

PA 530
History and Theory of the Nonprofit Sector
Fall 2010

Dr. Kelly LeRoux
E-mail: kleroux@uic.edu
Phone: 312.355.2672

Wednesdays, 6:00 p.m. to 9:00 p.m.
Location: LH 312
Office hours: before class or by appt.

Course Overview

This course provides a basic introduction to the U.S. nonprofit sector, highlighting the unique and distinct roles nonprofits perform in our society, while emphasizing the ways that nonprofits complement the work of government and for-profit firms to create a three-sector economy. The first part of the course examines the history and evolution of the U.S. nonprofit sector, along with an overview of the scope and functions of tax-exempt organizations. Students will then be exposed to various theories that explain the existence of the nonprofit sector, why nonprofits form in the first place, and why the sector continues to grow. We will then consider the blurring of sectoral distinctions, first examining issues of state-nonprofit relations and nonprofits' blurring with government, following by the blurring of for-profit and nonprofit roles and increasing trend toward commercialism in the nonprofit sector. Next, we will briefly survey some key topics related to managing in the nonprofit sector including the mechanisms in place to promote accountability and performance, generating and managing resources, and various tools for managing and decision-making. Finally, we will consider some contemporary topics and trends that pose both challenges and opportunities for the field of nonprofit management.

Course Objectives

By the end of this course, students who have successfully completed all required readings and assignments should be able to:

1. Define what is meant by the term "nonprofit"
2. Demonstrate an understanding of the history of the U.S. nonprofit sector and forces that have shaped its growth
3. Identify features that make nonprofits unique or distinct from proprietary or government organizations
4. Explain the existence of the nonprofit sector, according to various theories
5. Identify trends and organizational behaviors that threaten nonprofits' uniqueness
6. Identify common mechanisms for encouraging nonprofit accountability and performance

Required Texts

There is one required textbook for the course:

Nonprofit Organizations: Theory, Management, Policy by Helmut K. Anheir, 2005. New York, NY: Routledge Press.

Additional articles, book chapters, and links to readings from other sources can be found on Blackboard: <https://blackboard.uic.edu/webapps/login/>. The syllabus, class notes, supplemental readings, and other information related to the course will be available through the university blackboard system:

Grading

Mid-term exam	20%
Final exam	25%
Group Project (“State of the _____ Subsector in Chicago”)	
• Research paper	25%
• In-class presentation of findings	5%
Weekly journal/discussion of current events in the field	15%
Participation in class discussions and preparedness to respond to questions from assigned readings	10%

In accordance with the College grading policy of issuing whole letter grades, the following grading scale will be used in this course: 100-90=A; 89-80=B; 79-70=C; 69-60=D; 59 and below=F. Final course grades will be determined by the cumulative total of the weighted averages listed above.

Assignments

Preparation and Participation in Weekly Discussions– Attendance each week is expected and if you need to miss a class you should notify the instructor beforehand. Participation in class discussions is also expected, as it is an important medium for furthering your understanding of the material. We will have discussions each class session that relate to the assigned readings. To prepare, students should review the Discussion Questions found at the end of each assigned chapter in the textbook, think through how you would respond to these questions, and be prepared to discuss at the beginning of class (for weeks in which there are no readings from the textbook, a set of discussion questions for that week’s readings will be posted on Blackboard). Students will also be expected to share their thoughts and impressions from their weekly “current events” journals (see below).

Weekly Journal: Current Events & Issues for Debate in the Field – Students who are Facebook users should “friend” The Nonprofit Quarterly (you may also subscribe to the Twitter feeds). If you are not a Facebook user, you can subscribe to their news wire by visiting their website <http://www.nonprofitquarterly.org/> after adding your e-mail address. In this case, you

will receive news alerts by e-mail. This is a great source for following the issues, debates, problems, innovations, etc. that going on right now in the practice world. Students are not expected to read every story every day, but focus on one or a few that you find particularly interesting, relevant to your work, or relevant to things we have been discussing in class, and write a brief paragraph summarizing your thoughts and/or questions about the issue/topic, using the electronic journal I have set up in Blackboard. Your journal recordings will be visible to me only, but you should be prepared to discuss your thoughts and impressions in class when we discuss current events. You may miss up to two weeks of journal recordings without penalty. After the semester is over you can “unfriend” NPQ or unsubscribe from the e-mail list if you wish.

Exams – There will be two exams in this course. The mid-term will be an in-class exam, and you may bring your laptop to use if you wish. For this exam, you will be provided with a set of questions a week before to help you focus your studies. The actual exam will contain some, but not all of the study questions meaning that you will have to come prepared to answer any of them. The final exam will be a take home that you will have one week to complete and you will submit it electronically.

Group Project: Examining the Nonprofit Subsectors in the City of Chicago - Students will work in teams of 4-6 to complete this assignment. Each group will be responsible for researching and preparing a report on one of the nonprofit subsectors in the City of Chicago using Guidestar and other sources. The tentative list of subsectors to be covered by groups includes Housing, Economic/Community Development, Arts & Culture, Food Programs, Youth Services, Environmental Issues, Job Training/Workforce Development (I’m not wedded to this topic list so if there are students working in other subsectors i.e. disability services, animal welfare, etc. and want to create another group we can discuss this). Each of the groups will also give a presentation to report their findings to on the last night of class. Groups will be formed sometime in the 2 or 3rd class session and students will be a given a handout with specific instructions for completing this assignment.

Note on Academic Misconduct

Cheating, plagiarism and all other forms of academic dishonesty or misconduct are unacceptable and will not be tolerated. Academic misconduct by a student shall include, but not be limited to, disruption of classes; threatening an instructor or fellow student in an academic setting; giving or receiving of unauthorized aid on examinations or in the preparation of notebooks, themes, reports or other assignments; knowingly misrepresenting the source of any academic work; unauthorized changing of grades; unauthorized use of University approvals or forging of signatures; falsification of research results; **plagiarizing of another's work**; violation of regulations or ethical codes for the treatment of human and animal subjects; or otherwise acting dishonestly in research.

Week 1 (8/25) Introductions, Course Overview, and Student Pre-Test

- Introductions and course overview
- Student pre-test on knowledge of the nonprofit sector

Week 2 (9/1) History and Overview of the U.S. Nonprofit Sector

- Chapters 1-3 in Anheir
- “Inventing the Nonprofit Sector 1950-1990” by Peter Dobkin Hall

Week 3 (9/8) Concepts of Civil Society

- Chapters 4, 5, 15 in Anheir
- Introduction to Guidestar (in class)

Week 4 (9/15) Theoretical Approaches, Part I: Economic Theories

- Chapter 6 in Anheir
- Government Failure Theory and Contract Failure Theory by Dennis Young
- “Of Market Failure, Voluntary Failure, and Third-Party Government: Toward a Theory of Government-Nonprofit Relations in the Modern Welfare State” by Lester Salamon

Week 5 (9/22) Theoretical Approaches, Part II: Political Theories and the Theory of the Commons

- “And Lettuce is Non-Animal: Toward a Positive Economics of Voluntary Action” by Roger Lohmann
- “A New Approach: The Theory of the Commons” by Roger Lohmann
- Political Theories of Nonprofit Organization by James Douglas
- Markets, Politics, and Charity: Nonprofits in the Political Economy by Kristen Gronberg

Week 6 (9/29) Theoretical Approaches, Part III: Social and Community Theories of the Nonprofit Sector + Organizational Theory

- The Theory of Mediating Institutions
- Nonprofits as Manifestations of Community
- Sociological Perspectives on Nonprofits
- Chapter 7 in Anheir

Week 7 (10/6) Theoretical Approaches, Part IV: Theories of Giving

- Chapter 14 in Anheir

- “What is Altruism?” and “Why Donors Give”
- Odendahl, Teresa. 1989. The Culture of Elite Philanthropy in the Reagan Years. *Nonprofit and Voluntary Sector Quarterly*, 18: 237-248.

Week 8 (10/13): In-Class Midterm Exam

Week 9 (10/20): Blurring of the Sectoral Boundaries, Part I: State-Nonprofit Relations and Challenges of the Government-Nonprofit Partnership

- Chapter 13 in Anheir
- “Third Party Government” by Dennis Young
- “Voluntary Agencies and the Contract Culture: Dream or Nightmare?” by Ralph Kramer
- “The Double-Edged Sword of Social Service Contracting: Public Accountability Versus Nonprofit Autonomy” by James Ferris

Week 10 (10/27): Blurring of the Sectoral Boundaries, Part II:

- Chapter 9 in Anheir
- “The Future of the Nonprofit Sector: Its Entwining with Private Enterprise and Government” by Burt Weisbrod
- “Donor Reactions to Commercial Activities of Nonprofit Organizations: An American Case Study” by Robert Herman and Denise Rendina

Week 11 (11/3): Managing Nonprofit Organizations, Part I

- Chapters 8 and 9 in Anheir: Nonprofit Behavior and Performance and Governance, Accountability, and Stakeholders

Week 12 (11/10): Managing Nonprofit Organizations, Part II

- Chapters 11 and 12 in Anheir: Management Models, Tools, and Special Topics

Week 13 (11/17): Contemporary Challenges and Trends Affecting the Nonprofit Sector

- Chapter 16 in Anheir
- “Nonprofits at the Brink: Lean Budgets, Growing Needs, and the Fate of Nonprofits” by Patrick McCormack
- “The Current Crisis” by Lester Salamon

Week 14 (11/24): Group Project Work Time

- There are no assigned readings for this week and class will not meet in the regularly scheduled format. Students are encouraged to use this time to work on finalizing their “state of the subsector” research reports and group presentations

Week 15 (12/1): “State of the Subsector” Presentations

- “State of the Subsector” group papers due and students will give in-class reports on their findings
- Final exams distributed. Final exam will be take-home.

Week 16 (12/8): FINAL EXAMS DUE