Study of business and industry's role in the support of higher education.

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Honors Paper

STUDY OF BUSINESS AND INDUSTRY’S ROLE
IN THE SUPPORT OF HIGHER EDUCATION

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# SECTION I

**EDUCATIONAL PUBLIC RELATIONS AND THE CORPORATION**

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There was a time when business and industry were content to make a profit and let the public fend for itself. Thankfully, those days are gone. Business and industry now feel a responsibility in their new roles as corporate citizens.

This new outlook can be summed up in the words of Paul Garrett, former vice president in charge of General Motors public relations: "...the doing, while important, is not enough. It must be supplemented by the saying--selling yourself and your organization to the people in your community as an asset to its business and civic life."

The job of selling the organization falls on the broad shoulders of public relations departments. Therefore, it is important to study the general area of public relations as it affects the corporation and education before the more specialized area of business and industry's part in the support of higher education can be analyzed.

It is important to realize that the corporation has become less interested in its self-interest and more concerned with developing a social consciousness. Education is one area in which its social consciousness has rested.

Why is the corporation interested in education?

1. The preservation of democracy depends on the educational institutions which uphold its principles. John Pollard, in Fund-Raising for Higher Education, has emphasized that a democratic society can not exist unless it maintains centers where knowledge and opinions are not governmentally and politically controlled.

2. Preservation of the free enterprise system depends
on educational institutions which teach its benefits. Corporations realize that the free enterprise system enables them to prosper. They rely upon colleges and universities to instill in their students a desire to maintain this order.

3. The corporation wants a continued flow of educated manpower from the campus to its offices and plants. Business and industry look to higher education for their future personnel. They are interested in the courses provided for them, the physical plant, caliber of faculty and administrative personnel. They must protect their stockholders' interest by providing future leaders who have been taught and trained well.

4. Corporations are interested in maintaining educational institutions' research facilities. New products and improved methods of conducting business and industry depend on research. Some corporations simply do not have the physical facilities in which to carry on research. Others cannot justify research expenditures to their stockholders. Therefore, they turn to America's colleges and universities for the research function.

5. Corporations have discovered that the five percent provision of the 1935 Internal Revenue Code benefits them while it benefits education. High levels of corporate earnings in recent years have put many corporations in a staggeringly high tax bracket. The five percent provision allows them to contribute up to five percent of their net income before taxes for educational, scientific and welfare purposes. Thomas Geiger, in The Manual of Corporate
Giving, has maintained: "Though corporate contributions to worthwhile educational, scientific, and welfare activities may be only one way of expressing the social responsibilities of business, the opportunities for mutual benefit through five percent activities undoubtedly exist for every corporation--large or small, nation-wide or local."

6. Corporations benefit from management and labor relations institutes or courses in colleges and universities. With these institutes and courses, education fills the gap between theory and practice for the corporations. Corporate personnel are given the opportunity to learn new techniques, discuss their problems with others in their field and take knowledge from the classroom back to the plants and offices.

7. Through colleges and universities, corporations get expert counsel from faculty specialists. Many corporation executives, though experienced and knowledgable, need the help of education in a consultation capacity. More companies are taking advantage of the wealth of educational faculties than ever before in the history of corporate endeavor.

We have seen why the corporation is interested in education. These points should be kept in mind during any consideration of public relations activities directed to the corporation by education. If corporations are interested in educational research facilities, for example, college public relations should give them news and views on research. If education does not do this, it can not hope to enlist the support of business and industry.

Just as the corporation is interested in education,
education has a strong interest in the corporation. The same principles apply in this case: the corporation must give education news about the areas in which education's interest is strongest. A supply of news, based on a knowledge of interest, provides a base for enlisting the support of education in corporate programs.

The reasons for education's interest in the corporation are as follows:

1. Corporations provide funds to meet many financial needs of colleges and universities. This point will be covered in detail later in the paper. However, it should be mentioned here that the tax benefit cited above works for the educational institution as well as for the corporation. This five percent provision has encouraged business and industry in their new roles as corporate citizens.

2. Corporations provide scholarships and fellowships which enable more talented people to attend college. Often these scholarships and fellowships are given to company employees or to members of their families. However, the current trend is to award many on the basis of need or ability or both, regardless of the recipient's connection with the company.

3. Educational institutions are interested in having business and industrial leaders serve on voluntary committees for higher education. These corporate leaders often inspire others to work for higher education. In addition, they can apply their business ability to the problems of higher education. After all, education has become big business with all the responsibilities and
and problems of big business. It must show a profit, turn out a product and keep the customer happy. Many educational administrators realize that having corporate leaders behind them improves their community relations.

4. Educational institutions want corporations to sponsor more internship and traineeship programs. The theory behind this idea is that there is no substitute for practical experience.

5. Educational institutions are interested in the public service programs of corporations. Many corporations have educational services or school relations programs. They prepare booklets, films, tour guides and other materials which can be used by educational public relations personnel. Also, they promote the aims of higher education in their internal public relations programs. With this goal in mind, they produce brochures about aid-to-education, reprint worthwhile educational articles, prepare displays and bulletin board presentations on the subject and maintain a well-stocked booklet rack featuring educational pieces.

6. Education wants corporation leaders for its Speakers' Bureau; to meet with foreign dignitaries who visit the campus; to add their lobbying power to the struggle for aid-to-education; and to inspire their employees to support education with time, effort and funds.

In short, education wants the backing of business and industry because there are some areas in which this support is indispensable.

The preceding pages have explained the corporation's
interest in education and education's interest in business and industrial corporations. The next section will deal with ways in which each can improve its public relations programs in order to direct mutual interest into mutual action and in order to lay the base for enlisting support.

Public relations programs undertaken by business and industry and by educational institutions may differ in scope and intensity. Nevertheless, they are comparable in one respect: both have as their purposes increased interest in support. This paper will touch on ways in which education can lend its support to corporations; however, its primary objective is to study ways in which corporations support higher education.

The University and Its Publics, by Clarence A. Schoenfeld, points out that the influence of big business on education started in the 1870's as businessmen and industrialists became important in the social order. This influence, Schoenfeld says, was reflected in the university's wish to obtain the financial and moral support of business and industry and in the university's recognition of corporate influence in the American way of life.

Therefore, the desire for securing the interest of each other is a common denominator in devising improvements of both educational and corporate public relations programs. Operating with a similar purpose permits the two publics to use at least two of the same principles in implementing their programs.

The first principle involves developing and following a definite policy. It has been said that good public relations is simply good private relations turned inside out.
In other words, you must tell about the good things you do.

Both education and corporations have good things to tell about. Education, for instance, can make it a policy to tell corporations about its plans for expansion, its faculty, the geographical distribution of its students, its ideas for new research facilities.

On the other hand, corporations can develop a policy which will enable them to tell educational institutions about their gifts programs, corporate leaders active on educational boards, the number of employes they have drawn from the campus, their institutional public relations programs for the support of higher education.

Definition of activities which will be carried out in public relations programs is the second principle. These activities can be divided into two categories—long range and preventive or short range and emergency.

Philip Lesly has suggested the following six-point check list for evaluating a long range program: 1—make sure the budget is right; 2—be sure the program meets your needs; 3—look each project over from many angles; 4—evaluate the resources at your command; 5—be sure you are objective; and 6—be sure the recommendation is objective.

Any public relations campaign undertaken by education to interest corporations in supporting education must keep in mind these six points. If the budget is too high, the amount raised will have to be high in order to make the program worthwhile. If the program's only aim is to get money from corporations, it is not a sound program. A
good program will be designed to meet the needs, not the wants, of an institution. The project should not be undertaken in haste and regretted at leisure. It should be preceded by careful study from all angles.

The fourth point Lesly makes is the most important perhaps. The institution should be objective about its resources, realizing that one man cannot contact all the corporations on the institution's list. Blue-sky thinking has its place, but objective thinking comes first. If those who plan a long range program are objective (point 5), they will see that the recommendation is objective (point 6).

The best program for both educational institutions and corporations is a long range one. No crash program can solve all the problems which education and corporate interests face. Their immediate task is, in summary, that of developing the policy within which they will work and defining the activities which will follow the policy.

The area of defining activities is a complex one. Joseph DeBrum, professor of business education at San Francisco State College, offered some suggestions to businessmen attending a seminar dealing with the problem of how business and education can work together for the improvement of education. This seminar, incidentally is an annual program sponsored by the Standard Oil Company of California for educators in the West.

His suggestions are as follows:

1. Business Advisory Committees. Business can help education by working with educators, supplying guidance information and helping to construct
units of instruction.

2. Speakers. Business representatives can talk to classes and participate in student panels.

3. Field trips. Business field trips must be more than getting-away-from-class junkets; they must be oriented to classroom work.

4. Work experience for educators. Business and industry should develop summer session programs whereby teachers could benefit from a combination of course work in evening sessions and actual employment during the day.

The primary purposes of the following section are to 1—discuss ways in which public relations activities of business and industry are directed toward education; 2—outline public relations activities directed from education to business and industry; 3—indicate the public relations value of all these activities; and 4—lay the foundation for the next section, the actual role played by business and industry in the support of higher education.

First, business and industry reach the educator by means of sample mailings, direct visits to the institutions, sponsoring teacher education scholarships, listings in directories publishing curriculum materials, educators’ conferences, use of educators as consultants to business and by advertising and articles in educational publications. In addition, many companies prepare exhibits, wall posters, films and slides for use by educational institutions.

As mentioned earlier, several companies have a separate department for educational relations or school
services. These departments and others like them in governmental agencies serving business work with higher education in planning tours, providing audio-visual aids and securing speakers.

Although one obvious purpose of these activities is to enhance their own public relations, another purpose is to help the educational institutions. Therefore, most business and industrial concerns are anxious to hear about what higher education wants and does not want in the way of educational materials.

Some of these activities have obvious public relations value. However, I hasten to add that many are poorly prepared and miss their target entirely. Too often sample mailings prove to be a nuisance to educators when they do nothing but extol the virtues of a product or service.

Nevertheless, the advantageous activities outnumber those which are ineffective. Educational institutions should welcome visits by corporate personnel since a five-minute visit may result in permanent interest. Also, the public relations value of most audio-visual aids, speakers and tours depends upon the spirit in which they are assembled and the attitude in which they are received.

In other words, a corporation should not undertake any activities on behalf of education unless they are done with sincerity and a genuine interest in service. An educational institution should appreciate the effort and money which have gone into these activities. Then, and only then, will these public relations activities have real value.

The next point to be covered is that of public
relations activities directed from education to business and industry. The following recommendations are offered in hopes that they will show ways in which education can enlist corporate support through effective public relations programs.

1. Press releases

If press releases are prepared with care, they will have an enormous impact on business and industry. Their public relations value depends on the manner in which they are executed.

A monthly publication, Advertising Requirements, sent questionnaires to 300 editors, requesting concrete suggestions for press releases. Returns indicated that releases should give background information, follow news style, go to the editor and not to the publisher and identify everyone mentioned. They criticized use of onionskin paper, hectograph releases, highly technical language and failure to send carbon copies.

Press releases are vital tools in any program to enlist corporate support of education. Therefore, it is imperative that they be prepared with care by the News Bureau, Public Relations Department or others responsible for their preparation.

Also, there is a tendency to send releases to well-known media, newspapers and radio stations, when the best place to reach corporations is the business press. Releases sent to business and industrial companies' employe, sales and consumer magazines are of great value.
2. Make the educational institution public relations-conscious. All college and university employees are potential public relations personnel. This includes everyone who answers a telephone or writes a letter.

This writer is an advocate of taking public relations out of the office and putting it in the people. The university professor who walks into a business office to discuss an educational matter will note that the receptionist, secretaries, elevator operator and business executive have pleasant voices, helpful manner and a real interest in the visitor. They have been trained in the value of on-the-job public relations.

On the other hand, very few public relations training courses are conducted in educational institutions. Is it any wonder that the business executive visiting a college campus is disillusioned when he meets a surly secretary or a blase' receptionist?

Many corporations producing films and booklets on the subject of making the institution public relations-conscious will make them available to outside interests. Outstanding films of this type include Alcoa's "Relations with the Public" and their sound-slidefilm entitled, "Public Relations--Its Story"; and "Public Relations for Business and Professional People," a Pat Dowling sound-slidefilm available for a small fee through syndication.

3. Visitors and speakers
Educational institutions can open their doors to business and industry for educational conclaves, exhibits and guest panels featuring corporate leaders and educators as panelists. Many clubs for businessmen would be pleased to have educators as guest speakers. Also, many business and industrial leaders have much to tell groups of educators.

When the institution is building a case for corporate support, it should take advantage of this opportunity to acquaint business and industry with its physical plant, needs and educational achievements. To paraphrase, one visit is worth a thousand words.

4. Radio and television publicity

Jerry Greene of NBC's public service department offers these points to remember when preparing public relations material for the oral media: do not misrepresent or oversell the subject; do not skirt controversy all the time; and make the subject newsworthy.

In addition, it is wise to know a little about the Broadcasters Code. For instance, no public appeal for funds can be made through a public service program without specific consent of the station management.

5. College and university publications

General information bulletins, alumni magazines and special reports go far in keeping business and industry informed about the institution, its progress
and needs. A special report to business, prepared annually, is a wise investment.

The alumni magazine gives the corporation an indication about the extent of support given by the institution's own people. An institution with an active alumni association has the upper hand in getting corporate support.

Business and industry also want to know about the courses and programs offered by the institution; facts about the physical plant; and the academic background of the faculty. All this information can be gleaned from the general information bulletin.

6. Miscellaneous

Other educational public relations activities directed toward corporations include the following: work with civic and service clubs whose members may have corporate connections; prepare annual reports which have at least one section with information of interest to corporations; and conduct opinion polls and surveys which corporations will find helpful. In addition, the educational public relations director should know where to find information about Federal executive departments which affect education; audio-visual aids which can be used in reaching corporations for support; and legal aspects of public relations (what constitutes libel, legal clearance for photographs, the Copyright Law.)

Educational public relations and the corporation should
be loyal partners. Each should endeavor to plan public relations activities which will be most effective in reaching the other. This is a necessity when so many hands are extended for the corporate dollar and so many groups are courting educational institutions' favor.

This section has shown ways in which public relations activities initiated by education can reach corporations. The main reason for these activities is to lay a foundation for corporate giving to education.

In order to study thoroughly the role of business and industry in the support of higher education, it will be necessary to examine more closely the areas of support involved. Section II, therefore, is devoted to an analysis of ways in which corporations provide support for higher education.
SECTION II

CHANNELS OF CORPORATE SUPPORT

FOR HIGHER EDUCATION

Scholarship funds
Internship and traineeship programs
Unrestricted grants for operating costs
Restricted grants for special purposes
Gifts for endowment
Gifts to employes' colleges and universities
In-plant drives
Corporate leaders on Boards of Trustees
Faculty as consultants
Company foundations
Voluntary committees to aid education
Employes as volunteers
Business and industry use several channels in their giving programs to education. By giving programs, I mean gifts of moral as well as financial support, the support of time and effort as well as that of funds.

In *Corporation Giving in a Free Society*, Richard Eells states that four steps must be taken in public relations work for corporate philanthropy. They are:

1. Assess public opinion and attitudes toward the donor corporation as they relate to philanthropic efforts, present or future.
2. Analyze the company's external relationships as they relate to its giving policies.
3. Formulate a company policy based on results of the above points.
4. Inform the public of the company's philanthropy in the most effective way possible.

It appears that corporate giving should not be done quietly. If it is, the corporation has lost the public relations value of the program. It could be argued that the fact that the gift was made is the important thing. However, the saying is as important as the doing.

Therefore, this section will deal not only with channels through which business and industry operate in supporting higher education, but also with the corporation's ways of informing the public about its philanthropies. In addition, each area of support will be studied from another angle: ways in which educational institutions can encourage corporate support in each giving channel.

1. Scholarship funds
   Many corporations dislike this channel
of support because it involves extensive record-keeping and because of the great responsibilities for student welfare. Even those companies which are reluctant to initiate a scholarship program, however, will contribute funds toward one already established by the educational institution.

In addition, some companies located in college towns feel obligated to establish the program in that particular institution. This presents problems for those concerned with keeping their good community relations intact and with trying to give where the need is greatest and the possible rewards greatest.

This is not to say that corporations shy away from scholarship programs. The trend is toward sponsoring and counseling and away from direct involvement through initiation of the program.

Those companies which give scholarships to the employees' children only still establish rules for the scholarship awards and steer away from any hints of favoritism.

Scholarship funds can be a vital giving channel. The corporation must decide which type it will sponsor, keeping in mind the public relations implications.

Scholarship funds include:

a. Those given to employees or members of the employees' families exclusively. This type may specify the institution where it may be
used in order to keep a constant relationship between the sponsoring company and the college or university. The Manual of Corporate Giving, edited by Rum and Geiger, says, "Some companies express reluctance to undertake employee programs for fear of criticism by labor unions... If any union has seriously criticized them, the fact is not on record." It appears that this type of fund will find more favor with those companies having a vigorous employee relations program.

b. Those given to anyone who qualifies, regardless of the connection to a corporation. This type of program usually is administered by rigid tests, on the basis of school recommendations or as the result of contests, projects or particular aptitude for possible work with the corporation.

c. Those given according to need of the applicant. Many companies support this type of program because it benefits those who may want a college education but cannot finance it themselves. Often, these scholarships are given to less than brilliant students who, nevertheless, exhibit enthusiasm for the opportunity.

d. Those given according to merit only. Generally, companies which sponsor this type of scholarship are less concerned with the immediate aspects of the program and more concerned with providing exceptional talent
for the corporations' future needs. For this reason, most scholarship programs of this type cater to the top percentile of a graduating class, to outstanding scholars in a particular field of study or to those who have distinguished themselves in science fairs, scholarship tests or creative projects.

e. Fellowships for advanced study. Companies which concentrate on awarding fellowships usually do so because the actual selection of students is left out of their hands. This task is assumed by an independent organization or selection board and by the university concerned. Corporations giving fellowship aid seldom indulge in undergraduate scholarships; they are more interested in having the recipient explore advanced research areas.

The corporation has many avenues of opportunity open when it comes to informing the public about its scholarship programs. It can enhance its employe relations through bulletin board notices and employe publications' articles about tests, eligibility requirements, kinds of funds and amounts awarded. In addition the community will want to hear about scholarship opportunities for its young people. This can be done in the following ways:

a. releases to news media concerning purposes of scholarship aid, eligibility standards and kinds of aid offered

b. releases to media after scholarships have been
awarded, with details about winners and the institutions they will attend

c. scholarship award dinners, ceremonies or special school assemblies for announcements

Although better employee relations and community relations may result from scholarship fund programs, these benefits follow that of personnel recruitment. A company cannot continue to thrive unless it has the manpower to staff its offices and run its plants. The Manual of Corporate Giving points out that programs with recruitment value are those which supply the funds and leave the choice of student to the university.

Educational institutions can encourage corporate support of scholarship fund programs in the following manner:

a. acquaint corporations with statistics about the number of students who are unable to attend college because of insufficient funds.

b. show corporations that the institution will administer the program if they wish or counsel the corporation if it wants to exert more control over the program.

c. prepare a brochure with facts about the number of students participating in corporate scholarship programs on other campuses; show the correlation between these facts and ones about the number of
students who stay with the corporations after graduation.

2. Internship and traineeship programs
   This is an excellent channel of support for higher education for several reasons:
   a. It provides working experience while the student attends university courses.
   b. The educational institution is unable to provide this kind of opportunity.
   c. Although the institution generally receives no financial support from this activity, its participating students often do.
   d. The educational institution reaps benefits in the added prestige of having business and industrial connections.
   e. Programs of this type encourage the enrollment of students who want to learn the practical aspects, as well as the theoretical concepts, of their chosen field.
   f. Programs of this type make university and college students more valuable in the job market; this reflects credit on the institution.

Incidentally, these programs are invaluable in building a corporate image of service. An article in Public Opinion Quarterly by Philip Lesly expands upon this idea. The article, entitled "Corporate Image" and the Future Leaders of Business," seems to be a case in point for these programs although they are not mentioned.
Lesly writes that the college student is unaffected by the usual channels of communication. His attitudes toward a company are determined by its corporate image. "Today many companies," Lesly writes, "are spending millions of dollars a year to prepare the plants, the products, and the finances to be used by future executives, and yet they are spending only small fractions of this to build the "corporate image" that, among many other important benefits, will help assure that these executives will be the best available."

To me, this is a most important concept. It indicates that corporations must concentrate their efforts on securing future manpower by building the corporate image in terms of today's college student. There is no better way for a corporation to do this than by sponsoring internship and traineeship programs. The student will be exposed to the corporate image every minute of his work day. He will recognize the aggressive and dynamic company because he will be a part of it. If a university purports to be a builder of men, it will welcome offers of intern and trainee programs.

How can the corporation inform its publics about its internship and traineeship programs? It can make sure that these young people are mentioned in employee publications; write feature stories for the news media about its program, in general, and the people taking part in it, in specifics; it can include information about the programs in annual reports to consumers and stockholders; and
it can send releases to the news media in the university for hometown coverage and school paper recognition.

The educational institution can encourage this type of support by proving itself worthy of the programs. No corporation wants to become involved in these programs unless it has the cooperation of faculty and administration, assurances that students participating in the programs will devote time and effort to them and the educational institution's help when the corporation follows up the programs with campus recruitment for full-time jobs.

Therefore, the participating college or university has a definite responsibility to keep class standards high and students prepared for the privilege and responsibility of on-the-job training. On the other hand, the corporation has a responsibility to the institution in providing as realistic a work situation as possible.

A college or university desirous of enlisting the support of a corporation in trainee and intern programs should do the following:

1. Invite industrial and business personnel to visit the campus and classes from which they might draw interns or trainees.

2. Send reports about departmental work to business and industry periodically.

3. In personal visits and letters, stress the recruitment value of these programs.
3. Unrestricted grants for operating costs

A conflict in preference can be seen in this area of corporate giving to higher education. Generally, colleges and universities prefer this type of aid because operating costs are high and alumni appeals often do not meet them adequately. However, the conflict of interest exists because corporations do not prefer this type of support. Unrestricted grants are difficult to justify for several reasons:

a. Directors of the corporation feel that aid to education should produce tangible results, not meet costs only.

b. Stockholders dislike to see their holdings being used to defray operating costs; and the corporation has a definite responsibility to its stockholders.

c. Corporations often feel they have an obligation to make grants to their local educational institutions for operating costs when it would rather make restricted grants for the advancement of a specific program.

Nevertheless, corporations realize the financial plight of educational institutions and try to give the colleges and universities what they need. Since they must operate in a businesslike manner at all times, they want to know about the individual institution's financial situation. It would be wise for the institution to offer free and unbiased information to the corporation.
which is considering an unrestricted grant for operating expenses; honesty inspires confidence. Although it is difficult to justify these grants, it can be done. Corporations provide justification with these points:

a. A corporation drawing its manpower from a community has an obligation to the community's educational institutions.

b. A corporation depending upon a community's interest and good will has a responsibility to support the community's colleges and universities.

c. A corporation operating in a particular sphere of interest has to support universities and colleges which make tangible contributions, academically, in that sphere of interest. John D. Millett, in The Manual of Corporate Giving, points out that many corporations have made gifts to the Harvard University Graduate School of Business Administration and the Massachusetts Institute of Technology on this basis.

Educational institutions must realize that this area of corporate support is the most difficult one to the corporation. They must be patient. Just as the corporation faces problems in making these unrestricted grants for operating costs, it has problems in informing the public about the gifts. One course of action is to promote its activities through news releases for media in the community of operation. Another course, more commonly used, is to let the information make
itself known when the educational institution itself reports on its financial situation. A college which has been operating in the red as far as its current expenses are concerned will, no doubt, make it known that "X" Corporation's grant of "X" dollars helped put it in the black. Discretion in informing the public is indicated.

The educational institution wishing to receive this type of grant will have to do more than wish for it. It will have to keep the corporation informed about its financial needs and situation; indicate to the corporation that alumni are active in contributing to operating expenses; inform the corporation about its responsibilities as a corporate citizen; supply facts about the number of graduates who are employed by the corporation; and tell the corporation where the money goes--tell this story often, honestly and gratefully.

4. Restricted grants for special purposes

As far as justifying gifts to the corporation directors and stockholders is concerned, this type of support is excellent. The program results in tangible rewards for the corporation. On the other hand, the program may not fit in with the educational institution's academic program. It is imperative that the corporation and college or university cooperate in devising the best programs possible. Restricted grants for special purposes can be given in several areas:
a. Research grants for basic and applied research. The corporation will gain knowledge which can be applied in its business and industrial activities; the educational institution will be pushing back the frontiers of knowledge in the research field. Both will find their prestige in the community and in specialized circles increased. Also, an education-corporation research program which is handled well will be the springboard for other programs. A school which has proved itself to be capable in the field of research will find other corporations anxious to make use of its research facilities and personnel.

b. Grants for training of business and industrial personnel. A corporation providing this type of in-service education for its employes will find in it many advantages. One, the corporation may not have the facilities for offering this type of training; it turns to education for help; two, technological changes in business and industry require that personnel learn new methods of operation which are not acquired easily in the place of operation; and three, short courses of study, combined with work in the field, are effective in discouraging labor turnover; an employe who feels the corporation is training him for purposes of job advancement will be a satisfied and secure employe.
In addition, the educational institution will profit from these in-service educational programs. The college or university will receive funds for instituting a program which will broaden its own curriculum and it will receive the prestige that comes from a corporation connection of this type. In addition, a gift for training activities may serve as the first step in a continuing program of aid to the institution from the corporation.

c. Grants for buildings or programs in the corporation’s field of endeavor. A scientific company may want to be identified with a new science center on a college campus or it may want to initiate a course of study in some phase of science. It may never send its employees to the campus for training or use the facilities for research. But its reputation as a leader in the scientific field will be enhanced as an indirect result of this type of grant.

The corporation can tell the public about its grants for restricted purposes through news releases to educational, business and general public press. Articles about training programs, research grants and building grants can be prepared. Stockholders can learn of these grant programs through the annual report. Consumer publications, employee newsletters and magazines, and local radio and television stations are vital media in which to tell the story of these grants.

Educational institutions can encourage corporate support in this area in many ways:

a. reports to corporations about research facilities
b. reports concerning faculty members who are especially qualified to take part in training programs

c. facts and figures concerning the need for a particular program or building which coincides with the corporation's area of interest

5. Gifts for endowment of the educational institution

Joseph W. Barker, in *The Manual of Corporate Giving*, writes, "Some experienced donors advise that at least 50% of a building grant should be set aside in endowment to maintain the building and equipment, or alternatively, that a building gift should be matched by an equivalent sum from another source for maintenance." Corporations, traditionally, have not followed this practice. This has had the result of making the educational institution liable for added expenses. Capital gifts should aid the institution and not set it back financially. A restricted grant for a special building (covered above) should carry with it some provisions for endowment on a continuing basis.

Corporations have an ideal opportunity to support education through endowment. They should take every available opportunity to tell their publics about endowment programs. They can get the most public relations value from this area of support by indicating that it will hold itself responsible for endowment to maintain the building and the equipment provided in a capital gift.
Educational institutions should encourage this type of support by showing that gifts for endowment are an investment in the continued progress of the institution. This can be done through periodic reports to corporations, outlining the need for endowment in protecting the value of a capital gift.

6. Gifts to employees' colleges and universities and matched gifts

There has been a trend toward this type of support in recent years. Its primary purpose is in improving employee relations. Nevertheless, it has definite value for the educational institutions which are the recipients of these gifts. The corporation may choose to make a gift to an employee's Alma Mater or it may elect to match a gift which the employee gives. Regardless of the method used, it is contributing to the support of education and fostering good will on the employee's part.

If the corporation is active in this area of support, it should make its philanthropies known. It can tell its story to employees through bulletin board notices, employee publications and the booklet rack services. It can tell news media through straight stories on amounts given to various institutions and through feature articles about employees who have used this system of giving. Its stockholders will be interested in hearing how the corporation is operating under the five percent provision in this area.

The educational institution can encourage this type
of support by showing the corporations where the money goes and by acknowledging the gifts of corporations through straight and matched giving. A program of this type will encourage further alumni giving. Therefore, the educational institution should let its alumni know that active alumni support will result in increased corporate support. Literature concerning fund campaigns should emphasize the corporation's support.

7. In-plant drives and payroll deductions

F. Emerson Andrews, in *Attitudes Toward Giving*, writes that a Russell Sage Foundation study of corporations revealed 65% of all companies sampled and 100% of the large ones permitted employee solicitations in plants. In some cases, these solicitations were limited to one or two a year. About half of the corporations sampled permitted payroll deductions for fund campaigns. These drives and payroll deductions can go hand-in-hand with matched giving, I believe. Most corporations prefer payroll deductions because the continuity of work operations is disrupted by in-plant drives. Perhaps the best method is to undertake an extensive in-plant public relations campaign to present the case for giving. Then the actual giving can be done through payroll deductions. Corporations can make their work in this area known through employee publications. They can stress that this type of giving is relatively painless because the money is deducted before the employee
receives his paycheck.

Educational institutions should encourage this area of support by offering counsel and guidance in the administration of the program. It can be a valuable program for both corporations and education if cooperation is present. Without full cooperation, the program will never get off the ground. For this reason, it is important that the educational institutions let news media know that corporations are assuming this responsibility for philanthropic reasons.

8. Business and industrial leaders as members of educational institutions’ Boards of Trustees

As education becomes more like big business, it is imperative that it be run like a business. Therefore, the support of business and industrial leaders who serve as trustees is as necessary as financial support. The prestige value of having corporate executives on a college’s Board is inestimable. In addition, increased corporate giving can result since trustees are expected to support the institution financially. Corporations can tell their publics about this area of support through profile stories on the corporate leaders who are trustees. These stories can be in news form for communications media, in speech form for civic and service clubs, in newsletter and booklet form for the corporation’s employees, stockholders, consumers and dealers. It would be wise to utilize the educational and business press in this area, too.
Increased support from corporations can be encouraged by the educational institution in several ways:

a. Make sure the emphasis is on choosing a valuable trustee and not on getting corporate support alone.

b. Assure the business or industrial leader that his contributions as an individual, not as a corporate representative, are desired.

c. Point out that time devoted to serving as a trustee will not interfere with the time that must be spent with the corporation, the trustee's primary responsibility

d. Keep the public informed about the corporate leader's contributions to the advancement of the educational institution. This can be done through releases to the press, radio and television and educational publications.

9. Use of faculty specialists as consultants to business and industry

This is an indirect area of support, but an important one. The faculty member has a contribution to make to the corporation, a contribution which is worth money to the corporation. A faculty specialist is generally a well-paid member of a consultation team. As a consultant, the faculty member benefits himself through increased experience in the field and more pay; he benefits the corporation which needs his services; and he benefits the educational institution because of his corporate contacts and
because he can bring something back to the classroom that he could not acquire in academic circles.

The corporation should make this area of support known through many channels:

a. Tell the community--its faith in the caliber of the educational institution's faculty will be reinforced and confidence in the corporation as a progressive enterprise will be built.

b. Tell the educational institution--publications for faculty members should emphasize that the opportunity to serve as business and industrial consultants is a reality toward which they can all work.

c. Tell the stockholders--they want to know that the corporation is not content to maintain a status quo, that it is striving for progress through the use of faculty members as consultants.

The educational institution can not sit back and wait for a corporation to make use of its faculty. If it plays this waiting game, it will discover that the corporation has lured the faculty away permanently. It must let its faculty and the corporation know that the educational institution is behind this consultant practice. The best way to encourage support of this type is to build the best faculty possible. A faculty's reputation will speak for itself; the corporation will listen and act when it needs the services of these faculty
specialists. Meanwhile, the college or university can prepare brochures about its faculty members, their past experience and educational background. These will be useful in building the case for gift programs until they are used in acquainting corporations with the possibilities of using faculty as consultants.

10. Company-sponsored foundations

This is a relatively new area of corporate support. Frank M. Andrews, in *A Study of Company-Sponsored Foundations*, cites numerous advantages:

a. A foundation allows a company to contribute heavily in years of high profits and less or nothing at all in years of low profits.

b. In establishing a foundation, a company has a central clearinghouse for solicitations in all its branch cities and can formalize its giving policies.

c. A foundation program aids in establishing a more effective program of giving.

d. A company-sponsored foundation provides an independent setting for long range planning and a "platform of review" for all contribution requests received.

e. A foundation enables a company to take advantage of tax legislation in a more flexible setting.

It is interesting to note that Andrews' study showed that of 42 foundations making gifts in
1956, 38 company-sponsored foundations made gifts to education; education headed the list in the number of foundation contributions. It appears that company-sponsored foundations, although a new area of support, are going to be a vital one. However, it must not be overlooked that many companies without foundations have effective giving programs. Foundations will be most popular among large, diversified companies with offices in several cities. They will find, undoubtedly, that foundation giving will tend to centralize their giving activities and make their giving less susceptible to economic trends. Corporations can inform their publics about their work in this area through a general information program. However, the actual job of promoting the program will be undertaken by the foundation itself. Being a tax-exempt and legally separate entity, it will be responsible for its own activities. The corporation and its foundation should embark upon a vigorous program of information since this is a new area of corporate giving. The educational institutions which will benefit want to know about the foundations, how they will affect the level of corporate giving and how their programs will be administered. An educational institution can encourage this area of corporate giving by attempting to understand the
reasons for it. When the facts are known, the educational institution should accept the foundation as a new way for corporations to express their interest in education. If the educational institution has been left out of a foundation's planned giving, it should present its case to the foundation and give pertinent reasons for its desire to receive funds. A foundation is dealing with fact, not sentiment, and it must reflect the philanthropic thinking of its parent company. It wants to support those educational institutions which show need and the ability to help themselves.

11. Business and industrial leaders serve on voluntary committees to aid education

This area of support again relies on business and industrial leaders who are willing to devote time and effort to the educational cause. Directors of the Fund for the Advancement of Education include such business and industrial leaders as Frank W. Abrams, former chairman of the board, Standard Oil Company (New Jersey); C. Scott Fletcher, former president of Encyclopaedia Britannica Films; and Arthur A. Houghton, Jr., president of Steuben Glass. Committees for aiding education depend upon the service of these people and others like them. Their influence is priceless because they are volunteers.

Raymond W. Miller, in an address at the formal opening of Boston University's School of Public Relations, said, "Every modern corporation is a creature of the state; it is formed by privilege
of legislative enactment. As Pinocchio—an artificial being in a world of natural people—learned the hard way that he could become a man only by accepting the responsibilities of a man, so must corporations learn that only by good works can they be entitled to continue in the status of legal persons.” Business and industry justify their existence with good works, including those involved in serving education through voluntary committees.

Corporations definitely should tell their publics about this area of support. They should concentrate upon telling the community, employee and educational institution publics. Community relations will be improved when people learn that the corporation's executives are devoting their time, which is most expensive, to the fight for better education. The employes will read in their magazines and bulletins about the public service activities of those who lead them. Those in educational circles will be kindly disposed toward corporations when they read in the general press and in educational publications that voluntary committees for education have the support of business and industry. A well-known business or industrial leader will draw more people to civic or service club meetings where he speaks; he will draw more radio listeners and television viewers for educational forums and interview shows; he will elicit more support from people who have never given to education and are business or
industrially-oriented because of past experience. Education should encourage this channel of support because it can not afford to neglect it. Every effort should be made to enlist business and industrial leaders as champions of educational causes, drives and funds. Educational public relations programs should launch an intensive campaign to secure the aid of these people. The campaign should include these elements, among others:

a. Letters and personal visits to business and industrial leaders; they should stress the corporate stake in education, the need to keep education strong and free in the years to come.

b. Booklets and newsletters should give facts and figures about the financial plight of education, the need for fund committees to support education, the need for business and industrial leaders to serve on these committees.

c. All material prepared should demonstrate to these leaders, verbally and visually, that their future sources of manpower, research facilities and training centers are threatened unless voluntary committees are able to raise funds for education.

d. It should be emphasized to business and industrial leaders that serving on voluntary committees for higher education has public relations value for the corporation.

e. Business and industrial leaders should be assured that these are action, not talk, committees.
12. Business and industrial leaders inspire their employes to serve as volunteers in fund raising campaigns for higher education.

By inspiration, I do not mean coercion. Executives of business and industrial corporations should realize that there is a difference. Their purpose should be to make it as easy as possible for the employes to volunteer and to see that their volunteer services are recognized by the company. Many people, especially those who rise to high positions in a company because of their education, can be convinced that they have a debt to pay. However, they will refrain from assuming the debt if the executives of their companies do not set an example. Therefore, it behooves the executive to assume his responsibility toward his employes in order that the employe might assume his debt to the educational institution that prepared him for corporate life.

The corporation executive's deeds on behalf of education should be put before his employes through employe magazines, booklets, newsletters and bulletin board notices. The employes should be inspired, by example, to serve as volunteers in educational fund raising campaigns. In addition, the corporation should tell about this area of support through releases to communications media, educational publications and stockholders' reports. If the employes receive recognition for their work in special awards ceremonies or by certificates,
they will have tangible evidence that the corporation is proud of their achievements in volunteer service.
The educational institution can encourage this channel of support by assuring that the volunteer experience is a pleasant one and by doing some recognition work of their own. In addition, they should acknowledge the business and industrial leaders who inspired their employees to assume their educational debts.

These sections, I and II, have explored reasons for the corporation's interest in education; reasons for education's interest in the corporation; ways in which the public relations programs of each operate in directing this interest into action; and some of the areas in which corporations support higher education.

Section III will discuss principles and policies which should guide business and industry in their programs of support for higher education; problem areas involved in using these principles; and the future role which business and industry will play in the support of higher education.
SECTION III

PRINCIPLES, PROBLEM AREAS AND PROGNOSIS........ 44

Survey of principles and problem areas in corporate giving..... 44

Future role of the corporation in the support of education........ 49
Although it is pertinent to know the areas in which corporations support higher education, it is worthless information unless the corporations follow certain principles and policies in administering these areas. This limited discussion can not cover all of them since there are as many theories of principles and policies as there are writers.

Nevertheless, a study of this type can not ignore the existence of these theories without running the risk of defeating the study's purpose. Principles and policies which affect corporate support of higher education in the 12 areas covered by Section II will be given priority in this study.

John Pollard, in Fund-Raising for Higher Education, has written an excellent summary of suggestions to help companies in developing programs of educational support. Some of his recommendations follow:

1. The case must be bigger than the institution.
2. Faculty and administration must have a clear plan and program.
3. Colleges and universities should list, in order of priority, their development needs, not wants.
4. Business, although interested in a presentation of the case, will give in its own way.
5. As an inducement to corporations to give support, higher educational institutions should stress the concept of investment in men.

A corporation interested in the support of an educational institution would be traveling on safe ground if it followed these principles. However, there are problems to be faced if they are followed in every area of support.
For instance, the faculty can not have a clear plan for an in-service training program since the corporation itself must supply the operational details. In this case, it would be more prudent if the educational institution would concentrate on the "investment in men" concept. It can show the company that men trained in its classes and laboratories will be better prepared for assuming leadership roles in the company.

In addition, there seems to be a conflict between points 1 and 3. If the case must be bigger than the institution, it must anticipate its wants as well as list its needs. An institution that is content to exist only can be concerned with needs-satisfaction. An institution, determined to forge ahead in academic circles, is an institution with "wants."

In *Corporation Giving in a Free Society*, Richard Eells has offered seven principles to be used by corporations in developing their philanthropic programs. They are as follows:

1. The corporate donor's motive should be one of enlightened self-interest.
2. Corporate giving has as its objective the preservation of our economy's private sectors.
3. A corporation's interests and responsibilities should determine its giving policy.
4. There should be continuity in philanthropic programs.
5. A corporation's philanthropic opportunities should not be based upon current tax policies alone.
6. Corporate donors should participate in the development of policy regarding corporation giving and not follow the policies other corporations follow exclusively.
7. Corporate donors should apply scientific management principles to programs of corporation giving.
Since part of my mission in this section is to point out problem areas, it should be mentioned that point 5 is one of them. I mentioned earlier that a corporation must justify its higher education support to its stockholders, its primary responsibility. In order to justify its support, the corporation must operate with current tax policies in mind.

It is Pollyanna thinking to imagine that a corporation could do otherwise. Of course, business and industry are interested in helping education; but, it wants to render its help in the most economical manner. Educational institutions have no reason for complaint since the 5 percent provision works for them as well. It has spurred corporate giving above the 5 percent ceiling for tax deductibility in many cases.

One other writer's views on principles for corporate giving should be outlined. The following points are made by John D. Millett in The Manual of Corporate Giving, a reference used extensively in the preparation of this paper:

1. The educational institution should demonstrate qualities of leadership among its own class of colleges or universities.

2. The educational institution should show signs of being run efficiently.

3. The educational institution should be solvent or show that it has a good chance of becoming so, independently of a corporate grant.

4. The corporation must decide which institutions are of the most direct interest to them.

5. The corporation must decide if its support will be a one-time contribution or continuing support.
In applying these principles to the areas of support discussed in Section II, the corporation might face one problem. Will its image of service suffer if it only gives to those institutions which are solvent? It is a strange fact of life that those who have get more and those who have not are left in that condition.

There are indications that some corporations refuse to operate under this narrow policy of giving. Colleges which demonstrate need and potential are able to get help. They especially want help in the form of unrestricted grants for operating expenses.

Although it is helpful to examine principles offered by these writers, it is folly to think that they will work in every corporate giving program for higher education. A corporation would be wise to keep in mind these words of Frank M. Andrews from A Study of Company-Sponsored Foundations: "It must not be forgotten that the contribution program of any specific company is a very individual thing, expressing as much diversity in its goals, its conception, and its effectiveness as the interests and abilities of the men who shape it. Uniformity is nonexistent."

My own experience has shown that the following principles are fairly constant:

a. Corporate support of higher education often cannot be measured in dollars and cents. For example, what is the monetary value of a student internship program?

b. Programs of corporate giving must follow the public relations policy of the corporation in order to have maximum effect.
c. The corporation must be able to justify its programs of educational support to its directors and stockholders.

d. The corporation must analyze its interest in education in order to plan corporate giving programs wisely; the corporation must analyze education's interest in the corporation in order to give the educational institutions what they need and want.

e. The corporation must recognize the various channels of support it may use; decide which channel will be best for the corporation and the particular educational institution concerned; tell its publics about the areas of support utilized.

f. The corporation must be willing to devote time and effort, as well as funds, to the support of higher education.

g. The corporation must initiate some corporate giving programs of its own without waiting for the educational institutions to present their cases.

h. Corporate giving programs must take into full consideration the fact that local conditions and area of interest affect policy decisions; in other words, a corporation interested in garnering local support should concentrate its giving programs on local institutions and a corporation interested in promoting progress within a specialized field should concentrate its giving programs on colleges and universities which are leaders in that field of interest.
What is the future role of business and industry in the support of higher education? Some feel it will be the role of savior; others that it will be the role of interference; and still others that it will be the role of bystander if the government is forced to assume control of higher education.

My view is that the future will find business and industry increasing their support of higher education. Their role, I believe, will be that of corporate citizens who have assumed the responsibilities which accompany their privileges.

My forecast includes these points:

1. Business and industry will recognize that five percent activities can yield maximum benefits to itself as well as to the community.

2. Business and industry will not allow government control of education to become a reality; they will realize that the preservation of private initiative and control in educational institutions is a prerequisite for their own progress.

3. Company-sponsored foundations will increase in order that corporate giving funds be separated from other operations of the company.

4. Corporations will not be content to stop their giving at the five percent ceiling for tax deductions; they will give because they have a real purpose for supporting education or because they are interested in special programs which require more funds than the five percent limit provides.
5. Regional associations of colleges, on the increase, will appeal jointly to corporations operating in their regions.

6. Corporate giving to endowment funds will become an important area of support.

7. A single agency will provide corporations with advice about the best channels of support to utilize in aiding a particular university or college.

8. The public relations implications of every corporate gift under consideration will be analyzed.

9. Corporate giving will influence philanthropic philosophy in all sectors, just as the philanthropic philosophy of these sectors has affected corporate giving today.

Although the future role of business and industry in the support of education is difficult to predict, it will be one of maximum service to the recipients and maximum benefit to itself. Corporate giving will come of age and will be a vital source of support for educational institutions.

Colleges and universities will court the favor of corporations and depend upon them for relief from increasing financial burdens. Richard Eells, in Corporation Giving in a Free Society, writes that "Corporation giving represents one of the great fruits of the free enterprise system. It provides new and unusual opportunities for business leadership. Imaginatively conceived, wisely planned, and well administered, it can become one of the formative factors of our time."
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