Index

abandonment 204
abortion 325
Abrams, B.A. 20, 21, 26
Abramson, A. 324
academic journals 144, 145–6
accountability 120, 133, 173, 191, 217, 222, 249, 324
accounting, see social accounting; traditional accounting
accounting profits 203
Accounting Standards Steering Committee (ASSC) 267
accounts receivable 69–70
Achievement First 197, 198
adjusted qualifying distribution 44
administrative expenditures 29, 42, 43, 44, 130, 132, 135–6, 172
administrative salaries 130, 132
advocacy 326, 332
affirmative businesses 199
agency problems 121, 124, 132, 138–9, 156, 158, 166, 171, 230–32, 234
agglomeration economies 310
airline pricing 152
Albrecht, W.S. 276
Alchian–Allen theorem 144
Alexander, J. 174
Allman, T.D. 316
allocative efficiency 132–3
alternative risk transfer 167
altruism 9, 22, 32, 33, 97, 99–101, 103, 104, 108–9
American Association of Collegiate Registrars and Admissions Officers (AACRAO) 174
American Association of Museums (AAM) 75, 175, 225
American Association of Retired Persons 7
American Cancer Society 222, 223, 233, 316
American Civil Liberties Union 110
American Economic Association (AEA) 8
American Institute of Certified Public Accountants 264
American Management Association 170
American Medical Association (AMA) 8
American Red Cross 6, 8, 29, 36, 142, 156
American Symphony Orchestra League (ASOL) 134, 135, 220, 229, 230
American Time-use Survey (ATUS) 241, 242
Americans for the Arts 175
AmeriCorps 270
Amernic, J. 265, 276
Amnesty International 201
Amos, O.M. 26
ancillary activities 36–7, 38, 144, 146
Anderson, D. 315
Anderson, R.G.W. 143
Andreoni, J. 9, 27, 28, 29, 35, 65, 203, 329
Andrews, J. 28–9
Anheier, H.K. 211, 325–6
Ansari, A. 143
Anthony, R.N. 264
antitrust regulation 104, 142, 143, 145, 151
Arnsberger, P. 48
Arrow, K.J. 27, 108, 126, 157
arts, culture and humanities sector
contracting out by 180–81, 185, 187
measuring regional economic impact in 275
see also arts organizations; arts programs
arts organizations
contracting out by 175, 176
location of 310
arts programs
funding of 22, 28, 30, 33, 35, 36, 321, 322, 324, 325
see also performing arts
Ashbury Images 251, 258–60
asset allocation 69–81
asset partitioning 73–4
double bottom line 77–8, 79, 80
endowment and restricted assets 76–7
expanding research on 79–80
interaction of capital structure and business models 74–5
liquidity 69–71
reasons for gaps in knowledge concerning 78–9
restricted and other privileged assets 75–6
risk control 71–3
asset partitioning 73–4
asthma 227–8
asymmetric information 9, 107–8, 116, 121, 126, 133, 170, 209, 232, 280, 281
Atkinson, R. 291
Atlanta 310, 316
attendance maximization 134, 135, 136
auditing 173, 179, 181, 189, 190
Index

Austen-Smith, D. 143
Austin, J.E. 83, 84
Austin, M.J. 323, 324
Australia 134, 139
autistic children 197–8
autonomy 325, 329, 330–32

Bach Choir of Bethlehem (Pennsylvania) 150
Bacon, P.W. 61
Bailey, S.J. 143
Bakija, J.M. 298–9
Balkis, J.P. 210
bankruptcy 60, 61, 62, 74, 157, 158, 159, 165–6
Barbetta, G.P. 74
Barney, J.B. 230
Barniv, R. 315
barriers to entry 121, 122, 123, 125
Barrish, S.R. 74
bartering 91–2
Barton, N. 88
Bass, G.D. 326
Batchelder, L.L. 300
Baucus, D.A. 221, 224, 229, 232
Baume, P. 143
Baumol, W. 120
BBB Wise Giving Alliance 280–81, 283
Beatty, S. 46
Becker, E. 32, 36
Becker, G.S. 9, 156, 162
Behn, R.D. 92
Bekkers, R. 280, 284, 287
Bekurs, G. 174
below-market-rate loans 62, 63
Ben-Ner, A. 91, 123–4, 169, 171, 172, 176, 200
Benabou, R. 297
benefit transfer 257
Benhaven 197–8
Benzing, C. 28–9
bequests 31, 56
tax treatment of 297–300
Bergstrom, T.C. 23, 29, 144, 146
Bernard, A. 206
Bernstein, S.R. 169
Bertonazzi, E.P. 143
Besley, T. 100, 101
Bhagwati, J. 14
Bielefeld, W. 9, 310, 314, 315, 324, 326
Biggs, E.L. 174
Biglaiser, G. 281, 283
Bikhchandani, S. 57
Billi, J.E. 175
Billitteri, T.J. 53
bio-agricultural producers 281, 282
Bixler, M. 316
Blaug, M. 143
blended value 250, 251
board of directors 123–5, 139, 158, 210, 211, 215, 216, 326–7, 328–9, 332
Boardman, A. 261
Boozang, K.M. 166
Borgonovi, F. 25, 27, 28, 29, 30, 32
Boris, E.T. 6, 21, 83
Borkoski, C. 109, 110, 113
Boston 307, 315
Boston College 315
Bowman, W. 8, 61, 74, 76, 304–6, 321
Boy Scouts of America 165, 222
Boyle, S. 139
Boys and Girls Clubs of America 225, 229, 233
Bradach, J.L. 222–3, 226, 231, 232, 234, 235
Bradley, Bill 79
branch offices 221, 222, 223, 226, 227, 228–9, 231
Brand, M. 294
brand extension activities 200–202
Brandenburger, A. 207
Breakthrough Collaborative 224
Brhlikova, P. 282
bribes 282, 283
Brickley, J.A. 111, 221, 223
Bridgespan Group 231
Broadbridge, A. 144
Brody, E. 53, 76, 303, 304, 306, 316, 321
Brooklyn Museum of Art 325
Brooks, A.C. 7, 20, 25, 26, 27, 29, 32, 35, 138, 142, 143, 296
Brown, D. 171
Brown, E. 86, 87, 216, 242, 243, 244, 247
Brown, H.S. 144, 146
Brown, S.J. 57
Brown, W.O., Jr 226, 228, 230
Brudney, J.L. 88, 244
Brustein, R. 329
budget maximization 121, 122, 124, 136, 137, 138
Burchell, S. 266
bureaucratization 325–6, 332
Burman, L.E. 297
Bush, George W. 7
business models 74–5
taxation of 74–5
business, political and similar nonprofit organizations, wages in 114–15
busking 143
Cairns, J.A. 144
California 227–8, 310, 315
California Endowment 228
Calvin, J. 25
Cambridge Associates 53
Canada 131, 239, 245
Index 337

Canadian Institute of Chartered Accountants (CICA) 239, 264–5
Canadian Red Cross 160
capacity constraints 144–5, 146
capital, definition of 59, 60
capital formation by nonprofit organizations 59–67
expanding research on 67
externally supplied capital 59, 60–63, 64–5
debt 59, 61–2, 64, 66–7
program-related investments and equity equivalents 59, 62–3, 64–5, 66
internally supplied capital 59, 63–4, 65, 66
reasons for lack of research on 65–7
capital–labor ratio 311, 312
capital–land ratio 312
CARE 142
Carlson, D.R. 143, 151
Carlson, K.M. 19
Carlton, D.W. 143, 151
Carroll, T. 138
Carter, R.B. 129–30, 132
Carver, J. 216
Cash flow 203
Catholic Charities 220, 222, 223, 227, 233
censorship 325
Center on Philanthropy at Indiana University 6, 241
Center on Philanthropy’s Panel Study (COPPS) 241
Cerny, M. 62
certification of nonprofits
bureaucratization from 326
certification defined 280, 285
competition between certifiers 282–3, 288
credibility of certifier 281
differences in design and outcomes 281, 288
effect on donations 284
empirical literature on 282–4
in Europe 280, 282, 283
financing of agency 286
gaps in knowledge relating to 287–8
and government regulation 287, 288
in-house versus independent assessors 286, 288
internal cost of 287
minimum standards imposed 281, 282, 286
organizational form of certifier 281–2
payoff from trustworthiness 286
as quality signal 280, 281, 287
strength of demand shift from 286
trade-off between cost and welfare benefits of 286
in USA 280–81, 283
chain affiliation 131–3, 139

Chakravarty, S. 100
Chan, K.S. 29
Chang, C.F. 5, 6, 7, 8, 9, 10, 11, 13, 14, 18, 64–5, 76–7, 122–3, 312–13
charitable donations, private 6–7
competition for 86–8, 216–17
effect of certification on 284
estate tax deduction for 297–300
interaction with other revenue sources 18–38, 203–4, 327, 329, 332
magnitude of 6, 18
matching grants for 29, 30, 33, 296–7
price discrimination in 122, 135, 143, 147, 149–50, 151, 152–3
tax price elasticity of 296–7, 298–9
tax price of giving 295–6, 298, 299, 300
wealth elasticity of charitable bequests 298–9
charitable purpose, definition for property tax exemption 305, 306
charity care 126, 127–8, 306, 309
charity retail sector 144
Chaves, M. 326
Cheung, S.N.S. 144
Chicago 307
child care, see day care
Child Welfare League of America (CWLA) 220, 222, 225, 229
choirs 150
Chronicle for Philanthropy 173
courts 31, 78, 160, 161, 205, 312, 314
City Year 223, 231
civic, social, advocacy services and grant-making and -giving services, wages in 114–15
Clark, C. 261
Cleveland, G. 131
Cleveland Orchestra 229–30
Clotfelter, C. 26, 296
Coalition of Essential Schools 225
Coase, R.H. 209, 211, 228
coefficient of variation 152
Cohen, R. 175

collaboration, nonprofit
with for-profit firms 84
with government entities 84
with other nonprofit organizations 83, 89–93
bartering 91–2
benefits to sharing information 90–91
cost minimization 91
grant making to encourage 94
improving community outcomes 92
incentives to collaborate 92–4
trade 91
Index

collective-action governance 211, 212–18
collective consumption goods 97, 214
collective trademarks 212
college sports, tax treatment of 294
Colman, M.S. 83
Colombo, J.D. 291, 309
Colorado Trust for Land Restoration 161
commercial nonprofits 124
commercial revenues 7
interaction with other revenue sources 18, 20–21, 34–8, 203–4, 324
commercialization 324, 330
Committee for a SANE Nuclear Policy 225
commonness of stakeholder interests 213–14, 215, 217, 218
Community Action to Fight Asthma (CAFA) 227–8
community contributions 272, 274
community social return on investment 265–6
comparative advantage 162, 167, 322
competition
between certifiers 282–3, 288
between nonprofit organizations 84–9
for clients 85–6
for donations 86–8, 216–17
for grants and contracts 88–9
and market instability 14
for media coverage 89
for paid staff and volunteers 88
between nonprofit organizations and for-profit organizations 84, 96–104
day care 97, 131
directions for future research 103–4
existence of for-profit and nonprofit firms 99–103
hospitals 100, 126–30
and long-run equilibrium 121
nonprofit incorporation and its advantages 98–9
nursing homes 131–3
reasons for a nonprofit sector and implications for competition 96–8
between nonprofit organizations and government entities 84
risk associated with 160–61
self-regulation used to limit 284
complementary goods 198–9, 229
Compustat 66
congestion pricing 144, 146
Congressional Budget Office 293
Connolly, L.S. 35
construction services, contracting for 178, 179–80, 181, 189, 190
consumer surplus 102, 103, 104, 123, 149, 254
contract failure 9, 121, 129, 133
contracting, definition of 169
contracting out 7, 169–91
benefits of 172
collaborative nature of 84, 89
costs associated with 170–71, 182, 183, 184, 185, 186
examples of nonprofit contracting activity 172–5
exploratory study of 176–89
growth of 169–70, 176
IRS regulation concerning 170
management of contracts 182, 183, 184, 185, 186
motivations for 170, 182, 183, 184, 185, 186
reasons for studying 189–91
risks associated with 171–2
unanswered questions relating to 175–6
see also government contracts
conventionality index 136–7
Cooch, S. 63
Cooper, D.J. 265
coopertives 115–16, 162, 212
Cordery, C. 239
Cordes, J.J. 56, 84, 293, 307, 309, 313, 321
Core, J.E. 70
Cornell University Cooperative Extension 265
Cornia, G. 293
corporate income tax exemption for charitable nonprofits 7, 61, 84, 99, 106, 291–5
changes in policy towards 292–5, 313
eligibility criteria 291
as entry barrier 121, 123, 125
hospitals 98, 125, 293, 295, 313
justification for 291–2
and nonprofit market share 293, 312–13
sanctions 108, 206
total value of 321
corporate sponsorships 294
Corporation for National and Community Service (CNCS) 264
cost–benefit analysis (CBA) 251–2
accounting for distributional effects 256–7
bottom line: social efficacy 255
comparing with SROI 258–60
estimation of social benefits and costs in practice 257–8
income transfers 252, 255
potential for assessing nonprofit performance 260–61
social opportunity cost 254–5, 260
social versus mission related benefits and costs 256
steps involved in 252–3
using in nonprofit sector 255
willingness to pay 253–4
cost-effectiveness analysis (CEA) 251–2, 257
cost efficiency 125, 129–30, 131, 132–3, 136, 147
cost function for public goods 29
cost minimization 91, 108, 121, 156, 164, 309–10
cost shifting 293, 294
Court, P. 143
Craig, J. 53
Craig, R. 265, 277
Crane, B.B. 325
credit risk 160
crime-related nonprofit organizations 18
Crimm, N.J. 291
cross-subsidization 85, 102, 103, 128, 146
crowding in 19, 28, 29, 30, 31, 32, 33, 34, 38
crowding out 10, 18–38, 203–4, 216, 323, 324, 325, 329, 332
CT scanning 127
Culp, C.L. 167
cultural capital 275
Cumming, P.D. 143
Cummins, J.D. 166
Current Population Survey (CPS) 241, 242

Dark, F.H. 221, 223
data envelopment analysis (DEA) 139
David, G. 311–12
day care
   location of day care centers 310
   product differentiation by day care centers 205
   quality of 97, 107–8, 111, 131, 205
   wage differentials in 111, 115
deaconship 75–6
deadweight loss 292
debt 59, 61–2, 64, 66–7
Deep, A. 48–9, 51, 53–4
Dees, G. 203
dependence 325, 329, 330–32
   consequences of 325–6
Detroit 307
Diamond, A.M. 33
Diamond, P.A. 297
Dietrich, J. 325
differentiated public goods 28
Dillard, J.F. 265
discuss rate 56, 250
Discover card 198
distributable amount (DA) 43, 45–6, 49–51, 54
distributional needs approach 256–7
dividends-in-kind 60
doctoral students 35
Doctors without Borders 159
Dokko, J.K. 25, 30, 35
dom berger, S. 169, 171, 172
Domínguez, N. 138
donations, private, see charitable donations, private
donative nonprofits 124
double bottom line 77–8, 79, 80
Dranove, D. 142
Driessen, P.A. 19
Drucker, P.F. 216
Duggan, M. 110–11
Duncan, B. 20, 26
Dunford, J.D. 73
Dusenberry, J. 325
Dym, B. 171
earned-income ventures 205–6
Easley, D. 200
Ebaugh, H.R. 324
Ebrahim, A. 324
Eckel, C.C. 27, 296–7
Economic Growth and Tax Relief Reconciliation Act (EGTRRA) 297
economic theory, relevance of 120
economies of scale 29, 52, 172, 183, 225–7, 234
economies of scope 197, 199–202, 203, 205, 227–8, 234
Edin, K. 269
education
   employment in 170
   government grants and payments to education sector 321
   location patterns of education providers 310
   nonprofit market share in 312
   see also schools; universities
Edwards, M. 323, 324
Eggleston, K. 74
Ehrenberg, R.G. 25, 35
Ehrlich, I. 156, 162
electricity utilities 146, 147
electronic medical record (EMR) software 169
Ellen, I.G. 314
Ellis, S.J. 247
Emanuele, R. 26
embedding effect 297
employment growth 170
endogeneity, controlling for 31, 32, 35–6
endowment
   debate on 8, 53–4, 55–6, 76–7, 79, 80
   income from, see investment income
   risks affecting 160
Ennis, S. 142, 144, 146
enterprise risk management (ERM) 172
enterprise value 250, 251
entrepreneurial nonprofits 124
entry and exit rates 100, 104, 313
entry barriers 121, 122, 123, 125, 313–14
environment and animals sector, contracting out by 180–81
environmental risk 161
equity equivalents 59, 63, 64–5, 66
equity maximization 121, 122–3
estate tax deduction for charitable donations 297–300
Eugene McDermott Foundation 44
Europe, certification in 280, 282, 283
European transition economies 280
Evans, D. 207
excess capacity, pricing with 144, 146
excise tax on private foundations’ investment income 42, 43–4, 46, 49, 51–3, 54–5
executive compensation 124, 132, 138
expanded value added 273–4
expanded value added statement (EVAS) 263, 266–9
applications outside nonprofits 275
for Literacy Volunteers of Rochester (LVR) 269–74
usefulness of 274–5, 276
experimental design factors 32
external return on assets (XROA) 77–8, 80

Falconer, P. 143
Fama, E.F. 156, 158
Family Service Association of America 28, 31
Farm Bureau 7
Federal Audit Clearinghouse database 37
Federal Trade Commission (FTC) 169
federations 220–36
central–affiliate relations 222–3
definition of 220
economies of scale and 225–7, 234
economies of scope and 227–8, 234
future research agenda for study of 234–5
inter-organizational externalities and 232–4
nature of affiliates 222
principal–agent considerations and 230–32, 234
reasons for studying 235–6
sources of nonprofit agglomeration and growth 224–5
taxonomies of 221
transactions costs and 228–30, 234
wide variety of forms 220, 221
see also franchises
fees for services 7, 80, 84, 85, 144, 316, 324
Feldman, M. 324
Feldstein, M.S. 142
Ferguson, J. 265
Fernández-Blanco, V. 143
Ferris, J.S. 27, 29, 33, 169, 174
Financial Accounting Standards Board (FASB) 66, 173, 239, 264
financial asset management firms (FAMF) 15
financial management services, contracting for 173, 179, 181, 189, 190
financial risk 160, 172
Fischer, R.B. 5, 10
Fishman, J.J. 291
Fishman, S. 172
fixed costs
sharing with other organizations 91
spreading by product expansion 200, 202–3, 205
Florida 310, 316
food aid 34, 97, 326
food services, contracting for 179–80, 181
football games 144, 150
Ford Foundation 43
Forder, J. 143
Foster, M.K. 83
Foundation Center 46, 232
Fowler, A. 323
franchises 200, 212, 221, 222, 223, 224, 226, 228–9, 231, 232–3; see also federations
Francois, P. 101
Frank, R.H. 109, 110
Franklin, Benjamin 62
fraud 284–5
free-riding 22, 24, 29–30, 34, 36, 101–2, 104, 123, 221, 322
Freeman, R.B. 242, 247
Fremont-Smith, M.R. 76, 79, 173, 321
Frey, B.S. 297
Frey, D. 76
Friedman, J.W. 281, 283
Friedman, M. 157
Friedman, T.L. 14
Friesner, D.L. 74
Fritzsch, J. 213
Froelich, A. 34, 329
Frumkin, P. 5, 10, 48–9, 51, 53–4
Fuller, Linda 231
Fuller, Millard 231
fundraising
contracting out 169, 173–4, 178, 180–81
demands on executive directors 323
modeling nonprofit behavior in 137–8
fundraising campaigns 34, 64, 87, 173, 209
fundraising costs 87–8
Furobotn, E.G. 118
Gaffikin, M.J.R. 265
Gair, C. 261
Galaskiewicz, J. 9, 83
Gale, W.G. 298–9
Index

341

Gallagher, J. 306
Gallup/IS surveys 241, 242
game theory 24, 27, 30, 99, 121–2
Gann, N. 169
Gapinski, J. 136
Garber, L.L., Jr 143
Garrett, T.A. 20, 27, 32
Gaskin, K. 244
gender, wage differentials by 111, 113
general medical services, contracting for 178, 179, 180, 181
generally accepted accounting principles (GAAP) 77, 78, 79–80
Gentry, W.M. 61, 307, 310, 311
Germany 280, 285, 325–6
Ghatak, M. 100, 101
GI Bill 321
Girl Scouts of the USA 222, 229, 233–4
Gittell, R. 26
Giving USA Foundation 6, 21
Glaeser, E.L. 101–2, 108, 204, 293, 314
Glaister, S. 261
Glaton, J.D. 232
Glazar, A. 28
Glenn, C. 324
global branding 201
global gag rule 325
globalization 14, 16
Goering, G.E. 102
Goetzmann, W. 143
Golden, S.L. 83, 94
Goldman-Sachs Foundation 205
Golensky, M. 216
Goolsbee, A.D. 293
Gordon, R.H. 292–3
Gose, B. 175
Goss, K. 241
governance of for-profit organizations 210–11
governance of nonprofit organizations 210–18
governance mechanisms, boundaries and mission orientation 214–17
government funding and 326–7, 328–9, 332
implications for institutional choice 214
organizational economic perspective 210–13
conventional governance continuum and nonprofit organization 212–13
governance mechanisms in organizational economics 211–12
and organizational goals 123–5, 138–9, 158
and risk management 158, 167
towards an alternative view of the governance continuum 213–14
government contracts 7, 22
competition for 88–9
problems associated with 327–8, 329–32
see also government funding policies
government funding policies 320–32
magnitude of government funding 321
organizational impact of 322–8
concluding remarks and outlook 328–32
consequences of dependence: bureaucratization and less political activity 325–6, 332
dependence and autonomy concerns 325, 329, 330–32
effects of retrenchment: commercialization 324, 330
governance 326–7, 328–9, 332
mission drift and accountability 324, 332
scale, stability and legitimacy 323–4
vendorism or contracting problems 327–8, 329–30, 332
towards an alternative view of the governance continuum 325–6, 332
theory of government–nonprofit partnerships 321–2
see also government contracts; government grants
government grants 7, 18
collaborative grant making 94
competition for 88–9
interaction with other revenue sources 18–38, 203, 323, 324, 325, 327, 329, 332
lump-sum grants and organizational goals 122, 133–8
problems associated with 330–32
see also government funding policies
government services, collaboration and competition with 84
Grant Thornton Foundation 45
grants, see government grants
Gray, B.H. 96
Gray, R. 265
Gray, S.J. 267, 277
Greaney, T.L. 142
Greaver, M.F. 170, 172
Green, D. 143, 151–2
Greenlee, J.S. 6, 9, 13
Greffe, X. 143
Grønbjerg, K.A. 5, 6, 9, 83, 169, 323, 328
Gross, M.J., Jr 264
Grossman, B. 328
Grossman, P.J. 296–7
group identification 30
Gruber, J.M. 22, 25, 32, 35, 38
Guenthner, R.L. 173
Guett, I.-H. 280
GuideStar 11–12, 177
Gulley, O.D. 293, 313
Guo, C. 327
Guthrie, K.M. 75–6, 79
Habitat for Humanity (HFH) 231, 310, 316
Habitat for Humanity International (HFHI) 231–2
Haddock, D.D. 144
Hadley, J. 313
Hager, M.A. 6, 9, 13, 88, 174, 245
Halcoussis, D. 143
Hall, M.A. 291
Hall, P.D. 322
Hallock, K. 138
Hamdad, M. 239, 244
Hanchate, A. 144
Handy, F. 35, 108, 244, 245, 276, 323
Hansmann, H.B. 8, 9, 42, 53, 73, 74, 76, 97, 108, 121, 122, 124–5, 126, 133, 135, 139, 143, 148–9, 150, 200, 291, 292, 293, 303, 312
Harberger, A.C. 256–7
Harrington, C.F. 174
Harrington, S. 167
Harris, M. 60
Harrison, T.D. 102–3, 104
Harvard University 315
Hassett, K.A. 308
Hausman, J.A. 297
Hayge, H.V. 242
Hayne, E.L. 166
health care
competition in provision of 84, 85
contracting for provision of 178, 179, 180, 181
contracting out by health sector 169, 174, 179, 180, 181–4, 186, 187–8, 190
employment in 170
federations in 222, 223, 227–8
funding of 21–2, 321
information asymmetry in 108
pricing strategies in 142–3, 147
social services agencies offering 332
tax policies for 296
wage differentials in 116, 117, 118
see also hospitals; nursing homes
Heilbrun, J. 137
Heimovics, R.D. 216
Henderson, K.A. 243
Hendricks, J. 143
Henke, E.O. 263–4
Herbst, P. 102
herding 49
Herfindahl–Hirschman index 10
Herman, R.D. 216
Hesterly, W. 230
Heutel, G. 25
hierarchical governance 210–18, 221, 229
high-revenue college sports, tax treatment of 294–5
Hines, J., Jr 293
Hines, R.D. 265
Hirth, R. 126–7, 128, 129
Hodge, M.M. 327
Holstrom, B. 57
Holtmann, A.G. 108, 111, 143, 144
Hopper, T. 265
Hopwood, A.G. 265
Horch, H.-D. 325
Horne, C.S. 18, 25, 28, 31, 32, 33, 35
Horwitz, J. 74, 128, 129
hospitals
capital structure of 61, 74
capital intensity of 311
contracting out by 174, 190
entry and exit rates in industry 100
funding of 18, 33, 321, 332
information asymmetries relating to 108
location of 310–11
modeling nonprofit behavior in 125–30
nonprofit market share 312–13
nonprofit status for 98–9
pricing strategies of 142, 144, 145, 146, 148
risks faced by 156, 160, 161, 166
size of 311–12
tax treatment of 98, 125, 292, 293, 295, 306–13, 315
wage differentials in 110–11, 115
housing prices 314–15
Hu, Z. 313
Hubbard, R.G. 308
Hughes, P.N. 25, 28, 31, 36, 37, 139
Hughes, R. 127
Hulme, D. 324
human services sector
contracting out by 180, 181, 183, 185
government grants and payments to 321
location patterns of human service providers 310
Hundley, K. 316
Hungerman, D.M. 22, 25, 31, 32, 35, 38
Huntington, P.A. 143
Hutson, H. 171
hybrid governance 210–12, 213, 221, 229
hybrid nonprofits 12–13
Idson, T.L. 108, 111
Illinois Supreme Court 169
impure altruism 9
Inamdar, S.N. 174
incentive alignment perspective 209–10
income distributional effects 256–7
income diversification 5–16
income effect 23, 24, 295
income tax 158; see also corporate income
tax exemption for charitable nonprofits;
personal income tax deduction for
charitable donations; unrelated business
income tax (UBIT)
income transfers 252, 255
Independent Sector 8, 241, 242, 271, 272
Indiana University (IU) 294
Indianapolis, Indiana 315
information asymmetry 9, 107–8, 116, 121,
126, 133, 170, 209, 232, 280, 281
Information Services 170
inheritance tax 300
innovation 226
Institut fuer Oekologische
Wirtschaftsforschung 286
Institute for Social Questions (DZI) 280, 282,
285
Institutions of Purely Public Charity Act
(Pennsylvania, 1997) 306
instrumental variable techniques 31, 32
insurance 156, 157–9, 162–3, 165, 166
intentional mispricing 144
intergenerational equity 53, 54, 76, 79
internal capital markets 64, 65, 66
Internal Revenue Code
charitable nonprofits defined by 7, 98, 106,
108, 169, 291
laws on restricted assets 75
nonprofit status defined by 106, 306
PRIs meeting section 4944 of 62
private foundations defined by 42
public charities defined by 42
supporting organizations established
pursuant to 73
Internal Revenue Services (IRS) Form 990
data obtained from 6, 11–13, 18, 20, 25, 28,
31, 36, 37, 55, 66–7, 72, 78, 79, 109, 138,
174, 176, 177, 188, 313
independent contractors defined by 170
volunteer services recorded on 239
international activities, government grants and
payments for 321, 325
International Committee on Fundraising
Organizations (ICFO) 285
Internet 14–15, 144, 177
inter-organizational externalities 232–4
inventory 69
investment income 8, 18
tax paid on 42, 43–4, 46, 49, 51–3, 54–5, 61
Irvin, R.A. 83, 91, 142
Jacobs, F.A. 25, 31, 36
Jacobs, P. 142, 143
Jalandoni, N.T. 37
James, E. 5, 7, 34, 143, 144, 195
jazz 197
Jegers, M. 61–2
Jenkins, S. 143
Jenny, H.H. 143
Jensen, M.C. 156, 158, 171
Johnson, J. 88
Joint Committee on Taxation 294
Jones, P.R. 20, 26
Joulefaian, D. 298, 299
Jung, K. 323, 325
Juras, P. 172
Juster, F.T. 241
Kahan, S. 173
Karlan, D. 297
Katz, E. 108
Kearns, K. 10
Keating, E.K. 5, 10, 329
Keeler, E.B. 142
Kennedy, S. 324, 326
Kerlin, J.A. 20, 234
Kessler, D.P. 308
Kettl, D.F. 83
Kettner, P.M. 169
Khanna, J. 24, 25, 36, 138
King, A.E. 143, 150
Kingma, B.R. 9, 26, 31, 32, 36
Kirchenberg, V. 143
Klausner, M. 53
Klein, B. 282
Kleiner, M.M. 285
Knickmeyer, L. 83
Knoll, M.S. 292
Knox, K.J. 132–3
Konrad, K.I. 28
Korean cultural organizations 325
Koren, M. 70
Kraakman, R. 73, 74
Kramer, Mark 63
Kramer. Ralph M. 322, 323, 326, 327, 328,
329, 330, 332
Krashinsky, M. 107–8, 131
Krell, E. 170
Kremic, T. 175
Krueckeberg, D.A. 307
Kushner, R.J. 143, 150
labor donation hypothesis 109, 114, 116, 117,
118
labor unions, wages in 114–15
Laidler-Kylander, N. 201
Lakdawalla, D.N. 99–100, 101, 204, 314
Land, K.C. 265
Lane, J. 16
Index

Lange, M. 134–6, 143
Layard, G.P.R. 261
leadership gifts 28, 29, 297
leasing 304–5, 309, 310
Ledyard, J.O. 24, 27, 29–30, 32
Lee, K. 29
Leete, L. 109, 110, 111, 113, 210, 216
Leffler, K.B. 282
legal definition of nonprofit 106
  incorporating into operating constraint 121
legal services
  contracting for 179–80, 181, 190
  wage differentials in 109, 110, 115
Lein, L. 269
leisure time, valuation of 243
Leland, P. 315–16
Lenkowsky, L. 269–74
Leroux, K.M. 35
Letts, C.W. 55
Lewis, Bonnie L. 174
Lewis, Linda 265
libraries 80, 91
licensing 283, 285, 293
Lien, D. 102
limited liability companies 292–3
Lincoln Center 197, 198
Lindsay, C. 32, 36
Lindsey, L. 26
linked deposits 62–3
Lipman, H. 307
Lipsky, M. 83, 89, 169, 323, 324, 326, 327, 328
liquidity 69–71
List, J.A. 29, 297
Litan, R.E. 294
Literacy Volunteers of Rochester Inc. (LVR) 269–74
Lizzeri, A. 281, 282, 283
Llewellyn, S. 265
loan guarantees 62
lobbying 8, 326, 332
location decision 310–11, 316–17
Lodh, S.C. 265
Lohmann, R.A. 211
long-term contracts 209, 212
Los Angeles 307
Loveck, C.H. 144
Lowes, R. 169, 173
Lucking-Reiley, D. 29
Ludlum, M. 44, 46
Ludwick, R. 142
Luft, H. 127
Luksetich, W.A. 25, 28, 31, 36, 37, 131–2, 134–6, 139, 143
Luman, R.L. 175
lump-sum grants, allocation of 122, 133–8
Lybecker, K.M. 102–3, 104
Lynk, W.J. 142
Lynn, Laurence E., Jr 322
Macduff, N. 88
Mackie-Mason, J.K. 292–3
Malani, A. 167
Maloney, M.T. 143–4, 150
Mankaney, K. 25, 31
Manzoor, S.H. 27, 31
March of Dimes 220, 222, 223, 224
marginal donative product 137–8, 164
Margo, R.A. 55
market governance 210–18, 221, 229
market insurance 163
market risk 160–61
market share, nonprofit 293, 312–14
marketable securities 70, 72–3
Marmor, T.R. 84
Marquardt, M.J. 171
Martin, L.L. 169
Marudas, N.P. 25, 31, 36
Maryland Association of Nonprofit Organizations 280–81, 283, 285
Massachusetts Institute of Technology (MIT) 143, 148, 315
matching grants 29, 30, 33, 296–7
Mathews, M.R. 265
Mathews, T. 143
Mauser, E. 205
Maxwell, J.W. 284
Mayers, D. 159, 162, 164
McCain, R.A. 143
McCarthy, J.D. 224, 225, 234, 235
McCarthy, K.F. 275
McChesney, F.S. 144
McClellan, M.B. 308
McClelland, R. 26, 31, 299
McCormick, R.E. 144, 150
McCready, D.J. 144, 146
McGladrey Contract Business Services (MCBS) 173
McIntosh, C. 98, 103, 104
McLaughlin, T.A. 91
McMillan, S. 326
McMillen, D.P. 143
Meckling, W.H. 171
Meckstroth, A. 48
media coverage 89
Medicaid 18, 37, 321, 332
medical research centers 316
Medicare 18, 20, 31, 37, 321, 332
Meek, G.K. 267, 277
Mehrling, P. 53
Meier, S. 297
Index

Meinhard, A.G. 83
Mellon Foundation 43
Melnick, G.A. 85, 142
membership dues 7–8
Menachemi, N. 175
Ménard, C. 212, 213
Merce, J. 174
mergers and acquisitions 14, 104, 124, 145, 225, 226
Mexico City Policy 325
Michigan and Maryland Time-Use Studies 241
microfinancing 98, 103
Milgrom, P. 57
Miller, C. 74
Miller, M.H. 60, 157
minimum distribution requirement 42, 43, 45, 46, 49–51, 53–4, 56, 62, 77, 80
minimum standards 281, 282, 286
Minneapolis 315
Minnesota, nursing homes in 131–2
Minnesota Diversified Industries (MDI) 199
mission drift 324, 332
mission statement 124
mixed objectives theory 128, 129
Mocan, H.N. 97, 111
modeling nonprofit behavior 120–39
conclusions 138–9
empirical models: nonprofit goals 125–8
day care 131
fundraising 137–8
hospitals 125–30
nursing homes 131–3
performing arts 133–7
model specification 120–25
usefulness of economic theory 120
Modigliani, F. 60, 157
monopolistic competition 86
Monroe, L. 170
Mook, L. 239, 263, 265, 266, 275, 277
Moon, M. J. 323, 325
Moore, J.E. 174, 175
moral hazard 65
Morgan, B. 36–7
Morgan, G. 265
motivated agents 100, 103
Mulchay, K. 324
Mullner, R. 313
municipal bonds 60–62, 250
Murdoch, J.C. 310
museums
assets owned by 75–6, 80, 91
contracting out by 175
funding of 28, 29, 36, 37, 325
location of 310
pricing studies for 143
product diversification by 195, 198, 200
mutual insurers 162
mutual nonprofits 124
Nalebuff, B. 207
Narraway, G. 239
National Association of Counties 242
National Bureau of Economic Research 296
National Center for Charitable Statistics (NCCS) 11, 18, 31, 35, 66
National Center for Education Statistics (NCES) 174
National Collegiate Athletic Association (NCAA) 294, 295
National Council on Aging 83
National Endowment for the Arts (NEA) 22, 28, 30, 33, 35, 137, 322, 324, 325
national giving impulse 19–21, 37
National Institute for Literacy 269
National Institutes of Health 321
National Science Foundation 321, 324
National Study of Philanthropy 20
National Taxonomy of Exempt Entities (NTEE) 11
neighborhood associations 83, 93, 94
Neihaus, G.R. 167
Neligan, A. 137
Nelson, J.K. 205
Nelson, R.R. 107–8
networks 212, 277
Neu, D. 265, 277
neutrality theorem 23–4, 29
New Deal programs 22
New Haven, Connecticut 197–8, 205
New Jersey 307
New York 307, 310
New-York Historical Society 75, 76, 80
New York Stock Exchange 66
newborn nurseries 127
Newhouse, J.P. 125, 128, 129, 311
nexus of contracts 69, 73, 97
Nichols, A. 128, 129
Nielsen, W.A. 43
Nielsen, E. 133–4
90–10 rule 7
Niskanen, W. 124
nondistribution constraint 97, 99, 103, 121, 291
altruism and 108
board of directors monitored by 123–4
and choice of organizational form 311–12
enforceability of 121, 126
and foundation assets 42
and quality 101–2, 109, 126, 138
non-governmental organizations (NGOs) 323, 324, 325, 326
nonprofit equity, meaning of 65
nonprofit performance, assessment of 249–61; see also cost–benefit analysis; cost–effectiveness analysis; social return on investment (SROI)
non-stationarity, controlling for 20
North Carolina 315
Norton, E.C. 127, 308
Noyes, K.H. 247
Nunez, J. 280, 281, 284–5, 286, 287
nurses, quality of 125
nursing homes
  modeling nonprofit behavior in 125, 131–3
  nonprofit market share 312
  wage differentials in 111, 115
O'Flanagan, A. 220, 223, 226
O'Hagan, J.W. 137, 143
O'Hara, M. 200
O'Hare, M. 27, 30
O'Regan, K.M. 104, 327
objective function of nonprofit organization
  empirical models to determine 125–8
  fundraising and 137–8
  price competition under alternative
    specifications of 102–3
  and risk management 156–7, 158, 164
Office of Management and Budget (OMB) 257, 326
Ohio State University 294, 316
Okten, C. 25, 31, 36, 138
OLS estimation, limitations of 32, 36
Olsen, F. 174
OMB Watch 12
Ondrich, J. 138
opera 122, 136–7, 151
operating reserves 70, 71
operational expenses 130
operational risk 160, 161, 171, 172
opportunism 209–10
opportunity cost 203, 242–4, 246, 260, 310; see also social opportunity cost
optimal underpricing 144
orchestras 122, 134–5, 139, 142, 229–30
organizational boundaries, nonprofit
  governance mechanisms and 215
  transaction cost determinants of 208–10, 218
  Coasian perspective 209
  incentive alignment perspective 209–10
organizational learning 171
organizational membership associations 223
Orlando, Florida 316
Ortmann, A. 121, 280, 281, 282, 283–4, 285, 286, 287, 289
Oster, S.M. 104, 138, 143, 144, 145, 200, 203, 204, 205, 221, 222, 327
Ostrower, F. 210, 216, 249
Ottensmann, J.R. 314
output maximization
  own-output maximization 104, 121, 122, 128, 129, 136
  total output maximization 128, 129
outsourcing, see contracting out
‘Overlap Group’ case 143, 148, 151
Owalla, K.O. 37
own versus rent decision 309–10
Pacqué, K.-H. 26
paid staff, competition for 88
Pallotta, D. 89
Palm, R.L. 174
Panel Study of Income Dynamics (PSID) 241, 296
Pareto-efficiency 30
Parikh, N.S. 269
Parsons, E. 144
partnerships 212, 216
Pauly, M. 204
payments in lieu of taxes (PILOTs) 315–16
Payne, A.A. 25, 28, 33, 35, 329
pecking order theory of external capital 60, 61, 62, 64
Pejovich, S. 118
Peloza, J. 295, 296
Penne, R.L. 175
Pennsylvania 150, 306
Penrod, J.R. 307, 310, 311
perfect competition 84–5
performance, assessment of, see nonprofit
  performance, assessment of
  performing arts
  modeling nonprofit behavior in 122, 133–7
  pricing strategies in 122, 135, 143, 145, 146, 147, 148–50, 151–2
  product extension in 197
  perks 312
Peters, L.L. 144, 146, 147
Peterson, H.C. 212, 213
Pew Charitable Trust 205
Pfeffer, J. 325, 329
philanthropy 5, 56
Philipson, T.J. 99–100, 101, 104, 204, 314
physical assets
  balance between securities and 72–3
  and demand for liquid assets 70–71
insurance for 158–9
market governance and 216
privileged assets in form of 76, 80
spreading costs by product expansion 200, 202–3, 205
Piccolo, R.F. 327
Pierce, J.L. 136–7
PILOTs (payments in lieu of taxes) 315–16
Pink, G. 107, 118
Pipes, P.F. 324
Podolny, J.M. 205
political action committee (PAC) money 8
political activity, level of 326, 332
Pollak, T.H. 20, 73
poor relief 22, 28, 31, 33, 34
Posner, R.A. 104
Posnett, J. 25, 138
Potts, L.F. 165
Powell, W.W. 96
Pramik, M. 316
Pratt, J.W. 157
preferred access to customers 198
present value of future charitable distributions 56
Preston, A.E. 8, 9, 108, 109, 111, 210
Prewitt, K. 55
Preyra, C. 107, 118
price competition 86, 102–3
price discrimination 103, 122, 123, 135, 143–53
price elasticity of demand 146, 148, 151, 206
pricing strategies 142–53; see also price discrimination
Prieto-Rodríguez, J. 143
principal–agent problem 121, 124, 132, 138–9, 156, 158, 166, 171, 230–32, 234
private donations, see charitable donations, private
private foundations 42–57
directions for future research on 55–6
distributions by expenditure category and recipient organization type 55
effectiveness of 249
excess tax on investment income 42, 43–4, 46, 49, 51–3, 54–5
minimum distribution requirement 42, 43, 45, 46, 49–51, 53–4, 56, 62, 77, 80
overview of private foundation sector 42
debate over minimum distribution requirement 53–4
dual investment income tax regime 54–5
program-related investments (PRIs) provided by 62–3
research regarding behavior of 44–53
evidence for foundation distribution policy heterogeneity 49–51
evidence for foundation distribution policy homogeneity 48–9
evidence regarding dual tax regime 51–3
private foundations (1975–1995) 48
private foundations (2003) 44–6
reconciling the empirical results 51
private operating foundations 56
privileged assets 75–6
product bundling 143, 144, 145, 146, 148, 150
product differentiation 86, 102
product diversification 195–207
abandoning product lines 206
economics of scope through 197, 199–202, 203, 205
increasing willingness to pay 197–9
managerial challenges in 202–6
earned income ventures 205–6
getting costs right 202–3
keeping managerial focus 204–5
managing multiple benefit streams 203–4
value creation from 196–7
production efficiency 139
professions, regulation of 285
profit maximization
by certifying organizations 282–3
finance and accounting research focusing on 66
marginal cost and marginal revenue equality under 125
by nonprofit organizations 84–5, 102–3, 121, 128, 129
principal–agent problem and 124
profit distribution necessary for 107
by self-regulatory organizations (SROs) 282
program-related investments (PRIs) 59, 62–3, 64–5, 66
program revenues, see commercial revenues
Project HOPE 225
ProLiteracy America 270
ProLiteracy Worldwide 269
property rights 108, 116, 118, 144
property tax exemption for nonprofits 303–17
directions for future research 317
economic effects of 308–15
capital–labor ratio, capital–land ratio and size of operation 216, 311–12
choice between for-profit and nonprofit status 314
decision to own versus rent 309–10
location decision 310–11
nonprofit share of the market 293, 312–14
property value 314–15
use of financial benefits of exemption 308–9
eligibility criteria for 106, 304–6
justification for 303–4
magnitude of revenue loss from 306–8
PILOTs and efforts to revoke tax-exempt status 315–16
relocation subsidies in addition to 316
total value of 321
property values 314–15
prospective payment system 311
Prufer, J. 102, 104
public charity, IRS definition of 42
public goods
benefits from 195
certifiers producing 282
competition between for-profit and nonprofit organizations in provision of 126–7
for-profit and government failure in providing 123
national demand for particular public goods 21–34, 37–8
neutrality theorem associated with private provision of 23–4, 29
nonprofits regarded as providers of 9
total national giving compared with total government spending on 19–21, 37
wages in nonprofits producing 109
public radio stations 7, 31, 115, 138
public service sites, location of 311
public, societal benefit sector, contracting out by 179, 180, 181, 184–7
public-use microdata sample (PUMS) 111
Purdy, M. 143
Putnam, R.D. 233, 238
qualifying distribution (QD) 44, 45–6, 47, 49–51, 52–3, 54, 55
quality assurance of nonprofit services, see certification of nonprofits; self-regulation of nonprofits
quality maximization 102, 103, 121, 122, 124, 125, 132, 134, 136, 138
quality signaling 28, 29, 30, 33, 148, 280, 281, 287, 323–4
quantity maximization 102–3, 121, 122, 124, 125
Quarter, J. 244, 265, 266
quasi-endowment 77
quasi-equity, see equity equivalents
quick ratio 70
Ranganathan, J. 275
rationing 123, 144–5
Raviv, A. 60
Razek, J.R. 263
Reagan, Ronald 325
real insurance services 159
receivables 69–70
Reckford, Jonathan 231
recoverable grants 63, 65, 66
REDF (formerly Roberts Enterprise Development Fund) 249–51, 258–60, 261
Redisch, M. 204
Reece, W.S. 26
regional economic impact 275
registration 285
regulation of professions 285
regulatory risk 161, 172
Réid, E.J. 326
Reisman, A. 91
relationship risk 171
religious sector
federations in 220, 222, 223, 227, 233
government funding for 18, 320, 326, 328
nursing homes in 131–2, 133
operating reserves in 70, 71
pricing strategies in 145
risks affecting 160, 166
wages in 114–15
see also churches
relocation subsidies 316–17
repertoire, arts organizations’ 133, 136–7
replacement cost 244–5, 246, 271–2, 276
reputational capital 200–201
reputational risk 160, 164–5
research universities 28, 33, 35
resource dependence theory 34, 329
restricted assets 75–6
endowment and 76–7
retained earnings 63–4, 291
retained risks 162
return on assets (ROA) 56, 72, 77–8, 80, 111
revealed preference 253–4
revenue concentration 9–10
revenue diversification 5–16
revenue maximization 147, 151
revenue sources for nonprofit organizations
composition in USA 6–9, 18, 37
interactions between 10, 18–38, 203–4, 323, 324, 325, 327, 329, 332
reverse crowding out 19
Rhine, R.M. 20, 27, 32
Riahi-Belkaoui, A. 267
Ribar, D.C. 25, 32
Richmond, B.J. 265–6
Riley, M. 293
Index 349

risk, types of 160–61, 171, 172
risk aggregation 162
risk appetite 159–60
risk-aversion 157, 158, 160
risk management 156–67
  asset allocation and risk control 71–3
  and contracting out 171–2
  directions for further research 165–6
  and federation development 226
  process of 159–64
  strategic use of 164–5
  theory of 156–9
risk-neutrality 157, 158
risk premium 158
risk quantification 161
risk retention group (RRG) 163
Robbins, K.C. 5
Roberts, R.D. 22, 23, 296
Roberts, V. 174
Roberts Enterprise Development Fund, see REDF (formerly Roberts Enterprise Development Fund)
Roch, C. 169
Rochester, literary program in 269–74
Rochester Rehabilitation Center 199
Rodriguez, L. 233
Roll, R. 200
Roomkin, M.J. 107, 110
Rooney, P. 6, 7
Rose-Ackerman, S. 28, 29, 31, 34, 122, 143, 216–17, 308
Rosenbaum, D.I. 144, 146
Rosenberg, D. 229
Rosenman, R. 74
Roslender, R. 265
Rothfield, L. 325
Royal Shakespeare Company (RSC) 136
Rudd, R.E. 269
Rudney, G. 109
Ruggles, N.D. 267
Ruggles, R. 267
Ruhm, C.J. 109, 110, 113
Rushon, M. 7, 292
S-corporations 292–3
Sack, R.J. 276
Saidel, J.R. 22, 169
Salamon, L.M. 14, 16, 20, 109, 110, 113, 169, 211, 239, 264, 321, 322, 324, 328, 330
Salancik, G.R. 325, 329
Salvation Army 142
San Antonio 307
San Diego 307
San Francisco 307
Sandler, T. 25, 138
Sansing, R. 49–53, 54, 55, 56, 62, 292, 293
Santerre, R.E. 293, 313
Saporta, M. 316
Sarbanes–Oxley Act 173
Savage, E. 157
Savarese, J. 174
savings rates 323
Schambra, W.A. 83
Schibik, T.J. 174
Schiff, J. 26, 27, 28, 31, 33, 36, 195
Schlesinger, M. 96
Schmalbeck, R.L. 98
Schmalensee, R. 207
Schmitz, M.D. 20, 21, 26
Schneider, E.C. 74
scholarships 18, 31, 37, 43
schools
  capital structure of 74
  federations of 225
  funding of 28, 84
  nonprofit market share 312
  product extensions relating to 197–8, 200
Schwandt, D.R. 171
Schwarz, S. 291
Scott Morton, F.M. 205
Seaman, B.A. 26, 29, 32, 36, 37, 87, 143, 146, 148, 149–50, 151–2, 175, 275
search costs 209, 216
Sears 198
seed money 29
Segal, L. 34, 36
segment data 66
segmented markets 86
self-insurance 162–3
self-protection 163
self-regulation of nonprofits
  credibility of SRO 281
  differences in design and outcomes 288
  empirical literature on 284–5
  in European transition economies 280
  gaps in knowledge relating to 287–8
  and government regulation 287, 288
  in-house versus independent assessors 286
  internal cost of 287
  minimum standards for 281, 286
  organizational form of SRO 281–2
  payoff from trustworthiness 286
  as quality signal 280, 281, 287
  self-regulation defined 280
  strength of demand shift from 286
  trade-off between cost and welfare benefits of 286
Selsky, J.W. 220, 225
Senate Finance Committee 12, 161, 173
Senge, P.M. 171
sensitivity analysis 258
service maximization 85, 137, 138
Shaked, A. 281, 284
Shakespearian plays 136
Shanahan, J.L. 175
Shapiro, C. 283
Shepherd, G.B. 143, 151
Sherman, A.L. 324, 326, 332
Shin, H.-H. 65
Shinkman, R. 174
Shleifer, A. 101–2, 108, 293, 314
Shortell, S. 127–8
Shure, R.S. 242
Simmons, W.O. 26
Simms, L.A. 173
Simon, J. 291
Skinner, R.M. 263
Skloot, E. 104
Slemrod, J. 298
Slivinski, A. 86, 87, 216
Sloan, F.A. 308
Smith, C. 159, 162, 164
Smith, D.H. 247
Smith, S.R. 83, 89, 169, 323, 324, 326, 327, 328, 332
Smith, T.M. 25, 31
Snowball, J.D. 275
social accounting
cost–benefit analysis (CBA) and 252, 257–8
definition of 265
and value creation in nonprofits 244, 263–77
community social return on investment 265–6
cost context 263–5
critique of traditional accounting 265
directions for future research 275–7
expanded value added statement (EVAS) 263, 266–9
expanded value added statement (EVAS) for Literacy Volunteers of Rochester (LVR) 269–74
social impact statement 265
usefulness and limitations of EVAS 274–5, 276
social benefits 252–3
estimating in practice 257–8
monetizing by willingness to pay 253–4
versus mission related benefits 256
social capital 239
social costs 252–3
estimating in practice 257–8
of meeting basic needs 256–7
monetizing by social opportunity cost 254–5
versus mission related costs 256
social impact statement 265
social insurance reimbursements 330, 332
social movement organizations (SMOs) 235
social opportunity costs 254–5, 260
social purpose value 250, 251
social rental housing 144
social return on investment (SROI) 249–51
comparing with cost–benefit analysis 258–60
potential for assessing nonprofit performance 260–61
social service organizations
federations of 222, 223, 224, 225, 227
government funding of 322, 328, 332
pricing strategies of 144, 146, 147, 151
social welfare benefits 255, 258
social welfare maximization 121, 123, 126, 127, 146, 153
Sokolowski, S.W. 109, 110, 113
Sosin, M.R. 324, 328
Spencer, R.W. 19
Srinivasan, N. 245
Stafford, F.P. 241
Staiger, D.O. 127, 308
Standley, A. 223
Stanton, M. 43
stated preference 253, 254
Steel, P. 295, 296
Stefanidis, C. 284
Stein, J.C. 64, 65
Steinberg, K.S. 241–2
Steinberg, R. 7, 8, 20, 24, 26, 27, 29, 30, 31, 35, 38, 84, 96, 103, 104, 120, 123, 137, 143, 151, 152, 203, 214, 232, 261, 282, 291, 308
Steiner, F. 143
Stephens, M. 144
Sterngold, A.H. 175
Steuerle, C.E. 6, 42, 43, 54, 55, 83, 84
Steuerle, G. 300
Stokeld, F. 54
Stone, E. 292
Stone, M.M. 210, 216, 326–7
strategic risk 161, 172
strategic risk management 164–5
Straub, J.D. 27, 31
Strausz, R. 281, 282–3
STRIVE 223, 231
Strom, S. 232
Stulz, R.M. 65
substitution effect 23, 24, 295
Sullivan, M.A. 54, 55
Sunstein, C.R. 251, 261
Suojanen, W.W. 266
supply chain management 175
supporting organizations 73
surveys of giving 26
surveys of volunteer hours 241–2, 246
Index

survival, predicting 13
survival bias 51
Sutton, J. 281, 284
symphony orchestras 122, 134–5, 139, 142, 229–30
Syracuse University 295
Szeidl, A. 70
Taliente, L.K. 220, 223, 226
Tate, S.L. 173
tax credits 300, 324
tax-exempt bonds 7, 61–2, 99
tax-financed subsidies 23–4, 27, 29
tax price elasticity of donations 296–7, 298–9
tax price of giving 295–6, 298, 299, 300
tax return data, individual, studies using 26, 30–31
taxes, see corporate income tax exemption for charitable nonprofits; estate tax deduction for charitable donations; excise tax on private foundations’ investment income; income tax; inheritance tax; personal income tax deduction for charitable donations; property tax exemption for nonprofits; unrelated business income tax (UBIT)
Taylor, M.A. 225, 226, 232, 234, 235
Taylor, P. 131
Teach for America (TFA) 226–7
Tebaldi, E. 26
technical efficiency 132
technological risk 171
Tekin, E. 111
Telemarketing Sales Rule (amended 2003) 169
temporarily restricted assets 70
Tennessee 312–13
terrorism 15
Texas 132–3, 310
theater 32, 122, 134, 136, 137, 144, 149, 151, 185, 187
Thomas, Bill 294
thresholds of funding 29, 30
Throsby, C.D. 133–4, 275
ticket price discrimination 143, 147, 148, 149–52
Tiehen, L. 242
time-use studies 241, 242, 246
Tinkelman, D. 25, 31, 36, 138
Tinker, A.M. 265
Tirillo, J. 289, 297
Tobin, J. 76, 79
Toqueville, A. de 238
Toepler, S. 36–7, 324
total output maximization 128, 129
Touchstone, S.K. 143
trade-off theory of external capital 60, 61, 62, 64
traditional accounting 265, 274, 276
transaction costs of contracting out 170, 182, 183, 184, 185, 186, 189
and federation development 228–30, 234
and nonprofit organizational boundaries 208–10, 218
Coasian perspective 209
incentive alignment perspective 209–10
of stock trading 157
of suboptimal institutional choice 214
transparency 12, 217
Troyer, T.A. 42
Trussel, J.M. 6, 9, 13
trust goods 97, 108, 117–18, 123, 214
Tuckman, H.P. 5–6, 7, 8, 9, 10, 11, 12, 13, 14, 18, 59, 64–5, 76–7, 122–3, 312–13
tuition grants 18, 31, 37, 43
Under One Roof Project 91
UNICEF 280
United Way 6, 220, 222, 225, 232
universities
capital structure of 74
contracting out by 174–5
land holdings of 312
PILOT arrangements with 315
pricing strategies of 143, 145, 148, 151
research universities 28, 33, 35
risks faced by 160, 161
tax treatment of sports revenues 294–5
wealth accumulation by 8, 53, 76
unrelated business income 99
unrelated business income tax (UBIT) 7, 37, 291, 292–5, 313
US Bureau of Labor Statistics 8, 170, 241, 244, 271
US Department of Education 269
US Department of Labor 172
US Government Printing Office 247
US Justice Department 143, 151
US Supreme Court 169
USAID 325
Utah County v. Intermountain Health Care Inc. 306
utility maximization 9, 116, 158, 296, 298, 311
Valentinov, V. 209, 210, 212, 213
Valley of Fear (Conan Doyle) 79
value added statement 266–7, 274; see also expanded value added statement (EVAS)
Van Horn, R.L. 111
Van Slyke, D. 169
Vaughn, E.T. 175
vendorism 327–8, 329–30, 332
venture capitalists 55
Verschueren, I. 61–2
Vesterlund, L. 24–7, 28
Voicu, I. 314
voluntary failures 322
Voluntary Hospitals of America (VHA) 169
volunteer services 8–9, 31
competition for 88
costs imposed by 8, 164–5, 243, 245
valuation of volunteer labor 238–47, 259–60
avenues for future research 246
counting volunteer hours 241–2, 246, 271
definition of volunteerism 238, 242
expanded value added statement (EVAS) for Literacy Volunteers of Rochester (LVR) 269–74
importance at macro level 239
importance at organizational level 239–40
inclusion/exclusion from financial statements 264–5
summary of valuation methods 245–6
valuing by opportunity cost 242–4, 246, 260
valuing by organizational value 245–6, 276
valuing by replacement cost 244–5, 246, 271–2, 276
vouchers 324, 330, 332
wages, nonprofit 106–18
compared with for-profit and government sectors 106, 107, 210, 216
economic theory and nonprofit wages 107–9
literature review 109–11
differentials by gender 111
economy-wide studies 109–10
industry-based studies 110–1
new estimates using 2000 Census 111–14
differentials by gender 113
differentials by occupation 113–14
nonprofit and government differentials 112–13
summary of findings 117–18
type of altruism and 101
within-industry differentials 114–17
‘warm glow’ factor 9, 22, 27–8, 29, 101, 203
Warr, P.G. 23
Warshauer, W., Jr 264
wealth effect on charitable giving 298
wealth elasticity of charitable bequests 298–9
Webb, N.J. 35, 323
Wedel, K. 328, 330
Wedig, G.J. 60, 61, 76
weighted average cost of capital (WACC) 250
Weil, S. 75
Weinbach, J. 294
Weisbrod, B.A. 5, 9, 25, 31, 34, 36, 96, 103, 104, 107, 109, 110, 115, 118, 123, 128, 138, 142, 143, 195, 196, 197, 203, 205, 210, 261, 293, 303, 310, 313, 324
Weitzman, M.S. 109, 241
welfare spending cuts 31
West, E.G. 27, 29, 33, 143
White, Allen L. 275
White, Andrew N. 311
Whitten, M. 47
Wild, R.P. 142, 143
Wilhelm, M.O. 25, 32
Wilke, B. 280, 281, 283, 285
Willen, C.K. 89
Williamson, O.E. 170, 210, 211, 212, 213, 214
willingness to pay 152, 196–9, 253–4
Wilson, J. 242
Wilson, R.F. 143
Wilson, S. 171
Wing, K.T. 239, 321
Winkler, D. 169, 176
Wojciech, K. 298
Wolfe, N. 243
Wolpert, J. 310
Woods, W. 316
Wright, C.M. 174, 175
Wydick, B. 98, 103, 104
Wyszomirski, M.J. 324
Yale School of Management 201, 205
Yanikoski, R.A. 143
Yankey, J.A. 89
Ye, M.-H. 144, 146
Yetman, M.H. 25, 37
Yetman, R.J. 25, 37, 49–53, 54, 55, 61, 62, 293
Young, David W. 264
Young, Dennis R. 5, 6, 7, 142, 144, 151, 169, 221, 223, 224, 225, 234, 261, 328
Zeckhauser, R.J. 205
Zeigler, J.W. 325
Zimbalist, A. 295
Zingales, L. 60
Zinkewicz, P. 167
Zinkl, D. 275
Zinn, J.S. 174
Zwanziger, J. 85