questions based on recognized roles and responsibilities of nonprofit boards. The questions focused on nine different dimensions of performance: mission; strategy; funding and public image; board composition; program oversight; financial oversight; CEO oversight; board structure; and meetings. Each section of the self-assessment had an open-ended question about how the board might do better in each responsibility or best practice area. The self-assessment concluded with three open-ended questions designed to identify specific activities board members believed would enhance board performance.

Analysis of these assessment data provided us with insight about the kinds of issues boards struggle with as well as the level of consensus among members of individual boards. We also examined the characteristics of boards that had scores well above the benchmarks as well as those that had scores that consistently fell below the benchmarks. Finally, because respondents were given a chance to provide additional comments through open-ended questions at the end of each section, we were also able to learn more about factors that influenced how individual board members not only understood each of their responsibility areas, but also their thoughts about how individual and collective performance in each area might be improved.

The article begins with a brief review of the literature. Specific attention is given to literature on a board's role in assessing its own performance. These assessments are believed to allow an organization to effectively deliver on its public trust obligation and remain accountable to a demanding constituent base while still adhering to the fundamentals of good governance practices. The next section of the article describes the sample, instrumentation, and data analysis procedures; key findings follow. The article concludes with implications for practice and recommendations for future research. It is important to note that even though our data come from a study of governance practices for arts organizations, we believe the findings are broadly applicable to all nonprofits—particularly if leadership is open to considering how what we observed might play out in their own boardrooms.

Review of the Literature

One of the things we struggled with when analyzing these data and writing this article was the lack of literature regarding board self-assessment practices. This dearth of literature means that we had a difficult time positioning our findings within the broader field. This was problematic for at least two reasons. First, the lack of published studies regarding board self-assessment practices meant that we had difficulty grounding our work in theory, which incidentally is closely related to our second challenge. Without a strong theoretical foundation from which we could frame our work, we made several assumptions to guide our analysis. For example, as outlined in the literature that follows, it is commonly assumed that the board undergoes a self-assessment process with the intention to improve its performance and strengthen the overall work of the organization. There are perhaps, though, other reasons the board might choose to undergo a self-assessment process, which would arguably call for analysis through a different theoretical lens. We further discuss this observation in our findings.

The major reason we assumed the board's primary motivation for self-assessment was to improve performance is precisely because much of the existing literature focuses on the ways in which adherence to prescribed best practices are thought to enable a board to improve

performance and influence organizational outcomes. Although every nonprofit board in the United States may not perform exactly the same functions, both the practitioner-oriented literature and academic research converges on a set of activities that are considered characteristic of high-performing boards. Ingram (2015) identifies 10 basic practices; Brown and Guo (2010) list 13 different roles; Inglis, Alexander, and Weaver (1999) record 13; Harrison and Murray (2015) identify seven common areas of responsibility; while Bradshaw, Murray, and Wolpin (1992) and Green and Griesinger (1996) each suggest that boards perform between seven and nine essential activities. Among these important functions are promoting an organization's mission and purpose, recruiting and evaluating the chief executive, ensuring effective planning and financial oversight, periodically assessing board performance, and facilitating access to key constituencies and resources.

There are also a number of different self-assessment tools that nonprofit board members can use to examine performance. Examples include Jackson and Holland's (1998) Board Self-Assessment Questionnaire (BASQ) and the Governance Self-Assessment Checklist (GSAC) developed by Gill, Flynn, and Reissing (2005). There are also a number of different self-assessment tools that BoardSource makes available to different types of nonprofit organizations (e.g., charitable nonprofits, community foundations, private foundations, credit unions, charter schools, and associations). Additionally, there is a free online board performance self-assessment tool called the Board Check-up, which uses the Board Effectiveness Survey Application (BESA) to help boards make changes in their governance practices (Harrison & Murray, 2015).¹

Implicit in each tool is the notion that adherence to "best practices" measured through the self-assessment process will enable a board to have a direct impact on organizational performance (Bradshaw, Murray, & Wolpin, 1992). There is some empirical work that tests this assumption. Herman, Renz, and Heimovics (1997), for example, examined the ways in which prescriptive standards of effective governance were related to stakeholder assessments of board effectiveness. They found that nonprofit chief executives were likely to rate their board highly effective if the board engaged in certain best practices. These practices included collectively evaluating the performance of the board and chief executive, using a nominating committee to identify new members, electing officers, and assigning members to serve on committees.

While much of the literature attempting to link perceptions of board effectiveness and widely accepted notions of how a nonprofit board of directors *should* operate are somewhat dated (e.g., Bradshaw, Murray, & Wolpin, 1992; Green & Griesinger, 1996; Herman & Tulipana, 1985), we were able to locate three recent studies that specifically looked at the ways in which board activities influenced organizational performance. First, Cumberland, Kerrick, D'Mello, and Petrosko (2015) tested for deficits in four board role-sets (monitoring, supporting, partnering, and representing) and correlated these role-sets to board perceptions of organizational performance. They found that when there was balance across all role-sets, board perceptions of performance were high; yet, deficits in any single category (or an imbalance among the categories) had negative implications for overall perceptions of performance.

LeRoux and Langer (2016) examined the gap between board behavior and executive director expectations for board performance in 10 key activities, all of which can arguably be found in the best practices literature. Finally, even though Wellens and Jegers (2014) did not rely solely on normative expectations of board performance, the authors used a multiple stakeholder approach to integrate and summarize the literature on effective nonprofit governance. A common thread in these last two studies is the way in which the execution of board roles and/or governance practices is associated with stakeholder expectations of performance.

Even with this recent work examining the link between the execution of board responsibilities and overall organizational performance, a study by Lichtsteiner and Lutz (2012) noted that there is very little recent empirical evidence regarding the use of board self-assessments and the ways in which adherence to best practices influences organizational outcomes. One notable exception may be the work of Harrison and Murray (2015), who argue that their research focuses on measuring board performance based on self-assessment criteria developed by Murray (2009). Even so, these criteria closely mirror best practices and implicitly link the execution of these practices to improvements in nonprofit governance effectiveness.

Today nonprofit administrators confront a complex operating environment (Cumberland, et al., 2015), where competition for limited resources is fierce, multiple stakeholders often place competing demands on organizational outputs, and opportunities for growth tend to go unrealized. Boards of directors are seen as ultimately responsible for establishing organizational direction and can add value by broadening the organization's perspective (Ingram, 2015). They also help management recognize the major opportunities and challenges that are likely to affect the organization's future. They serve as the ultimate court of appeals in resolving conflicting claims on organizational resources; further, through their diverse perspectives, they identify blind spots that can potentially inhibit chief executives from properly assessing the need, direction, and speed of change.

From a legal perspective, board members have three duties. The first is the duty of care, which requires board members to exercise reasonable care by staying informed, participating in decisions, and acting in good faith when making decisions on behalf of the board. The second is the duty of loyalty, which requires board members to put the interests of the organization first when making organizational decisions. The third is the duty of obedience, which dictates that board members must be faithful to the organizational mission and act in a way that is consistent with the goals of the organization as well as federal, state, and local laws (Hopkins & Gross, 2010). Moreover, they have a fiduciary role, in that the board is ultimately responsible for ensuring that the organization fulfills its mission. Board members are expected to serve as stewards to protect the organization's assets and ensure that it operates according to applicable laws (Manucuso, 2009).

For these reasons, it is important to understand how these important members of society think about their roles and responsibilities as well as how they assess their performance in fulfilling various governance expectations.

Data and Methods

In this study, we analyzed board self-assessment data from a sample of performing arts organizations (e.g., symphonies, orchestras, and philharmonics) in the United States that completed BoardSource's self-assessment process from September 30, 2013 to August 30, 2015. Eight hundred board members from 42 performing arts organizations completed the self-assessment survey. The number of members on each board completing the survey ranged from a low of seven to a high of 38, with the average being 19 board members. All boards independently participated in the BoardSource self-assessment process.

While the data did not contain descriptive information about the characteristics of individual board members or organizations, we were able to compile descriptive information about the organizations from their IRS Form 990 or 990 EZ (filing year 2014) as well as their websites. The organizations in the sample ranged in age and size (as measured by total annual revenues on their IRS Form 990). They also ranged with respect to the percentage of total annual revenues earned from contributions and grants, program service revenues, and the percentage of total annual revenues spent on salaries.

With respect to the age of the organizations in the sample, 24% ($n=10$) were founded between 1928 to 1949, 36% ($n=15$) were founded between 1950 to 1975, 33% ($n=14$) were founded between 1975 to 2000, and 70% ($n=3$) were founded from 2000 to 2011. With respect to size of the organizations in the sample, the total annual revenues for 62% ($n=26$) of the organizations were less than \$1,000,000. The total annual revenues for 31% ($n=13$) of the organizations were between \$1,000,000 and \$5,000,000. The total annual revenues for 7% ($n=3$) of the organizations were more than \$10,000,000.

Thirty-six percent ($n=15$) of the organizations raised less than 25% of their total annual revenues from program services. Fifty-two percent of the organizations ($n=22$) raised between 25% and 50% of their total annual revenues from program services. Ten percent of the organizations ($n=4$) raised between 50% and 70% of their total annual revenues from program services. Just one organization raised more than 99% of its total annual revenue from program services. Five percent of the organizations ($n=2$) reported spending none of their revenues on salaries. Twelve percent of the organizations ($n=5$) spent less than 25% of their revenues on salaries. Thirty-six percent of the organizations ($n=15$) spent between 25% and 50% of their revenues on salaries. Forty-three percent of the organizations ($n=18$) spent between 51% and 75% of their revenues on salaries. Five percent of the organizations ($n=2$) spent more than 75% of their revenues on salaries (see Table 1).

The self-assessment questionnaire asked respondents to evaluate board performance in nine different performance areas (mission, strategy, funding and public image, board composition, program oversight, financial oversight, CEO oversight, board structure, and meetings). The questionnaire also asked respondents to answer questions about overall satisfaction with aspects of the board, including general effectiveness, operational practices, oversight responsibilities, board policies and procedures, and overall satisfaction with board service.

Respondents were also asked to answer three open-ended questions at the end of the questionnaire designed to identify specific actions they believed would enhance board performance. The overall questionnaire was intended to help the board evaluate how well it was functioning and to identify specific areas where it might improve performance. While most of the questionnaire asked respondents to rate the board as a whole, the last section consisted of an individual self-assessment designed to help each board member evaluate his/her own effectiveness on 14 different criteria (we do not report on these data in this study). Board members were encouraged to be candid and to develop a personal development plan that would strengthen performance in the coming year.

Assessment sections began with a description of the board's responsibility in fulfilling a specific governance role followed by a request to rate the board's performance in activities related to that role. For example, in the section that asked board members to assess performance with regard to mission, the descriptive statement read:

One of the board's fundamental roles is setting direction for the organization. This begins with the board's responsibility for establishing the mission and defining a vision of the future. A mission statement is a concise expression of what the organization is trying to achieve and for whose benefit. A vision statement is an inspiring verbal picture of the organization's desired future. These statements serve as the foundation for making decisions. The board, working closely with the chief executive, should review them periodically and revise them if necessary. (p. 2)

Table 1. Descriptive Statistics

	Min.	Max.	Mean	S. D.
Contributions and Grants	7,249	12,241,727	1,198,873.67	2,569,884.13
Program Service Revenues	0	4,465,470	613,681.02	1,023,148.05
Total Annual Revenues	63,054	15,995,029	1,892,148.90	3,577,272.37
Salaries	0	11,386,079	1,075,667.79	2,305,032.96
Total Expenses	69,108	16,498,565	1,827,299.90	3,426,252.89
Year Founded	1926	2011	1966	22.44

Note: $n=42$ organizations.

After reading each introductory description, participants were asked to respond to between five and 11 statements in each responsibility area for a total of 66 questions. The questionnaire included a five-point Likert-type scale (consisting of the following response options: “poor,” “fair,” “okay,” “good,” and “excellent”; respondents also had the option of answering “not applicable/don’t know”) to rate overall satisfaction with board performance in fulfilling each responsibility area.

The quantitative data were analyzed using SPSS (version 23). In order to understand collective consensus of the board members, the data were aggregated so that the unit of analysis was the board. First, we calculated the percentage of the board that answered each survey item the same way. We intentionally focused our analysis on definitive responses. We left out “fair and “okay” responses; and, we grouped “good” and “excellent” responses together. “Not applicable” and “don’t know” responses were also grouped together; further, we counted “poor” by itself. Second, we operationalized the idea of consensus on the board as 75% or more of the board responding to the item in the same way (as “good” or “excellent,” “poor,” or “not applicable/don’t know”). This is a level that has been used in previous studies as a proxy for consensus (Diamond et al., 2014; Estabrooks et al., 2014; Tremblay et al., 2017). Finally, we summed the number and percentage of organizations where there was consensus for each survey item to identify patterns among the boards.

The open-ended qualitative data were analyzed using Atlas Ti (version 7). We conducted a classical content analysis using descriptive and pattern coding (Rogers & Goodrick, 2010). The coding process was iterative in that the data were coded and recoded three times. The findings from this analysis helped us to provide context for the quantitative findings with respect to the strengths of the boards, the challenges they face, and the opportunities to improve performance.

Findings

The survey items with the most positive consensus (where 75% or more of board members rated their board as “good” or “excellent”) related to projecting a positive image of the organization (76%), giving the chief executive enough authority to lead the staff and manage the organization successfully (74%), creating a climate of mutual respect between the board and chief executive (71%), fostering an environment that builds trust and respect among board members (69%), board support of the mission (67%), ensuring that the budget reflects priorities (62%), monitoring the organization’s financial health (62%), taking action when needed (60%), reviewing and understanding the budget (60%), being knowledgeable and informed about programs and services (57%), and using effective meeting practices (50%) (see Table 2).

The survey items with the most negative consensus (where 75% or more of board members rated their board as “poor”) related to board performance in tracking progress toward meeting organizational goals (33%) and two main responsibility areas: board composition

Table 2. Performance Area and Survey Items with the Most Positive Consensus^a

Performance Area	Survey Item	<i>n</i>	%
Funding and Public Image	Projecting a positive public image of the organization.	32	76
CEO Oversight	Giving the chief executive enough authority to lead staff and manage the organization successfully.	31	74
CEO Oversight	Cultivating a climate of mutual trust and respect between the board and chief executive.	30	71
Meetings	Fostering an environment that builds trust and respect among board members.	29	69
Mission	Supporting the organization's mission.	28	67
Financial Oversight	Ensuring the annual budget reflects the organization's priorities.	26	62
Financial Oversight	Monitoring the organization's financial health, e.g., against budget, year-to-year comparisons, and ratios.	26	62
Financial Oversight	Reviewing and understanding financial reports.	25	60
Meetings	Efficiently making decisions and taking action(s) when needed.	25	60
Program Oversight	Being knowledgeable about the organization's programs and services.	24	57
Program Oversight	Ensuring the board receives sufficient information related to programs and services.	23	55
Meetings	Allowing adequate time for board members to ask questions and explore issues.	23	55
Meetings	Using effective meeting practices—such as setting clear agendas, having good facilitation, and managing time well.	21	50

^aAs measured by whether 75% or more of board members rated the board as being “excellent” or “good” on the survey item.

(33%) and funding and public image (31%). Boards were dissatisfied with their ability to effectively orient new members (29%) and identify and cultivate potential board members (21%). Boards also expressed dissatisfaction in the area of fundraising, specifically as it related to introducing the organization to potential donors (31%), setting expectations for individual board giving (24%), and holding board members accountable for fulfilling fundraising responsibilities (19%) (see Table 3).

Finally, we looked at those responsibility areas where the consensus of the board was that they were unclear about how to rate board performance in a particular area (i.e., 75% or more of board members responded, “not applicable/don’t know”). Interestingly, although boards were satisfied that the budget reflected organizational priorities and that the organization’s financial health was regularly monitored, very few boards were knowledgeable about the organization’s financial oversight infrastructure (e.g., audits, investment policies, insurance, risk management, and IRS compliance). Similarly, even though boards believed there to be mutual respect between the board and chief executive, there was considerable ambiguity

Table 3. Performance Area and Survey Items with the Most Negative Consensus^a

Performance Area	Survey Item	<i>n</i>	%
Board Composition	Planning for board officer succession	14	33
Strategy	Tracking progress toward meeting the organization's strategic goals	14	33
Funding and Public Image	Introducing the organization to potential donors	13	31
Board Composition	Effectively orienting new board members	12	29
Meetings	Engaging all board members in the work of the board	12	29
Program Oversight	Identifying standards against which to measure organizational performance	10	24
Funding and Public Image	Setting expectations for individual board members to participate in fundraising activities and solicitations	10	24
Board Composition	Identifying and cultivating potential board members	9	21
Funding and Public Image	Holding board members accountable for fulfilling their fundraising responsibilities	8	19

^aAs measured by whether 75% or more of board members rated the board as being “poor” on the survey item.

Table 4. Performance Area and Survey Items with the Most “Not Applicable/Don’t Know” Responses^a

Performance Area	Survey Item	<i>n</i>	%
Financial Oversight	Ensuring that insurance carried by the organization is reviewed periodically	35	83
Financial Oversight	Complying with IRS regulations to complete Form 990	34	81
Financial Oversight	Ensuring the organization has policies in place to manage risks	30	71
Board Structure	Reviewing committee structure(s) to ensure it supports the work of the board	29	69
Financial Oversight	Establishing and reviewing the organization's investment policies	27	64
CEO Oversight	Approving the executive's compensation as a full board	26	62
CEO Oversight	Planning for the absence or departure of the chief executive	26	62
CEO Oversight	Formally assessing the chief executive's performance	26	62
Financial Oversight	Reviewing the results of the independent financial audit and management letter	24	57
CEO Oversight	Ensuring that the chief executive is appropriately compensated	20	48

^aAs measured by whether 75% or more of the board members responded with “not applicable/don’t know” on the survey item.

around chief executive assessment, compensation, as well as succession planning (see Table 4).

Some may worry that documented “not applicable/don’t know” responses in the areas of financial operations, CEO assessment, and board roles might undermine our overall results. The fact is, however, that our findings are quite consistent with other published studies in the field. Indeed, not only are these findings largely consistent with Miller and Lakey’s (1999) board self-assessment research, Miller (2002) suggests that one of the reasons board members do not know how to assess CEO performance is because they simply do not think it is necessary. Board members confuse developmental evaluation with meddlesome monitoring and do not want to be perceived as doubting or not trusting the chief executive to act in the best interest of the organization.

Similarly, Wright and Millesen (2008) found that board role ambiguity was related to a disconnect between what board members believed their roles to be and what chief executives expected. We suspect that, for many board members, the self-assessment process might be the first time they were introduced to the full range of board roles and responsibilities; thus, a certain amount of confusion, ambiguity, and uncertainty is expected.

Although the data listed above are telling, some of the most interesting information came from board member responses to the open-ended questions. Analysis of the qualitative data clustered in two ways. First, the qualitative data provide context for a number of the quantitative findings. Second, the qualitative data provide suggestions and recommendations from board members about how to improve performance. As previously noted, the self-assessment questionnaire included three open-ended questions that were designed to identify specific actions that board members believed would focus attention, improve training, and ultimately yield better performance outcomes for the board and the organizations they govern.

Providing Context and Improving Performance

In this section we share qualitative data that help explain some of what we noticed in the quantitative data. Specifically, board members provided information about the challenges and opportunities they faced when tracking progress toward meeting goals, board composition, and fundraising. They also provided information about how to improve performance in these areas.

Tracking Progress Toward Meeting Goals

We have not identified standards...have not gathered data to support our programming...have not gathered sufficient data to measure needs of, and impact on, audiences.

One of the most common themes was about how to do a better job of evaluating programs and services. For many board members, a solid first step would be to begin collecting data about how well the organization is doing on reaching its goals. Herein lies (at least one of) the challenges: board members not only talked about failure to measure outcomes, as the quote above illustrates, they also expressed concerns about whether there was a shared understanding of program goals (e.g., standards) or how to evaluate programming. Even though board members believed programs were of value to the community, they were at a loss about how to capture data that would reflect what they instinctively knew. As one person noted:

We have no sense of what the metrics for tracking success or failure really are, beyond ticket sales and contribution numbers.

In particular, we have no way of assessing the success of our much-wanted education programs for schoolchildren—though we know in our hearts that they are successful.

The second challenge was a capacity issue and surfaced when discussing the importance of assessing outcomes, primarily because board members tend to rely on staff for this information. Many admitted to their staffs being “stretched very thin” or that people were already “working to capacity”; occasionally suggesting that if they had more money they would be able to devote the resources to “have the infrastructure and staff we need” for data collection and trend analysis. Even though board members recognized the limitation of a small staff, many respondents were either disturbed by the fact that the staff provided no information in this regard or they wanted more information and time dedicated at meetings to talk about how best to identify program outcomes and assess their effectiveness.

An interesting finding that may be of particular interest to chief executives, especially those looking to improve the overall performance of their boards, is how often board members expressed interest in “educating themselves on issues that impact the industry.” Specifically, board members expressed an interest in hearing from various program directors (e.g., educational and children’s), experts in the field, audience members, and peer institutions to learn more about industry standards, emerging trends, benchmarking, and other things that influence the workings of the organization. Here is what one board member had to say:

Recent board meetings have included hearing from musicians and what it takes to be prepared to perform; we’ve heard some about the [XXX] program. This is time well spent. We need to continue to be educated about the different programs and systems. We and the staff need to think more in terms of goals for each effort: What are we working to accomplish? What’s our timeframe? How do we measure our success or failure? I’ve wondered at times with the tremendous design, success, and efforts put into the educational programs, what is our goal here? Sometimes success can breed more effort, i.e., money, resources when perhaps we’ve gotten our “80 for 20” out of this and should put a program into maintenance, freeing up resources to work on another area. It’s hard to make that call when there don’t seem to be clear goals and progress against those goals to know if this effort is succeeding, good for the organization and should be continued, expanded, maintained or what? Operating on a “feel good” method may not be good for the broader organization’s goals.

It seems fairly easy to dedicate time at a board meeting to help the board grapple with some of these questions. The work the board does in figuring out how to clearly articulate institutional goals, learn about existing programs and services, and ultimately measure success could surely be leveraged in ways that attract additional resources to improve performance.

Board Composition

As previously noted, the quantitative data provided general information about the board’s dissatisfaction with its ability to plan for board member succession, effectively orient new board members, and identify and cultivate potential board members. Analysis of the qualitative data show that succession planning was not limited to replacing leadership on the board but also how best to plan for organizational leadership transitions. As one board member noted, “We were taken by surprise by the resignation of our former ED...we need to pay better attention to succession planning.” Additionally, out of the 42 performing arts

organizations participating, five were working with a new executive director, and eight had no executive director currently employed. Interestingly, the percentage of those working without or with a new executive director is exactly the same as the percentage asserting there was a need for better succession planning (and the same percentage of organizations that indicated there was no succession plan in place).

While some board members pointed out the fact that there was a “very shallow bench for future board leadership,” perhaps the biggest factor influencing recognition of the need to pay more attention to board succession planning had to do with the average age of board members. As one board member noted, “Many of us are getting a little long in the tooth. The future of the orchestra is really in the hands of new, young board members.” Another offered:

The current board has a lot of work to do in this area. It needs to develop a plan for identifying suitable potential board members, develop a succession plan...The current board is aging and tired. We desperately need new and younger blood that would help pave the way for us to move into the future.

The need to develop a leadership “bench” and a recognition that the board was aging were not the only elements of diversity respondents felt strongly about. Board members also talked about the need to diversify with regard to race, ethnicity, gender, geography, socioeconomic status, and professional skills. One board member suggested that conversations around professional skills should not be limited to those typically discussed (e.g., finance, fundraising, and marketing), but also the perspective of those “with experience as serious amateur or former professional musicians.” As this person explained:

We are too heavy on business people who enjoy the music but know next to nothing about what it takes to play it. The artistic staff deserves a cadre of board members to whom they can talk about artistic decisions—board members who see the [XXX] Society not merely as the revenue generating arm of the orchestra, but as the chief sponsor of the musical life of the community.

Respondents were sensitive to assuring that the board reflected the demographics in their communities and that attention to diversity would help the board to better understand community expectations, combat the “snob image,” and promote learning from different perspectives. Consider this quote from a board member who expressed a unique perspective on learning through diversity:

As our community grows, we grow. Perhaps diversity attributes are not the same ones listed [in the self-assessment]? For example, many people relocate here...and yet I know of only one board member from that region. The point I make is that we need to embrace the experiences of the newest citizens as they represent a rich and meaningful experience of culture in other regions of the nation. We may be able to learn from them too as much as we are able to share our own methods and thinking.

Feedback regarding board recruitment also reflected a need to assure that existing board members were contributing their various gifts in ways that grew and strengthened the organization. Consider this comment:

We all need to help identify, recruit, and recommend individuals for our board. Also, everyone needs to focus on at least one

project, preferably different each season to help grow the organization. There is also lots of improvement needed in identifying and recommending potential sponsors and donors beyond the usual suspects we have each year. Overall, there needs to be better leveraging of strengths to cast the net further within our community. Each board member has a unique skill set, passion, or talent, which should be maximized. We should always be asking if our interactions with others could result in some sort of relationship whether it is as a prospective donor, sponsor, patron, or board member.

Considerations related to identifying talented recruits and succession planning were also expressed when board members talked about committee structure(s). Board members tended to share thoughts about the importance of encouraging active participation on standing committees and “increasing diversity to reflect the community and serve it appropriately.” Of particular importance was the need to focus on “bringing in younger people and those with ethnic differences”

Analysis of the qualitative data revealed a unique feature of performing arts boards that may have a negative impact on intentional efforts to diversify the board, particularly with regard to socioeconomic status. Several board members from different organizations mentioned there were “minimum gift requirements” expected of every board member that may prevent some members of the community from considering board service. Those who mentioned this requirement were torn between the need for the revenue these kinds of expectations generate and the benefits of inclusion:

As important as it is to have a board that can provide wealth, it also needs to provide a reach into uncharted corners of the community that are financially challenged to bring the symphony to them. Somewhere there is a balance.

At least one person on almost half of the participating boards that provided written comments (17) argued for a new or updated orientation process. One of these individuals was highly critical of the existing process stating that “a stack of papers is not an orientation”; however, most of the comments reflected a strong desire to create processes that helped reduce the learning curve, develop rapport, avoid cliques, and include less vocal or shy members. Additionally, many board members thought an important part of the orientation process should be “to identify what board members would like to contribute and match that with what [the orchestra] needs.” A number of board members believed this matching process was vitally important so that “We can utilize each member’s skills and talents effectively.” Consider, for example, this quote:

We have a highly talented and committed board. Committees and individual board members could be utilized more effectively to fully utilize our potential as a team. Board leadership in collaboration with staff should make extra effort to understand how each board member can utilize their talents, experience, and connections to support our orchestra.

These data hold useful implications for the field in ways related to both structure and process. For example, one respondent accurately framed the disparate responses received from more than 700 board members reflecting on the structural elements of size, composition, term limits, and committee structure, asking, “What is the structure of a truly functional board going forward?” Our data indicate the size of boards participating in the self-assessment varied considerably. Some boards were quite large with more than 30 people responding to the

survey, whereas others were quite small with fewer than 13 respondents. Some board members believed a large board offered the symphony “a broader mix of gifts and personalities to advance the work,” while others thought it important to keep the board small. Those advocating for smaller boards offered both emotional reasons, such as “It is important to maintain the family quality that has always been present.” They also offered rational explanations, such as “We need to reduce the size of the board to a smaller, working board. Research shows that smaller boards with active members are far more effective.” Regardless of board size, however, whenever the issue of term limits was discussed board members consistently wrote in favor of either establishing or enforcing term limits noting the need for “fresh new members with fresh new ideas and contacts.”

Process-related comments tended to emphasize the importance of meeting etiquette, both in terms of focusing on what matters and building rapport among members of the board; increasing board engagement/participation; holding people accountable; and the importance of clarifying roles among the various decision-makers affiliated with a performing arts organization.

Although one-half of the participating boards believed they were using effective meeting practices, some board members lamented about not having enough time to talk about what really mattered, “We always seem to be in a hurry to get out of the meeting and cut any meaty discussions short.” Similarly, there were some concerns about rehashing the same topics and the need to “spend more time in the generative mode.” Board members also saw real value in building rapport among members of the board:

[It would be good to] create more of a bond among board members. New members have joined the board, but little attempt has been made to acquaint them with other board members to make them feel a part of the team.

Not surprisingly, those board members arguing for finding “ways to actively engage new board members” were from larger boards or boards with an active executive committee. As one board member from a 29 member board offered, “Seems like many new board members kind of fade away into obscurity without ever being actively involved and eventually just stop coming to meetings.” One board member was frustrated that not everyone on the board participated in the governance process, “The whole board should participate in the governance process instead of delegating almost everything to the executive committee.” Another addressed the perception of surreptitious decision-making, “Engage all members of the board. A tremendous amount is done at the executive level, there needs to be more transparency to the full board.” Another emphasized the importance of “involving board members in meaningful discussions before decisions are made.” However, all appeared to question whether the existence of an executive committee actually impeded board engagement and participation.

Accountability was discussed in two ways. First, as a responsibility to follow-through on promises and commitments—consisting of periodic review of board commitments in terms of meeting attendance, participation at events, and engagement in fundraising, among others, and through “formal assessments of performance...in a positive manner” or “in a polite way.” These same expectations were also mentioned when board members discussed the work of committees. “The board must clearly indicate the responsibilities of each committee and evaluate their success(es) in fulfilling those responsibilities.” Board members felt strongly that board service was more than “just filling seats” or “a name on the list of trustees.” A second way board members talked about accountability was as an obligation to adequately prepare for meetings and to be knowledgeable about the kinds of things that were happening in the creative communities. “The board should stay informed about the latest studies, trends, and developments in the orchestra world particularly on financial, artistic, governance, and organizational fronts.”

Striking to us as we analyzed the qualitative data were the number of different constituent groups that shared in the governance function. In addition to the clearly understood need to clarify roles and responsibilities between the board and staff, performing arts organizations also need to specify how artistic directors, music directors, guild members, auxiliary volunteers, and musicians or artists participate in leading and governing an organization. Admittedly, not every performing arts organization will have a guild or an auxiliary, and sometimes the music director and the chief executive are the same person. The point is that proper attention must be paid to clearly specifying what is expected from various organizational leaders and how those activities contribute to the overall success of an organization.

Fundraising

To anyone affiliated with nonprofit organizations, it should come as no surprise that the board members believed they could do a better job raising money for the organizations they served. Although there were a few who thought that a board member's gift of time should suffice, the overwhelming majority of those who offered suggestions about how best to do better fundraising tended to focus on three main ideas. First, board members felt strongly that the expectations regarding fundraising should be made clear at the very early stages of board recruitment. As one board member wrote, "Make it *clear* in writing what is expected of each and every board member before getting on the board and remind them at appropriate times during the year."

A second theme regarding fundraising was the need for additional training. Several admitted that most fundraising was done by a "small subsection of the board" and that they had empathy for those who felt uncomfortable asking for money; yet, they also believed a little training or "showing by example" might help overcome some of the reluctance. Additionally, board members wanted to know more about the general fundraising strategy and how charitable giving fit into the overall revenue stream for the organization. Moreover, they believed this strategy should be shared with the whole board (not just discussed by the development committee) on a regular basis so that all board members understood the importance of raising money beyond ticket sales.

Finally, board members talked about the relationship between taking responsibility, follow-through, and accountability with regard to fundraising. As one board member shared, "Each board member needs a deeper understanding of his/her responsibility to identify and court potential donors of any source, individuals, foundations, grants, or corporate." Understanding, as many board members wrote, is necessary but not sufficient. In addition to making a personal gift, all board members must play an active role in raising money for the organization, whether by assisting with annual events, selling tickets/subscriptions, writing grants, connecting the organization with prospects, or cultivating donors. Once people have committed to fulfilling a fundraising role, the board members believed that the board must develop accountability mechanisms that go beyond "lip service" to assure that goals are met and obligations are fulfilled. In sum, board members recognized that responsibility for raising money started with individual understanding of roles, followed by a promise to act that would then be monitored ("in a nice way") by fellow board members so that board members would be held accountable for doing what they promised.

The qualitative comments related to fundraising add much needed depth to the quantitative data, particularly with regard to how board members think about the relationship between fundraising and the financial viability of organizations that have historically generated substantial operational revenue through ticket sales. Today, board members of performing arts organizations face declining subscription sales, changing community demographics, pressure to remain relevant and accessible to diverse audiences, and technological innovations that are altering the landscape of cultural consumption (Lynch, 2017). Boards are thinking

more creatively about how to diversify revenue streams and build fundraising capacity in ways that consider identifying new sources of charitable dollars from individuals, corporations, foundations, and local businesses as well as various earned income opportunities.

Board members are also thinking deeply about how best to improve financial oversight in ways that assure “financially and musically manageable goals,” structure “performances to coincide with financial capability,” and critically examine whether “go to fundraisers” are generating enough money to justify the investment of time required to make them a success. As one board member shared when evaluating the practicality of a long-standing fundraising event, “It doesn’t cost money, but does it raise enough money to be worth the time? Another board member offered that it is important for the board to “cultivate new sources of support...[and] improve its financial oversight of the orchestra. More attention to detail and an understanding of the funding sources and expenditures will enhance the decision-making.”

Limitations

Because the original intent of the self-assessment tool is to provide nonprofit boards with specific and tailored feedback about their single organization, there are some limitations associated with this study. For example, we do not know anything about the demographics of the individuals on the board as well as other important information, such as why they have chosen to serve on the board, their experiences with serving on other boards, or what they think they are able to contribute to the board with respect to their knowledge, expertise, and/or resources. Moreover, there is self-selection bias given that the boards whose members took the self-assessment are likely to be different from other boards. While some nonprofit boards do engage in regular self-assessment because it is a recommended practice (Renz, 2016), the data from this study suggest that boards may also engage in the self-assessment process because they are experiencing challenges and would like specific direction and feedback.

In addition, it is important to acknowledge that the BoardSource survey and other self-assessment processes are subjective, self-reported evaluations of board performance. Self-reports may lend themselves to socially desired responses and common method bias (Jakobsen & Jensen, 2015; Paulhus, 1991). Moreover, the focus here is on overall board performance, with the assumption that high-performing boards lead to high-performing organizations. Admittedly, additional performance data, e.g., outcome and impact data, financial information, and stakeholder satisfaction measures, would be needed in order to test this assumption (Nicholson, Newton, & McGregor-Lowndes, 2012; Theodos & Firschein, 2016; Voss & Zannie, 2000). Also, as noted in the literature review, there may be other reasons a board would choose to undergo self-assessment, which arguably would generate alternative assumptions guided by different theoretical perspectives (e.g., change management, organizational learning, or institutional crisis). Perhaps part of the self-assessment process then should involve a step that establishes context or specifies a reason for undergoing the analysis.

Concluding Thoughts and Directions for Future Research

The findings from collectively analyzing the self-assessment data for a specific subsector of nonprofits (in this case, performing arts organizations) can help to inform the broader field. They also highlight specific areas where the boards of performing arts organizations clearly require assistance. For example, our analysis of these data suggests that performing arts boards need more or better training/orientation opportunities; focused, intentional, and tailored recruitment processes; clear communication, greater role clarity and specificity regarding board performance expectations; greater understanding about best practices and

the need to add value; and time to cultivate openness and collegiality among the board members and between the board and staff. Additionally, although over 60% of the participating boards were satisfied that the budget reflected institutional priorities, a surprising number of those who responded to the open-ended questions about how best to improve performance suggested that attention to matching direction with mission and vision would aid in oversight and accountability

Although these findings may not surprise those who work with boards or study governance, these data tell a story of potential. It is true that not every respondent provided written responses, yet those who did frequently mentioned a desire for more information, more training, and more engagement opportunities. In our experience across the sector, we have heard board chairs and chief executives express concerns that they might be asking too much from their boards; yet, the story these board members tell is something quite different. In terms of more training, board members wanted to learn more about trends in the field, they wanted to learn how to collect and evaluate data, they wanted to better understand how to hold people accountable for what they promised, and they wanted to be more skilled at communicating what they know in their hearts to be true—that the arts, in whatever form, make a difference in people’s lives. Board members also wanted to learn more about each other, not just what their fellow board members did for a living, but how their peers added value to the work of the organization, why the people who sat next to them every month wanted to serve, and even a little about who each board member was as a person—their interests, hobbies, and families.

As we analyzed these data we were struck by the simplicity of this request. From our perspective, regardless of the particular nonprofit subsector, the request for more information can easily be incorporated into existing meeting time, especially if these learning opportunities are contextualized within existing operations. For example, when considering an annual fundraising event, it may be a good idea to engage in a critical analysis of how the event has performed over time and, as some board members hinted at in their remarks, whether what has always been done is worth the effort. Similarly, if board members really wanted to learn more about how the educational programs were helping young people achieve more in the arts, perhaps inviting music teachers, performing arts instructors, or band directors to a board meeting to share insights and ideas would be a good use of time. Finally, several of the organizations were in the midst of an executive transition. It seems only reasonable to conclude that boards with a quest for learning might be receptive to information and training related to how best to manage leadership turnover (whether on the board or within the organization).

Learning more about board members as individuals can easily be accomplished by incorporating social time before or after meetings, creating “spotlight” articles in the newsletter, or through engaging opening comments at meetings. Beginning each meeting with a thought-provoking question that invites board members to share their ideas or thoughts is a great way to learn more about individual interests. These questions do not need to be invasive or personal; something as simple as “what is your favorite holiday tradition” or “where is your favorite vacation spot” or “what do you enjoy to do in your spare time” provides others with a glimpse of who board members are outside of the meeting time. It may be that the only thing required is to use meeting time differently. Rather than pouring over reports that have already been distributed and should have been read prior to attendance, use meeting time to discuss things that really matter, to be generative, and to build rapport among board members and staff. This is sound advice for all board chairs and executive directors, not just those serving arts organizations.

The board members participating in this self-assessment clearly recognized the importance of recruiting the next generation of board members and leaders. There are at least three important sector-wide implications for practice here. First, it makes no logical sense to recruit

strong, bright, capable board members if there is no plan to make use of their talents. There were comments from frustrated respondents about how underutilized some board members were. Further, our own personal experiences as board members and governance researchers, underscore these concerns. While no time is wasted informing board members of their fundraising expectations, all too often, those new to the board are not quite sure how their talents (not their ability to provide or attract financial resources) might best serve the organization. Spending time with new recruits to not only share how the organization might benefit from the skills new board members bring to the work but also to learn more about what motivated each person to join or how these new board members hope to add value is essential if engagement beyond fundraising is expected. Moreover, these kinds of conversations can also combat issues related to role clarity, providing each board member with a clear indication of what is expected.

This notion of learning more about how each board member thinks about adding value could also have implications for the self-assessment process and what might be possible if board members were taught how to really add value to the organizations they govern. What if a major aspect of the self-assessment process was a “personal inventory” where board members were asked to reflect on their personal and professional strengths, their real reasons for wanting to serve on the board, and how their interests and skillsets might advance the work of the organization? This kind of exercise would not only immediately engage board members in the kind of thinking and reflection that is often desired, it would also allow for meaningful committee placements and fulfilling service.

From an organizational perspective, focusing on how board members add value would inform the recruitment process. What if, for instance, at all recruitment cycles the governance committee wrote (or updated) a formal job description for each vacant seat? The job description would detail how the next board member would build on a strong foundation of existing work and move the board and the organization forward. As one board member wrote, “It is hard to recruit board members when there are not clear objectives.” While this would require significant upfront work, the potential payoff would very likely be worth the investment of time.

One additional point regarding recruitment using board talent effectively, in our practice and throughout the research presented here, we regularly field comments from board members who seem frustrated that major decisions are relegated to an executive committee. The board members who provided written responses to the self-assessment expressed a strong desire to be involved in the work of the organization and the board. They wanted to learn, to be involved, and to add value (beyond fundraising). For organizations that use an executive committee, it might be useful to think about how best to engage the whole board in decision-making.

With regard to fundraising, we learned that the development plan must be contextualized. It is not enough to tell board members that they need to raise money, we need to help them understand the leverage that can be created with philanthropic dollars and provide them with the language and skills needed to share that potential future with donor prospects. Performing arts organizations, specifically, are in a unique position to develop business models that generate revenue. For years, these organizations have successfully managed both the business and service aspects of a mission; thus, it only seems reasonable that this same thinking can inform the creation of new enterprises that build a stable source of income into the future. In fact, several respondents referenced the potential for earned income opportunities that would generate new or additional sources of revenue. What are the hidden opportunities in shrinking audiences, declining ticket sales, etc.? Although controversial, Pallotta’s (2012) notion of “increasing the size of the pie” might be exactly what is needed. Not only would it bring more people to the symphony (or related performances), it could also bring additional resources and engage more community members.

Another point related to fundraising, i.e., attracting new sources of income and “increasing the size of the pie,” is related to the number of times board members referenced the importance of revisiting the mission. In resource-scarce environments, the potential for nonprofit organizations of all types to be lured away from purpose at the promise of new income streams is a real concern. Spending time talking about and focusing attention on what matters provides board members with the script they need to leverage resources in support of a clearly identified purpose as well as the strength to abandon things that are no longer working.

Given that boards have legal obligations to exercise reasonable care, guard against self-interest, and remain faithful to the organizational mission, it seems only reasonable to include suggestions about how our findings might be used to improve overall performance related to oversight as well as to the ability to achieve the stated purpose of the organization. Our findings suggest that clarifying the organization’s purpose as well as being responsive to community expectations would not only assure that all board members were on the same page working toward a unified purpose but would also ensure accountability given that programming would be reflective of community expectations.

Our data indicate that board members expressed concerns that the mission was not clearly defined, which meant that oftentimes programming and approaches to fundraising were outdated or “stale,” simply repeating what had worked in the past without proper attention to inherent changes in the performing arts industry. As a result, several participants reported financial struggles that required the need to have “a realistic balanced budget” so that there was not an overreliance on the endowment (when one existed). Perhaps the best advice we might offer to those in the field came from one of our respondents:

The board needs to reach consensus on the meaning of the mission (as we define it today and going forward) and develop a vision of the organization that is vital, energized, and reflects the potential of this organization in spite of declining ticket sales and an aging audience base. We need to develop a simple strategic plan with goals, timeframe, and interim measurables we can use to evaluate the organization's progress against the desired direction—our “report card.” And we need to act as enablers, thinking big, expansively about what could be. Make decisions that have good analysis about how new programming fits with our strategy and how we will finance those decisions.

By their own admission, board members recognized that all too often the orchestra and symphony tend to be regarded as “elitist or snobby.” Even so, board members talked about the importance of shedding that image and being more deliberate about engaging the community (very broadly defined to include existing patrons, families, schools, music educators, and music associations) in deciding programming, setting strategy, defining the educational mission, and “getting the word out.” Board members believed that investments in these kinds of activities would allow performing arts organizations to “take back their narrative” while improving visibility, strengthening relationships with community members and local businesses, increasing ticket sales, and diversifying audiences. Additionally, focused attention on engaging with the community, they felt, has the potential to accomplish the related goals of attracting young people to performances and paving the way for a new generation of board members.

Although board members recognized the importance of community outreach and audience development, several admitted to not really knowing how to do this or how to change audience demographics; further, many struggled with how to “define the market.” Perhaps learning more about who is filling the seats at each concert or conducting community surveys to

determine the types of performances that audiences are interested in attending might be useful. Continuing to provide the same programming each year and then wondering why people do not attend seems like an exercise in futility. It might also be useful to learn from peers about how other symphonies have engaged the community in ways that broaden creative possibilities or engage diverse audiences. Additionally, it will be imperative to the future success of many nonprofit organizations to capitalize on the use of social media to engage audiences (and other clientele or stakeholders), communicate information, attract resources, and demonstrate accountability.

Finally, consistent with recommendations offered by Gill, Flynn, and Reissing (2005), and given that the assessment process is expected to facilitate thoughtful reflection about how well boards and their individual members perform essential tasks and important functions, learning more about what boards do after the assessment process is an important next step in this research. We know that some boards will continue the assessment process with BoardSource and contract with a consultant who will use the results of the assessment to structure a planning session or retreat, while others will complete the assessment and do follow-up on their own. Along with our partners at BoardSource, we are currently engaged in efforts to document the organizational learning that has taken place in both of these groups.

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Notes

1. The free online board performance self-assessment tool called the Board Check-up can be found at the following website: www.boardcheckup.com.

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Managing Volunteer Retirement among Older Adults: Perspectives of Volunteer Administrators

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A large body of quantitative evidence demonstrates a link between volunteering and improved well-being, especially among older adults. Yet the research evidence pointing to the purported benefits of volunteering does not adequately address the unique experiences of older volunteers, nor does it address the ways in which working with them impacts the work of volunteer administrators. As the proportion of those aged 65 and older increases, older adults are poised to play an even greater role as volunteers than ever before, representing both unparalleled opportunity and potential new challenges for volunteer administrators. One such challenge includes how to manage older adults' decisions to withdraw or retire from volunteering, which has an impact on the succession planning of the volunteer workforce. This article presents the results of a recent survey of volunteer administrators who share current policies and perspectives about volunteer retirement. These practitioner viewpoints provide important insights for both volunteer management and future research.

Keywords: Volunteering, Volunteer Administration, Volunteer Management, Older Adults, Volunteer Retirement

In the United States, approximately 25% of the adult population aged 16 and older engages in some type of volunteering annually (Bureau of Labor Statistics, 2016). According to 2015 estimates, 23.5% of adults aged 65 and older volunteer, with the majority volunteering through religious organizations or social and community service groups (Corporation for National & Community Service, 2016; classified according to Bureau of Labor Statistics categories). While national survey data and scholarly research have indicated that volunteering tends to be negatively associated with age, older adults tend to volunteer more hours than those from other age groups (Greenfield, Scharlach, & Davitt, 2016; Mutchler, Burr, & Caro, 2003). For example, while college students volunteer at a slightly higher rate than older adults (25.7%), their median contribution is 34 hours per volunteer versus the median contribution of 90 hours per volunteer by older adults (Corporation for National and Community Service, 2016).

The total value of all time that older adults volunteered for nonprofits, churches, and other formal organizations has been estimated to be around \$45.4 billion each year (Corporation for National & Community Service, 2016). Thus, older adults' participation in formal volunteering contributes significantly to American society, not only as an integral part of civic engagement

and community life but also as a valuable economic resource. As such, the volunteer experiences of this age group emerge as an important topic for consideration, especially for practitioners who work with volunteers.

Increasingly, policymakers and researchers have been preoccupied with the aging population and the impact of this phenomenon on social, economic, and political life. One solution has been to encourage older adults to engage in “productive” activities as they age, especially in their post-retirement years. Indeed, extensive empirical evidence demonstrates a link between volunteering and improved well-being, suggesting that this activity may have positive impacts on individuals as they age (e.g., Jenkinson et al., 2013; Musick & Wilson, 2003; Okun, Yeung, & Brown, 2013; Piliavin & Siegl, 2015). Likewise, given nonprofits’ ongoing reliance on the efforts of volunteers to complement the work of paid staff (Handy, Mook, & Quarter, 2008) and contribute unique skills and assets to their work (Handy & Srinivasan, 2005), volunteering has emerged as one of the hallmark activities of so-called productive aging and retirement.

At first glance, the promotion of volunteering as a healthy part of aging and older adulthood appears to offer mutual benefits to organizations, older adult volunteers, and society at large. Indeed, it is widely recognized that older adults bring a richness of experience, skills, talent, vibrancy, and consistency to volunteer programs (Henkin & Zapf, 2007; Lee & Brudney, 2012). Nevertheless, working with this group of volunteers can also give rise to unique challenges and concerns for practitioners. One such challenge includes how to help older adult volunteers navigate not only their transition into volunteering with an organization but also their transition *out of* volunteering. While there is substantial scholarship on how to recruit, retain, and manage volunteers at all ages, less research (if any) has investigated the circumstances in which older adults come to end their long-term volunteering and how this transition has an impact on their well-being and the functioning of volunteer programs. As longtime volunteers embedded within organizations age, they begin to consider if and when to retire or withdraw from their volunteering. Given their job responsibilities as well as their often-close relationships with volunteers, volunteer administrators must face the challenge of assisting older volunteers when this sensitive and sometimes stressful decision arises.

Furthermore, when we consider the social, physical, and psychological benefits of volunteering, which research has demonstrated are greater for older adults than their younger counterparts (Tabassum, Mohan, & Smith, 2016; Van Willigen, 2000), the decision to retire from volunteering also implies the withdrawal of these benefits. This decision therefore becomes a critical one for older volunteers, who often build strong personal and social identities around their volunteer roles. As the general population ages, it is probable that volunteer retirement will become a salient issue for volunteer administrators. The question facing practitioners is how to manage volunteer retirement by older adults in a sensitive manner that protects the well-being of their older volunteers. Other related questions are: What, if any, is the responsibility of organizations and their staff toward retiring volunteers? How should organizational staff assist older volunteers in their decision-making regarding their retirement, especially in the absence of close friends or family to assist with the process? What policies, trainings, and practices would help prepare staff for these inevitabilities? These considerations align well with the previously recognized responsibilities of volunteer administrators, who are tasked with both identifying changes in their volunteers’ preferences and suitability to assigned tasks over time and, subsequently, adjusting when necessary (Ellis, 1999).

The present study seeks to address these questions using findings from a survey of volunteer administrators. Our purpose is to introduce the topic of retirement from volunteering—a topic that, thus far, has not received much attention—and to begin to explore practitioners’ perspectives and current organizational policies that relate to the management of this phenomenon. To do this, we first examine the current literature on the topic of older adult

volunteering to provide the policy and practice context in which to situate the topic of volunteer retirement. We then present our methodology and findings and conclude by discussing the implications and recommendations for future policy, practice, and research.

The Issue: Retirement from Volunteering

Volunteering in Retirement: Resources, Roles, and Well-Being

According to the Corporation for National and Community Service (2016), in 2015 nearly 11 million adults aged 65 and older devoted 1.9 billion hours of their time to volunteering. Not surprisingly, many scholars have focused on the study of volunteering and especially on older volunteers. Researchers and practitioners have recognized these older adults as a valuable volunteer resource for organizations. They are often retired from paid work, and they have a wealth of experience and skills as well as available time to volunteer (Rozario, 2007). With the baby boomer generation at or nearing retirement age, there are increased numbers of highly skilled individuals with free time available for organizations to recruit (Corporation for National and Community Service, 2012; Einolf, 2009; Eisner, Grimm, Maynard, & Washburn, 2009; Gonzales, Matz-Costa, & Morrow-Howell, 2015; Wei, Donthu, & Bernhardt, 2012).

Although there are many possible frameworks for understanding the phenomenon of volunteering in retirement and older adulthood, scholars have frequently conceptualized it in terms of role theory. This theory suggests that, when individuals face periods of transition throughout the life course, they cope with these transitions by taking on new roles or by prioritizing existing roles differently, thereby mitigating the impact of the loss of earlier roles (Biddle, 1986; van der Horst, 2016). In the context of volunteering, older adults often regard their volunteer roles as an important source of self-esteem, social support, community belonging, and personal meaning. These features of their volunteer experiences may help them navigate other transitions in their social roles, such as the aging of adult children, widowhood and retirement from paid work (Cho, Kim, Park, & Jang, 2018; Greenfield & Marks, 2004; Rotolo, 2000).

In a recent study of volunteering in older adulthood in the Netherlands, Van Ingen and Wilson (2017) focused on this concept of role-making, which they termed “volunteer role identity.” According to the authors, “Roles are an important source of self-identity,” the salience of which is strengthened by the intensity of exposure to the role (Van Ingen & Wilson, 2017, p. 30). They found that the salience of volunteer role identity was greater among older adults in retirement from paid work, noting that, when individuals chose to reinvest their newly freed time into volunteering, it increased the intensity of their volunteering and functioned as a “compensation strategy” for the loss of paid work roles (Van Ingen & Wilson, 2017, p. 29). The relationship between retirement from paid work and engagement in volunteering in older adulthood is empirically supported and theoretically justified using role-theory.

Another important body of research centers on the link between volunteering and well-being. An extensive literature exists demonstrating that volunteering improves physical and mental health, overall well-being, and quality of life, especially for older adults (e.g., Baker, Cahalin, Gerst, & Burr, 2005; Barron, Tan, Yu, Song, McGill, & Fried, 2009; Kail & Carr, 2017; McDonald, Chown, Tabb, Schaeffer, & Howard, 2013; Okun, Yeung, & Brown, 2013). The purpose of this article, however, is not to summarize this literature, but rather to note its importance for understanding what happens when volunteers retire. Given policymakers’ and practitioners’ interest in recruiting and retaining older adults as volunteers (e.g., Corporation for National and Community Service, 2012; Gonzales, Matz-Costa, & Morrow-Howell, 2015; Hudson, 2007; Morrow-Howell, 2010), the positive outcomes of volunteering are noted to justify the promotion of volunteering in older adulthood.

Retirement from Volunteering: What Is It?

As noted above, a variety of literatures focus on volunteering in retirement, often in the context of role theory or amidst broader discussions about the potential benefits of this activity for volunteers and society. However, we can also conceptualize another transition for older adults, which we refer to as volunteer retirement. Volunteer retirement is the decision on the part of older adults to withdraw from their volunteering; although the decision is reversible, the concept as we use it implies permanent withdrawal from all volunteering activity. As with retirement from paid work, the reasons for volunteer retirement vary from person to person and may range from completely voluntary (e.g., simply no longer enjoyed it) or involuntary (e.g., declining health). Retirement from volunteering may be initiated by the volunteer, or friends and family, medical professionals, or the volunteer administrator may encourage it. The term “retirement” is purposefully used to convey the connection that exists between retirement from paid work and retirement from unpaid work (i.e., volunteering) in older adulthood (two important transition points) and to highlight the ways in which volunteering has been understood as both a form of work and a substitution for paid employment as suggested by role theory (e.g., Sherman & Shavit, 2012).

To illustrate some examples of how volunteer retirement manifests in the field of volunteer administration, we offer the following vignettes:

(1) Mr. A (age 88) was a long-term volunteer at a hospital for over 20 years. He served as a greeter and escorted patients and guests around the hospital. He was told that he could no longer live independently and was moved out of his apartment into a nursing home. Mr. A struggled to adapt to his new home, and the volunteer department became creative about his assignment in order for him to continue volunteering. Because Mr. A served as a greeter at the hospital, the director of volunteers and the social worker thought perhaps he could serve as an informal volunteer greeter at the nursing home. But because his scooter was taken from him, this option did not appeal to him. Despite these efforts, Mr. A never volunteered again; his health rapidly declined, and he passed away five months later.

(2) Mrs. B (age 86) was a long-term volunteer for 27 years. She served in various roles from the information desk, health administration, and director’s office. Mrs. B had a fall in her home and was moved in and out of hospitals and rehab facilities. Her family had to look after her around the clock. Each time the volunteer administrator called, Mrs. B. stated that this was just a minor setback and she planned to return to volunteering soon.

(3) Mr. and Mrs. C, married for over 60 years, were long-term volunteers for 16 years at an outpatient clinic associated with the hospital. They provided administrative support to the staff for filing, answering phones, and mailings. Recently, Mr. and Mrs. C decided to move out-of-state to be closer to their children. In conversations with the volunteer administrator, they mentioned that as they were getting older, they anticipated declining health and wanted to be closer to where their children could help them. They were not sure if they would continue volunteering in their new home.

(4) Ms. D was a long-term volunteer in a hospital. She provided administrative support to various departments and assisted the staff at the information desk. In her late 90s she was still driving and occasionally had accidents in the parking garage. Ms. D was forgetting how to get to the cafeteria so instead of staff notifying the volunteer department, staff would slip directions in her uniform pocket so she would not get lost. After several observations of this behavior, the volunteer administrator consulted Ms. D’s physician and family. It was “time” for her to retire. Ms. D was acknowledged for her years of service and her dedication by the staff and volunteers who loved her.

These are all actual scenarios reported by volunteer administrators of how volunteering has an impact on older individuals and how retiring from volunteering can come about. Such retirement not only has an impact on the volunteers but also on the organization. Depending on the situation, volunteer administrators may need to re-evaluate their management approach for working with older volunteers. When and how should volunteer administrators initiate conversations with older volunteers regarding the future of their volunteering and possible retirement from volunteering? Research has demonstrated that older volunteers in particular express altruistic or other-oriented motivations for their volunteering rather than self-oriented motivations (e.g., Misener, Doherty, & Hamm-Kerwin, 2010). These volunteers want to contribute to their community and to society. They want to leave a legacy of giving back and often devote many hours and years to their volunteering. Now, they may feel compelled to retire from that life of giving back, which may not be especially pleasant or desirable for many retiring volunteers.

Working with Older Adults: Considerations for Volunteer Administration Practice

Thus far, we have discussed the issue of volunteer retirement in the context of its impact on the volunteers. However, from a management perspective, volunteer retirement is one of the many unique aspects of working with older adult volunteers that has implications for volunteer administration practice. Volunteer administrators oversee volunteer programs and operate in all sectors and at all levels of organizations (Machin & Paine, 2008). Volunteer administrators carry out a wide variety of tasks. These tasks include serving as consultants to staff who work alongside volunteers; engaging in outreach to recruit new volunteers; screening, interviewing, training, and assigning tasks to new volunteers; and, monitoring volunteers' activities and effectiveness. In addition to recognizing and appreciating volunteers, volunteer administrators must also ensure that volunteers who can no longer perform their assigned tasks are managed in an appropriate way (e.g., reassignment to a new task) (Ellis, 1999).

Recognizing that volunteer administration differs from the management of paid staff, researchers have focused on developing a list of best practices that reflects the unique challenges of this field (e.g., Brudney & Meijs, 2014; Hager & Brudney, 2004; Hager & Brudney, 2015). These practices reflect general recommendations for working with all volunteers and are not specifically targeted toward working with older adults. Such an oversight could become increasingly problematic, first because the number of older adult volunteers is increasing. This increase has been spurred in part through policy and research that has continued to actively promote volunteering among older adults. Second, many individuals participate in volunteering throughout their lives; as they age into retirement and beyond, these volunteers may need to make difficult decisions about the future of their volunteering. Third, older adults are unique from their younger volunteer counterparts, both in terms of the assets they provide and the ways in which they engage in and experience volunteering.

A literature search for research on volunteer management practices for older adults did yield some results. However, these results tended to focus on recruitment and retention (e.g., Devaney, Kearns, Fives, Canavan, Lyons, & Eaton, 2015; McBride, Greenfield, Morrow-Howell, Lee, & McCrary, 2012; Sellon, 2014). Several studies examined volunteers' reasons for quitting (e.g., Allen & Mueller, 2013; Hustinx, 2010; Willems, Huybrechts, Jegers, Vantilborgh, Bidee, & Pepermans, 2012), but many of these studies included volunteers of all ages. For older adults, the reasons for beginning, continuing, and ending their tenure as a volunteer may be unique from those of the general population. For example, Tang, Morrow-Howell, and Choi (2010) found that conflict with another activity or priority, health, and conflict with program administrators were common reasons that older adults chose to stop volunteering. Similarly, Butrica, Johnson, and Zedlewski (2009) reported health concerns, residential moves, and changes in marital status as factors having an impact on older adults'

decisions to continue volunteering. They also noted that, for older adults, the odds of withdrawing from volunteering declined over time, such that the longer a person had volunteered, the less likely for that person to end his or her volunteering.

A recent study by Dury (2018) examined this topic in the context of a Belgian care bank. Analyzing qualitative focus group data from a sample of mostly older adults, Dury (2018) found that their motivations to begin, continue, and terminate volunteering activities associated with the care bank were dynamic and changed over time. Many volunteers initially expressed social and altruistic rather than economic motivations for participating in the care bank. Over time, however, the volunteers also shared anxiety about a lack of appreciation or a feeling of being overloaded by their assignments. Although the care bank was able to address these espoused concerns through training, information sessions, and other forms of organizational support, these findings highlight how the motivations of volunteers influence their behaviors over time and suggest the importance of staff awareness and involvement to support the changing needs of volunteers.

While these studies have been important for understanding the volunteering behaviors of older adults, none of these studies have examined the transition out of volunteering and its impact on the well-being of volunteers or volunteer administrators. Rather, the focus has remained on recruitment and retention from an organizational or strategic perspective. Thus, we see a critical gap in current research and policy that needs to be addressed.

Thus far we have examined the phenomenon of volunteering in older adulthood, situating it within the broader context of current research and policy. More specifically, we have suggested that volunteer retirement, an understudied concept, may have increasing importance for volunteers and volunteer administrators. Older adults' transition out of volunteering often creates sensitive and stressful situations for volunteers and volunteer administrators. These situations need to be examined to discover, develop, and implement best practices and policy recommendations. To begin to explore this topic from a practitioner perspective, we turn now to our research design and methodology. We follow this with a discussion of our findings and implications of our findings for volunteer administrators.

Research Design and Methodology

This research was embedded within a larger project around volunteering and well-being among older adults. The project represents a collaborative effort, demonstrating how research and practice mutually inform one another in exciting and fruitful ways. Composed of both academic and practitioners, the study team complemented one another by fostering new ideas for research; improving study feasibility, rigor, and reach; and, ultimately, producing clearer implications for practice.

The full research project also incorporated the perspectives of other groups involved in older adult volunteering in organizational settings, such as paid organizational staff and the volunteers themselves. In keeping with the theme of current issues in practice, this article focuses on volunteer administrators' perspectives.

The Volunteer Administrator Survey

There is a persistent and growing interest in the topic of volunteering among older adults; and, with the continued recruitment of older adult volunteers, there is an increased need to focus on the topic of volunteer retirement. Given the lack of literature to guide our examination of the topic (and to understand the challenges and issues arising in volunteer retirement), we turned to practitioners. Practitioners deal with these issues, and so we build on their expertise to set the agenda for our ongoing research in this area.

To this end, we conducted a survey of volunteer administrators in the fall of 2017. We designed the survey to capture overall impressions (or a kind of “state of the volunteer administrative practice” around working with older adult volunteers), gather practitioners’ perspectives in a systematic and purposeful way, and determine to what extent organizational policies existed to assist practitioners in navigating and facilitating their work with older adult volunteers (and, consequently, what areas needed changing).

The survey was written collaboratively by the research team and implemented using Qualtrics software. Data were collected regarding the ways in which volunteer administrators encounter and manage the issue of volunteer retirement/withdrawal in their organization. Questions were designed to help identify the prevalence of this issue in volunteer administration practice. The survey was distributed electronically using professional volunteer administrator listservs with support and permission from the listserv administrators.¹ The survey was open to any volunteer administrators on the listservs in either the United States or Canada.

The main goal of the survey was to begin to explore the broader policy and practice context of working with older adult volunteers, with a specific focus on volunteer retirement. Further, the survey functioned as a means to starting conversations with practitioners who were working with older adult volunteers. These conversations served as a way to guide future directions for practice.

The survey was kept short (12 questions) and was intentionally designed to be of interest to busy volunteer administrators. In addition to basic demographic information, questions included the following:

- “How concerned are you about volunteer retirement and/or aging out of volunteers in your organization?”
- “Does the organization have a policy in place to help manage the aging out, or the retirement, of older volunteers?”
- “How often do you have to intervene to encourage a volunteer to retire from volunteering from your organization?”

A Note on Incomplete Responses and Inclusion Criteria

Data from the survey were primarily descriptive in nature and analyzed in Excel. Because the focus of the survey related to challenges around volunteer retirement, responses were recorded only for those participants who indicated that they had previously encountered volunteers who had aged out of, or retired from, their volunteering. Those who indicated that they had never come across volunteers who had aged out of, or retired from, volunteering were excluded from responding to subsequent survey questions. Of the respondents with completed surveys, five respondents indicated that they had never encountered this phenomenon. The final sample size, after deleting incomplete responses and these five respondents, was 69. The number of volunteer administrators who had never encountered the phenomenon of volunteer retirement and/or the aging out of volunteering was relatively small (five out of 74, or about 7%).

Findings

Participant Demographics: Tenure and Organizational Field

To keep the survey length and time to a minimum, demographic information was limited to questions about respondent’s tenure at their current organization as well as the field or service domain in which the organization operates. As expected, given the nature of the listservs through which the survey was distributed (a limitation of the survey, as discussed in more

detail later), and the fact that certain sectors (e.g., healthcare and health services) are more likely to have well-established volunteer programs with professional volunteer administrators (Rogers, Rogers, & Boyd, 2013), the majority of respondents (74%) indicated that their organization was in healthcare or health services. The remaining respondents indicated that their organization operated in human services (6%), education (3%), arts and culture (6%), or other (11%). Some responses in the “other” category included public library, museum, government, military, and community relations.

In terms of tenure, our respondents worked with their current organization for some time. Over half (52%) of the respondents had worked at their current organization for longer than 10 years. Another 30% had worked there for six to 10 years. A much smaller proportion of respondents indicated having worked for their organization for between one and five years (15%) or less than one year (3%). The majority of respondents had worked at their current organization for at least six years. This suggests a certain level of experience with the organization and knowledge of its policies and practices.

Perspectives on Volunteer Retirement

The first set of questions asked participants about volunteer retirement and their level of concern about volunteer retirement at their organization. Of our respondents, over three-quarters (79%) were either very concerned or somewhat concerned about volunteer retirement or aging out. This finding suggests that the majority of volunteer administrators were not only aware of volunteer retirement as a phenomenon but also concerned about its implications for their volunteers, volunteer programs, and organizations. This also points to the timeliness and importance of the present inquiry for volunteer administration practice.

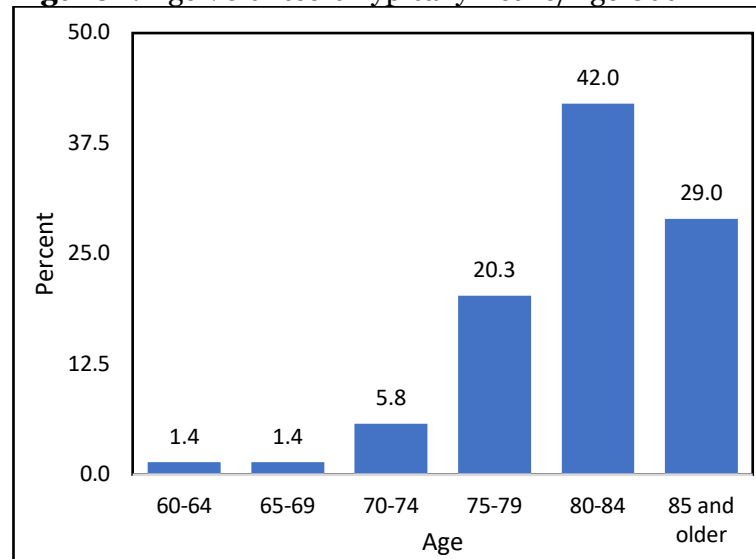
Figure 1 illustrates the breakdown of ages that volunteers typically retired from our respondents’ organizations. As shown, respondents reported that few individuals retired from their volunteering before the age of 75, with a significant proportion of them (71%) waiting until at least 80 or older to do so.

Additionally, respondents were asked about the reasons their volunteers typically gave for retiring from their volunteering. Respondents were allowed to select multiple answers. Table 1 displays reasons reported by respondents. As shown, the top-three reasons given for volunteer retirement or aging out included personal health, logistical concerns (such as transportation or accessibility), and family obligations. Respondents chose to write in other reasons why older adults might choose to retire from their volunteering. Among these reasons were moving to live closer to family or to warmer weather, specific health concerns (such as dementia and physical disabilities that prevented them from carrying out their volunteer assignments), and death.

Current Organizational Policies around Volunteer Retirement and Withdrawal

The second set of questions dealt with current organizational policies and practices about how to handle volunteer retirement and aging out. Respondents were asked about the frequency at which they have had to intervene to encourage a volunteer to retire from volunteering at his or her current organization. Respondents were also asked about how prepared they felt to handle such situations. Most respondents indicated that they rarely had to intervene (41%), or that they had to intervene only occasionally (38%). Only 7% indicated that they had to intervene very often, while the remainder (14%) indicated they never had to intervene. Because all respondents included in the survey indicated that they had encountered volunteers retiring in their current organization, these responses suggest that the volunteers themselves often make the decision to retire or leave their volunteering without specific intervention from volunteer administrators. Indeed, among our respondents, 59 of them (86%) reported never having to intervene to encourage a volunteer to retire. Among those who did have to intervene

Figure 1. Age Volunteers Typically Retire/Age Out^a



Note: $n=69$

^a According to volunteer administrators.

at some point, most felt somewhat prepared (46%) or very prepared (25%) to deal with the situation. Another 15% felt neither prepared nor unprepared, while the remainder was split equally among somewhat unprepared (7%) or very unprepared (7%).

Of particular interest to us was whether or not organizations tended to have policies in place for helping volunteer administrators and other employees who work with volunteers handle volunteer retirement. When asked about whether their organization had a policy in place to help manage volunteer retirement, the vast majority of respondents (86%) indicated that their organization did not currently have such a policy. Only 10% indicated that their organization did have such a policy, while 4% were unsure.

We asked those whose organizations did have a policy to describe the nature of the policy. Five respondents gave us additional information about these policies. One respondent reported the presence of a “fitness for duty policy.” Others alluded to the use of “distinguished volunteer,” “honorary volunteer,” and “volunteer emeritus” designations to honor older volunteers who were not able to carry out their volunteer duties but who retained a celebrated status with the organization. These titles were accompanied by other benefits, including invitations to organizational events (such as volunteer appreciation and other special events); communication with the organization through ongoing newsletters, birthday cards, and other mailings; and free parking at the organization. These designations, then, function as more than just empty signifiers—they also facilitate ongoing connection with the organization and the community with which the individuals used to volunteer. Another respondent indicated that s/he handled volunteer retirement in the organization by transitioning volunteers into less strenuous activities as needed, which enabled the volunteers to remain involved for as long as possible before “retiring” to emeritus status.

Implications and Future Directions

Lee and Catagnus (1999) suggested that today’s “senior” needs to be approached by level of activity not just by date of birth. Volunteer administrators who screen volunteer applications may look at date of birth as an indicator for longevity and consistency for volunteering in an organization. The results of this study reveal, however, that tenured volunteer administrators evaluate the importance of looking at seasoned and experienced volunteers with their skill, talent, and knowledge—not just their reliability for showing up to their volunteer assignment.

Table 1. Reasons for Volunteer Retirement/Aging Out

Reason	Count	Percent
Personal health	57	48.3
Logistical concerns (e.g., transportation or accessibility)	27	22.9
Family obligations	17	14.4
Other reasons	8	6.8
Want to spend time doing other activities	6	5.1
No longer satisfied with the volunteer assignment	2	1.7
Feel unappreciated	1	0.9
Total	118	

Volunteer administrators are very or somewhat concerned about volunteer retirement and do have to get involved at some point to keep the process moving. The lack of established policy does not prepare the volunteer administrator to have such challenging and difficult conversations with individuals who have given their time and talent to an organization only to be told that it is time to stop volunteering.

In addition, volunteer engagement practices do not stop for many volunteer administrators when the volunteer leaves. As indicated by our findings, volunteer administrators may still call the retired volunteer, send cards, invite to social gatherings, and even honor the volunteer as “emeritus” for time spent within the organization. There are close bonds developed with volunteers, and just because they may no longer have a physical presence in the organization, does not mean that they are forgotten. These realities of working with older adult volunteers may not be included in the formal job description of a volunteer administrator, but they are well-known and acknowledged by practitioners.

In linking our findings to practice, we examined professional competencies from the field of volunteer administration. The Council for Certification in Volunteer Administration (CCVA) issued the 2015 CVA Competency Framework, which provides professional management and volunteer engagement practices of volunteer engagement. The Association for Healthcare Volunteer Resource Professionals (AHVRP) also adopts these competencies for the Certified Administrator of Volunteer Services (CAVS) but targets volunteer administrators in healthcare. Both certifications (CVA and CAVS) are administered by CCVA, but AHVRP manages renewals and continuing education. These competencies can be adapted to managing situations with older volunteers. Some of these competencies include but are not limited to:

- 1) Plan for strategic volunteer engagement (which includes policies and procedures for volunteer services, risk management, and evaluation plan);
- 2) Advocate for volunteer involvement;
- 3) Document volunteer involvement;
- 4) Manage volunteer performance and impact (e.g., coach volunteers and monitor progress on volunteer performance objectives); and
- 5) Acknowledge, celebrate, and sustain volunteer involvement (e.g., develop a retention plan).

We are particularly intrigued by the second competency, calling volunteer administrators to advocate for volunteer involvement. Volunteer administrators want what is best for their organization and for the volunteer workforce within that organization, despite the resource challenges they often face. Individuals are encouraged to volunteer because of the health benefits, but there may come a point when the volunteer administrator needs to speak to, or counsel, a volunteer who is no longer able to volunteer. To that end, this competency should encompass not only advocating for volunteer involvement but also promoting and protecting volunteer well-being at all stages of their service.

These findings confirm those in a recent study by Brudney and Meijs (2014) that suggests social workers increasingly need to learn volunteer management skills in their practice. Our findings indeed suggest that volunteer administrators often take on social work-oriented tasks, such as volunteer advocacy and even counseling, when working with older adult volunteers. Thus, social work practice may offer valuable insights for offer volunteer administrators moving forward as, for example, Brudney and Meijs (2014) and Sellon (2014) have already noted.

Often, topics that relate directly or indirectly to age in the workplace, be it paid or unpaid work, are uncomfortable for everyone involved. Administrators may be reluctant to talk about age or they may be fearful of establishing policies that could be viewed as discriminatory. We agree that any best practice or policy must tread carefully and must be sensitive to the dignity and needs of all involved, especially the volunteers themselves. Nevertheless, we must stress that organizations can and should do more to better prepare themselves to manage volunteers, at any age, who are struggling to fulfill their tasks or meet the needs of the organization. Organizational policy, sensitivity training, and professional best practices can all be revisited and retailored to incorporate the concerns of volunteer administrators outlined in our findings. Such efforts, far from being discriminatory, could stand to enhance the experience of volunteering for older adults, as well as better prepare organizational staff to manage and collaborate with this valued group of volunteers.

The current lack of policy and inconsistent practice, while enabling us to avoid having difficult conversations about the realities of working with older volunteers, inevitably adds a layer of risk in the volunteer department. This risk could be reduced, though, through better preparation or, at the very least, a more focused conversation and awareness of these challenges. These considerations may also affect organizations that do not have a dedicated employee to manage and lead their volunteer workforce. According to Hager and Brudney (2004), only three out of five organizations have someone to lead volunteers. But, for organizations who do not have a volunteer administrator, or for those organizations where staff have the role as a secondary duty, it can become even more challenging to manage the case-by-case scenarios of older volunteers. There is a level of experience and poise that comes with being tenured in the field of volunteer management. While the role of the volunteer administrator is unique (Ellis, 1999), the competencies for the profession must be embraced.

By incorporating both volunteer administrator and volunteer perspectives, our research seeks to open this conversation and to widen the focus to include not only recruitment and retention but also volunteer retirement. Future research should further investigate the impact of volunteer retirement on volunteer well-being to better understand this phenomenon and to provide further insight and direction for practice. Although the present findings are limited in scope and exploratory in nature, it is our hope that they will nevertheless prove insightful for researchers who study older adult volunteering and the practitioners who work with them each day.

Notes

1. The listservs were from the Association of Leaders in Volunteer Engagement (ALIVE), the Delaware Valley Association for Volunteer Administrators (DVAVA), and the Department of Veterans Affairs Voluntary Service (VAVS). ALIVE is a national membership organization of leaders and professionals in volunteer engagement (ALIVE, 2018). DVAVA is a local membership organization serving volunteer engagement leaders in the five-county area around and including Philadelphia. Finally, VAVS is one of the largest centralized volunteer programs in the federal government that is serving United States veterans.

Disclosure Statement

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Valuing Bureaucracy: The Case for Professional Government by Paul R. Verkuil

Tyler Klatt – University of South Dakota

Verkuil, P. A. (2017). *Valuing bureaucracy: The case for professional government*. Cambridge, MA: Cambridge University Press. \$29.99 (paperback), ISBN: 978-1316629666

Keywords: Book Review, Bureaucracy, Government

Bureaucrats are an easy and oft-targeted scapegoat for disgruntled politicians, political advisors, and the public. Yet, an important question to consider is whether this criticism is accurate? There may in fact be more value in the bureaucratic sector of government than people willingly acknowledge; and, with some adjustment, the results of bureaucratic work may improve. This is the reason behind Paul Verkuil's (2017) book *Valuing Bureaucracy: The Case for Professional Government*. Verkuil, a former chairman of the Administrative Conference of the United States, sees unique challenges in modern professional government and provides potential remedies to the pains that are felt by both citizens and elected officials.

Verkuil's argument is for solidifying the value of professional government. The key concern of the work is that the use of contractors devalues bureaucracy, ultimately harming the effectiveness of governance. A constitutional and a democratic argument is being made. First, there are constitutional (i.e., oath of office) obligations from bureaucrats that contractors are not held to. Second, the hiring of government contractors furthers the separation between the citizen and the individual responsible for carrying out government work. The expanding use of government contractors and the decreasing value in the human capital of the bureaucracy are two conditions Verkuil identifies as needing to be remedied to improve the value of professional government.

The growth in the use of government contractors is remarkable when compared with the growth in the size of the federal bureaucracy. Despite the fivefold increase in the Gross Domestic Product since 1960, "the bureaucracy remains the same size" (p. 48). The number of government contractors is not so easily measured, but estimates have the total ranging anywhere between 7.6 and 12 million. Verkuil is clear in his contention that contractors are not inherently bad; rather, he argues that their expertise in policy areas can serve as effective factors in the governing equation. What is necessary, he suggests, is direction from and accountability toward professional managers.

Verkuil reviews instances of governance failures at the federal, state, and local government levels, arguing that the reliance on contractors contributed to these problems. The first issue,

which provides tangible negative impacts, is that “When contractors do work involving discretion and judgment at senior levels, management problems arise” (p. 61). Contractors provide important insights into policymaking, yet the responsibilities of government agencies are clouded when the role of a contractor seeps over into decision-making. Furthermore, oversight is lost when contractors begin managing other contractors. The first example is the rollout of the Affordable Care Act, specifically the Healthcare.gov site. Verkuil argues that, in this instance, it was not necessarily a problem with the number of contractors but a lack of talent (i.e., professional government employees) available to oversee contractor work.

The second example is the Healthy Indian plan, which was a public–private partnership between the state of Indiana and IBM to modernize the state’s welfare system that resulted in a digitized system. This was a system that recipients could not navigate. The Healthy Indian plan demonstrated that, even when a contractor relationship is devised with experienced actors, if the project is ill-conceived, even good public leaders and high levels of professionalism are unable to save it.

Last, the water crisis in Flint, Michigan is evidence of a lack of value placed in human capital. The administration in Michigan did not value its employees. The governor of the state went so far as to blame “career bureaucrats” for the crisis (p. 78).

The second key issue Verkuil identifies is the loss of value in human capital of the bureaucracy. Verkuil argues that a reform to the civil service may fix the current “talent crisis and create a professional cadre for the future” (p. 112) and perhaps reinvigorate the professionals in government. There ought to be, he suggests, a reexamination and simplification of the ways in which government hires, fires, compensates, and promotes professionals if they want to develop the next generation of government employees. The need to examine these processes is clear. Indeed, government faces a talent crisis fueled by the aging-out of current government employees. This reform plan faces unique challenges posed by policies like the veterans’ preference in hiring, the role of unions who represent government employees, and the role of the Senior Executive Service. Ultimately, the reform efforts are in pursuit of a more efficient government and reformation may provide a way to reign in contractor use while enhancing government professionalism.

Verkuil proposes realistic ways to induce excellence in government, including encouraging creativity in the Office of Personnel Management, which manages the civil service; fixing the technology gap between government and developments in technology; insourcing or moving jobs from contractors to government employees; improving coordination among agencies; examining agency rules for inadequate or outdated regulations; measuring performance; and capitalizing on the forms of telework to provide flexibility in employment.

Verkuil’s proposal comes at a time when government credibility is on constant watch. There is unique value in a competent and credible professional bureaucracy. This book is an important reminder that the missteps of government are not necessarily the result of government employees running wild. On the contrary, these missteps are both the indirect and direct result of governments increasingly close relationship with contractor agencies. Verkuil concludes by arguing that “reducing the size of government arbitrarily only serves to weaken it. Such an effort would be self-defeating and counter-productive” (p. 153). Reform is certainly difficult, but the proposals Verkuil puts forth are pragmatic options for returning decision-making and professionalism to bureaucrats.

Regardless of the practical approaches that Verkuil puts forth for improving the value of professional bureaucracy, there remains the question of whose valuation is more important. Certainly, the value individual bureaucrats have for their role is critical to their job performance. Perhaps a focus on hiring and retaining those who exhibit high levels of public service motivation may result in a steadier value of bureaucracy as a whole. The other issue

not addressed by the book is the lack of value that the executive branch has for bureaucrats. It appears that so long as there is a lack of trust from executives in the bureaucracy, no human resources reform will be able to reinforce the value of the professional government employee.

This work is a valuable review of the relationship between bureaucracy and political decision-makers. Practitioners especially will be heartened when reading Verkuil's call for valuing the professional bureaucracy, as it is a sector of government that is regularly criticized. Moreover, this book provides both an important review of the ways in which bureaucracy may be revitalized and the assurance that these professionals are capable of the job that they are tasked.

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