

**Nonprofit Management Education in the United States  
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**By**

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**Introduction in Spanish**

Muchísimas gracias por la oportunidad de hablar con ustedes hoy. Me da mucho gusto estar de nuevo en América Latina. Hace treinta y cinco años, llegue por primera vez a América Latina como estudiante universitario para estudiar por unos meses en La Universidad de los Andes en Bogota, Colombia. Mas tarde, preste servicio como voluntario del Cuerpo de Paz de los Estados Unidos en la Republica Dominicana. Aun más tarde, hice varios viajes de trabajo a los países de Chile, el Perú, y varios países de Centro América y el Caribe. Sin embargo, esta es mi primera visita a la Argentina y estoy muy agradecido por la oportunidad de estar aquí y por la oportunidad de aprender mas sobre su historia y cultura. También, me da mucho gusto tener la oportunidad de aprender mas sobre los papeles de las organizaciones sin fines de lucro en la Argentina y los otros países de América Latina con representación en esta reunión.

*Ahora, necesito pedir su permiso para continuar este discurso en inglés. Lo siento que no he tenido la oportunidad de traducir lo restante de mis comentarios a español.*

**Introduction in English**

Thank you for the opportunity to speak with you today. It is very good to be back in Latin America. Thirty-five years ago, I first came to Latin America as a college student to study at the University of the Andes in Bogota, Colombia. Later I served as a volunteer in the United States Peace Corps in the Dominican Republic and made a number of business trips to Peru and Chile and several of the countries of Central America. But this is my first visit to Argentina, and I am very grateful for the opportunity to be here and to learn more about your history and culture. I am also very pleased to have the opportunity to learn about the roles of nonprofit organizations in Argentina and the other countries of Latin America that are represented in this conference.

My assignment today is to speak with you about “Nonprofit Management Education in the United States.” But before I begin, I believe it is important to define some of the terms I will be using and say a word about the growth of the nonprofit sector in the United States.

Note that almost all my references will be to nonprofit management education in the United States of America. I will make only passing reference to such programs in Canada or other places outside the United States.

Note also that I will use the terms “nonprofit sector,” “nonprofit organizations” and “nonprofit management education” instead of “non-governmental organizations” or “civil society.” I am aware that the term “nonprofit” is used much more frequently inside than outside the United States, but I will use it here today as roughly synonymous with the term “non-governmental.”

Note also that in discussing nonprofit management education, I will restrict my remarks to “formal” educational programs at the graduate level. By this I mean formal university degree programs, or courses earning academic credit that would count toward such degrees. I am aware that there are many other high-quality “executive education” and other types of training programs for nonprofit leaders and managers both in the United States and elsewhere, but they are beyond the scope of my remarks today.

I also want to stress that in addressing the topic of nonprofit management education in the United States, I do not in any way intend to convey the notion that the “United States model” – or models – should be adopted in Latin America or other parts of the world. I am fully aware that different historical, cultural, and other conditions in Latin America may lead to educational programs for nonprofit leaders and managers that are quite different than those in the United States.

Many factors have contributed to the rise of nonprofit management education in the United States, but perhaps most important is the remarkable growth of the nonprofit sector itself over the past 50 years.

There are now more than 1.5 million nonprofit organizations in the United States -- almost double the number of just 25 years ago. More than 10 million people now work in these organizations as paid employees. That is approximately 7 percent of all paid employees in the United States and does not include 6 million, “full-time-equivalent” volunteers. Together, both paid employees and volunteers account for some 11 percent of the workforce in the United States.

Nonprofit organizations now generate approximately \$1 trillion dollars each year and account for about 10 percent of the gross domestic product. Approximately one half of these revenues come from earned income: fees for services

provided, membership dues, earnings from investments, and other commercial ventures. Thirty percent of the revenues of nonprofit organizations come from federal, state or local governmental entities. And the final 20 percent come from philanthropic gifts and grants: from individuals, corporations and private foundations.

The nonprofit sector in the United States is now an important part of the U.S. economy. It is big and apparently still getting bigger – although some of my academic colleagues have for several years now been predicting that it cannot and will not continue to expand.

The reasons for the nonprofit sector's growth have been described by others. My purpose here is simply to offer the opinion that without this growth, the emergence of a new field of studies focused on nonprofit leadership and management would have been much less likely. I now want to turn my full attention to this new field of studies.

I believe it is important to stress at the outset, just how young the field of nonprofit management education is in the United States. The first formal nonprofit management education program was established in 1981 -- just 18 years ago -- at the University of Missouri – Kansas City. Other programs soon followed at the University of San Francisco in 1983; George Washington University in Washington, D.C. in 1984; the New School for Social Research in New York City and the State University of New York at Stony Brook in 1986; and Case Western Reserve University in Cleveland in 1988.

I would like to pose three questions as the overall framework for my remarks today. They are:

- **What have we learned from the relatively brief history of nonprofit management education in the United States?**
- **Where are we now?**
- **Where are we going?**

#### **I. What have we learned?**

So, what have we learned? These new programs were based on key working assumptions about nonprofit leadership and management and how best to design graduate education for the leaders and managers of nonprofit sector organizations.

I would like to describe, and then comment on, five of these key assumptions.

1) The first assumption was that nonprofit management and leadership is significantly different than the management and leadership of “for-profit” or government organizations. It followed that educational programs should therefore be designed to meet the specific needs of nonprofit leaders and managers.

2) The second assumption was that these new nonprofit management education programs should adopt a “generic,” or nonprofit sector-wide, focus instead of a focus on specific nonprofit sub-sectors or “industries” such as health services, arts and culture, education, social work, or other nonprofit sub-sectors.

3) The third assumption was that a body of research, publications and teaching materials existed -- or could be quickly created -- that was sufficient in quantity and quality to support rigorous, graduate-level degree programs in nonprofit management and leadership.

4) The fourth assumption was that there was a “market” for these new nonprofit academic programs. That is, if these new programs were offered, people would want to enroll in them and would be satisfied that their “admission price” of time, effort, and money was a worthwhile investment in their future careers as nonprofit leaders and managers.

5) The fifth assumption has two dimensions. First, it was assumed that it was not going to be possible, to insist on a “one best way” of designing the curricula of these programs. Second, it was assumed that it was not going to be possible to insist on a “one best institutional setting” for these programs within colleges and universities. Rather, it was assumed that at least for some time to come, a “multiple curricular models” and “multiple institutional settings” approach to the development of these programs would be necessary and even desirable to see which models and settings would work best.

## **Where are we now?**

**So where are we now? What is the current state of nonprofit management education in the United States?** How did these five key working assumptions stand the test of time and experience?

1. First, I believe we know much better now than we did in the early 1980s that nonprofit management and leadership is different from the management and leadership of “for profit” or government organizations in many important ways.

I am aware that this conclusion is still controversial. There are still those who believe “management is management” -- irrespective of the purposes and roles and contexts of the institutions being managed. It follows from this view that one basic model of management education (usually the basic curricular design prevalent in schools of business or management) is sufficient to prepare leaders and managers for any of the three sectors.

Another version of this view is that however much nonprofit organizations may have differed from business and government in the past, there is now in the United States a “blurring of the boundaries” between these three sectors. It follows that educational programs need not pay much attention to the few differences which remain.

There are also those who say that nonprofit organizations should be “run like a business.” This viewpoint appears to accept uncritically the notion that nonprofit organizations are fundamentally flawed institutions, inferior in most important respects to market-driven, for-profit firms. This view ignores the proposition that nonprofit organizations emerge at least in part because markets – and governments – often fail to supply the kinds and quantities of goods and services that are desired in society. Instead, this view asserts that nonprofit organizations should adopt “business-like” practices to enable them to make more efficient use of their scarce resources and enhance their effectiveness.

I do not share these views. At best, I believe they are simplistic. At worst, I believe they are outright dangerous if they become the sole basis for educating nonprofit leaders and managers.

In warning you of the dangers of such viewpoints, I am not saying that they are totally without merit. For some purposes, nonprofit organizations should be “run like a business,” if by that we mean that they should obey the law, balance their budgets, and use their revenues efficiently. But if that is all we mean, we could just as accurately say that a for-profit business should be “run like a nonprofit organization.” Why? Because there is no empirical evidence to suggest that any roughly comparable sample of nonprofit organizations do any less well at any of those things than for-profit firms. Moreover, we emphatically do not want nonprofit organizations in the United States to adopt the “business-like” practice of distributing any surplus revenues they may generate as “profits” or “shareholder dividends” to their officers and directors. Why? Because to do so would be contrary to the fundamental public benefit purposes for which they were founded. They would also be illegal under the laws regulating nonprofit organizations in the United States.

And what of the assertions that “management is management” implying that “one-size” management education fits all? My rhetorical answer to that is “Why should we settle for a sub-optimal curriculum for nonprofit managers and

leaders? We have already developed much better educational programs because we started with a different curriculum design question. We asked:

“What do nonprofit leaders and managers need to know and be able to do to be effective?”

The answers to that question have become the content of our curricula.

In those cases where nonprofit leaders and managers need to know the same things as business and government leaders and managers, we have borrowed from the best of the curricula of schools of management, business administration, public administration and public policy. But we did not hesitate in modifying those curricula as necessary and adding to them the bodies of knowledge and skills that are uniquely important to nonprofit leaders and managers.

The best of these new educational programs now provide knowledge, skills, and values that are of particular importance to nonprofit leaders and managers including:

- The historical contexts within which nonprofit organizations emerge and are shaped
- The unique purposes and roles of nonprofit organizations in a multi-sectoral world
- The interdependent relationships among nonprofit, for-profit, and government entities
- Nonprofit governance and executive leadership,
- The generation of revenues for nonprofit organizations (especially the raising of funds from private, charitable sources),
- Nonprofit law,
- Nonprofit financial management (including fund accounting),
- Human resources management (including the management of volunteers),
- Nonprofit marketing and communications,
- Nonprofit public policy and advocacy.

**2.** Next, I believe the second assumption that a “generic” nonprofit management and leadership focus was preferable in these new academic programs, has now been validated. One measure of this validation is the rapid growth of such programs in the United States since the early 1980s. Another measure is the growing acceptance of the graduates of these programs in the marketplace for nonprofit leaders and managers. They are increasingly recognized by nonprofit employers as having acquired the breadth and depth of knowledge and skills that make them highly desirable candidates for managerial and leadership positions across a wide range of nonprofit organization sub-sectors.

3. In retrospect, I believe the third assumption that there was a sufficient body of research and publications in the early to mid-1980s to support high quality graduate degree programs in nonprofit management was not well-founded. However, in recent years, there has been a rapid increase in good scholarly research. There are now two rapidly growing, multidisciplinary associations of nonprofit scholars: the Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA) with more than 900 members, and the International Society for Third Sector Research (ISTR) with more than 500 members. There are now three major scholarly journals in the field. Several major academic and commercial publishing firms have launched successful book series focused on nonprofit management and leadership. Many nonprofit management and leadership case studies and other teaching materials are now available for use in the classroom. In short, it is now possible to support high quality, graduate degree programs in nonprofit management and leadership. And, happily, good research and other teaching materials continue to be produced at what appears to be an accelerating rate.

4. Fourth, I believe the assumption that there would be a “market” for nonprofit management education has also been validated. On the “supply side” of this market, there are now 85 colleges and universities in the United States that offer three or more graduate-level courses in “generic” nonprofit management and leadership, philanthropic studies, or closely related subjects and the number of these programs continues to grow. This growth continues to confound the views of the skeptics who for several years have been predicting a “shake-out” and a consolidation of the market for nonprofit management education.

For those of us who constantly scan the environment for indicators of the trends in nonprofit management and leadership education, two recent indicators appear to me to be especially significant, although my evidence is anecdotal rather than systematic. First, I believe that much of the recent growth on the supply side of the nonprofit management education market is, in fact, demand driven. Let me cite three examples.

- The course I was invited to teach in 1995, at Princeton University’s Woodrow Wilson School of Public and International Affairs was added to the curriculum because students there urged the dean to add such a course to the curriculum.
- There is a similar story behind the establishment in 1997 of the Hauser Center for Nonprofit Organizations at Harvard University where, in recent years, as many as one third of the graduates of the Kennedy School of Government have been going to work in non-governmental nonprofit organizations instead of government agencies.
- There is also increased student interest in nonprofit management education among graduate schools of business, including some of the leading business schools in the United States such as those at Columbia

University's Graduate School of Business and the Kellogg School of Management at Northwestern University.

These examples also illustrate the second of what I believe are important recent trends in nonprofit management education, namely, that several of the most "prestigious" of the North American universities are beginning to enter the field of nonprofit management education in a serious way.

I, for one, am very pleased to see these prestigious universities enter the field. They bring important academic credibility, outstanding intellectual resources, and other financial and institutional resources to the entire field. There are now bona fide nonprofit academic programs in the United States at Harvard, Columbia, Georgetown, Northwestern, The Johns Hopkins, the University of California at Berkeley, and the University of Michigan. The same is true in Canada where there are now such programs at York and McGill Universities. That these and other such universities have entered the field makes it much easier for all of us to persuade our own university colleagues of the importance and academic credibility of nonprofit management education.

5. Fifth, I believe the assumption that "multiple curricular models" and "multiple institutional settings" were going to be necessary and even desirable has also been validated. There is still great diversity among the curricular designs of these programs and new curricular models are still being added. However, two broad types have emerged. First, there are a relatively small number of full, freestanding, master's degree programs. The most fully-developed of these include the masters degree programs at the University of San Francisco, Indiana University, the New School for Social Research, and Case Western Reserve University.

Second, there is a much larger number of programs that are "concentrations" or "majors" in nonprofit management that are embedded in some other type of degree program. Such programs are often found within a master of public administration, public policy, or business administration degree.

Which of these existing curricular models is best, full degree programs or "embedded" concentrations? The answer to this question is not yet clear and, in any case, is still quite controversial. My own view is that for those people who intend to spend all or most of their careers in the nonprofit sector, the more nonprofit management and leadership courses that are offered, the better. For this reason, I am a strong advocate of full-degree programs. Given a choice between a full, freestanding, nonprofit management degree program with more than 20 courses, or a small "embedded" concentration of 3-5 courses, I would always prefer the full degree program. However, in those academic institutions in which for whatever good reason it is not yet possible to offer full-degree programs, some courses in nonprofit management education are certainly better than none.

Next, let's examine the question of "multiple institutional settings." Most nonprofit management programs exist within a single school or college in their universities: a school of public administration, a school of business administration, a school of social work, a college of liberal arts or professional studies. However, there are a small, but apparently growing, number of graduate-level programs that have intentionally been organized within their universities as joint ventures by more than one school or college. There are now "multiple-school" or "university-wide" centers at Case Western Reserve University, Indiana University, Harvard University and the University of Michigan, among others.

There is no doubt that these multiple-school structures are more complex than the single-school settings that still predominate. However, complex does not mean inferior. In fact, there are often very good reasons for nonprofit management programs to enter into complex strategic alliances within university settings. These include the ability to draw selectively on the broad intellectual and other resources of the university and focus them on the purposes of the nonprofit academic program. The "proof of the pudding is in the eating," not in the simplicity of its recipe.

As you might imagine, there is a vigorous debate in the field about which one of the many curricular models and which one of the institutional settings has proven to be the "best." In his recent article in the *Journal of Public Affairs Education*, Professor Dennis Young, describes four scenarios for the future of nonprofit management education.

- (a) Consolidation of public and nonprofit management into a newly defined field of public service management
- (b) Integration of nonprofit management into business management
- (c) The emergence of nonprofit management as a new and recognized field with its own schools of equal stature to business management and public affairs
- (d) Maintenance of a variety of different institutional approaches into the indefinite future.

Professor Young argues that scenario (d), the current state of affairs in nonprofit management education with multiple curricular models and multiple institutional settings, is not likely to survive as a long-term arrangement. His own clear preference is for scenario (c), the emergence of nonprofit management education as a new and recognized field with its own schools within universities equal in stature to schools of business management and public affairs.

But it is not at all clear that the emergence of separate schools of nonprofit management is the most probable of these four scenarios, or that some other scenario may not ultimately emerge. It is not even clear to me that on balance it

is the most desirable of these scenarios for the field of nonprofit management studies -- at least for the intermediate range future of the next 10 or 15 years if then.

Lester Salamon of The John Hopkins University is a strong proponent of scenario (a), and with more than 40 percent of the 85 nonprofit management programs in the United States already based in schools of public administration and public policy this model is the current numerical leader. In contrast, fewer than 10 percent of the 85 programs are currently based in schools of business and management. However, the drumbeat of calls for nonprofit organizations to be “run like a business” is a powerful one – however dangerous I may believe it to be. This may mean that the marketplace for nonprofit managers and leaders will ultimately prefer formal education and training in for-profit business skills – and the MBA credential – instead of the bodies of knowledge and skills that I believe are uniquely important to the leadership and management of nonprofit organizations.

I confess that I do not know which of these or other possible scenarios will ultimately prevail. There are too many unknown variables that may affect the outcome. Universities in the United States -- both public and private nonprofit universities -- are not unlike other organizations: there are powerful external and internal influences shaping what they do. These include:

- The labor markets for the graduates of these universities and the perceptions of their students with regard to the opportunities available to them in those labor markets
- Competitive pressures among universities for the best students, the best faculty, and the highest rankings
- The level and character of revenues available to support different types of educational programs within the university including the varying preferences of the providers of those revenues: students, individual donors, corporations, foundations and governments
- The preferences of the faculty and professional staff within the university
- The mission and vision of the university as shaped and executed by its executive and trustee leaders

The scope and dimensions of university-based nonprofit management and leadership education in the future will ultimately depend on the trends in these and other major variables. In the meantime, the current state of nonprofit management education with its multiple curricular models and multiple institutional settings has already produced remarkable gains in the preparation of nonprofit leaders and managers in a very short period of time.

So, on balance, where are we now? On the one hand, substantial, even remarkable, progress has been made in nonprofit management education in less than 20 years. Many of the original assumptions that underlay the initiation of these programs have been validated. The continuing growth in the number of these programs and the still rapidly growing numbers of nonprofit management students and alumni attest to their appeal. On the other hand, the jury is still out on how successful these programs will ultimately be in gaining full acceptance within their respective academic institutions and on what institutional forms they will take.

### **III. Where are we going in the nonprofit management education field?**

This brings me to my third question: **Where are we going in the nonprofit management education field?**

I love this question!

As some of you know, the first conference on nonprofit management education held in San Francisco in 1986 has now been followed by a second, much larger conference on this same subject which was held across the bay from San Francisco in 1996. This conference was attended by more than 130 people from academic institutions across the United States and some 20 other countries. I know that some of you also attended that conference.

If, as it now appears, these nonprofit management education conferences are becoming decennial events, what will the field of nonprofit management education look like in 2016 when the Fourth Decennial Conference on Nonprofit Management and Leadership Education is held in San Francisco – or perhaps here in Buenos Aires?

Now, the year 2016 is far enough in the future that any number of significant events might influence the future development of this field of studies in unpredictable ways. But that's why I love this question. The year 2016 is so far in the future it will be difficult for you to remember which of my predictions don't come true.

#### **So where are we going in nonprofit management education?**

1. First, I predict that in 2016 there will still be a nonprofit sector -- in the United States and around the world. Furthermore, I predict that the management and leadership needs of nonprofit organizations will still be different enough from those of government and business to merit the continuation and expansion of nonprofit management and leadership education. Even if you agree with the notion that the boundaries between government, business, and nonprofit organizations continue to blur, I for one do not believe that these barriers will be eliminated.

2. Second, I predict that by 2016, the “global associational revolution” (the phase used by nonprofit comparative studies scholar Lester Salamon to refer to the growing numbers and important roles of nonprofit organizations worldwide) will have been proven to be, as he predicts, “. . . as significant a development in the late 20<sup>th</sup> Century as the development of the nation state was in the late 18th century.” If Salamon’s vision turns out to be correct, this growth in the size, role and importance of the nonprofit sector around the world will be accompanied by a continuing expansion -- and internationalization -- of nonprofit management education. Dare I predict that by 2016, there will be an increase in the number of university-based nonprofit management education programs from the current 85 in the United States alone, to more than 300 around the world?
3. Third, by 2016, I predict that the telecommunications revolution will have significantly changed the technology of teaching and learning in these nonprofit management education programs. We will finally have figured out how to provide nonprofit management education in “distance learning” formats over the Internet in fully interactive audio and full-motion video. Our nonprofit management courses lectures, seminars, and case studies will be widely disseminated to our students from multiple electronic classrooms in colleges and universities across the United States and around the world.
4. Fourth, by 2016, I predict that the field of nonprofit management education will be far better institutionalized than it is now, although I cannot predict with any certainty what curricular models and institutional forms these programs will take. Many -- but probably not all -- of the existing nonprofit management education programs will have gained the academic recognition and credibility they already deserve, and will have found ways to generate revenues to sustain their operations indefinitely. The leading nonprofit management education programs in 2016 will be those which are most successful in offering rigorous, high quality programs that prepare nonprofit leaders and managers for the full range of challenges they face.

## **Conclusion**

Well, there you have it, the brief, but remarkable history of nonprofit management education in the United States; its present status; and a forecast of how it will look in 2016. There may have been some among the early pioneers and supporters of this field of studies who believed the rapid growth of nonprofit management education was not only a good thing, but inevitable. I confess that in those early years, I did not know what was in store for us. However, the opportunity to be involved in the early development and rapid growth of this field has been at once both inspiring and enormously satisfying. Since its inception, nonprofit management and leadership education has had its skeptics and naysayers, its struggles and its setbacks. But through it all, has come the

growing realization that there is something going on here, something worth doing, and worth doing well.

In the words of George Bernard Shaw:

“You see things and you say “Why?” But I dream things that never were; and I say “Why not?”

Or, if you prefer the words of Henry Miller:

“There are lone figures armed only with ideas, sometimes with just one idea, who blast away whole epochs in which we are enwrapped like mummies.”

That’s how it has been with nonprofit management and leadership education. Don’t take my word for it. Just ask our students and alumni, the nonprofit organizations they work for, and the people they serve in the United States and around the world.

I look forward to seeing you in the year 2016 at the Fourth Decennial Conference on Nonprofit Management and Leadership Education wherever it is held, but, hopefully, right here in Buenos Aires.

Thank you very much -- *Muchisimas gracias!*