

Literature Review

Frances Huehls

is Associate Librarian for the Joseph and Matthew Payton Philanthropic Studies Library at Indiana University Purdue University Indianapolis. She holds masters degrees in philanthropic studies and library science, as well as a Ph.D. in higher education from Indiana University. Dr. Huehls is editor of *Philanthropic Studies Index*, an online periodical literature index and *PRO: Philanthropy Resources Online*, a full-text resource for the field of philanthropic studies.

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Chris Chapleo (2007), “Barriers to brand building in UK universities?,” *International Journal of Nonprofit and Voluntary Sector Marketing*, 12, 1, pp. 23–32

This study was undertaken to examine the full extent of literature on academic branding, discover what perceptions university leaders have about branding and barriers to branding, and to add to academic and practical knowledge in this area. It was prompted by the limited attention that branding of UK institutions has received from researchers.

The literature review covered multiple aspects of branding, including definitional issues, how it is conceived

in higher education, barriers to brand development in institutions, the connection between branding barriers and organizational complexity, differentiation of institutions, and conflicts and opportunities added by internal units of the university.

Methodology

Chapleo interviewed chief executives of 15 universities during 2003. Institutions were categorized by year of establishment: 1992 or newer, 1950s–1960s, and prior to 1950. Subjects were selected for their ability to shed light on the issue of branding. Interviews were semi-structured, allowing subjects to expand their responses in four primary areas:

- Understanding of branding in the HE context.
- Responsibility for the brand of an institution.
- Brandings’ role in differentiating the institution.
- Particular challenges in building and managing a brand in the HE sector (p. 27).

Author’s Contact Address:
Frances Huehls
Philanthropic Studies Collections
University Library
755 W. Michigan St.
Indianapolis
IN 46202
USA
Email: fhuehls@iupui.edu



Findings

In the area of understanding the branding concept, some CEOs distinguished between brand and institutional reputation. Brand was seen as a commercial construct.

Most subjects associated qualities including values and personality with branding in addition to purely promotional aspects like logos. Several CEOs noted that brands are created, while institutional reputation evolves.

Who is responsible for brand management? Most CEOs acknowledged their role in branding but also saw a need to have internal acceptance of the brand. Brand development and management was not exclusively the role of marketing.

Brands do differentiate institutions at least to some extent but CEOs noted other factors including unique course offerings and reputation. Newer institutions were more likely to perceive differentiation attributable to branding.

Challenges to brand management centered on institutional culture. Universities are not accustomed to marketing themselves and tend to resist change. The complexity of institutions makes developing a unitary brand difficult and there are few models. Finally, internal units including schools and individual faculties may want to develop their own brands. Not all CEOs saw this factor as negative.

Conclusions

Overall, university CEOs support the idea of institutional branding even

though they may not agree on their role in it. Initiatives by individual units within universities to establish brands may or may not be a barrier to brand development by the university as a whole. The two major barriers are lack of internal support and finding a point of differentiation around which to develop a brand.

Chapleo listed a number of steps that officials should consider in moving brand management forward:

- CEOs who accept a role in branding are more likely to be proactive in branding initiatives.
- The door is open for institutional research that is aimed at brand development.
- Although differentiation has been cited as an issue, it may be resolved through studying “historical and cultural legacies” (p. 30).
- Gaining acceptance of branding across an institution is critical.
- Loyalty to the institution is critical in gaining acceptance.
- Separating administrative and academic components of the university may help with brand development but may also impede communication.

Additional research is also needed in the following areas:

- Additional options on branding should be sought from groups including university marketing staff and students.
- Successful university brands that can be used as models should be researched.
- The feasibility of developing a theoretical model for university



brand analysis and management should be studied.

- The applicability of marketing theory to higher education should be determined.

Russell N. James and Deanna L. Sharpe (2007), “The nature and causes of the U-shaped charitable giving profile,” *Nonprofit and Voluntary Sector Quarterly*, 36, 2, pp. 218–238

Although Americans are recognized for their generosity to nonprofit organizations, giving is not even across the population. The U-shaped curve has been used to describe giving behavior where individuals at either end of the income spectrum give proportionately larger percentages of their income to charitable causes than those in middle-income groups. The U-shaped curve is not a new idea nor is its accuracy undisputed by scholars.

James and Sharpe used the Department of Labor’s Consumer Expenditure Survey (CE) to reexamine the U-shaped curve. Their profile of giving that was developed using data from 16,442 household reporting between 1998 and 2001 confirms a U-shaped curve. Profiles were also developed for religious and secular giving. Least squares regressions using multiple variables confirmed the findings.

Why did this study result in findings that are inconsistent with other research? The authors specifically cite flaws in selection factors used in other research. Excluding very low-income

segments biased the results by eliminating low-income donors. Reports by nonheads of household have also been excluded. This selection bias results in giving at the low-income level being underestimated but overestimated in the middle-income range.

However, James and Sharpe did not find that a U-shaped curve meant that the poor and the very wealthy were more generous than other Americans. Participation across income increments was linear—in general, participation increased as household income increased. The U-shape at the low-income end resulted from contributions by a small number (5 percent of all households) that gave a disproportionately high percentage (more than 10 percent) of after-tax income. Low-income households were over-represented in this 10 percent group. Although some of this may be attributable to religious conservatism, the majority of these 10 percent donors are far wealthier than other households in their income tier. In the lowest income segments, this group may have 4–17 times more assets than other households in that segment. These households are largely composed of retired individuals or couples with low income but high assets.

Counting only heads of households also affects where these committed donors may be excluded in data selection. At the low-income end, committed donors are more likely to be married. This is less so at the high-income end.

The CE data does have limitations. It does not oversample households in the highest income segments. These are household that contribute significant sums of charitable dollars. Participants



in the CE may also underreport income. A more accurate measure might be household expenditures that would capture high-wealth, low-income households that consistently spend more than their annual income.

The authors conclude that the U-shaped income-giving profile is accurate. The curve results from 5 percent of donors that donate more than 10 percent of income annually. This group is characterized by unusually high wealth in comparison to others in their income segment and includes a sizable percentage of retired, low-income, high-wealth households. Religion also plays a role in higher percentage giving by low-income households but is not the sole factor.

**Rene A. Irvin (2007),
“Endowments: Stable largesse
or distortion of the polity,”
*Public Administration
Review*, 67, 3, pp. 445–457**

Should foundation and nonprofit endowments be paying out more dollars currently in order to provide needed services or is holding back to protect future availability of funds more important? This issue has been the subject of debate among scholars who favor payout increases and foundations who prefer more conservative spending. Irvin’s purpose is to present both sides of the argument.

Background

True endowments (characteristic of foundations) and public charity endowments are different in one essential way. The original gift principal of a true endowment cannot

be spent. Public charities establish quasi-endowments that are composed of revenue savings. These sums are not legally restricted in terms of spending.

True endowments are regulated by the Uniform Management of Institutional Funds Act (UMIFA) of 1972 and the Tax Reform Act of 1969. UMIFA protects the historical value of endowment, which works well for foundations unless endowment assets are undervalued due to a sudden economic downturn. Discussions are currently taking place to amend UMIFA to replace historic dollar value with a “standard of prudence” to give foundations more leeway in spending (p. 446). Conversely, the Tax Reform Act of 1969 tries to mediate the accumulation of excess holdings by regulating the 5 percent distribution requirement on endowment earnings.

With the exception of foundation asset declines in 2001–2002, both the number of foundations and foundation giving has grown steadily since the early 1990s. The assets of foundations are concentrated in a relatively small number of institutions. Nonprofit organizations are also accumulating endowment, although they are not legally bound to distribute a set percentage annually. This is apparent when total assets and investment income from the mid-1990s are compared with figures from 2003 to 2004.

The downside of accumulating endowment

Those in favor of foundations paying more out now believe that excess asset accumulation engenders public mistrust



of foundations. A gift to an endowment is tax deductible at the time it is given. However, the benefit to the public is only returned by foundations at a rate of 5 percent. The rate of return may be even slower by public charities that are concentrating on building endowment for future operation.

Some scholars suggest that donated dollars should benefit the current generation since the standard of living increases with every generation. Saving for future unknown needs is not justified. Our pressing current needs—for international aid, the environment, human services—do not justify accumulating excessive reserves. Investing now—in drug therapies and education, for example—will save in the long run by eliminating problems.

Excessive levels of endowment can lead to mission drift or degeneration of mission for future generations of foundation staff. Organizations may become less efficient as endowments grow. Although the pressure of fund raising would decline, the need to justify an organization's existence to the public might also decline.

The original purpose for an endowment may also become irrelevant. Despite “cy pres,” the courts tend not to overturn donor intent whether the purpose of the original gift continues to be valid or not.

Finally, concerns are raised over the control of large sums of money by a small group of institutions. The nonprofit sector as a whole is still largely controlled by a white, male, educated elite rather than representing the population at large.

The upside of continued endowment growth—“societal savings banks” (p. 445)

The first set of justifications relates to the stability afforded organizations with adequate endowment. Endowment is needed because charitable giving fluctuates on an annual basis. Endowed organizations can be more focused on programs and less on fund raising. Other benefits of a substantial endowment cited are the ability of organizations to borrow at lower rates, pay for the day-to-day expense that donors tend not to give for, and recruit top-level executives more effectively.

Proponents also believe that donors like to give for endowment because it makes them feel that they are having a positive effect on the future. The needs of society change and endowment provides the means of meeting those future challenges, whether it is distributing a miracle drug that took decades to develop, preserving cultural assets, or covering an emergency during a temporary economic downturn.

The erratic nature of giving is also cited as a reason for continued endowment growth and preservation. Donations to endowments follow the rhythm of the business cycle rather than being steady. Donations often slow down just when human services needs spike.

Irvin developed a series of graphs (1963–2002) to depict the relationship of giving to the economic cycle, showing that:

- corporate giving does not mimic the GDP;
- no relationship exists between bequest giving and the GDP;



- foundation giving does show some relationship to the GDP—economic downturns are matched with drastic decreases in grants; upward spikes in the GDP are matched with large increases in grants;
- individual giving closely follows the GDP.

Income and wealth inequality are related to the growth of endowments. Clearly, wealth is held by a relatively small portion of US households but how that translates into charitable giving is a subject of debate. However, even if the wealthiest households hold back during their lives, they make up for it in bequests—particularly for endowment.

Today's older generation has more wealth now than ever before. Their fortunes rival those of the early 20th century. Withholding some of this wealth—in the form of endowment—will help to prevent excessive consumption.

Public policy and endowment

If the Charitable Giving Act 2003 had passed, it would have effectively increased payout from foundations by excluding administrative expenses from the payout equation. The compromise legislation focused on limiting administrative expenses, including limits on director and executive salaries and extravagances not related to programming.

Increasing the payout percentage would increase funds flowing to existing nonprofit programs and control the administrative expenses of foundations. Proponents claim that inefficient foundations would slowly be forced to spend themselves out of existence.

A consequence of increased payout would be spending for current nonprofit programs instead of waiting for more pressing needs to arise. Putting controls on administrative expense also penalizes foundations that spend to investigate grant opportunities and pursue community involvements that require additional administrative outlays. The Sarbanes–Oxley Act of 2002 does not affect endowment accumulation but might serve as a deterrent from manipulating the classification of administrative expenses.

At the state level, legislators are less concerned with endowment build up than they are in keeping estates within their boundaries.

Conclusions

Although the calls for increasing endowment payout are persistent, funds for current needs may be available from wealth held by the current elderly population. Why not let endowments grow for future needs? For some, the prospect of assets intended for the betterment of society sitting idle, overspending and waste within foundations, and “large foundations’ ability to influence the provision of public goods and possibly circumvent the democratic process” (p. 455) are not comforting.

Irvin suggests the need for cyclical studies of nonprofit funding by subsector to determine who needs funding when. Also needed is serious research into how grant making affects public policy. Does the presence of a large foundation in a community influence what taxpayers are willing to pay for? She concludes that it may come down to who we trust—current or future foundation leaders.



**Tom Hayes (2007),
“Delphi study of the future
of marketing of higher
education,” *Journal of
Business Research*, 60,
pp. 927–931**

Interest in higher education marketing emerged from healthcare marketing in the 1980s. Similarities between the healthcare and higher education markets caught the interest of marketing researchers.

Three trends in particular were of concern for higher education. Demographic shifts such as declining numbers of 18-year olds enrolling in college and lower numbers of Caucasian middle and upper middle class students in the population indicated that the market for higher education would have to shift to maintain enrollment numbers. Technology developments triggered rises in operating costs. Organizational resistance to marketing higher education was a third factor. Faculty and administrators feared that adopting business practices would undermine the integrity of the academy.

When the first American Marketing Association’s Symposium on the Marketing of Higher Education was held in 1988, it was apparent that the higher education field did not understand marketing. It was viewed purely in terms of communication and particularly as print pieces designed to attract students. No courses on marketing were offered within higher education curricula at that time. The current picture reflects an acceptance of marketing within higher education. The AMA symposium has become an annual event. The Council for Advancement and Support of

Education also has a marketing division as well as sponsoring seminars and conferences in that area.

Methodology

The goal of this study was to determine what the future course of marketing in higher education will look like. Utilizing the Delphi method, Hayes convened “a panel of experts to reach a consensus or convergence of thoughts” (p. 928) on the subject of marketing higher education. This method is considered to be valid in situations where the future is not as dependent on the past as it is on the will of the leaders who will implement the future course. The experts chosen to participate were asked to think about the most pressing challenges that face the marketing of higher education. Three specific questions were posed:

1. What role do you see marketing taking in the next five years? Ten years?
2. How and where do you see marketing fitting into the organizational chart?
3. What’s the next “big thing”? (p. 928).

Eighteen out of the 20 panel members responded to the first request. Their responses were sorted by question and sent back to the panel for reconsideration. The panel read all of the responses and sent a second response for each question. Sixteen out of the 20 responded to the second round.

The role of marketing in the next five years; ten years

Panelists’ responses reflected frustration with how slowly change occurs within



institutions. The integration of marketing beyond promotion activities is rare—as is research on marketing. They agreed that marketing must be more strategic and not simply supportive of mission. Competition for students will result in parents and students who will shop for the best educational deals. Institutions will also be trying to attract students who may not perceive the value of higher education in the same way that prior generations have. Additional competition will come from other educational alternatives, including competition between private and public institutions.

Marketing will relocate within institutions to partner with strategic planning. Both marketing and strategic planning shape mission and values and use the same internal information. The outcome is the same—“communication of the institution’s mission, vision and values to constituents both internal and external” (p. 929).

Where will marketing situate within the institutional organization chart?

The panelists agreed that the authority for this function should reside with a Vice President of Strategic Planning and Marketing. There was no agreement on who would report to that office. The conservative minority felt it would be the areas of marketing research and communication. A second group believed it will incorporate student-related services including enrollment, retention, and alumni, as

well as communication. The largest segment of the panel believed that it will be part of institutional planning and will function across all areas of the institution.

The next “big thing”

The consensus was that the future of marketing lies in integrated communication. The institution’s message should go out through all divisions and schools. Branding of this single message sets institutions apart and constitutes a “promise made to constituents” (p. 930). Departmental struggles to brand individual schools need to end in order to integrate marketing throughout an institution.

The expansion of the business mindset in higher education will also result in tighter organizations with fewer academic majors. Technology will be an integral part of both education and administration. Institutions will focus on providing an experience that goes beyond the classroom.

Conclusions and limitations of the study

How the predictions of this panel play out will depend upon who rises to the occasion to implement its vision. The study should be expanded to garner more opinions and insights about the future of higher education marketing as well as to gather opinions about the impediments to change that will make marketing integration difficult to implement.