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Literature on the nonprofit sector focuses on charities and their interactions with clients or governmental agencies; donors are studied less often. Studies on philanthropy do examine donors but tend to focus on microlevel factors to explain their behavior. This study, in contrast, draws on institutional theory to show that macrolevel factors affect donor behavior. It also extends the institutional framework by examining the field-level configurations in which donors and fundraisers are embedded. Employing the case of workplace charity, this new model highlights how the composition of the organizational field structures fundraisers and donors alike, shaping fundraisers’ strategies of solicitation and, therefore, the extent of donor control.

The charitable donation of money, time, and other resources by individuals is considered to be a “distinctive and important aspect” of American society (Ostrower 1995, pp. 5–6). Along with civic participation, giving and voluntarism are seen as the building blocks of a vital nonprofit sector and a healthy democracy (Tocqueville [1835] 1936; Almond and Verba 1963; Bellah et al. 1980; Wuthnow 1991b; Verba, Scholzman, and Brady 1995; Skocpol and Fiorina 1999; Putnam 1995, 2000). Yet, while many Americans make contributions, they also vary substantively in the frequency and amount of those gifts (Jencks 1988; Booth, Higgins, and Cor-

Two theoretical frameworks have sought to account for patterns of charitable giving. The first approach explains philanthropic behavior through attention to the individual-level attributes of donors. While some scholars have located the source of charitable activity in the psychological composition of donors (Blau 1964; Cheal 1988; Oster 1995; Clotfelter 1997; Kottasz 2004), others have examined how social characteristics such as race, class, and gender affect donations (Piliavin and Charng 1990; Mount 1996; Musick, Wilson, and Bynum 2000; Independent Sector 2001; Giving USA 2005). A more recent body of research, however, has criticized this “microlevel” approach for its atomistic, bottom-up approach to philanthropy (Sokolowski 1996; Halfpenny 1999; Wilson 2000). These scholars have emphasized the larger context in which charitable giving occurs (Titmuss [1970] 1997; Chaves 1999; Schervish and Havens 1997; Sargeant 1999; Healy 2000, 2004). To understand individuals’ behavior, this literature has drawn attention to the dyadic ties, or social relations, between donors and recipients, delineating how patterns of charitable giving are affected by fundraisers’ tactics and practices (Ostrander and Schervish 1990; Alexander 1998). In this view, charitable giving is “structured, promoted, and made logistically possible by organizations and institutions with a strong interest in producing it” (Healy 2004, p. 387).

This article makes two contributions to existing scholarship on the nonprofit sector. The first is to expand upon the relational approach by offering a field-level analysis of charitable giving. While recent literature has done much to establish the socially embedded nature of individuals’ philanthropic activities, it has assumed the agentic capacities of fundraisers to shape the donative transfer for their own ends and purposes. Yet, a substantial body of sociological research has established that organizations are capable of strategic actions only within larger structures and processes (DiMaggio 1988; Bourdieu 1990, 1991; Brint and Karabel 1991; Elsbach 1994; Alexander 1998; Oakes, Townley, and Cooper 1998; Scott 2001; Fligstein 2001; Powell and Minkoff 2006). By locating its empirical analysis at the dyadic level (i.e., the relations between individual donors and individual fundraisers), this perspective can only offer a partial explanation for patterns of philanthropic behavior. To correct for this oversight, I propose a theory of charitable giving that extends beyond the reciprocal relationship of donors and fundraisers to the level of the organizational field (Warren 1967; Bourdieu 1990; Fligstein 1990; DiMaggio and Powell 1983, 1991; Friedland and Alford 1991; Bourdieu and Wacquant 1992; Galaskiewicz and Bielefeld 1998; Fligstein 2001; Martin 2003). The composition and dynamics of the organizational field determines what I call the *strategies of solicitation* that nonprofits offer to
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donors. In a central role between donors and beneficiaries, these organizations provide the opportunities and constraints within which individual giving occurs. Fundraisers do not act in isolation in their provision of strategies of solicitation but instead are structured in their practices by the organizational field. It is this dynamic between nonprofits and the organizational field, rather than individuals’ attributes or their dyadic ties with fundraisers, that ultimately explains variation in patterns of charitable giving.

The second contribution is to apply this field-level approach to the study of a largely overlooked dimension of charitable giving—“donor control.” Most studies of individuals’ philanthropy examine why donors give and how much they give (Jencks 1988; Piliavin and Charng 1990; Mount 1996; Brown 1999; Independent Sector 2001; Hodgkinson, Nelson, and Sivak 2002; Jones 2006) but recent changes in the nonprofit sector have made donor control a new source of variation. Donor control concerns not whether, when, or how much donors give, but whether donors attach conditions to their contributions (Wuthnow 1988; Brandt 1990; Hall 1992; Hoge, Zech, McNamara, and Donahue 1996; Frumkin 1997; Lenkowsky 2002; Salamon 2002). Individuals attach conditions to their contributions when they earmark or restrict their gifts to particular departments, causes, or beneficiaries within the recipient organization. I examine the phenomenon of donor control in the field of workplace charity given that this nonprofit field has recently shifted toward allowing funders more choice in their charitable giving.

I begin my analysis by introducing the concept of donor control as one significant but underanalyzed aspect of charitable giving. I then review existing theoretical explanations of charitable giving and outline a field-level approach, explicating how that approach contributes to but extends beyond a dyadic-ties perspective on charitable giving. I next provide an overview of the organizational field of workplace charity and the recent rise of donor control therein. Finally, through a comparative case study of workplace charity in two cities, I employ a field-level model to account for variation in donor control.

DONOR CONTROL AND CHARITABLE GIVING
Charitable giving has been defined as an activity or exchange distinct from those that take place in the market or the political sphere (Smith 1973; Brudney 1989; Wuthnow 1991a). Often used interchangeably with the concepts of philanthropy, altruism, and voluntarism, charitable giving is characterized by the “absence of tangible immediate rewards in monetary or nonmonetary forms; the absence of penalties, financial or oth-
erwise” (Titmuss 1997, p. 140). Analytically, charitable giving serves as an umbrella concept that incorporates a range of actors and practices. Gifts are made by individuals (Hodgkinson and Weitzman 1997; Independent Sector 2001; Giving USA 2005), corporations (Useem 1988; Galaskiewicz 1991; Himmelstein 1997; Levy 2001), and foundations (Nielsen 1972; Lagemann 1999; Smith 2001). Donor behavior varies according to the object being proffered: actors may give money or “in-kind donations” (Jencks 1988; Piliavin and Charng 1990; Mount 1996), time (Goss 1999; Musick et al. 2000; Eckstein 2001; Hustinx and Lammertyn 2004), helping activities (Oliner and Oliner 1992; Monroe 1996), or body parts (Titmuss 1997; Piliavin, Evans, and Callero 1984; Healy 2000, 2004). Charitable practices also differ according to the frequency of their occurrence (Wuthnow 1998; Wilson and Musick 1999; Eckstein 2001). Healy (2004), for example, distinguishes between “one-shot” acts, conventional acts of kindness, and routine, institutionalized giving on the part of donors.

While earlier scholarship on charitable giving has focused on the matter of who contributes and how much (Jencks 1988; Piliavin and Charng 1990; Mount 1996; Independent Sector 2001; Giving USA 2005; Jones 2006), less attention has been given to the question of donor control; that is, whether or not individuals attach conditions to their gifts. Resource providers designate or restrict their contributions when they select what causes and services to fund within the recipient organization (Gronbjerg, Martell, and Paarlberg 2000; Helms, Henkin, and Murray 2005).

In part, this lack of attention to donor control reflects a traditional understanding of the role of donors in the nonprofit sector. Historically, beginning in the late 19th century, the dominant belief had been that the voluntary sector should be driven by the needs of recipients, as measured and managed by professionals, and as financially supported by donors. Donors were generally considered, of all involved actors, the least qualified to make decisions about how charitable contributions should be distributed. As McCarthy (1989) concludes, donors were “asked to pay for projects they often could neither touch nor comprehend, deferring to the wisdom of reformers and managers of every stripe and hue” (p. 56). Individuals were solicited to make charitable contributions, but without attaching any conditions to their gifts (Lubove 1965; McCarthy 1991; Hall 1992; Clotfelter 1997).

In recent years, these assumptions about the role of donors have undergone some radical reconsideration. In a growing number of fields within the voluntary sector, control of revenue is being decentralized from nonprofits (and their professional staff) to donors (Brandt 1990; Hall 1992;
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Lenkowsky 2002). Elite givers, for example, are no longer entrusting community foundations to distribute contributions based on local needs, but are instead setting up their own donor-directed funds (Frumkin 1997; Salamon 2002). Similarly, for many religious denominations, congregants have ceased tithing to their local church, but are instead directing their gifts to a diverse assortment of translocal and special purpose groups (Wuthnow 1988; Hoge et al. 1996). Contributions to one of the most venerable of charitable institutions, the American Jewish Federation, increasingly come earmarked for particular causes and issues (McNamara 2000). In all of these cases, individuals are no longer donating to centralized and professional organizations through “checkbook philanthropy,” but are instead putting conditions or strings on their gifts.

Understanding the scope and nature of donor control is important for a number of reasons. Individuals' gifts compose almost 75% of all charitable contributions made in the United States, totaling over $188 billion in 2004 (Giving USA 2005). Making a donation is an integral part of American life: over two-thirds of all U.S. households reported making some kind of gift in 1998. When they do donate, individuals support a wide and assorted group of charities: nonprofit organizations that rely on philanthropic generosity constitute just under a one-tenth of the nation’s economy (Independent Sector 2001). Given such figures, it is crucial to comprehend the myriad dimensions of charitable giving, including the degree to which donors attach conditions to their contributions.

TOWARD A FIELD-LEVEL APPROACH TO DONOR CONTROL

The growing discretion of donors necessitates the sociological study of whether and when individuals engage in donor control. With one notable exception, the analysis of elite giving, this scholarship has not been concerned with the empirical issue of donor control. Two theoretical approaches to the study of charitable giving might be relevant here: the microlevel perspective and an emphasis on dyadic ties between funders and recipients.

The Microlevel Theory of Charitable Giving

The first perspective on charitable giving is what Sokolowski (1996) has called a “microlevel” approach. This framework focuses upon individual characteristics to explain patterns of philanthropy. Here, the donation of resources and time is “typically thought to be a personal, discretionary matter, rooted in American cultural individualism” (Eckstein 2001, p. 829). One body of research in the microlevel perspective has analyzed donors’
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demographic composition. These studies build a profile of those individ-
uals who donate or volunteer (Hodgkinson and Weitzman 1997; Inde-
pendent Sector 2001; Giving USA 2005). They then assess how demo-
graphic characteristics such as age, education, gender, income, race,
religion, and wealth affect the probability of giving and the rate of giving
(White 1989; Jencks 1988; Conley 2000; Steinberg and Wilhelm 2005).
The basic assumption underlying this demographic explanation is that
“belonging to a particular section of the population will predispose one
towards altruism” (Monroe 1996, p. 8).
Other scholarship employing a microlevel perspective has focused on
the question of motivation: why individuals make the decision to con-
tribute. In general, scholars have located these motives in either the eco-
nomic or the social realm (Cheal 1988; Kottasz 2004). First, charitable
giving has been framed as an economic act (Blau 1964), in that voluntary
behavior results from the rational calculation of individuals (Oster 1995;
Clotfelter 1997). These scholars seek to reconcile the apparently contra-
dictory act of charitable giving with the utility-maximizing model of ra-
tional choice theory. They do so by emphasizing that individuals make
donations in expectation of a return. In effect, individuals exchange a
charitable contribution for a material, emotional, or prestige-based benefit
(Arrow 1981; Rose-Ackerman 1996).
Maintaining a focus on motivation, other scholars have perceived char-
itable giving as an inherently social act. The typical example is that of
altruism or “giving to strangers,” as Titmuss (1997) defined the term.
Following Malinowski (1922) and Mauss (1954), the act of giving is not
motivated by tangible benefits for the individual but instead by societal
norms and obligations. In other words, charitable giving does not derive
from the exchange of material goods but instead from the social relations-
ships that it engenders (Simmel 1950). Reciprocity involves social or
moral obligations between givers and recipients, either between two actors
who exchange gifts or between the whole collectivity (Sherry 1983; Half-
penny 1999).
Despite the extensive scholarship devoted to identifying the determi-
nants of charitable giving, a microlevel perspective has typically focused
on explaining who gives and how much, rather than analyzing the role
of individual donors in the nonprofit sector or, more precisely, the scope
of donor control (Jencks 1988; White 1989; Hodgkinson and Weitzman
1997). The major exception has been the study of elite givers (Panus 1984;
Boris 1997). Elite donors, those individuals who donate large contribu-
tions, often make donations with conditions attached to them (Clotfelter
money, they usually want to retain control over where it goes.”
These scholars have disagreed as to what induces the act of designation.
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As with the study of charitable giving in general, researchers locate these motivations either in the economic or the social realm. In the first view, elites attach strings to gifts in order to benefit themselves (Hall 1992; Reilly 1995). Odendahl (1990, p. 245) concludes her analysis of elite donors by stating that, “contemporary American philanthropy is a system of ‘generosity’ by which the wealthy exercise social control and help themselves more than they do others.” In the second view, elites place strings on their contributions in order to benefit communities beyond their own individual interests (Silberg 1990; Ostrander 1995; Ostrower 1995; Schervish 2005). In her study of wealthy women, for example, Ostrower (1995) finds that some individuals earmarked their gifts based on larger understandings of ethnicity, religion, and gender.

A Dyadic-Ties Perspective on Charitable Giving

Recent empirical work has put in question the assumption that charitable activity is inherently individualistic. As Ostrander and Schervish (1990, p. 67) note, the microlevel focus on donors “ignores the ways in which recipients actively take part in defining what goes on in the world of philanthropy.” Therefore, a second body of literature has stressed the reciprocal and contextual nature of charitable giving (Ostrander and Schervish 1990; Schervish 1995; Sokolowski 1996; Alexander 1998; Wolfe 1998; Halfpenny 1999; Healy 2000, 2004). Drawing from literature within organizational theory, these scholars have focused on the reciprocal relationship between donors and recipients. In a central role between donors and beneficiaries, nonprofits serve as fundraisers: they provide the mechanisms through which individuals make contributions.

This body of research has worked to specify exactly how charitable giving is shaped by the reciprocal relations between funders and fundraisers. Whether individuals donate or not, for example, has in part been demonstrated to be determined by whether they are asked to do so by charities (Piliavin and Charng 1990; Schervish and Havens 1997). Fundraisers also possess specific strategies of solicitation that structure the categories and meanings of altruism for donors. Variation in nonprofits’ tactics accounts for differences in patterns of giving, irreducible to individual-level characteristics. In his seminal study of blood donation in the United States and Great Britain, for example, Titmuss (1977) found that

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3 Another body of literature has examined how social collectivities, rather than individuals, possess distinct patterns of philanthropic practices. Communities based on class (Eckstein 2001), geography (Hall 1992; Wolpert 1993; Schneider 1996), race and ethnicity (Diaz 1999; Smith et al. 1999; Fairfax 1995; Gallegos and O’Neill 1991), and religion (Wuthnow, Hodgkinson, and Associates 1990; Hoge et al. 1996) entail social norms and networks that produce particular modes of donor behavior.
a nation’s organization of blood collection was significantly related to the volume of blood being donated. Similarly, Chaves (1999) established that differences in patterns of individual contributions across denominations could not be understood by only looking at the microdeterminants of giving. Instead, denominations possess institutional modes of giving that specify its place and meaning for donors. Likewise, in an analysis of the causes of donor behavior, Sargeant (1999) highlighted the significance of nonprofits’ public discourse for subsequent patterns of individuals’ charitable practices.

A Field-Level Analysis of Charitable Giving

While the social relations theoretical framework does much to delineate the institutional context in which charitable giving occurs, an approach located at the level of the dyadic ties between fundraisers and donors cannot provide a fully satisfactory explanation of charitable giving. This relational perspective presumes the free and agentic abilities of nonprofit organizations to pursue their interests. While donors’ charitable practices are understood to be constrained by their social embeddedness, the activities of fundraisers are not. Yet, a wide and disparate assortment of sociological literature has demonstrated that organizations typically are restricted in their ability to gather funds and to achieve legitimacy. Nonprofits are limited in their attempts to pursue their missions by both internal restraints and by external challenges (Hannan and Freeman 1977; Meyer and Rowan 1977; Pfeffer and Salancik 1978; DiMaggio and Powell 1983, 1991).

Expanding the scope of investigation beyond the dyadic ties of individuals and nonprofits and to the organizational field allows us to capture the social embeddedness of charitable giving without supposing the autonomy and independence of fundraisers. Unlike the social relations approach, an analysis located at the level of the organizational field permits for an assessment of how and why fundraisers come to offer specific strategies of solicitation to donors and, in result, how and why donors make charitable gifts. An organizational field consists of “those organizations that, in the aggregate constitute a recognized area of institutional life; key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services and products” (DiMaggio and Powell 1983, p. 148). These actors constitute a network of social relations, governed by the distribution of resources and power and by a shared logic, composing one arena of social life (Warren 1967; Bourdieu 1977, 1990; Meyer and Rowan 1977; Fligstein 1990; DiMaggio and Powell 1983, 1991; Friedland and Alford 1991; Bourdieu and Wac-
quant 1992; Galaskiewicz and Bielefeld 1998; Fligstein 2001; Martin 2003).

The theoretical framework of the organizational field brings a historically grounded concern for the composition and dynamics of the field to understanding why and how its members act in the ways that they do. Actors are not free to pursue their self-interest in an unfettered manner and, furthermore, some proponents of the field-level approach have put in question the premise of self-interest (Meyer and Rowan 1977; DiMaggio and Powell 1983). As Swedberg (2004, p. 6) notes, an organizational field is a “distinct area of social space, in which all the relevant actors are influenced by the overall structure.” Bourdieu (1991), for instance, uses the case of the religious field to delineate how its participants, including priests, prophets, and laity, are constrained in the pursuit of religious legitimacy by the distribution of various types of capital, both material and symbolic, across the field. Through a longitudinal analysis of the American economy, Fligstein (1990) shows how changing “conceptions of control” in the field of industry altered the organizational form of corporations over the last century, regardless of the demands of the market.

In the case of charitable giving, an organizational field consists of the structure of relationships between donors, fundraising organizations, institutional actors such as governmental bodies, gatekeepers, watchdog organizations, and recipients/clients (Gronbjerg 1993). Both the charitable practices of donors and the tactics of fundraisers occur within and are influenced by the composition and dynamics of the organizational field. It is not only that donors face opportunities and constraints from fundraisers; it is also that fundraisers themselves face opportunities and constraints posed by the larger field in which they are located. The structure of the organizational field determines the strategies of solicitation offered by nonprofits to donors, shaping the extent of donor control.

THE CASE: WORKPLACE CHARITY AND DONOR CONTROL

My field-level analysis of donor control is located in the study of workplace charity. The field of workplace charity constitutes a critical lens for an understanding of philanthropic practices. Workplace charity provides an important vehicle for individuals’ charitable giving: almost one-half of donors say they make contributions because they are asked to do so at their place of work (Hodgkinson and Weitzman 1994). Taken together, employees’ donations constitute a considerable source of resources. In 2001 alone, workplace giving in the United States totaled over $4.1 billion
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(Salamon 1999; National Committee for Responsive Philanthropy 2004; UWA 2003).4

Workplace charity occurs when work organizations contract with a single federated fundraiser, usually the local United Way, to canvas employees for a charitable gift.5 Workers’ contributions are collected by the work organization employer and given in a lump sum to the local United Way. The United Way, composed of paid professionals as well as volunteers, distributes these funds to its membership of agencies, historically consisting almost exclusively of large and traditional nonprofits such as the Salvation Army, Catholic Charities, and the Boy Scouts. Member agencies, in exchange for an unrestricted annual allocation, must meet certain standards of financial and administrative management (Brilliant 1990).

This model of workplace charity was formed in the Progressive Era by local elites and social service professionals. These groups aimed to reduce multiple charitable solicitations of individuals and to organize the delivery of social services. Influenced by the popular concept of scientific efficiency, they conceived the United Way, then called the Community Chest, as a viable organizational form. The Community Chest centralized the collection and distribution of charitable contributions within one administrative entity for the local community. The organizational model of the Community Chest diffused from Cleveland in 1913 to over 2,000 other cities across the nation. This is the structure that has been in place, largely without change, for most of the 20th century. Until the 1970s, the equation of workplace charity with a gift to the United Way was not seriously challenged (Seeley, Junker, and Jones [1957] 1989; UWA 1977; Brilliant 1990).6

Workplace charity underwent a transformation by the end of the 1970s, when the traditional model was questioned and a move toward donor control began. Increasingly over the last two decades, the United Way has allowed donors to name the recipient of their gifts. Donors may “earmark” or “designate” their contributions to an issue or nonprofit orga-

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4 This figure for 1999–2000 represents the last year for which data on both United Ways and alternative funds is available (UWBA 2001a).
5 As a term, “United Way” in this study encompasses three distinct but interrelated entities. First, the “United Way” refers to each of the local United Ways that independently raise funds in their community. “United Way” is used to denote the United Way of America, a trade association that provides policy guidance to local United Ways in return for a percentage of their annual revenue. Finally, “United Way” is employed to describe workplace charity as a whole and encompasses local United Ways and the United Way of America.
6 In the post–World War II period, health research agencies attempted to gather workplace funds through separate campaigns. With the support of firms, however, the United Way co-opted them into a single unified campaign (Brilliant 1990).
nization(s) rather than let the United Way decide. While the United Way remains the sole mechanism for fundraising and resource distribution, it does not decide where all of the funds go—donors can do so. By the late 1990s, almost 90% of all United Ways permitted some form of control to donors, and today, in most cities, workplace donors are able to designate their recipients (UWA 1999).

The move toward donor control possesses important ramifications for workplace charity. By its very nature, this new model of workplace charity threatens to eliminate the centralized presence of the United Way, instead creating a “free market” of competing nonprofits (Glaser 1994). But the move also has implications for the nonprofit sector as a whole. For one, it increases the amount of money raised in the workplace. Studies to date suggest that when donors are able to choose the recipient of their gift, more individuals contribute and make larger gifts (Polivy 1985; Millar 1991). Donor control also widens the population of nonprofits that might receive workplace funds. The United Way has tended to distribute funds to a narrow and conservative set of charities (Polivy 1988; Rose-Ackerman 1988). Once donor choice is allowed, many of the previously excluded nonprofits are able to access workplace funds (Cordes, Henig, and Twombly 1999).

While a United Way policy of donor control holds consequences for workplace charity, these implications have not been uniformly experienced across locales. While most individuals have the ability to designate their gifts, they have not done so in equal numbers in different places. While donor control theoretically allows individuals to earmark their contributions, in practice they earmark at varying rates. For all United Ways that offer donor control, the average rate at which donors attach strings to their gifts is just less than one-fourth of all contributions. However, there is a vast disparity between the minimum and maximum rate of designation. In some cities, even though individuals are permitted to earmark their contributions, they only do so with as little as 2% of all gifts. In contrast, in other cities, donors are designating every single contribution that is made in the workplace (UWA 1999).

The task of this article is to account for variation in donor control in workplace charity. Analyzing differences in employees’ practices across locales offers potentially broader insights into the recent phenomenon of donor control. Why do some donors exercise choice, while others do not? To address this question, I focus upon two contrasting cases: San Francisco

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7 In contrast, Witty (1989) concludes that donors may express a desire to earmark, but campaigns without choice actually result in higher rates of giving.

8 In these communities, the entire labor force is employed by the federal government, whose workplace campaigns only accept designated gifts (UWA 1999).
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and Chicago. As I will discuss in more detail below, donors in both San Francisco and Chicago possess the option to designate, and donors in the two cities share important characteristics. Yet, workplace donors in San Francisco earmark their gifts at a much higher rate than their counterparts in Chicago. My main goal is to explain this difference, thereby offering a sustained examination of donor control.

DATA AND METHODS

In order to provide a detailed and historical comparative analysis of donor control, I chose the two cities of Chicago and San Francisco to represent the range of variation in rates of designation; as such, they represent extremes on a continuum of mixed and changing cases. By comparing these two cases, I employ the methodological approach of the “method of difference” (Mill 1950; Skocpol 1984), seeking to identify that particular set of causes that leads to variation in the dependent variable of interest: the extent of donor control.

Two different techniques were employed to select the cases under analysis. The selection of the case of Chicago emerged from preliminary research that I conducted on the United Way in the greater Chicago area. The city of Chicago represented a case of a city where donors are permitted to designate, but they do so at a low rate. The technique of purposive sampling was employed for the selection of the other case study: a city in which donors earmark their workplace gifts at a high rate. Through interviews with participants in the field of workplace charity, it became apparent which cities displayed this pattern of giving. The case of San Francisco was selected because of prior knowledge of the region and because of difficulties concerning access to the other United Ways.

I employed multiple methods to pursue a comparative investigation of the phenomenon of donor control in the two cities. For a historical perspective on workplace charity, I drew from a variety of sources that identify the origins and growth of workplace charity (Seeley et al. 1989; UWA 1977; Brilliant 1990). To gather information on the two case studies, I conducted participant observation at the two United Ways. Among other activities, I attended meetings, participated in the training of staff and volunteers, and visited local workplaces when fundraising campaigns were occurring. I also conducted interviews with members of the local field of workplace charity in both cities. For the case of the United Way in San Francisco, I interviewed twelve current staff members, three past staff members, three current board members, three other corporate elites, and representatives from two member agencies. For the case of the United Way in Chicago, I interviewed ten United Way current and past staff
members, four current and past members of its board of directors, two long-time volunteers, five representatives of corporate elites, and representatives from four member (client) agencies. I used the method of snowball sampling to determine my sample, being careful to include respondents who held a range of positions and views. I also interviewed representatives from 18 rival federated fundraisers, at the local, state, and national levels, that gathered workplace donations in the two cities. I asked these respondents questions concerning the history of their professional careers and their involvement with workplace charity, the major challenges faced and changes experienced by their organization during their time of affiliation, the causes of donor control and its consequences for workplace charity, the future of workplace charity, and the purpose of workplace charity. In many interviews, these semistructured questions served as a springboard for a discussion of broader issues and concerns.

In addition, I gathered historical documents from the relevant nonprofit organizations in both cities, including internal reports, planning documents, and fundraising material. I also relied on secondary sources, including media publications, scholarly research, and government data. I analyzed the qualitative data generated by these mixed methods using the technique of grounded theory, which permits theoretical implications to emerge through the ongoing analysis of findings during the process of data collection (Glaser and Strauss 1967).

DONOR CONTROL IN CHICAGO AND SAN FRANCISCO

Variation in donor control is exemplified in workplace charity by the two cases of San Francisco and Chicago. In San Francisco, there is high designation: donors determine the distribution of the majority of workplace donations. In 1999–2000, the last year for which data was available, workplace donors designated 83% of their total gifts made through the United Way of the Bay Area (UWBA) (UWBA 2001a). By contrast, in Chicago, donor choice plays a far more limited role in workplace charity. Donors earmarked around 19% of workplace gifts made through the United Way/Crusade of Mercy (UWCM) in 2001–2 (United Way in Chicago 2003). This variation in the extent of donor control has created other important differences between the two cases. The mission of the United Way in the two locales differs dramatically. In San Francisco, the UWBA is organized around the assumption of donor control. The stated mission

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9 The composition of the sample of respondents for the two cases differed given that much of the salient events in the case of San Francisco occurred in the 1970s and 1980s, while those in the case of Chicago occurred in the 1990s.

10 More recent data on the rate of donor control in either city was not made available.
is to “partner with contributors to build healthy and safe communities” (UWBA 2000, p. 1). As George Gossing, a senior staff member, explained to me: “You can see, philosophically, we start at donor designation.” The much lower rate of designation in Chicago means that the UW/CM retains a central and defining role in the field of workplace charity. Its mission is to provide a “safety net” for the local community.

The second difference between the two sites has to do with each United Way’s relationship to the local nonprofit sector. Historically, the United Way in San Francisco distributed funds to about 200 agencies, but due to the high rate of donor designation, over 7,000 different charities in the Bay Area received workplace revenue in 2000 (UWBA 2001a). By contrast, in Chicago, the majority of workplace funds are distributed by the United Way to just over 160 affiliated charities (United Way in Chicago 2003).

What explains the significant difference in donor control between San Francisco and Chicago? More broadly, what determines whether or not donors will attach conditions to their gifts? Popular and scholarly accounts of donor control in workplace charity have offered a microlevel explanation for its historical emergence. In this discourse, the newly emergent demands and desires of individual givers best account for why donors designate. While employees once were content to entrust their contributions to United Way, most now are seen to wish to choose which nonprofit organizations should receive their gifts (White 1989; Hall 1992; Walter 1997). The United Way of America, for example, concluded that one of its central challenges has been “more active and sophisticated donors demanding more choice in designating recipients of support.” A national study of philanthropy also concluded that new donors seek a type of personal and immediate relationship with beneficiaries that the “United Way [traditionally] does not offer” (Barry and Manno 1997, p. 87). Or consider the explanation of one United Way volunteer in Chicago for the rise of donor control: “I think it’s just a trend in our general society altogether, people and donors of all sizes want to have control. It’s wonderful in that sense, for example, that women really will stand up and say I want to support women’s issues.”

At first glance, the differences in donor control between Chicago and San Francisco would appear to be easily explained by such a microlevel focus. After all, San Francisco is considered the home of identity and interest politics (Castells 1983; Armstrong 2002; Boyd 2003), while Chicago is often perceived as a staid Midwestern town, one heavily working

11 All names employed here are pseudonyms.
class and Catholic (Mayer, Wade, and Holt 1969; Duis 1976). It would be easy, therefore, to view difference in rates of designation as reflecting differences in donor demands. Individuals in San Francisco would direct their gifts to nonprofits concerned with the environment, women’s issues, and so on. In contrast, those in Chicago would be content to entrust their contributions to a centralized nonprofit—the United Way—that disperses their gifts to the local community.

Two serious problems exist with this explanation. First, a microlevel approach cannot satisfactorily account for an initial similarity in patterns of giving after each United Way’s adoption of a policy of donor control—in San Francisco in 1978 and in Chicago in 1993. The similarity is striking and cannot be ignored. In both cities, as shown in figure 1, as soon as donors became able to earmark their gifts, they did so at similarly increasing rates. In both San Francisco and Chicago, it took several years for donors to designate 20% of their gifts. It is only after this point in time, when donors in both cities were designating, or earmarking, one-fifth of their gifts, that the rates of this practice diverged. In San Francisco, the rate of designation jumped sharply while in Chicago, it stagnated. This is clear evidence that the supposed differences in donors’ identities or interests are not actually that different. It suggests that across the two cities, at least to start, individuals’ interest in donor control was the same.

Second, an examination of the demographic characteristics of the cities confirms that donor preferences are strikingly parallel across the two cases. Table 1 provides a picture of residents in San Francisco and Chicago in 1990, a historical midpoint for the two cases under analysis. According to the microlevel approach, differences in the demographic composition of San Francisco and Chicago are expected to explain variation in patterns of donor designation. By all accounts, the United Way produces collective goods for only a particular constituency, that of white, middle-class America (Polivy 1988; Rose-Ackerman 1988). In result, donors who hold particularistic interests and identities are not “served” by the United Way and hence are expected to exert donor control (Hall 1992). But, the profiles of the two locales are far more similar than dissimilar. In both cities, the pool of donors is racially and ethnically diverse, young, and well educated: all variables shown by recent research to be the key drivers of individual

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13 Elsewhere, I show that both United Ways adopted a policy of donor choice not only when they confronted donor demand, but also when compelled to do so by a crisis of legitimacy in their institutional environment (Barman 2006).

Donor Control

Fig. 1.—Divergence in donor control across San Francisco and Chicago

attitudes toward giving and, more specifically, the tendency of donors to earmark their contributions, particularly in the workplace (Carson 1983; White 1989; Witty 1989; Hoge et al. 1996). This second finding also suggests that differences in donors’ demands are insufficient to explain variation in donor control and that an alternative theoretical approach, one that looks beyond the demands and desires of individuals is necessary.

Similarly, two other possible explanations for variation in donor control also can be eliminated. First, differences in the composition of the local economy might account for differences in rates of earmarking; that is, past research has shown that the industrial structure of a metropolitan area affects its nonprofit sector in a variety of ways (Booth, Higgins, and Cornelius 1989; Brilliant 1990; Gronbjerg and Paarlberg 2001). However, as shown in table 1, the economies of the two cities were structured in a parallel manner during much of this time period, with an equivalent presence of government, manufacturing, and service-sector employment.

Changes in donors’ attributes over the entire time period in question also cannot explain the divergence in patterns of earmarking across the two cities. An analysis of residents’ characteristics in San Francisco and Chicago from 1980 to 2000 shows that their demographic composition altered in a comparable fashion over this time period. While both cities became more racially and ethnically diverse, the percentage of residents in each city with bachelor’s degrees or higher, age 44 years or younger, or living below the poverty level all stayed markedly stable (U.S. Bureau of the Census 2000).

Note that the United Way of the Bay Area does not include the Silicon Valley in its catchment area.
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TABLE 1
THE FIELD OF WORKPLACE CHARITY IN SAN FRANCISCO AND CHICAGO (1990)

<table>
<thead>
<tr>
<th>Donors:</th>
<th>UWBA</th>
<th>UWCM</th>
</tr>
</thead>
<tbody>
<tr>
<td>% non-Latino white</td>
<td>52.95</td>
<td>58.1</td>
</tr>
<tr>
<td>% education of four-year college or more (25 years old and older)</td>
<td>30.9</td>
<td>24.6</td>
</tr>
<tr>
<td>% 44 years old and younger</td>
<td>69.2</td>
<td>70.1</td>
</tr>
<tr>
<td>% below poverty level</td>
<td>8.75</td>
<td>11.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economy:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>% manufacturing</td>
<td>10.8</td>
<td>9.3</td>
</tr>
<tr>
<td>% high income service</td>
<td>38.6</td>
<td>39.2</td>
</tr>
<tr>
<td>% low income service</td>
<td>50.4</td>
<td>51.4</td>
</tr>
<tr>
<td>% employed by federal government</td>
<td>5.6</td>
<td>3.1</td>
</tr>
</tbody>
</table>

* Figures reported under “Economy” represent % of total firms.

Similarly, differences in rates of designation do not result from the order in which the United Way in San Francisco and in Chicago faced increased rates of earmarking. It might be expected that the two United Ways varied in their understanding of the consequences of donor control. However, even though the United Way of the Bay Area was the first United Way in the nation to adopt a policy of donor choice, the organization’s members were well aware from the start of the multiple dangers involved in this strategy of solicitation, including a loss of flexibility on the part of the United Way and a diminution in allocated funds for United Way agencies, culminating in the possible end to affiliation with member agencies (UWBA 1978b, 1978a). Thus, the two United Ways did not substantively differ in their understanding of the implications of donor control.

The Organizational Field of Workplace Charity

A field-level approach to donor control is employed to explain the outcome of interest: the sharp divergence in rates of earmarking across the two cases after a similar period of slow growth in donor designation. Incorporating a concern for the organizational field expands the empirical scope of analysis beyond the dyadic relationship of donors and the United Way to the larger context in which donor control occurs. As I show below, donors’ patterns of designation in the two cities were determined by variation in the structure and dynamics of the local fields of workplace charity. These different configurations shaped the strategies of solicitation that the United Ways offered donors and, ultimately, the rate at which individuals earmarked their workplace gifts.

I begin with a broad analysis of the main actors constituting the or-
ganizational field of workplace charity. I then compare the field of workplace charity in both cities at a parallel point in their trajectories: that historical moment at which the two United Ways faced growing designation—in the late 1980s for San Francisco and in the late 1990s for Chicago, showing that the configurations of these two fields differed significantly. Finally, I specify how the two United Ways responded to their field by providing very different strategies of solicitation, accounting for the subsequent divergence in the extent of donor control across the two cases.

In workplace charity, the main actors constituting the organizational field are multiple, including not only local United Ways but also firms, rival fundraisers, nonprofits, and the community. First, firms in the for-profit, nonprofit, and governmental sectors have counted on the United Way to provide a cost-effective way of raising funds. They serve as gatekeepers: the senior management of a workplace decides whether rival nonprofits may participate alongside the United Way (Polivy 1988; Brilliant 1990). In turn, the United Way has provided firms with the image of good and involved community citizens. Rival fundraisers are federations of nonprofits that seek to compete with the United Way for donors' contributions. Independent nonprofits may seek to gather funds in the workplace but also may receive contributions as a result of donor designation. Finally, the community is involved in workplace charity: citizens/clients make use of services and local groups strive to have the United Way incorporate their demands.

But, while these are the actors in any local organizational field of workplace charity, there can also be variation across locales. Here, in the case of donor control in San Francisco and Chicago, two points of variation were most crucial: the institutional and the ecological composition of the local fields. The combination of these two factors produced a particular environmental setting in which each United Way faced specific constraints and opportunities and, ultimately, either encouraged or discouraged donors from earmarking.

The first dimension of the field concerns the institutional logic of the field; that is, the shared systems of understandings that orient social action (Friedland and Alford 1991; Dobbin, Sutton, Meyer, and Scott 1993; Thornton and Ocasio 1999). In workplace charity, the cultural models of philanthropy held by members constitute the “organizing principles” (Friedland and Alford 1991, p. 248) of the field of workplace charity. A cultural model, in a general sense, refers to a shared conceptualization of a set of goals and the legitimate means by which to achieve them (Geertz 1973; Lamont 1992). Here, the cultural models of importance are those held by the corporate elite; they include understandings of the purpose of philanthropy and the concordant relationship among donors and re-
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recipient organizations. Past research has confirmed that corporate philanthropy is strongly influenced by a locale’s “distinct climate of giving” (Useem 1988, p. 83) of the locale (McElroy and Siegfried 1986; Galaskiewicz 1985, 1991, 1997; Himmelstein 1997; Guthrie 2003; Marquis, Glynn, and Davis, in press). These regional cultural models of philanthropy differ in systematic and important ways: scholars have provided typologies of motives of firms’ charitable behavior and their effect on the amount and recipients of giving (Burlingame and Young 1996; Sinclair and Galaskiewicz 1997).

In the case of workplace charity, two opposing models of philanthropy can be found: a centralized model and a decentralized model. A centralized model of philanthropy is premised on the principles of rationalization and efficiency; suggesting that knowledgeable and objective actors (i.e., social service professionals) should organize charitable activity (and hence giving). This is the cultural model that has been dominant for much of the 20th century in the nonprofit sector (Lubove 1965; McCarthy 1989, 1991; Hall 1992; Clotfelter 1997). A decentralized model of philanthropy is premised on the needs of donors. The purpose of philanthropy is to realize the varied and diverse philanthropic goals of resource providers. Consequently, donors accord less status to intermediaries between themselves and beneficiaries. Over the last two decades, this cultural model has become increasingly common with the growth of “strategic philanthropy” in the for-profit sector. Strategic philanthropy entails a shift in corporate giving from a narrow and predictable set of community-oriented causes, like the United Way, to a notion of enlightened self-interest, in which firms contribute to a range of specific causes based on their bottom line (Himmelstein 1997; Marx 1997; Saiia, Carroll, and Buchholtz 2003).

The second dimension concerns the ecological composition of the field; that is, the amount and scope of competition affects nonprofit activity (Steinberg 1987; Tuckman 1998; Barman 2002; Young and Salamon 2002). In the case of workplace charity, each United Way faces a number of rival organizations that vary in their number and strength across locales. Currently, over 150 non–United Way federated fundraisers exist across the country, operating at the local, state, or national level. These competitors, typically called alternative funds, consist of independent charities that have come together under one banner or name to solicit for workplace funds. Alternative funds exist only to gather employee donations; otherwise member nonprofits separately collect gifts from other sources, such as individuals, foundations, and the government. Emerging from the new social movements of the 1960s and 1970s, examples of alternative funds include black funds, social action funds, women’s funds, environmental federations, health funds, and others. By 1997, over 10% of Fortune 500
companies allowed multiple fundraisers to participate in their workplace campaigns (National Committee for Responsive Philanthropy 1998).

Field-Level Variations between San Francisco and Chicago

In order to account for variation in rates of designation, I turn to an assessment of the field of workplace charity in both cities at a parallel point in their trajectories: that moment at which the two United Ways faced growing interest in designation. This comparison shows that the composition of the organizational fields in San Francisco and Chicago differed from each other in two important ways just prior to that moment of disjuncture in rates of earmarking.

First, differences in donor designation between San Francisco and Chicago derived from variation in the institutional composition of the field of workplace charity. Business elites in the two cities possessed two contrasting models of philanthropy. In San Francisco, many in the corporate community held a decentralized model of philanthropy, in which the purpose of philanthropy is to realize the charitable goals of donors—be they firms or employees. Firms in the Bay Area, from the late 1960s to the present, have consistently tended to privilege the desires and demands of donors over the needs of the community as articulated by social service professionals. Throughout the 1960s and 1970s, for example, many large firms in the Bay Area distributed their philanthropic contributions (as well as those of their employees) through “in-plant federations” rather than through the United Way. For these companies, including Crocker Bank and United Airlines, a committee of employees decided which non-profits would receive charitable funds, based on the committee’s understanding of the interests of the corporation and its workers (UWBA 1978a; Brilliant 1990).

A view of Bay Area corporate philanthropy as centered on donor demands is expressed by not only workplace participants but also scholars of the region. Jean Beaman, a senior United Way executive for over a decade, explained the relationship between the United Way in San Francisco and local firms. She noted that, for the United Way, “the only way to keep up a relationship with bigger companies was to try and offer more than just health and human services. They weren’t really interested in those kinds of things, and that made it really tough for us because that’s really what we were supposed to be doing as a United Way.” Comments of this nature, expressing frustration with the philanthropic goals of local businesses, were frequently made by United Way members when asked to identify the fundraiser’s main challenges. In addition, researchers have found that institutional donors in the Bay Area generally tended toward more innovative patterns of funding than in other large cities.
(Williams 1990; Tepperman 1995). In his comprehensive survey of philanthropy in the city, for example, Shepherd (1977, p. 1020) found that corporations and foundations in San Francisco possessed a unique pattern of giving; they “spread the money out more” than elsewhere.

In contrast, local corporate gatekeepers in Chicago increasingly held a centralized model of corporate philanthropy over the time period in question. In this view, the purpose of corporate philanthropy—be it through firms’ giving programs or their employee campaigns—was to assist the local “community” through reliance on professional intermediaries (Cmiel and Levy 1980). This view of the charitable practices of Chicago firms was articulated by members of the field of workplace charity. When asked to explain the relationship of the United Way in Chicago to local firms, Jocelyn Harris, a decade-long employee at the UW/CM, explained, “We’ve been really lucky. Big companies here have always tended to be large supporters of United Way.” Similarly, a senior executive at a Chicago-based firm and a longtime volunteer at both the local United Way and at the United Way of America noted, “I have been told for years by people outside Chicago that the corporate leadership and the involvement cooperatively of the corporations is stronger here than elsewhere.” Scholars have also proffered this interpretation of corporate philanthropy in Chicago. In his study of regional variation in philanthropic “technologies of collective action,” for example, Hall (1992) concluded that Chicago’s business leaders have historically demonstrated a technology of “federationism,” in that they pursue the common good through a commitment to centralized entities such as charity federations and community foundations.

Company support in Chicago for the United Way also had been emphasized as part of a larger effort at civic revivification by the local corporate elite (Haider 1997; Roeder 2000). In the early 1990s, the business community had sought to address the consequences of the changing economy for the city of Chicago. The city’s Commercial Club embarked on a civic renewal plan, called “Metropolis 2020” that attempted to counter the negative repercussions of the local economy’s transition from manufacturing to financial services (Johnson 2001). To that end, the Commercial Club took an active interest in workplace charity and became committed to the United Way’s traditional role of community planner (UWCM 1998). Overall, Metropolis 2020 led to a renewed commitment by Chicago’s business elite to a centralized model of philanthropy, most clearly expressed in changes in the trusteeship of the United Way. Now,

17 Prior studies have shown the importance of business coalitions for the economic, political, and social vitality of a region (Judd and Parkinson 1990; Galaskiewicz 1991; Kanter 2000)
corporate executives took over many senior positions, including that of the UWCM president.

A systematic measure of these two cultural models of philanthropy in the two cities can be found in an analysis of the focus of corporate giving programs of Fortune 500 firms headquartered in each city in 1994 (Fortune 1995).¹⁸ Recent scholarship has shown that when a corporation’s headquarters are in a city, that organizations exert a particularly strong influence on local patterns of corporate philanthropy (Hughes 1994; Kanter 1997). In 1990, those 11 corporations headquartered in San Francisco directed their charitable funds to a total of 15 different charitable targets. However, only three of these 11 firms made corporate donations to the United Way or, synonymously, to the “community.” Instead, Bay Area companies directed their gifts to a variety of particularly narrow and specific interests, such as forestry education or family violence, embodying the philosophy of strategic philanthropy. In contrast, consider the philanthropic goals of a parallel number of randomly sampled Fortune 500 corporations headquartered in Chicago in 1990. While these firms range in the scope of their interests and concerns, as in the Bay Area, nonetheless, a sizable number of them demonstrated their commitment to a centralized model of philanthropy: a full two-thirds listed either “the community” or the United Way as a recipient (Public Management Institute 1990).

The extent of the local elite’s commitment to a centralized model of philanthropy also is expressed in the composition of the local United Way’s board of directors in San Francisco and Chicago. Past scholarship has shown that the membership of a nonprofit’s board of directors reflects its level of prestige in the community (Gronbjerg 1993; Bradshaw, Murray, and Wolpin 1996). In her seminal study, Abzug (1996) analyzed the elite status of boards of directors in six major cities across the United States. Employing listings in Who’s Who in America as her measure of prestige, she found that the mean percentage of board members was over 15%. In marked contrast, only 10% of the UWBA’s board was made up of members of Who’s Who in America (1998), reflecting the lack of interest by local corporate leaders in a centralized model of philanthropy. Elite participation in the Bay Area’s United Way was also far lower than that in Chicago. In Chicago, following the establishment of Metropolis 2020, the percentage of the UW/CM’s board listed in Who’s Who constituted over one-third of all members in 1998 (Who’s Who in America 1998), dem-

¹⁸ These firms were headquartered in each United Way’s geographical region in 1994 (Fortune 1995). The philanthropic goals of these firms were taken from Corporate 500: The Directory of Corporate Philanthropy 1990 (Public Management Institute 1990).
onstrating the support of the corporate community for a centralized model of philanthropy.19

This difference in the institutional logics of the fields across the two cities contributed to a second source of variation in the composition of the two fields of workplace charity. In workplace charity, the dominant cultural model of philanthropy influences the ecological composition of the field by establishing the legitimacy of different types of fundraisers. As gatekeepers, firms decide which federated fundraisers, whether only the United Way or also alternative funds, will participate in their employees’ charitable drives. They do so by extending their own models of philanthropy to their workplace campaigns. Many companies see their employee giving campaigns as a reflection of their philanthropic values. As one long-time participant in workplace charity explained to me, most firms “have a very in loco parentis kind of attitude about what kind of charities their company will be affiliated with, and that includes what charities they’ll allow their employees to support in payroll deduction.”

When a centralized model of philanthropy is dominant in the field, firms tend to not only distribute their own charitable contributions through the United Way but also to apply this principle to their employees’ workplace campaign as well. Similarly, as the equation of corporate philanthropy with the United Way has disintegrated with a decentralized model of philanthropy, so too has the equation of employee giving with that same recipient. Having embraced the principle in their own corporate giving programs, firms are often likely to extend the principle of decentralized philanthropy to their employees as well. In all, both the United Way and alternative funds have faced varying amounts of accommodation or antagonism on the part of the city’s corporate elites toward their solicitation of local employees.

In consequence, the two United Ways in San Francisco and Chicago faced contrasting ecological environments; that is, varying amounts of competition from alternative funds. In the Bay Area, the local elite viewed philanthropy as a mechanism for donors (either individuals or firms) to realize their own interests. Therefore, companies’ relationships with the United Way in San Francisco were more flexible. While local corporations might affiliate with the United Way to gather contributions, many were not adverse to and even saw the benefits of an open campaign with multiple participants. As a result, the UWBA’s rival federated fundraisers

19 In both cities, representatives from local corporations made up approximately three-quarters of all members of the United Ways’ boards of directors (UBWA 2001a; UWCM 2001). While the corporate community was equally represented among the two United Ways’ boards of directors, the relative prestige of those participants differed greatly, as measured by membership in Who’s Who.
were the strongest in the nation. By the mid-1980s, there were four United Way rivals in existence, including a black united fund, an environmental fund, a health research fund, and a social action fund. These federations were raising sums far in excess of those in any other city (National Committee for Responsive Philanthropy 1986). The total revenue for UWBA competitors in the late 1980s, for example, was greater than the revenue for Chicago-area rivals a decade later. At the time, these rivals were also participating in a sizable and growing number of workplace campaigns. Alternative funds had already successfully sued for entry into almost all public and semipublic sector campaigns in the Bay Area. They were increasingly efficacious in accessing private sector firms where, to quote one member of an alternative fund, “about 80% of workplace resources lie.” They successfully sought to convince local corporations of the benefits of an open and competitive employee campaign. By the late 1980s, over 50 companies, both large and small, had opened to United Way rivals (UWBA 1990; Stanford University 1992).

In Chicago, the United Way/Crusade of Mercy faced relatively less competition from rivals than the United Way in San Francisco. Although alternative funds in the region existed in similar numbers to those in the Bay Area, including an environmental fund, a women’s fund, a social action fund, a black fund, and a health research fund, they possessed a smaller and more limited revenue stream than those in the Bay Area.20 United Way rivals in Chicago gathered charitable contribution from primarily government agencies and nonprofit organizations. As representatives from these funds told me, they had had largely failed to convince firms in the private sector of the merits of a competitive campaign, a result of the corporate community’s embrace of a centralized model of philanthropy. When comparing the success of United Way rivals in Chicago to those in other cities, one respondent summarized, “Chicago is way, way, way behind. We’re way behind.” Similarly, the head of a rival fund described the situation in Chicago as being one where “a lot of companies keep their doors closed, and limit access to one organization. I know that it’s been much more difficult than in some other places.”

In the following, I turn to each city in narrative detail to show that, for the United Way, the particular configuration of the field of workplace charity resulted in a distinct set of external pressures. However, facing these challenges, the local United Way was able to negotiate within those constraints and dynamics in order to pursue its interests. In San Francisco, the United Way implemented two successive strategies that served to facilitate designation. In the case of Chicago, the United Way put in place

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20 In 1997, for example, these competitors had raised a total of less than $2 million (National Committee for Responsive Philanthropy 1998).
two simultaneous strategies intended to discourage donor control. These contrasting strategies of solicitation resulted in the sharp divergence in rates of earmarking by donors across the two cities after a similar period of slow growth in designation.

San Francisco and Donor Control

In 1978, workplace donors in San Francisco became able to designate their workplace gifts. Once a policy of donor control was adopted by the UWBA, a gradual but steady increase occurred in the rate of designation. By 1988, as shown in figure 2, earmarked gifts had risen to 20% or $8.8 million of the campaign total. However, beginning in 1990, Bay Area donors began designating their gifts at strikingly higher rates, culminating in over 80% of all gifts by 2000 (UWBA 2001). This sudden and continued rise in designation in San Francisco was determined by the United Way’s response to the specific configuration and dynamics of the local field of workplace charity.

For the local United Way in San Francisco, the composition of the field—with an ambivalent corporate culture and a high level of competition—resulted in one important challenge. As already noted, a growing number of companies were allowing United Way competitors to solicit for employees’ contributions. In result, the United Way in San Francisco feared that most, if not all, local firms would allow rivals to participate alongside it in their workplace campaigns. A 1987 internal report, for example, highlighted the growing access of rivals to workplace campaigns as one of the key challenges faced by the United Way (UWBA 1987). The negative consequences of an “open campaign,” as it is called, were multiple for the UWBA. The United Way estimated that 30%–40% of its market share would be diverted to its rivals (UWBA 1990). The UWBA, in addition, would lose its control over any undesignated gifts, which it otherwise received by default as the sole fundraiser. Third, it would lose the ability to structure the fundraising campaign to its own benefit if rivals participated in the process (UWBA 1986).

Faced with this threat, the United Way in San Francisco implemented the strategic response of “co-optation” in 1990 (Thompson 1967). Through a program called Project Share, it sought to enter into partnerships with other fundraising participants in workplace charity. The UWBA did so in order to prevent the growth of open workplace campaigns in the Bay Area. It attempted to regain its historical position as sole federated fundraiser for the local nonprofit sector. The following year, for example, the UWBA’s annual report stated that, “Through Project Share, we have engaged new groups to be part of our annual fundraising campaign, thereby expanding the “united” in United Way” (UWBA 1992, p. 1). Sim-
ilarly, according to Bob Sakamano, an executive of a rival federated fundraiser, “Project Share is motivated by a desire to maintain the [United Way] monopoly and, you see, its ultimate goal is to prevent side-by-side campaigns.” Or consider the opinion of Barbara Sanchez, a staff member at another competitor, who proclaimed that the UWBA’s partnerships “allow the UWBA to go to a corporation and say, no you don’t need to include other fundraisers. Look, we represent those causes as well.”

In order to keep its monopoly, the United Way of San Francisco encouraged almost all of its rival federated fundraisers and many local nonprofits to enter into a partnership. In exchange for withdrawing from private-sector campaigns, these organizations would be given a listing in the United Way’s fundraising material and would receive any gifts earmarked by donors. By 1992, the United Way in San Francisco had entered into partnerships with a total of 3,500 rival federated fundraisers and unaffiliated charities (Moore 1993, p. A19).

The co-optation of its rivals meant that the United Way largely regained its monopoly in Bay Area private-sector workplaces. This tactic possessed consequences for the rate of donor control by facilitating earmarking in two ways. First, co-optation meant that donors in San Francisco were now assisted in selecting the recipient of a designated gift. Previously, employees had been allowed to direct their gift to a local charity. But, for the United Way to honor that wish, donors had to state the name and address of the nonprofit. Past research on charitable giving has shown
that, while donors may have certain interests, only a minority is able to name a specific nonprofit that addresses those issues (White 1989). Similarly, John Ryan, the head of an alternative fund in Chicago, likened donor control to a political election, noting that “if you’re not on the ballot, you’re not going to win the campaign.” Now, as a condition of partnership, the United Way provided a list of its federated partners and their missions to each employee. Donors were thus facilitated in earmarking their contribution by having easy access to nonprofits that matched their specific charitable concern.

Second, co-optation broadened the scope of recipient nonprofits for donors. In the past, the United Way in San Francisco had limited earmarked contributions to agencies within the health and human services, forbidding designations to a variety of other types of charities (United Way of the Bay Area 1978a). However, the United Way had now co-opted many of the local, state, and national federated fundraisers and independent nonprofits operating in the Bay Area. Such a sweep meant that these member charities held a wide range of missions—from minority and ethnic associations, to women’s groups, to environmental associations. As a result, donors became able to designate their gifts based on a much wider range of identities and interests.

The adoption of a strategy of co-optation by the United Way, by facilitating the act of designation, resulted in a sudden rise in the rate of designation in the Bay Area. Previously, designation had risen slowly and gradually to about 20% of all gifts in 1987 and had stagnated there for several years. In the two years following the co-optation of rival nonprofits, the rate of earmarking in San Francisco doubled, from 23% of all gifts to 46% of all gifts by 1992.

A strategy of co-optation, however, by encouraging designation, also resulted in a second and more fundamental challenge for the UWBA. For all United Ways, the more contributions earmarked by donors, the less unrestricted revenue is available for their membership of agencies. The UWBA’s policy of co-optation, as we saw above, led to an increased rate of designation by donors, further amplified by the United Way of America scandal in that same year. In result, the United Way’s pool of unrestricted funds declined, dropping to 36% of all gifts by 1994. With less money under its control, the United Way had less money to allocate to its membership of Bay Area agencies. By 1994, for example, the UWBA’s member agencies had suffered an average 49% reduction in their share of donations (Moore 1994, pp. A1, A11). Donor designation of workplace gifts (coupled with a decrease in total revenue) made the United Way’s traditional organizational structure impossible to maintain.

Beginning in 1996, the UWBA altered its process of distributing its general fund of unrestricted dollars. It adopted a new method of resource
allocation called the Community Impact Fund. United Way’s member agencies, including the Salvation Army, the YMCA, and others, were no longer guaranteed the receipt of annual allocations. Instead, the UWBA would dole out unrestricted contributions as grants to local nonprofits based on an open and competitive process. The United Way’s adoption of the Community Impact Fund constituted a new strategy of solicitation available to Bay Area donors. Previously, individuals could direct their contributions to the Community Fund, to other United Ways, or to unaffiliated charities or alternative funds. The Community Fund had been the name for United Way’s traditional method of resource allocation, whereby donors were sending their contributions to the United Way’s membership of traditional agencies. Now, the UWBA replaced its old Community Fund with the new Community Impact Fund, distributing funds to selected recipients based on the new criterion of accountability. As defined by the United Way in San Francisco, accountability meant that nonprofits that received a grant from the Community Impact Fund held a responsibility to individual and organizational funders. One UWBA junior staff told me that accountability meant, “Let’s make sure that we’re making good on how we’re using the donors’ money.”

To demonstrate its accountability to donors, the United Way in San Francisco emphasized that it measured the outcomes of programs funded by the Community Impact Fund. Loaned Executives, the United Way’s corps of volunteer campaign managers, were trained to emphasize that “funded agency programs are reviewed annually to ensure that are providing measurable outcomes.” CEOs of participating firms received a thank-you card that stated the “Community Impact Fund provides funding to programs with a proven success rate” (UWBA 2001b). In 2000, the United Way assured the public that it was “fulfilling its trust with all donors through a performance review program of all grantees” (UWBA 2000).

By offering a new criterion of giving through the Community Impact Fund, the United Way’s method of resource allocation by accountability resulted in a second jump in the rate of donor control in the Bay Area (UWBA 1998, p. 2). Now, a larger percentage of individuals began designating their gifts to the United Way, as opposed to directing them to unaffiliated charities, through the category of the Community Impact Fund. The amount earmarked by donors had fluctuated between 55%–65% between 1993 and 1996. After 1996, there was a tremendous increase in the following two-year period. Total designation increased from 65%–79% of all gifts, roughly approximate to the most recent level of donor control in the Bay Area.
Chicago and United Way Control

Popular accounts provide a particular explanation for the rise of donor control: it is driven by the demands of a new generation. Today’s donors are quick to earmark their gifts based on their identity and interest-based concerns. The case of Chicago poses a problem for this interpretation. Donors in Chicago were allowed to attach conditions to their workplace gifts and, initially at least, they did so. As shown in figure 3, designated gifts expanded from 2% of all funds in 1992 to almost 19% in 1998–99, an over sixfold increase in less than a decade. However, at a certain point, the rate of earmarking stopped climbing and remained stagnant for the next three years. Here, the task is to account for why designation stagnated at the particular historical moment that it did.

As before, I argue that the low rate of designation in Chicago has been determined by the configuration and dynamics of the local field of workplace charity. In all, a supportive corporate culture and the relative lack of competition from other fundraisers posed a particular set of opportunities and challenges that were distinct to the case of Chicago. Foremost, the United Way in Chicago expressed worry over rivalry but were not as concerned about the growth of open campaigns in private sector workplaces as in San Francisco. Instead, the major constraint for the local United Way stemmed from the ongoing rise in the rate of designation (Barman 2002). Workplace charity in Chicago appeared to be on the same track as other cities such as San Francisco.

To respond to the challenge of donor control, the United Way in Chicago implemented two distinct but simultaneous strategies, each taking advantage of the composition of the local field. First, the United Way sought to convince donors of the benefits of an undesignated contribution to the United Way. It did so by offering a new narrative of giving: the local community as a deserving recipient of workplace donations (Barman 2006). Previously, individuals had possessed a number of choices: they could make an undesignated gift to the United Way, designate within the United Way (to particular issues such as health or children), or earmark their gift to an unaffiliated charity. Now, the United Way changed the beneficiary of an undesignated gift from being the United Way to being the Community Fund or, more simply, the “community” (UWCM 1999). Incoming staff and volunteers, for example, were told that the Community Fund ensured the well-being of the city of Chicago by distributing funds to member agencies so as to create a “safety net” or “social service infrastructure” for the local community.

In its new strategy of solicitation, the United Way/Crusade of Mercy attempted to rhetorically persuade donors of the merits of an undesignated gift to the Community Fund over that of an earmarked gift to a specific
nonprofit, cause, or issue. As new staff members were told in one training meeting: “The United Way needs to respect that individuals are giving their own income, but they also need to give evidence that the United Way is the best choice.” This new strategy of solicitation would dissuade donors from sending their contributions to other nonprofits for two interrelated reasons. First, most rival nonprofits—either individual charities or federated fundraisers—gather resources for a single issue, cause, or constituency. In contrast, an undesignated gift to the Community Fund was presented as helping everyone in the Chicago area, regardless of race, gender, or locale. One executive noted that the United Way tries to stress that a “designated gift to one’s own local community or neighborhood is not really beneficial because the problems in other regions of city, with other people, will come to get you. We try and show that a gift to the Community Fund eliminates that problem. It’s one gift and it solves all the problems everywhere.”

Second, the appeal of the Community Fund was premised on the United Way’s understanding of donors’ demands. In this view, donors are committed to a local model of community—the health and well-being of the city of Chicago—but do not possess a clear sense of how to best facilitate the public good. The Community Fund solved this problem for donors by allowing for one gift that would assist the whole of the community. A long-time UW/CM staff member expressed this understanding of donors. She stated, “Our donors are interested in designation, but they don’t
have time to make the decision, so if you can convince them that the Community Fund is a good thing, that’s what they’re going to give to.”

The United Way’s strategy was aimed at convincing donors of the merit of a gift to the local community over a gift to a single, particularistic issue or cause. The United Way sought to show that a gift to the local community, through the United Way, would prove the optimal choice for donors, providing greater results (in terms of the numbers of individuals served and geographical scale covered) than a gift to a single nonprofit representing a specific community of purpose. Donors, it was hoped, would choose “quantity over quality,” in the words of one United Way staff, when selecting the recipient of their gift.

At the same time, the UW/CM adopted a second and parallel strategy. It engaged in “resource diversification” (Gronbjerg 1993; Froelich 1999) by focusing its solicitation efforts beyond mass fundraising among rank-and-file employees. The UW/CM sought to encourage donations by a particular population of donors who were known to be committed to the United Way. Beginning in 1995, the United Way in Chicago turned to “leadership giving”—contributions of over $1,000 by the upper echelon members of local firms—as its new and optimal source of revenue. A focused leadership giving campaign commenced, with public recognition of donors and the creation of named levels of gifts.

For the United Way, the move to leadership giving was intended to prevent designated donations to unaffiliated agencies. Leadership gifts held appeal for the United Way because senior managers in the Chicago area, reflecting the local culture of philanthropy, overwhelmingly chose the United Way as the recipient of their gift. An executive at the UW/CM, for example, summarized this understanding of the nature of leadership giving. Speaking at a volunteer training meeting, he augmented the formal presentation by confiding to audience members that “we do well with leadership givers, who really have low rates of donor choice. What we need to, what we would like to do is extend this pattern of giving to all of our donors. That would be really nice.” During the training of new staff, the audience was told by another United Way speaker to encourage leadership giving, in part because there is “very little designation with leadership gifts.”

The United Way’s two strategic responses of emphasizing community and soliciting donations from corporate management were intended to minimize donor control by discouraging employees in Chicago from directing their gift to other federated fundraisers or nonprofits. Taken together, these two strategies have been largely successful. The rate of designation at the United Way/Crusade of Mercy displays a marked decline in the wake of the United Way’s tactics. Previously, designation had steadily increased from 1994 through 1999. After these two tactics were
implemented, the percentage designated by donors did not increase from the previous year. To the contrary, as shown in figure 3, the amount actually declined to 17.5% of total revenue in that year’s campaign and remained at about that level in the next two years as well (United Way in Chicago 2003). Or, as a senior executive at UW/CM concluded, “The strategic maneuver to see if the United Way can convince donors to give to the United Way has . . . been successful.”

This comparative and historical analysis of workplace charity has demonstrated that the extent of donor control is not simply explained by microlevel factors or by a relational perspective located at the dyadic level between funders and recipients. Variation in the level of donor designation does not solely represent differences in the tendency of donors to attach conditions to their gifts. Similarly, donor control is not satisfactorily explained by looking only at the strategies of solicitation offered by the fundraisers in Chicago and San Francisco. The two United Ways differed in not only the number and type of choices they offered to donors but also how they framed those choices, either facilitating or discouraging designation. However, these two fundraisers were not free to proffer any and all strategies of solicitation to workplace donors. Instead, they implemented these tactics in response to the larger structure and logic of the field: the meaning and implications of earmarking took on different connotations for the United Way given the larger institutional and ecological context in which they gathered resources. The outcome was variation in levels of donor control across the two cities.

CONCLUSION

This article extends the literature on charitable giving in two important ways. First, it broadens the scope of the empirical analysis of philanthropic behavior. Research on charitable giving by individuals has generally concentrated on identifying who makes gifts and for what reasons. With one notable exception—the study of elites—this body of work has not been concerned with the empirical issue of donor control; that is, whether and when funders attach conditions to their donations. Recent changes within the nonprofit sector, however, require the sustained analysis of this trend. As I have discussed above, events across various fundraising arenas show that control of charitable contributions is being decentralized from nonprofits (and their professional staff) to donors. The growing discretion and power of donors necessitates a study of why and when they attach strings to their gifts. Through the case of workplace charity, this study initiates such an endeavor.

This article also contributes to existing scholarship on charitable giving
by stressing the salience of a field-level analysis. A dyadic-ties approach expands upon a donor-centered explanation by focusing on the socially mediated nature of altruism, with attention given to interactions between donors and fundraisers. In this view, donors do not freely select the recipients of their gifts; instead, they are located in a relationship with nonprofits and, consequently, their charitable choices are fundamentally structured by the fundraisers’ strategies of solicitation. This essay extends the assumptions of this literature beyond the donor to that of the fundraiser as well, examining the institutional configurations in which donors and nonprofits are embedded. The dynamics and interactions of the local organizational field fundamentally structure the strategies of solicitation proffered by fundraisers to donors. Thus, the particular composition of the local field mediates the charitable choices that donors have and the choices they make.

Using the specific case of workplace charity, I sought to determine why two cities possessed contrasting rates of earmarking. At the field level, two points of variation were most crucial: the institutional and the ecological composition of the local environment. A fundraiser that faces a decentralized model of philanthropy and a densely populated field would be likely to encourage designation so as to prevent the further growth of competition. Alternatively, when a nonprofit faced a centralized model of philanthropy and a sparsely populated field, it would tend to discourage designation in order to maintain its centrality to the organizational field. By employing a field-level analysis, we are able to see why fundraisers may proffer strategies of solicitation that are not in their best interests but represent their best choice given the composition and logic of their particular field.

Further, a field-level analysis allows for the specification of one mechanism by which cultural models can affect the structure of and practices of members in an organizational field. The cultural models held by the firms as gatekeepers influenced donors’ practices through sequential stages. First, gatekeepers’ philanthropic preferences served to determine the viability of competitors within each field of workplace charity. The subsequent strength or weakness of rival fundraisers affected the United Ways’ selection of their strategy or strategies of solicitation. Fundraisers’ tactics then provided the context for individual givers’ ensuing decisions concerning donor control, thus reinforcing and reproducing the initial cultural schemes held by firms as the dominant actors in the local field.

As with all research derived from a comparative case study approach, the findings of this study are limited in their generalizability. The salient characteristics of the organizational field for understanding donor control may or may not differ based on the particular type or dimension of charitable giving being analyzed and the specific field of philanthropy under
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study. Further research is needed to specify the dynamics that shape variation in donor control across a range of fundraising sites. In all, this study shows that donors are embedded in specific field-level contexts that vary across locales, and particular configurations of these relationships determine the extent of donor control.

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