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ABSTRACT

Over the past 2 decades, personal appeals, annual campaigns, internal-giving programs, phone drives, mailings, and planned giving have been successfully employed by a number of community colleges. Voluntary support has made a significant difference in the funding of programs, buildings, equipment, and scholarships that would not otherwise be sustained. Though some community colleges have done well with fundraising from private sources, as a whole, however, community colleges report less than 2% of their annual revenue from philanthropic sources. Shifting the focus of energies and resources from fundraising to tax levies or partnerships can often produce significantly greater results than those attainable through traditional approaches. The partnerships of Chattanooga State Technical Community College (CSTCC) with city and county governments and with the local area Private Industry Council, for example, led to the renovation of two 15,000 square-foot facilities now dedicated to college use at virtually no cost to CSTCC. CSTCC's partnership with Hunter Art Museum and a widely acclaimed Chattanooga community theater increased the college's prestige and widened the scope of its art and theater programs. Strategic alliances with local business and industry can result in a level of community involvement neither sector could provide on their own. This is not to argue that community colleges should not continue to solicit private support, but that partnerships can provide the same or even more significant ends. (KP)

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leadership abstracts

STRATEGIC ALLIANCES: A KEY TOOL FOR INSTITUTIONAL ADVANCEMENT

James L. Catanzaro and Lawrence G. Miller

For community college leaders, the lure of fund raising is greater today than ever before. Stories abound of universities with billion-dollar capital campaigns and hometown projects to support the arts or sports in the hundreds of millions of dollars. As a result, community colleges are increasingly excited by the potential of philanthropic support especially given the increasing competition from other organizations for public support and the instability of traditional funding sources—state support, tuition and fees, local taxation, and federal grants.

Some community colleges have done well in adopting the proven methodologies of not-for-profit philanthropic solicitation. Over the past two decades, personal appeals, annual campaigns, internal-giving programs, phon-athons, mailings, and planned giving have been successfully employed by a number of institutions. Voluntary support has made a significant difference in the funding of programs, buildings, equipment, and scholarships that would not otherwise be sustained.

The Problem with Philanthropy

There is another side to the philanthropic challenge, however. For the most part, fund-raising performance among America's community colleges has been uneven and not particularly noteworthy, especially when the costs of such endeavors are considered. An examination of the Council on Aid to Education's *Survey of Voluntary Support to Education* (*SVSE*), the only consistent data source for all aspects of voluntary giving to educational entities nationwide, reveals that less than 15 percent of America's community, junior, and technical colleges even provide the council with data on fund-raising. What the data do not reveal is that the few two-year colleges who do report data to the council are probably among the more successful in the fund development arena.

According to recent editions of the *SVSE*, only about 25-30 community colleges raise amounts in excess of one million dollars in a given year. The top 10 two-year colleges reporting in the 1993 *SVSE*—a group that includes such notable success stories as Miami-Dade Community College District, St. Petersburg Junior College, and Harrisburg Area Community College—raised *collectively* only about $28 million. In comparison, that year the University of Wisconsin and Ohio State University raised respectively $124 and $74 million—and they are not even in the top 100 of university fund raisers! In 1972, community colleges raised an average $59 per student (headcount); in 1992, they attracted barely $60 (when adjusted to the 1972 CPI), a negligible gain in 20 years! In 1990, 14 percent of the operational budgets of America's private universities and colleges and 12 percent of the budgets of public universities came from donations. Community colleges, however, reported less than two percent of their annual revenue from private sources.

There are many reasons for the relatively low levels of charitable giving to community colleges, but probably the most significant is that community colleges have difficulty in developing and maintaining the alumni contacts that four-year colleges and universities find so valuable in their fund drives. Compounding this is the fact that successful community college graduates are often also graduates of four-year schools that are more aggressive in the pursuit of gifts. And—unlikely as it may seem—potential donors often see public two-year institutions as less in need of gifts because the schools are thought to receive ample state funding and local tax revenues.

The key factors that motivate giving, according to many in the fund-raising field, are donor perceptions of *prestige* and *image*. Unfortunately, community colleges frequently have failed to make the prestige argument or to use the many contributions they make to the local economy and to the development of their communities to their fund-raising advantage. Because the competition for philanthropic dollars is intense, especially in a time of low interest rates, with numerous worthy not-for-profit organizations going head-to-head for the same philanthropic dollars from the same donors, new community college entrants to the fund-raising arena often find the pie already has been divided up.

Adding to the confusion, control over privately-raised funds falls to a legally separate foundation board

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in many community colleges, an entity whose members may or may not work in concert with those of the governing board of the institution. This potential—and sometimes real—conflict can seriously dampen institutional advancement efforts.

All this says that while private fund drives sometimes yield noteworthy results, there are constraints to traditional fund raising which should be recognized. The point is this—each community college should embrace a range of different possibilities for securing additional dollars. Putting all the eggs in the basket of traditional philanthropy may be an ineffective strategy.

Alternative Advancement Strategies

Shifting the focus of energies and resources from fund raising to tax levies or partnerships can often produce significantly greater results than those attainable through traditional approaches. Chattanooga State Technical Community College (CSTCC), for example, has found that strategic alliances can be every bit as productive as fund drives or other common approaches, such as personal solicitation or special events. And although CSTCC has an endowment of several million dollars and anticipates exceeding $500,000 in voluntary support this year, institutional attention has increasingly focused on building partnerships that have brought exceptional short-term and long-term benefits to the college.

As at most community colleges, CSTCC fund-raising involves the foundation board, the president, and the institutional advancement staff. At CSTCC, however, these resources have increasingly been directed at the cultivation of community and regional partnerships. The results thus far have reaped benefits for both the college and the community.

At two outlying rural sites, partnerships with city and county governments and with the local area Private Industry Council led to the renovation and repurposing of two 15,000 square-foot facilities now dedicated to college use at virtually no cost to Chattanooga State. These sites are now significant revenue producers, each housing over 25 classes, multiple computer labs, ongoing industry training programs—and several hundred new students. The cost to the college is a modest monthly lease payment. Had the college gone out to raise funds for such satellite developments, nearly $2 million would have been required—either from the state or from private sources.

State funding for capital expansion would likely have taken years for approval, and the project would have faced strong competition from many other projects. Over the years necessary to line up such funding, the opportunity for expansion would probably have been missed. Yet, by forging strategic alliances, CSTCC was able to accomplish a much-needed extension of services quickly, without launching a major fund-raising drive or seeking additional outlays of taxpayer-supported state funds.

In another example of the power of strategic alliances, CSTCC recently wanted to widen significantly the scope of its art and theater programs. Unfortunately, the additional facilities and staff needed seemed beyond reach. By partnering with the widely acclaimed community theater in Chattanooga and the regionally distinguished Hunter Art Museum, however, the college gained access to premium learning environments and to exceptionally well-prepared professionals, who are now key adjunct faculty in these programs. Significantly, Chattanooga State gained prestige in the community via these affiliations that no marketing effort could yield. Developing the reputation and the substance required of truly distinguished programs in theater and art is usually not possible except over many years—and then with years of substantial backing. Chattanooga State's art and theater programs gained prominence via affiliation with two of the Southeast's finest community arts institutions.

Strategic alliances with local business and industry can result in a level of community involvement neither sector could provide without the aid of the other. This year, the college has offered a nationally recognized program on effecting organizational change to leaders of 15 key corporations and public institutions, backed by an alliance with one of the nation's leading management development organizations, the Center for Creative Leadership. The alliance is a key first step in the development of a world-class executive conference and training center for Chattanooga.

All this is not to argue that colleges should not continue to solicit private support. For some community colleges, these efforts are vital—and successful. Philanthropic contributions can support programs, provide facilities, and ensure levels of student assistance in ways that are simply not possible without such help. The point, rather, is to note that concentrating the time and energy of key leaders, and expending precious resources toward fund raising exclusively may be a diversion from potential partnerships that promise the same or even more significant ends. Institutional advancement can be greatly enhanced if a wide array of strategies is used. Colleges, especially latecomers to the philanthropic arena, should consider broad-based advancement strategies. CSTCC has found partnering with successful community and national organizations to be a particularly potent approach, one that should serve them well into the 1990s and beyond.

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