

CASE WESTERN RESERVE UNIVERSITY

Department of History

HISTORY 204

INTRODUCTION TO THE NONPROFIT SECTOR

Fall, 2009

Mandel Center 107

Tuesdays and Thursdays, 2:45-4:00 pm

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DESCRIPTION AND OBJECTIVES:

This course is designed to enable undergraduate students to explore voluntary associations, nonprofit organizations, and the nonprofit sector in the United States. The course explores the influential philosophical and analytic interpretations of voluntary activity in human societies in general and in the U.S. in particular, the creation of the nonprofit sector in the U.S. at the time of the American Revolution, the widely varied uses that Americans have made of nonprofit organizations, the major institutions (foundations, federations, the market, the state and federal governments) that shape nonprofit activity in contemporary America, and the ways in which Americans of different regions, cultural traditions, and income levels make use of volunteering and nonprofit organizations. The course will also pay attention to comparisons between the role of nonprofits in the U.S. and in other nations.

REQUIREMENTS and GRADES:

Although it is not required, it will be very helpful if students who take this course have -- or are participating in -- significant service learning activity in a nonprofit organization.

Each student will be expected to complete the assigned reading (including some assignments on the web) before each class, to post responses to the readings on the course Blackboard site as assigned before each class, to attend class regularly and contribute to each class discussion, to demonstrate the ability to use library and other reference facilities, and to write clearly and effectively.

As indicated throughout the syllabus, each student will:

- (1) Prepare several brief reports on the readings and on the current activities and challenges facing one non-profit organization (20% of final grade);
- (2) Come regularly to class prepared to discuss the assigned readings and reports (20% of final grade).

- (3) Post weekly responses to the readings as assigned (25% of final grade);
- (4) Write a term paper on a topic to be defined in conversation with the instructor. The term paper may either be based on the reports on a single nonprofit as described throughout this syllabus, or on the required reading, class discussions, and additional readings appropriate to the topic (35% of final grade).

READINGS (available in the CWRU Bookstore):

Required:

David C. Hammack, editor, *Making the Nonprofit Sector in the United States: A Reader* (Bloomington: Indiana University Press, 1998; paperback edition, 2000).

Lester M. Salamon, *America's Nonprofit Sector: A Primer* Second Edition (New York: The Foundation Center, 1999).

Recommended:

Walter W. Powell and Richard Steinberg, editors, *The Nonprofit Sector: A Research Handbook*, Second Edition (New Haven: Yale University Press, 2006)

I have posted on the HSTY 204 Blackboard site a substantial bibliography of books relevant to the study of the history of the nonprofit sector in the United States, together with an article on sources for the study of the history of nonprofit organizations and the nonprofit sector in the United States that I published in July, 2002, in *The American Behavioral Scientist*. Students should examine this bibliography and essay for additional recommendations about readings relevant to HSTY 204.

Websites:

Each student will be expected to explore the web to learn about resources relevant to the nonprofit sector, nonprofit organizations in general, at least one nonprofit subsector, and at least one specific nonprofit organization. Key websites include the National Center for Charitable Statistics, GuideStar, the Foundation Center, and the U.S. Internal Revenue Service pages on Exempt Organizations.

One good source of information on many Cleveland-area nonprofits is the Encyclopedia of Cleveland History, available on the web at <http://ech.cwru.edu/>.

Recent IRS 990 forms for most organizations can be found at <http://www.guidestar.org/>.

TOPICS and ASSIGNMENTS

Aug. 25: Introduction

Discussion: what *is* the “nonprofit sector”? What is a nonprofit organization?

Aug. 27: Adelphi College Case

Material will be available on blackboard.

Who governs a private college or university?

Sept. 1: Definitions, Comparisons, and Scope

Lester M. Salamon, *America's Nonprofit Sector*, pp. 1-56.

Writing: Before class, post on Blackboard two questions or comments about Salamon's description of the nonprofit sector.

Sept. 3: Definitions, Comparisons, and Scope

University Circle discussion: Each student will select one University Circle nonprofit and, using its website and other information available on the web, prepare a brief statement about the organization's mission, programs, and sources of funding and post that statement on the course Blackboard. For a list of University Circle organizations, see the list at <http://www.universitycircle.org/uci.aspx?page=18>.

Sept. 8: Other Frameworks: Practices of the Colonizers on the Eve of Settlement

The Statute of Charitable Uses of 1601, in *Making the Nonprofit Sector*.

The Elizabethan Poor Law of 1601, in *Making*.

Brother Juan de Escalona, Report to the Viceroy of Mexico on Conditions in Santa Fe, 1601, in *Making*.

Claude Jean Allouz, S.J., Account of Ceremony Proclaiming New France, in *Making*.

Assignment: Come to class prepared to discuss, clarify, demand clarification of, puzzle over, challenge, and critique the assigned readings.

Writing Assignment: Before class, post on Blackboard at least one question this week, based on the readings, about colonial church-state arrangements.

Sept. 10: Other Frameworks: Early Colonial Patterns Under British Rule

John Winthrop, "A Model of Christian Charity," in *Making*.

Virginia General Assembly, Laws Regulating Religion, 1642, in *Making*.

Hugh Peter and Thomas Weld, *New England's First Fruits*, 1643, in *Making*.

Inhabitants of Flushing, Long Island, Remonstrance Against the Law against Quakers, 1662, in *Making*.

Roger Greene, *Virginia's Cure*, 1662, in *Making*.

Assignment: Come to class prepared to discuss, clarify, demand clarification of, puzzle over, challenge, and critique the assigned readings.

Writing Assignment: If you did not post before Tuesday's class, before class, post on

Blackboard at least one question, based on the readings, about colonial church-state arrangements.

Sept. 15: Other Frameworks: Later Colonial Patterns Under British Rule

William Penn, "The Great Case of Liberty of Conscience," 1670, in *Making*.

Cotton Mather, "Bonifacius -- Essays to Do Good," 1710, in *Making*.

William Livingston, Argument Against Anglican Control of King's College (Columbia), 1753, in *Making*.

Charles Woodmason, Journal of the Carolina Backcountry on the Eve of the Revolution, in *Making*.

Benjamin Franklin, *Autobiography*, excerpts, in *Making*.

Assignment: Come to class prepared to discuss, clarify, demand clarification of, puzzle over, challenge, and critique the assigned readings.

Writing Assignment: Before class, post on Blackboard at least one question this week, based on the readings, about colonial regulation of churches and charities.

Sept. 17: The Continuing Constitutional Framework: Limited Constitution

John Trenchard and Thomas Gordon, "Cato's Letters: Essays on Liberty, Civil and Religious . . .," (London, 1755), in *Making*.

Isaac Backus, Argument Against Taxes for Religious Purposes in Massachusetts, 1774, in *Making*.

Thomas Jefferson, Virginia Act Establishing Religious Freedom, 1786, in *Making*.

James Madison, *The Federalist No. 10*, in *Making*.

The Constitution of the United States, Article I, Section 9, last paragraph, in *Making*.

The First Amendment to the Constitution of the United States, in *Making*.

Assignment: Come to class prepared to discuss, clarify, demand clarification of, puzzle over, challenge, and critique the assigned readings.

Writing Assignment: Before class post a question about the implications of the U.S. constitutional framework for managers of nonprofit organizations.

Sept. 22: The Legal Framework: Voluntarism and Incorporation

Lyman Beecher, *Autobiography*, excerpts, in *Making the Nonprofit Sector*.
The Dartmouth College Case, in *Making*.

Daniel Webster, Argument Before the U.S. Supreme Court, 1818;

Chief Justice John Marshall, Decision, 1819;

Justice Joseph Story, Concurring Opinion, 1819.

Alexis de Tocqueville, *Democracy in America*, "Political Associations in the United States,"
and "Of the Use Which Americans Make of Public Associations in Civil Life," in *Making*.

Henry Bibb, "Narrative of the Life and Adventures of an American Slave," 1850, and

Daniel A. Payne, "Account of Slave Preachers" 1839, both in *Making*.

Writing Assignment:

First Paper

In a carefully written two-page paper, identify and discuss at least three ways in which the experience of colonial, revolutionary, and/or early national America shaped the environment for nonprofit organizations under the U.S. constitution. Refer to readings and classes; you should not need other sources.

Sept. 24: GuideStar

Each student should become familiar with the GuideStar.org website.

Each student should select a nonprofit subsector – the Arts, Education, Health Care, Social Services, etc. – and use Guidestar to explore that subsector in Ohio (and, if you like, in another state).

On the GuideStar website, you will find an "Advanced Search" capability.

"Advanced Search" will allow you to find organizations by keyword, by state, city, or zip code, by subsector, by income class.

For almost all organizations, GuideStar will allow you to see the original Form 990 that the organization filed with the IRS. You should look at a couple of 990s to see what kinds of information they contain.

Each student should design his or her own exploration.

You might, for example, identify the ten or twenty largest nonprofits in Ohio and in another state (GuideStar allows you to ask for a list of all that had income of \$20 million or more in 2001, for example), and compare them, noting whether the distribution of large organizations by subsector in one state is similar to the distribution in another.

Or you might explore all organizations in an Ohio subsector that had income over \$1 million in 2001. A quick check of another state might indicate that there are differences in certain kinds of organizations between the two states. I've noted, for example, that New York State has what seem to be large numbers of home health care organizations, and that services for the mentally retarded in New York seem to be concentrated in quite large organizations that are affiliated with ARC. And that New York has more than its share of organizations concerned with international affairs. And that the largest group of New York City's "Broadway" theaters, managed by the Shubert Organization, is organized as a nonprofit corporation.

GuideStar has a great deal of information. Use your imagination to devise your own approach.

GuideStar is also limited to the information available on a 990 form, and to the accuracy of the information entered by its staff. You are likely to find a variety of inaccuracies: we will discuss those in class as well.

You may also find excellent information on other websites, including that of the National Center for Charitable Statistics at the Urban Institute, the Foundation Center, the Council on Foundations, and those listed on the HSTY 204 Blackboard site.

Sept. 29: Nonprofit Purposes: Alternative Power Structures 1

Reading:

Suzanne Lebsock, "Women Together: Organizations in Ante-Bellum Petersburg," in *Making*.
Kathleen D. McCarthy, "Parallel Power Structures: Women and the Voluntary Sphere," in *Making*.

Assignment: Come to class prepared to discuss, clarify, demand clarification of, puzzle over, challenge, and critique the assigned readings.

Writing Assignment: Before class for today, Oc. 1, or Oct. 8, post on Blackboard at least one somewhat extended comment, based on the readings, about nonprofit organizations as "alternative power structures."

Plans for Term Papers

Term Paper

Part 1

Come to class prepared to identify for all members of the class the topic of your term paper, or the name and nature of the nonprofit organization you will study for your Semester-Long Assignment.

We will discuss ways to **identify sources you will use for your term paper, or the records and archives** of the organization you intend to study. Also other written and web-based resources.

If you have decided to write about an organization, you will need to learn what groups of records and archives are available, what information they contain, where each group of records is located, how they are organized, and how the organization controls access. Look for board minutes, executive director correspondence, records of income and expenditures, records of assets, personnel records, records of operations, records of clients/patients/audience, records of promotional efforts, etc. **You will not need all records, but more is better and some financial records are essential.**

If you need additional help, let me know.

Oct. 1: Nonprofit Purposes: Alternative Power Structures 2

W. E. B. Du Bois, "Economic Co-operation Among Negro Americans," in *Making*.
South Carolina Resolutions on Abolitionist Propaganda, 1835, *The People v. Fisher*, N.Y. Reports 14 Wend. 9, 1835, and Trial of Mrs. Douglas for Teaching Colored Children to Read, Norfolk, Va., 1853, to be posted on Blackboard.

Assignment: Come to class prepared to discuss, clarify, demand clarification of, puzzle over, challenge, and critique the assigned readings.

Writing Assignment: If you did not post before Tuesday's class and don't expect to do so before class on Oct. 8, before class post on Blackboard at least one question, based on the readings, about nonprofit organizations as "alternative power structures."

Oct. 6: Plans for Term Papers

Each student will discuss term paper plans.

Writing Assignment: see below

Term Paper

Part 2:

Begin to define the thesis of your term paper, or to identify the stakeholders or constituents (various board members, leaders, staff groups, paying and nonpaying clients/students/ patients/audience, government funders, foundations, federations, and private donors) involved in one nonprofit organization. Note that members of boards, staffs, client groups, etc., do not always agree with one another. Identify the goals these stakeholders seek to reach through the nonprofit organization.

Consider whether the organization as a whole has a clear mission and set of goals, and whether these reflect the concerns of its stakeholders. The organization should preferably be one with which you are familiar. Course readings about earlier organizations should help you think about possible conflicts and ways of resolving them. Also learn about possible issues from websites relevant to the organization's subsector.

Post on the course Blackboard site before class an extended comment on the thesis of your paper, or on the goals and goal conflicts to be found among the various stakeholders of the nonprofit organization you are studying.

Oct. 8: Nonprofit Purposes: "Space" for Protestant Religious Action

Peter Dobkin Hall, "A Historical Overview of the Private Nonprofit Sector," in Powell, *Handbook*, pp. 3-10.

Robert Baird, "The Voluntary Principle in American Christianity, 1844," in *Making the Nonprofit Sector*.

Salamon, *America's Nonprofit Sector*, pp. 149-158.

Assignment: Come to class prepared to discuss, clarify, demand clarification of, puzzle over, challenge, and critique the assigned readings.

Writing Assignment: If you do not expect to post before class on Thursday, before class post on Blackboard at least one somewhat extended comment on these readings.

Oct. 13: Nonprofit Purposes: "Space" for Religious Action

Jay P. Dolan, "Social Catholicism," in *Making*.

Arthur A. Goren, "The Jewish Tradition of Community," 1970, in *Making*.

Assignment: Come to class prepared to discuss, clarify, demand clarification of, puzzle over, challenge, and critique the assigned readings.

Writing Assignment: If you did not post before class on Tuesday, before class post on Blackboard at least one somewhat extended comment on these readings.

Oct. 15: Metropolitan Markets

Albert Shaw, "The Higher Life of New York City," *The Outlook* (January 25, 1896), pp. 132-139,
R. L. Duffus, "Cleveland: Paternalism in Excelsis," from the *New Republic*, April 4, 1928, pp. 212-215. These two items will be on Blackboard.
David C. Hammack, "Economic Development of Metropolitan Cleveland," from the *Encyclopedia of Cleveland History* 2nd Edition <http://ech.cwru.edu/>.

Assignment: Before class, post a comment on the relevance of the metropolitan region as a key market area for nonprofit organizations.

Oct. 20: Fall Break: No Class

Oct. 22: Nonprofit Subsectors

Specific Subsectors and Readings to be Determined by Class Interest

Health Care Subsector:

David Rosner, "Business at the Bedside: Health Care in Brooklyn, 1890-1915," in *Making*. Salamon, *America's Nonprofit Sector*, pp. 77-93.

Education Subsector:

Peter Dobkin Hall, Institutions, Autonomy, and National Networks, 1982, in *Making*. Salamon, *America's Nonprofit Sector*, pp. 95-108.

Social Service Subsector:

Everett P. Wheeler, "The Unofficial Government of Cities," (1900), and Amos G. Warner, American Charities, 1908, both in *Making the Nonprofit Sector*. Salamon, *America's Nonprofit Sector*, pp. 109-122.

Arts Subsector:

Neil Harris, "The Gilded Age Revisited: Boston and the Museum Movement," in *American Quarterly* 14 (1962), pp. 545-566, on Blackboard.
Paul DiMaggio, "Cultural Entrepreneurship in Nineteenth Century Boston: The Creation of an Organizational Base for High Culture in America," in *Media, Culture and Society* 4 (1982), pp. 33-50, on Blackboard.
Salamon, *America's Nonprofit Sector*, pp. 123-133.

Writing Assignment for Today or next Tuesday: Each student will select the readings most relevant to the subsector in which she or he is interested, **identify relevant websites**, and post on the course Blackboard site a paragraph discussing major changes in one subsector between the beginning of the twentieth century and today, drawing on information noted above and found on the web.

Oct. 27: Nonprofit Subsectors Continued

Oct. 29: Foundations

Frederick T. Gates, "Address on the Tenth Anniversary of the Rockefeller Institute," 1911, in *Making the Nonprofit Sector*.
Salamon, *America's Nonprofit Sector*, pp. 25-29.
David C. Hammack, Contributions of American Foundations (on Blackboard)

Optional:

David C. Hammack and Susan Lajoie Eagan, "Foundations in Northeastern Ohio," (on Blackboard).
David C. Hammack, "The Legitimacy of American Foundations: American Perspectives," on Blackboard.
David C. Hammack, "Community Foundations: The Delicate Question of Purpose," in *Making*.
2003 Essay on Community Foundations, on Blackboard.

See Foundation Center .fdncenter.org/ and key local foundation (Cleveland, Gund) websites.

Assignment: Come to class prepared to discuss, clarify, demand clarification of, puzzle over, challenge, and critique the assigned readings.

Writing Assignment: Before class post a question about American foundations. In class we will try to determine what are the most important questions to ask about foundations.

Nov. 3: Federations and Fundraising Associations

John R. Seeley et al., "Community Chest," 1957, in *Making*.
David L. Sills, "The March of Dimes: Origins and Prospects," 1957, in *Making*.

See also the websites for the Educational Testing Service, the United States Pharmacopeia, Underwriters Laboratories, the Financial Accounting Standards Board, and similar entities.

Assignment: Come to class prepared to discuss, clarify, demand clarification of, puzzle over, challenge, and critique the assigned readings.

Writing Assignment: Before class post an observation or question about the importance (or lack of importance) for one nonprofit organization of foundations and federations or fundraising associations.

Term Paper

Part 3:

Submit a two-page proposal, including a final list of sources, for your independent term paper, or a well-organized and annotated list (no more than three pages) of the records and archives of one nonprofit organization, identifying the major record groups, their character and quantity, the identities of the people or offices that generated them, their current location and condition, their current accessibility. Also submit tables showing changes over time in income (by source if possible) and, on a separate page, the expenditures of the organization; if possible, also provide tables showing changes in number of employees and in volume of services, by year or if appropriate for an older organization by 2-, 5-, or 10-year intervals.

Nov. 5: Government Regulation

Pierce v Society of the Sisters: William D. Guthrie and Bernard Hershkopf, "Brief for Private Schools," and Justice McReynolds, "Decision," 1925, in *Making the Nonprofit Sector*.
Senator John Stennis and Marion Wright, Testimony on the War on Poverty, 1967, in *Making*.

Material on Government Regulation to be posted on Blackboard.

Assignment: Come to class prepared to discuss, clarify, demand clarification of, puzzle over, challenge, and critique the assigned readings.

Writing Assignment: Before class post an observation or question about the significance of government regulation for one nonprofit organization.

Nov. 10: Government Investigation

Material on Government Investigation to be posted on Blackboard.

Find reports on Senator Grassley's recent and current investigations.

Assignment: TBA.

Nov. 12: Changing Streams of Government Funding and Regulation

Salamon, *America's Nonprofit Sector*, pp. 57-74.

The Filer Commission, "The Third Sector," 1974, in *Making the Nonprofit Sector*.

Steven Rathgeb Smith and Michael Lipsky, "The Political Economy of Nonprofit Revenues," in *Making*.

Rust v. Sullivan, in *Making*.

Additional materials will be posted on Blackboard.

Assignment: TBA.

Nov. 17: The International Arena

Readings to be provided on Blackboard.

Nov. 19: No class.

Nov. 24: Student Reports TBA

You may prepare a PowerPoint presentation for your report, but you should use PowerPoint thoughtfully, avoiding mere lists, making sure that illustrations, charts, etc., are well designed to advance your argument, etc. In general, make sure you have a clear argument, expressed in good, clear *sentences*.

Nov. 26: Thanksgiving Holiday

Dec. 1: Student Reports TBA

Dec. 3: Long-Term and Continuing Trends

Assignment: Using at least two readings selected in consultation with the instructor, post on Blackboard before class an extended comment on two or three of the trends you consider most significant for the nonprofit sub-sector of greatest interest to you.

Final Writing Assignment
Due Monday, Dec. 7, 2009, 5:00 p.m., in Mather House

Students in HSTY 204 have two choices: to **write a term paper agreed upon with the instructor,**

Or to complete the following assignment. :

Prepare an 8-10- page paper on *the development of a strategic challenge facing one non-profit organization*, preferably the one with which you are affiliated. In preparing this paper, draw on the short papers prepared for earlier assignments, particularly the papers on stakeholders, goals and conflicts, records and archives, and on income, expenditures, staff, and program.

This paper should identify the strategic challenge. It should then consider the origins of that challenge: is it the result of developments internal to the organization -- internal disagreements as to mission, difficulty in managing rapid expansion, or the like? Is it the result of changes in the organization's external environment -- changing funding streams, changing client preferences or resources, new forms of competition?

In thinking about and developing evidence for your identification of a strategic challenge and for your account of the origins of that crisis, you should consider the main outlines of the organization's history from its founding to the present. You should also consider basic information about the nature and scale of its activities, including tables of information about income and expenditures, staff sizes, and service activities, through time. You should present relevant information from these investigations in the body of the paper, or in appendices.

Your paper might

- 1) identify the chief turning points in the organization's history -- points of notable expansion or contraction, shifts in mission, etc. (this may be done by preparing charts of annual expenditures, income, employees, clients, etc.;
- 2) consider how its history may shape the organization's current mission, its opportunities and limits, and strategic plans;
- 3) indicate how the organization's development fits within the development of its field and of the nonprofit sector in general.

Note: This is not an assignment to write a detailed history of a nonprofit organization.

Where appropriate the paper should use footnotes (in the style found in the *Journal of American History*) to refer to source materials in the organization's archives and to secondary interpretive materials relevant to the study of the organization. But this is *not* an assignment to produce a definitive, meticulously documented history.