

# Contents

<b>List of Tables</b>	<b>ix</b>
<b>List of Figures</b>	<b>xi</b>
<b>List of Boxes</b>	<b>xiii</b>
<b>Foreword</b>	<b>xv</b>
<b>Preface</b>	<b>xxi</b>
 <b>I Introduction</b>	
<b>1 Why Study Nonprofit Finance?</b>	<b>3</b>
<i>Dennis R. Young</i>	
 <b>II Sources of Support for Operations</b>	
<b>2 Individual Giving</b>	<b>23</b>
<i>Patrick Rooney</i>	
<b>3 Institutional Philanthropy</b>	<b>45</b>
<i>Joseph Cordes and Richard Sansing</i>	
<b>4 Government Funding of Nonprofit Organizations</b>	<b>69</b>
<i>Michael Rushton and Arthur C. Brooks</i>	

<b>5</b>	<b>Fee Income and Commercial Ventures</b>	<b>93</b>
	<i>Estelle James and Dennis R. Young</i>	
<b>6</b>	<b>Membership Income</b>	<b>121</b>
	<i>Richard Steinberg</i>	
<b>7</b>	<b>Investment Income</b>	<b>157</b>
	<i>Woods Bowman, Elizabeth Keating, and Mark A. Hager</i>	
<b>8</b>	<b>Volunteer Resources</b>	<b>183</b>
	<i>Anne E. Preston</i>	
<b>III</b>	<b>Sources of Capital</b>	
<b>9</b>	<b>Collaboration and Barter</b>	<b>207</b>
	<i>Renee A. Irvin</i>	
<b>10</b>	<b>Gifts-in-Kind and Other Illiquid Assets</b>	<b>227</b>
	<i>Charles M. Gray</i>	
<b>11</b>	<b>Borrowing and Debt</b>	<b>243</b>
	<i>Robert J. Yetman</i>	
<b>IV</b>	<b>Income and Asset Portfolios, and Financial Health</b>	
<b>12</b>	<b>Managing Endowment and Other Assets</b>	<b>271</b>
	<i>Woods Bowman</i>	
<b>13</b>	<b>Income Portfolios</b>	<b>291</b>
	<i>Kevin Kearns</i>	
<b>14</b>	<b>Financial Health</b>	<b>315</b>
	<i>Janet S. Greenlee and Howard Tuckman</i>	

<b>V</b>	<b>Synthesis</b>	
<b>15</b>	<b>Toward a Normative Theory of Nonprofit Finance</b>	<b>339</b>
	<i>Dennis R. Young</i>	
	<b>References</b>	<b>373</b>
	<b>Index</b>	<b>399</b>
	<b>About the Contributors</b>	<b>427</b>

# List of Tables

2.1	Funding for the Nonprofit Sector Ranked by Amounts Donated	28
2.2	Federal Outlays by Agency: 1980–2003	37
2.3	Private Philanthropy	38
3.1	Amount and Numbers of Grants over \$10,000, 1998–2002	48
3.2	Distribution of Foundation Grants and Foundation Dollars by Subject Area, 2002	49
3.3	Percentage of Total Grant Dollars by Type of Support	50
3.4	Foundation Goals in Grant Making	55
5.1	Taxonomy of Public and Private Goods	108
5.2	Product Profile Map	113
6.1	Dues as a Percent of Total Revenue, 2003	126
6.2	Member Revenues for ASAE Associations	128
6.3	Basis of Member Dues	129
6.4	Projecting the Financial Impact of a Dues Increase at Long Strange Trips	147
8.1	Volunteers by Type of Responsibility	191
8.2	Percentage Who Volunteered for an Organization at Least 10 Hours in 2000 by Family Head and Wife of Family Head	197
9.1	Gains from Trade under Conditions of Comparative Advantage	215

10.1	Cash and Noncash (In-Kind) Contributions Received by NTEE Category, 2002	229
10.2	IRS Stipulations for Valuing Works of Art	231
10.3	Examples of Gifts and Uses	232
11.1	Distribution of Debt Load	245
11.2	Distribution of Debt Load Across Size Groupings	246
11.3	Distribution of Debt Load Across Revenue Mix	247
13.1	Income Portfolio of the Human Services Center Corporation, 2004	293
13.2	Income Portfolio for the Historical Society of Western Pennsylvania, 2004	295
13.3	Perceived Relative Importance of Income Attributes	305
13.4	Hypothetical Mix of Income Sources in the Portfolio	306
13.5	Criteria for Evaluating Specific Income Proposals	309
13.6	Evaluating Attractiveness and Capacity: Neighborhood Grocery Store as a Social Enterprise	310
14.1	Ratios to Predict "Risk" in Nonprofit Organizations	324
14.2	National Taxonomy of Exempt Entities—Core Codes	326
14.3	Selected Suggested Ratios for Comparisons within Sectors	327
14.4	Selected Ratios to Evaluate Individual Firm Risk	329
15.1	Benefits, Resource Providers, and Income Sources	350
15.2	Nonprofit Services with Alternative Income and Benefit Combinations	353
15.3	Composite Income Portfolio of a Research Institute	354

# List of Figures

8.1	Market for Volunteer Hours	187
9.1	Collaboration and the Grant Maker Decision	224
10.1	Processes for Converting Gifts-in-Kind	237
13.1	Mapping Components of the Income Portfolio	311
14.1	A Process for Effective Financial Management	319
15.1	Overall Structure of a Theory of Nonprofit Finance	343
15.2	Benefit Combinations	352

# List of Boxes

1.1	Roman Catholic Archdiocese of Brooklyn	7
1.2	Children's Express	8
1.3	The Bellevue Art Museum	9
1.4	The San Diego Symphony	9
1.5	National Conference for Community and Justice	10
7.1	Case Study—Now Playing at the Guthrie Theater: Arbitrage Investing	166
11.1	Aligning Objective Functions: The Case of Nonprofit Lenders	262
11.2	The Asian Art Museum of San Francisco	265
12.1	The Brooklyn Academy of Music Builds an Endowment	278