

# Following the Leader?

## An Examination of National and Subnational K-12 Philanthropy

Alternative Title: Why I cry myself to sleep over IRS Form 990-PF

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# Why Education?

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	<b>City of Cleveland</b>	<b>CMSD</b>
Operating Budget (Millions of \$) <sup>1, 2</sup>	566.8	724.7
Employees (FTE) <sup>1</sup>	6,666	7,203

<sup>1</sup> 2016 Cleveland Budget Book

<sup>2</sup> CMSD SY 2016-2017 Budget

# Why Philanthropy?

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Foundation \$: Small overall, but big impact

1990s: Annenberg Challenge

- Widely criticized as failure

Late 1990s onward: Dramatic shifts in K-12 philanthropic landscape

- New grantors (e.g. Gates Foundation) who behave very differently
  - Not field Driven (Tompkins-Stange, 2016)
  - Venture philanthropy (e.g. Scott & Jabbar, 2009)
  - Jurisdictional challengers, convergence, policy ambitions (Reckhow & Snyder, 2014)

But, the sector is not monolithic

- Differences may exist among “old” and “new” foundations (Snyder, 2015)
- Differences may also exist among national and subnational strategies (Ferrare & Reynolds, 2016)

This all undergirds growth in entire sector– 32% inflation-adjusted growth between 2002 and 2012 in Elem. & Secondary education grantmaking (calculation based on Foundation Center figures)

# Research Q

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As new national foundations and new forms of philanthropy became the driving force in K-12 granting, do subnational foundations seem to follow this new lead?

# Data and Sample

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Grant data from IRS form 990-PF

- Problems with Foundation Center's database
- Leads to culling by hand ☹️

Every grant coded into one of 47 possible uses using grant purpose statement or information about organization.

- E.g. “charter school,” “after-school”, “literacy program”
- Some codes then recombined as necessary (e.g. combining codes for charter schools and CMOs)

National funders set comes from previous work (Reckhow & Snyder, 2014; Snyder 2015)

- Years: 2000, 2005, 2010

Subnational data similarly collected from IRS forms. Set identified by Ferrare & Reynolds, 2016.

- Years: 2001, 2002, 2006, 2007, 2011, 2012

# Data and Sample

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## National Foundations

- Gates Foundation
  - Walton Foundation
  - Broad Foundation
  - Robertson Foundation
- New Style Foundations
- Carnegie Corporation
  - Kellogg Foundation
- Old Style Foundations
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## Subnational Foundations (Closest Match, per Ferrare & Reynolds, 2016)

- The Grable Foundation (Gates)
- The Herbert H. and Grace Dow Foundation (Walton, Carnegie)
- The Barr Foundation (Kellogg)
- The Lynde and Harry Bradley Foundation, Inc. (Robertson)
- The Noyce Foundation (Broad)

# Breaking Down Grants

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In total (not adjusted for inflation): 5,119 grants totaling \$1,458,161,635

National Foundation Granting		
Year	Total Grants	Total Grant \$
2000	483	\$140,649,493
2005	862	\$480,077,189
2010	1108	\$602,028,044
<b>Totals</b>	<b>2453</b>	<b>\$1,222,754,726</b>

Subnational Foundation Granting		
Year	Total Grants	Total Grant \$
2001	372	38,581,123
2002	476	28,683,654
2006	516	48,026,560
2007	479	36,981,798
2011	443	42,151,489
2012	380	40,982,286
<b>Totals</b>	<b>2666</b>	<b>235,406,909</b>

# Methods

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Tobit regression

DV: subnational foundation spending

Control for

- Most recent previous year of subnational foundation granting
  - Subnationals likely to have much consistency from year-to-year in priorities.
- Most recent previous year of national foundations granting

E.g. 2006 model uses 2005 national funding and 2002 subnational funding as IV

E.g. 2007 model uses 2005 national funding and 2006 subnational funding as IV

\*\*All grant data converted to percent of that year's funding



# Results

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Model	Coefficient	Significance
Aggregate	0.075	+
1-year lag	0.042	
2-year lag	0.091	*
Charter School Funding	0.230	**

+ =  $p < 0.1$

\* =  $p < 0.05$

\*\* =  $p < 0.10$

# Discussion and Next Steps

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When national foundations shift their priorities, it appears to have a small trickle-down effect

This is a small set of subnational foundations – if it extends broadly, trickle down could be much larger

The attention to role of large national foundations, especially “new” foundations, may actually be understating effects

## Next steps

- Expanding set – at least two more subnational foundations and their paired national counterparts
  - May also include another type of grantor: community foundations
- Potentially investigate differential trickle-down of new vs. old foundations
- Qualitatively, is this intentional strategy on part of national/subnational to focus granting?