

USC Price

PPD 371: The Nonprofit Sector & the Public Interest

Spring 2019 Tuesdays & Thursdays 12:00 to 1:50 pm

Location: VPD 110

Alexandra Graddy-Reed

graddyre@price.usc.edu

222 Lewis Hall (RGL)

Office Hours: By Appointment

Course Description & Objectives

Philanthropic and nonprofit organizations have a long history of community support and social change in the United States. Their unique position and regulation within the economy allows these organizations to be risk takers and sources of innovation. As a result, many important changes have been the result of nonprofit organizations or their funding.

This course presents an overview of the nonprofit sector and the organizations that comprise it. We will discuss the history and growth of the sector within a US context. Careful attention is placed on process of philanthropy and how individuals and foundations can best support nonprofit organizations and the production of public goods.

We have partnered with the Learning by Giving Foundation (www.learningbygivingfoundation.org) to provide the class with the funding for a grantmaking exercise. Students will first work to develop their own philanthropic strategy and goals. Then as a class, you will work to develop a unified strategy, evaluate potential recipients, and allocate grant funds.

This course aims for students to:

1. Gain a deeper understanding of the nonprofit sector and philanthropy within the US
2. Improve their critical thinking and presentation skills
3. Develop their philanthropic approach

Required Readings

- Tierney, J., and J. Fleischman (2012). *Give Smart: Philanthropy that Gets Results*, Public Affairs. ISBN-13: 978-1610391467
- Article and news readings are listed on the weekly schedule
- Students are also required to register with Guidestar

Assignments

1. *Learning by Giving* (50% of final grade): This course is partnered with the Learning by Giving Foundation to provide students with the unique opportunity to make actual grants to nonprofit organizations. Throughout the semester, we will work on a giving workshop. Specific elements of the project are outlined in the assignment details but include: an individual giving workshop to develop your own philanthropic strategy (10% of final grade), a private

foundation analysis and presentation (10% of final grade), a nonprofit analysis and presentation (10% of final grade), a nonprofit grant proposal and presentation (10% of final grade), and the development as a class of a philanthropic strategy and allocation of \$10,000 to nonprofit organizations (10% of final grade). As part of working with a prospective nonprofit grantee, students are also required to volunteer with their organization for at least 6 hours throughout the semester.

2. *Exams* (40% of final grade): There will be two exams, a midterm and a final exam (each 20% of the final grade). Each exam will assess your comprehension of the readings and discussions on the variety of topics presented throughout the semester as well as your critical thinking ability.
3. *Class Participation* (10% of final grade): This course is a combination of lecture, discussion, and group activities. Thus, its success depends on student participation. Students are expected to come to class prepared to discuss the current readings and topics with thoughtful commentary and questions. It is also expected that discussions are respectful of all participants and their views. In addition, much of this class depends on participation within groups. As a result, grades will reflect the quality of student participation in class discussion, respect to others, attentiveness in presentations, and internal group participation. To maintain quality levels of discussion, weekly pop quizzes will occur based on the readings. These scores are incorporated into your class participation grade.

Grade Breakdown & Scale

Assignment	Grade %	
Foundation Analysis	10%	A 93-100
Nonprofit Analysis	10%	A- 90-92
Individual Giving Workshop	10%	B+ 88-89
Grant Proposal & Pitch	10%	B 83-87
Class Foundation	10%	B- 80-82
Midterm Exam	20%	C+ 78-79
Final Exam	20%	C 73-77
Class Participation	10%	C- 70-72
Total	100%	D 60-69
		F 0-59

Assignment Submission Policy

Assignments are due at the start of class on the specified due date. Assignments must be submitted in hardcopy (and stapled!) and via Turnitin on Blackboard. Late assignments are not accepted unless prior instructor approval is received. Grading rubrics are posted on Blackboard. I may use submitted assignments as examples in future classes. If you would not like your work used in this way, please notify me.

Attendance Policy

Attendance is not mandatory. However, class participation is 10% of the final grade, and repeated absences makes participation challenging. Tardiness is disrespectful to others and as a result will be reflected in participation grades. Notice of planned absences is appreciated but not required. Class participation, presentations, and exams may not be made-up unless in the case of an emergency,

religious, or major personal obligation. If religious or major personal obligations will conflict with any of these, prior notification is required so please speak with me as soon as possible so we may find an optimal solution. Students who are sick should not attend class. Doing so will be reflected in participation grades.

Technology Policy

The use of cell phones in class is not permitted. Use of phones will be reflected in class participation grades. The use of laptops is also prohibited except during small group activities for the use of notetaking. No recording or photography is allowed in the class.

Statement for Students with Disabilities

“Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. Website and contact information for DSP:

http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html, (213) 740-0776 (Phone), (213) 740-6948 (TDD only), (213) 740-8216 (FAX) ability@usc.edu.”¹

Statements on Academic Integrity & Conduct

Don’t cheat. Don’t plagiarize. Don’t be dishonest. It will not be tolerated. Any incident will be reported.

“USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one’s own academic work from misuse by others as well as to avoid using another’s work as one’s own. All students are expected to understand and abide by these principles. *SCampus*, the Student Guidebook, (www.usc.edu/scampus or <http://scampus.usc.edu>) contains the University Student Conduct Code (see University Governance, Section 11.00), while the recommended sanctions are located in Appendix A.”

“Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Section 11, Behavior Violating University Standards <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct>.”

“Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the Office of Equity and Diversity <http://equity.usc.edu> or to the Department of Public Safety <http://adminopsnet.usc.edu/department/department-public-safety>. This is important for the safety of the whole USC community. Another member of the

¹ All quoted text is required and taken from the USC syllabus template

university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. The Center for Women and Men <http://www.usc.edu/student-affairs/cwm/> provides 24/7 confidential support, and the sexual assault resource center webpage <http://sarc.usc.edu> describes reporting options and other resources.”

Support Systems

“A number of USC’s schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Students whose primary language is not English should check with the American Language Institute <http://dornsife.usc.edu/ali>, which sponsors courses and workshops specifically for international graduate students. The Office of Disability Services and Programs http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html provides certification for students with disabilities and helps arrange the relevant accommodations.

Student Counseling Services (SCS) – (213) 740-7711 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. engemannshc.usc.edu/counseling

National Suicide Prevention Lifeline – 1 (800) 273-8255

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. www.suicidepreventionlifeline.org

Relationship and Sexual Violence Prevention Services (RSVP) – (213) 740-4900 – 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. engemannshc.usc.edu/rsvp

Sexual Assault Resource Center

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: sarc.usc.edu

Office of Equity and Diversity (OED)/Title IX Compliance – (213) 740-5086

Works with faculty, staff, visitors, applicants, and students around issues of protected class. equity.usc.edu

Bias Assessment Response and Support

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. studentaffairs.usc.edu/bias-assessment-response-support

The Office of Disability Services and Programs

Provides certification for students with disabilities and helps arrange relevant accommodations. dsp.usc.edu

Student Support and Advocacy – (213) 821-4710

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. studentaffairs.usc.edu/ssa

Diversity at USC

Information on events, programs and training, the Diversity Task Force (including representatives for each school), chronology, participation, and various resources for students. diversity.usc.edu

USC Emergency Information

Provides safety and other updates, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible. emergency.usc.edu

USC Department of Public Safety – UPC: (213) 740-4321 – HSC: (323) 442-1000 – 24-hour emergency or to report a crime.

Provides overall safety to USC community. dps.usc.edu”

Emergency Preparedness & Course Continuity in a Crisis

“In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies.”

Detailed Course Schedule

This tentative schedule provides the topics, reading, and assignments for each class. It is expected that all readings are completed before class. Assignments are due at the start of class. The class follows university policy and expects students to spend approximately 8 hours out of class per week on assignments, readings, and other course activities. Any changes to the schedule will be announced in class and noted on Blackboard. Readings followed by (BB) are posted on Blackboard. Academic articles are available through Google Scholar. Otherwise, links are provided. Should the link no longer work, search for the article. Some links will require you to be logged in via the USC library to access their subscriptions.

Part I: The Public Policy Context

Week 1: Introductions & Background

January 8th – Course Introduction & Giving Workshop Overview

January 10th – Theories of the Nonprofit Sector & Understanding the Form 990

- Salamon: America's Nonprofit Sector Excerpt (BB)
- 2018 Forms 990, 990-EZ, and 990-PF (BB)

Week 2: Public Policies & Regulation of the Sector

January 15th – Government Accountability & Overview of Analyses

- Arnsberger, P., Ludlum, M., Riley, M., and Stanton, M. (2008). A History of the Tax-Exempt Sector: An SOI Perspective. *Statistics of Income Bulletin*, Winter 2008. [https://www.irs.gov/pub/irs-soi/tehistory.pdf]
- Chaves, M. (2003). Debunking Charitable Choice: The Evidence Doesn't Support the Political Left or Right. *Stanford Social Innovation Review*, Summer 2003, 28-36. [http://www.ssireview.org/articles/entry/debunking_charitable_choice/]
- Strom, S. (2011). California Scrutinizes Nonprofits, Sometimes Ending a Tax Exemption. *The New York Times*, August 14, 2011. [http://www.nytimes.com/2011/08/15/business/california-scrutinizes-property-tax-exemption-of-nonprofits.html]

January 17th – Public Accountability & Defining Fairness

- Carnegie, A. (1889). Wealth. *The North American Review*, 148(391), 653-664. {AKA: The Gospel of Wealth}
- Reich, R. (2005). A Failure of Philanthropy. *Stanford Social Innovation Review*, Winter 2005. [https://ssir.org/articles/entry/a_failure_of_philanthropy]
- Daniels, A. (2016) More than 75% of voters want charities to get a bigger say in policy making poll finds, *The Chronicle of Philanthropy*, September 22, 2016. (BB)
- Perry, S. and O'Neil, M. (2015). Four Cancer Charities Charged in \$187 Million Fraud Case. *The Chronicle of Philanthropy*, May 19, 2015. [https://philanthropy.com/article/4-Cancer-Charities-Charged-in/230263]
- Perry, S. (2012). Lack of Serious Oversight of Charities Undermines Public Trust. *The Chronicle of Philanthropy*, October 28, 2012. (BB)
- Garment, S. & Lenkowsky, L. (2016). Clinton Fund Controversy Stems from Americans' Support of Nonprofits Over Government, *The Chronicle of Philanthropy*, August 30, 2016. (BB)

Part II: Philanthropy

Week 3: Private Foundations

January 22nd – Private Foundations & Overview of Presentations

- Di Mento, M. (2015). Personal toll of Dyslexia, Alzheimer's spurs \$50-Million gift to USC. *The Chronicle of Philanthropy*, March 25, 2015. [<https://philanthropy.com/article/Personal-Toll-of-Dyslexia/228741>]
- Gift letter from Buffett to Gates, June 26, 2006. (BB)
- Sievers, B. (2006). Eight questions reporters should've asked about the Buffett donation. *Stanford Social Innovation Opinion Blog*, November 28, 2006. [https://ssir.org/articles/entry/eight_questions_reporters_should_have_asked_about_the_buffett_donation1]
- Strom, S. (2010). Pledge to give away fortunes stirs debate. *The New York Times*, November 10, 2010. [<http://www.nytimes.com/2010/11/11/giving/11PLEDGE.html?pagewanted=all>]
- McConnon, A. (2007). The most elite club in the world. *Bloomberg Businessweek*, November 25, 2007. (BB)
- Review the Giving Pledge website [<http://givingpledge.org/>]
- Review the Global Philanthropists Circle website [<http://www.synergos.org/philanthropistscircle/>]

January 24th – Strategic Philanthropy & Giving Workshop

- Due: Giving Workshop Part I Mission
- Due: Private Foundation Selection
- Tierney & Fleischman: Give Smart Introduction & Chapter 1
- Letts, C., Ryan, W., and A. Grossman. (1997). Virtuous Capital: What Foundations Can Learn from Venture Capitalists. *Harvard Business Review*, 75(2), March/April, 2-7.
- Frumkin, P. (2003). Inside Venture Philanthropy. *Society*, May/June 2003.
- Daniels, A. (2015). New MacArthur President Promises Grant Making with a More Immediate Impact. *The Chronicle of Philanthropy*, March 11, 2015. [<https://philanthropy.com/article/New-MacArthur-President/228441>]
- Starr, K. (2016). The Lazy Funder's Guide to High-Yield Philanthropy, *Stanford Social Innovation Review*, April 5, 2016. [https://ssir.org/articles/entry/the_lazy_funders_guide_to_high_yield_philanthropy]

Week 4: Philanthropic Strategies

January 29th – Grantmaking Market & Grant Agreement Exercise

- Due: Giving Workshop Part II Strategy
- Foundation Groups Assigned
- Tierney & Fleischman: Give Smart Chapters 2, 3, 4
- Strom, S. (2003). Donors add watchdog role to relations with charities. *The New York Times*, March 29, 2003. [<http://www.nytimes.com/2003/03/29/us/donors-add-watchdog-role-to-relations-with-charities.html>]
- Fairfield, K. and Wang, K. (2008). Collaboration in Foundation Grantor-Grantee Relationships. *Nonprofit Management Leadership*, 19(1). 27-44.

- Kimball, K. and Kopell, M. (2011). Letting Go. *Stanford Social Innovation Review*, Spring 2011. (BB)
- Ettinger, J. and Ettinger, J. (2015). Understanding Risk Tolerance in Grantmaking. *Stanford Social Innovation Review*, July 22, 2015. [http://ssir.org/articles/entry/understanding_risk_tolerance_in_grantmaking]
- Cortes Culwell, A. & McLeod Grant, H. (2016). Bridging the divide between nonprofits and philanthropy in Silicon Valley, *Stanford Social Innovation Review*, October 25, 2016. [https://ssir.org/articles/entry/bridging_the_divide_between_nonprofits_and_philanthropy_in_silicon_valley]

January 31st – No In-Class Meeting: Conduct Foundation Interview

Week 5: Foundation Analysis

February 5th – Foundation Presentations

- Due: Presentation Material
- Due: Nonprofit Organization Selection

February 7th – Foundation Presentations

Discuss: Giving Workshop Part II Strategy

Part III: Nonprofit Organizations

Week 6: Nonprofit Structures & Governance

February 12th – Nonprofit Organizations & Structures

- Due: Giving Workshop Part III Prospects
- Chaves, M., & Wineburg, B. (2009). Did the faith-based initiative change congregations. *Nonprofit and Voluntary Sector Quarterly*, 39(2), 343-355.
- Matthews, C. (2015). How Much Does Scientology pocket from its tax-exempt status? *Fortune*, April 8, 2015. [http://fortune.com/2015/04/08/scientology-tax-exempt/]
- Gauss, A. (2015). Why we love to hate nonprofits. *Stanford Social Innovation Review*, July 29, 2015. [http://ssir.org/articles/entry/why_we_love_to_hate_nonprofits]

February 14th – Nonprofit Finances & Governance & Midterm Overview

- Nonprofit Groups Assigned
- Tierney & Fleischman: Give Smart Chapter 5
- Ostrower, F. (2007). Nonprofit Governance in the United States. *The Urban Institute, Center on Nonprofits and Philanthropy*. (BB)
- Goggins Gregory, A. & Howard, D. (2009). The Nonprofit Starvation Cycle. *Stanford Social Innovation Review*, Fall 2009. [http://ssir.org/images/articles/2009FA_feature_Gregory_Howard.pdf]
- Levine, M. & McCambridge, R. (2016). Nonprofit reactions to new overtime rules run the gamut, *Nonprofit Quarterly*, May 20, 2016. [https://nonprofitquarterly.org/2016/05/24/unhappy-paradox-nonprofit-reactions-new-overtime-rules/#]
- Goldstein, A. (2003). What Price Salary at a Nonprofit? *The Washington Post*, April 14, 2003. [http://www.washingtonpost.com/archive/business/2003/04/14/what-price-salary-at-a-nonprofit/c7d3781b-5d84-4ba1-9efc-f70f491d9ded/]

Week 7: Midterm

February 19th – Midterm Exam

February 21st – No In-Class Meeting: Volunteer and/or Conduct Nonprofit Interview

Week 8: Evaluation

February 26th – Evaluation, Overview of Due Diligence Research, & Midterm Grades

- Brest, P. (2010). The Power of Theories of Change. *Stanford Social Innovation Review*, Spring 2010. (BB)
- Bradach, J. (2003). Going to Scale: The Challenge of Replicating Social Programs. *Stanford Social Innovation Review*, Spring 2003. (BB)
- Cunningham, K. and Ricks, M. (2004). Why Measure. *Stanford Social Innovation Review*, Summer 2004 [http://ssir.org/articles/entry/why_measure/]
- Twersky, F., Nelson, J., Ratcliffe, A. (2010). Actionable Measurement Guide. *The Bill and Melinda Gates Foundation*. (BB)

February 28th – Evaluation Exercise: Evaluating Grant Proposals

- Innovation Grant Proposals (BB)

Week 9: Networks & Lifecycles

March 5th – No In-Class Meeting: Volunteer and/or Conduct Nonprofit Interview

March 7th – Networks & Lifecycles

○ Due: Giving Workshop Part IV Evaluating Prospects

- Ostrower, F. (2005). The Reality Underneath the Buzz of Partnerships. *Stanford Social Innovation Review*, 34-41. [http://ssir.org/articles/entry/the_reality_underneath_the_buzz_of_partnerships/]
- Hinkes-Jones, L. (2015). Stop Subsidizing Big Pharma. *The New York Times*, January 5, 2015. [<http://www.nytimes.com/2015/01/06/opinion/stop-subsidizing-big-pharma.html>]
- Horwitz, J. (2005). Making profits and providing care: Comparing nonprofit, for-profit, and government hospitals. *Health Affairs*, 24(3), 790-801.
- Grivna, K. and Toben, S. (2015). The Transformation of one Nonprofit, the Creation of Another, and the Impending Closure of Both. *Nonprofit Quarterly*, February 17, 2015. [<http://nonprofitquarterly.org/2015/02/17/the-transformation-of-the-otto-schiff-housing-association-the-creation-of-the-six-point-foundation-and-the-impending-closure-of-both/>]
- Laskowski, K. (2008). Perpetuity is a long time. National Center for Family Philanthropy. May 15, 2008. [<https://www.ncfp.org/blog/2008/may-perpetuity-is-a-long-time.html>]
- Beatty, Sally (2006). Gates Foundation Sets its Lifespan. *The Wall Street Journal*, December 1, 2006. (BB)

Week 10: Spring Break No Class

Week 11: Nonprofit Analysis & Future Issues

March 19th – Nonprofit Presentations

○ Due: Presentation Material

March 21st – Social Enterprises & Overview of Class Foundation Project and Grant Proposals

○ Due: Giving Workshop Part V Strategy Evaluation and Reflection

- Tierney & Fleischman: Give Smart Chapter 6

- Battilana, J., Lee, M., Walker, J., and C. Dorsey. (2012). In Search of the Hybrid Ideal. *Stanford Social Innovation Review*, Summer 2012. [https://ssir.org/articles/entry/in_search_of_the_hybrid_ideal]
- Dees, J.G. (1998). Enterprising Nonprofits, *Harvard Business Review*, January-February Issue.
- Buffett, Peter. (2013). The Charitable-Industrial Complex. *The New York Times*, July 26, 2013. [http://www.nytimes.com/2013/07/27/opinion/the-charitable-industrial-complex.html?_r=0]

Part IV: Learning by Giving

Week 12: Learning by Giving Overview

March 26th – Class Foundation: Develop Mission

- Tierney & Fleischman: Give Smart Monday Morning Checklist

March 28th – No In-Class Meeting: Volunteer and/or Conduct Grant Interview

Week 13: Foundation Development

April 2nd – Class Foundation: Develop Grantmaking Strategy

April 4th – Class Foundation: Develop Grantmaking Strategy

Week 14: Grant Proposals

April 9th – Grant Proposal Presentations

April 11th – Grant Proposal Presentations

Week 15: Grant Review

April 16th – Class Foundation: Proposal Review & Debate

April 18th – Class Foundation: Proposal Review & Debate

Week 16: Grant Decisions

April 23th – Class Foundation: Grantmaking Decision & Wrap-Up

April 25th – Overview of Final Exam

Final Exam & Giving Workshop Reflection: May 8th 2:00 – 4:00 pm