

Major Gifts Funding for Academic Libraries, 2003 to 2007

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Academic library operating budgets are complex. The cumulative result of allocations provided from their parent institutions should be derived from the institutions' revenues, monies accumulated from the earnings of their institutional endowments accounts, funds raised annually from government agencies (national, state, and local), individual donors' gifts, and grants from corporate giving programs and private and public philanthropic foundations. The recent economic downturn being experienced throughout the world has had far-reaching effects on both the private and government grant-giving sectors. This situation has created a dangerous position for the flow of financial support to academic libraries, placing a strain on services and programs that they offer to their users. Understanding these changes in the philanthropic environment, it is imperative for grant-seeking library administrators in their quest for money to support their programs and initiatives. This article presents a report of the trends in grant-awarding by private philanthropic foundations to academic libraries in the five-year period between 2003 and 2007 and explores how private philanthropic foundations distributed their major grant awards to academic libraries right before the country went into deep economic recession. This article also provides information on private philanthropic foundation grant-making activities and their grant-awarding trends, by project targeted for funding and by geographical area. The report covers only foundations that awarded grants to academic libraries in the amount of \$10,000 or more. Grants for special libraries, law libraries, and medical libraries are not included. Also excluded are grant awards for public and school libraries.

Grant-Making Trends for Academic Libraries

In 1971, after interviewing a number of librarians, development officers, and foundations throughout the United States, Andrew Eaton made the observation that

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fundraising has been relatively neglected by academic librarians and that many of them consider fundraising none of their business.¹ It may be accurate to say that for many academic librarians the attitude is one where fundraising responsibilities belong to others. Decades after Eaton's comments, the situation has not improved. However, financial hardship imposed by the current economic environment makes clear the need for fundraising by academic libraries given the prevalent economic situation of academic libraries and their parent institutions.

The 1950s and 1960s were the glory days for academic institutions in the country in terms of their financial and economic stability, and their libraries were large beneficiaries of this bonanza. This era of solid financial stability ended in the mid-1970s when the major sources for federal assistance started to show signs of fluctuation and unpredictability. During the late 1970s and early 1980s there were cuts to federal aid programs for libraries covered under the Higher Education Act, Title II of 1965 to a point where it became obvious, especially for the academic libraries, that they could no longer expect large sums of financial assistance from government sources.² Added to this problem, the economic conditions of these decades left higher education institutions on a series of tight and stringent budgets. In many cases, it was the libraries at these academic institutions that were first to suffer from budgetary cuts and readjustments.

In today's economic setting, inflationary rates for library materials have been rising faster than the consumer price index. In order to maintain acceptable funding levels for the acquisitions of materials and implementation of new services, academic libraries urgently need substantial budgetary increases. New financial models introduced by publishers and electronic resource aggregators where academic libraries purchase their print and electronic resources subscriptions are affecting the ability of academic libraries to support ever-increasing user demand for new technologies and services. Data from the Association of Research Libraries (ARL) indicates that the average periodical subscription has increased an average of 32 percent in the last ten years, while academic library budgets have not been able to adequately maintain their pace with these increases.³

During the late 1980s, almost all large academic libraries were either working on some aspect of a development program or were engaged directly in fundraising. New forms of information transfer challenged libraries and information services centers to commit more human and financial resources to participate in the development of innovative technologies and systems for the effective dissemination of information through the new medium. There was hope in the 1990s—with the arrival of new information technologies—for increased interest by federal and private funders to sponsor and support academic libraries as a conduit to the new medium.

Since then, a number of the academic libraries have turned toward private funders, corporate giving programs, and private philanthropic foundations to supplement their budgets with grants. In addition, some libraries began to create development programs of their own, independent from their parent institutions. Smaller libraries were still depending on the development divisions of their own institutions for the most part, and assigning the task to specific members of the staff. The leaders in rare book or special collections are often more sensitive to needs and to fundraising possibilities. Acquisitions librarians were in a good position to participate in developing proposals based on their collection development needs, while other staff with a flair for public relations or with extensive contacts in the community could help.

In the present economic environment, tight budgets for academic institutions are the general trend, and interest in the creation of development units within the libraries is a necessity rather than a casual project. Higher educational institutions are faced with increasing operating costs as well as declining government funding. A closer look at academic library budgets reveals a shift from growth to stagnation and ultimately to reductions.⁴ In this environment, scarcity of financial resources is the common denominator facing academic libraries. Escalating costs in higher education have been a driving force for tuition increases, but after years of higher costs, the consensus among higher education administrators appears to be a strong sentiment to limit tuition increases and reduce existing expenditures. In the middle of the present recession, the prospect for positive change in financial support for academic libraries from their parent institutions is unlikely.

Resurgence in direct fundraising activities on the part of academic libraries is necessary in order to supplement declining budgets. Academic libraries are in the position to initiate their own efforts toward the procurement of funds in addition to those received from parent institutions. The economic environment is forcing library administrators to do more with fewer resources, as their libraries continue to struggle with static or constricting budgets. It is imperative that library senior administrators engage in various types of fundraising activities to fulfill their responsibilities. These circumstances are creating a more competitive

environment among libraries in their search for private and public funding at the local, state, and federal levels. In order to secure money from previously untapped sources, librarians must implement innovative and aggressive fundraising approaches. In preparing a successful fundraising program, an important step is researching the right agency to submit the request for funding for the specific project targeted. It is estimated that less than 7 percent of the total funding requests submitted are accepted and funded by the grant-making agencies that receive grant proposals.⁵ One of the keys for a successful fundraising effort is precise development investigation. This begins with analysis of the grant-seeking organization—what they are trying to accomplish and what is needed in order to accomplish its mission or fulfill its goals.

Once this has been made clear, the next step is to track down the agencies (government or private) whose giving records or stated objectives are most directly associated with the fund-seeking institution's goals, and who are more likely to provide the support needed. In addition, an essential step for the grant seeker in the research process is to review the funding history of these grant providers in order to help narrow the list of those agencies to which to submit proposals.

Collection of the Data

The information collected for this report was compiled from the Foundation Center's online database Foundation Directory Online; the Foundation Center's publications *National Guide to Funding Libraries and Information Services* (2005) and *Grants for Libraries and Information Services 2004–2005*; and *The Big Book of Library Grant Money 2007*.⁶ These publications and the online database, which contain detailed information on the grant-award activities of U.S. private philanthropic foundations and corporate giving programs, provided the raw data of the grants awarded to libraries during the period covered by the report.

The foundations mentioned in this report included only those that awarded grants of \$10,000 dollars or more to academic libraries (gifts over \$10,000 are considered major gifts by development officers). The report is limited to foundations that made grants to academic libraries only; grants for special libraries such as special libraries, law libraries, and medical libraries were not included. The information collected for the report was compiled for only the following grant types, which were considered the most relevant in terms of supporting programs and services in academic libraries:

- Building renovations—given for construction, renovation, remodeling, or rehabilitation of property.
- Capital campaigns—awarded to fundraising campaign, usually extend over a short period of years, to raise

substantial funds for enduring purposes, such as building or endowment funds.

- Collections acquisitions—given to libraries or museums to acquire permanent materials as part of a collection, usually books or art.
- Collection management/preservation—awarded for maintenance, preservation, and conservation of existing collections.
- Computer systems and equipment—disbursed with the purpose of purchasing computer systems and hardware or to develop automated systems and grants to purchase equipment, furnishings, or other materials.
- Endowment—intended to be kept permanently and invested to provide income for continued support of an organization.
- Electronic media and online services—for the acquisition of electronic equipment to support and deliver these services.
- Faculty/staff development—includes staff training programs.
- General support—for general purpose or work of an organization, and to cover the day-to-day personnel, administration, and other expenses for an existing program or project. (These are also commonly known as unrestricted grants. General support or unrestricted grants are usually very hard to obtain, and usually their dollar amount does not exceed the \$10,000 to \$25,000 range. They are hardly ever awarded by government agencies and private philanthropic foundations, and corporation-giving programs are very hard to convince.)

The data collected for the report was organized by type of grant, and by geographical region of the country. The data was divided into six geographical regions and the District of Columbia. The regions are:

- The Northeast, which included the states of Maine, Vermont, New Hampshire, Massachusetts, New York, Rhode Island, and Connecticut.
- The Atlantic Region, comprised by Maryland, Delaware, Georgia, North Carolina, South Carolina, New Jersey, and Virginia.
- The Central and Midwest region, which included Pennsylvania, Ohio, Michigan, Iowa, Wisconsin, Illinois, West Virginia, Kentucky, Minnesota, Missouri, North Dakota, South Dakota, Indiana, Nebraska, and Colorado.
- The Southern region, which included Mississippi, Alabama, Arkansas, Oklahoma, Louisiana, Texas, Tennessee, Kansas, and Florida.
- The Northwest, comprised by Alaska, Oregon, Washington, Montana, Idaho, and Wyoming.
- The Western region, which included California, Arizona, Hawaii, New Mexico, Utah, and Nevada.

The District of Columbia was not included in any of the regions. Of note, academic universities in the district were awarded only four grants in the five years covered in the data collected, and these grants only totaled \$485,000 for an average of \$121,500 per grant.

General Findings

According to Foundation Center data, private philanthropic foundations awarded \$212,689,881 in grants to academic libraries between 2003 and 2007.⁷ These awards went to support projects in the following categories:

- building renovation
- endowment funds
- capital campaigns
- collection acquisition
- collection management/collection preservation
- computer systems/equipment acquisition
- continuing/general/unrestricted support
- electronic media/online services acquisitions
- faculty/staff development

During the five-year span from 2003 to 2007, 567 grants were awarded, for an average of 113 grants per year. The year 2006 was at the top in terms of number of grants awarded, with 122 grants given to academic libraries, totaling \$51,146,379 in disbursed funds. During the five-year period, California academic libraries received the biggest number of awards with 109 for a total of \$26,199,090. New York was a distant second with 51 awards. Academic libraries in North Carolina received the highest amount of dollars, with a total of \$42,558,632 awarded in 28 grants, for an average of \$1,159,951 per grant, with Duke University libraries receiving most of these awards from the Duke Endowment.

When it came to grant-making activities, foundations registered in New York were at the top of the nation, with 148 awards given during the five-year period, totaling \$40,520,595 for an average of \$273,788 per grant awarded. California philanthropic foundations came second, with 103 awards and a total of \$37,615,573, for an average of \$365,200 per grant. North Carolina foundations gave the highest amount of dollars, with \$51,168,632 in only 26 grants, for an average of \$1,968,024 per grant awarded. The biggest award came from the Chosen Family Foundation of California, for \$16,249,712 to Princeton University for collection acquisition in 2006.

During the five-year period, American philanthropic foundations awarded 34 grants to foreign academic universities in Ghana, South Africa, Israel, Nigeria, Turkey, India, Canada, Great Britain, France, and Poland, for a total of \$11,693,999 and an average per-grant sum of \$343,941.

Findings by Grant Type

Building Renovation Grants

Building renovation grants are awarded to organizations for the construction, renovation, or rehabilitation of physical facilities or property. These types of projects received the highest number of grants during the five-year span, with 179 grants awarded, an average of 36 grants per year. Building renovation grants also were the grant type receiving the highest total of dollars awarded by private foundations from all the nine categories covered by the study. Academic libraries received \$91,639,866 in building renovation grant awards between 2003 and 2007, an average of \$18,377,973 per year and \$517,836 per grant awarded.

The years 2003 and 2006 were the banner years for building renovation projects, with 42 grants awarded each year, although there was a significant difference in amounts granted for these types of projects. In 2003, private philanthropic foundations awarded \$22,961,258, for an average of \$546,697 per grant; while in 2006 the dollar amount awarded totaled \$16,693,035, for an average of \$397,453 per grant. In 2005, only 26 building renovation projects were funded by private foundations, totaling \$14,681,236, but the average grant award was \$564,663, the highest average per grant for the five-year period. The biggest building renovation grant during the five-year span was \$12,415,000, awarded by the Duke Endowment to Duke University libraries in 2003, followed by a \$5,000,000 grant by the Dyson Foundation from New York to Marietta College libraries in Ohio in 2005.

Continuing/Operating Support Grants

Continuing/operating support grants were the second highest grant type in terms of monies awarded by philanthropic foundations, with \$53,757,076 given to academic libraries, an average of \$10,751,415 per year. Continuing/operating support grants accounted for the highest number of grants awarded by type of grant with 182, three more than building/reconstruction grants. In 2004, foundations awarded the most monies in continuing/operating support grants to academic libraries, with a total of \$20,629,899 disbursed in 40 grants, an average of \$515,747 per grant. In 2006, the highest number of this type of grants were awarded by philanthropic foundations with 42 awards, even though the total dollar amount was \$9,109,183, for an average of \$216,897 per grant for 2006, a difference of almost more than \$290,000 per grant average. In 2007, only 29 grants of this type were awarded by private foundations, totaling only \$8,728,839. But it was 2005 that saw the lowest amount of dollars awarded for this type of grants, with only \$3,946,161 disbursed in 36 grants, for an average of \$109,616 per grant during the year.

The highest continuing/operating support type grant awarded by was made by the Duke Endowment Fund, for

\$6,435,000 to the Perkins Library of Duke University in 2004. Again, the foundations of New York came in first place in terms of grants awarded in the continuing/operating support category. New York foundations awarded 47 grants of this type during the five-year period, with 90 percent of these grants going to out-of-state academic libraries. Academic libraries in California received the highest number of continuing/operating support grants, with 34 grants, most of them coming from foundations from within California and New York.

Collection Acquisition Grants

During the period between 2003 and 2007, private foundations dispersed a total of \$23,732,368 in 69 major grants for collection acquisitions projects, for an average of \$4,746,474 per year. The years 2005 and 2006 saw the highest number of awards, with 19 grants awarded each year, while 2004 and 2007 were the two years with the smallest number for grants awarded, with only 10 awarded each year.

The biggest collections acquisitions grants awarded during the five-year period between 2003 and 2007 were given by the Costen Foundation from California to Princeton University libraries in the amount of \$16,249,712 in 2006. In 2004, the average collection acquisition grant was the highest, with ten major grants awarded each, for an average of \$158,146. During the five-year period, private philanthropic foundations from California and New York were the most active in this category, with 25 and 19 grants respectively. Similarly, and following the same pattern of the continuing/operating support grant type, 95 percent of all grants from California-based foundations went to academic libraries in the state of California, while most awards from New York foundations were given to out-of-state institutions.

Capital Campaign Grants

Academic libraries in the United States received a total of \$13,317,000 in major awards for capital campaign initiatives between 2003 and 2007. Thirteen major awards over \$10,000 were granted during the five years, for an average of \$743,983 per grant per year or \$1,024,385 per grant. In 2007, the highest number of capital campaign major gifts were awarded, with four grants totaling \$10,029,000 for an average of \$2,507,250 per grant. Academic libraries in California were the recipients of most of the major capital campaign grants, and once again New York philanthropic foundations lead the list on the number of grants awarded.

Endowment Funds Grants

During the five-year period, private philanthropic foundations awarded 29 endowment funds grants to academic libraries, totaling \$13,136,651, an average of \$2,627,330

per year. The highest amount of dollars given was in 2007, when \$4,236,667 were distributed through five grants for an average of \$847,333 per grant; while 2007 was the year with the highest number of grants (eight total awards), adding up to a total of \$3,835,000, an average of \$448,123 per award. The biggest single grant of this type was awarded by the Andrew Mellon Foundation to Williams College in Massachusetts in 2006, even though the Norcliffe Foundation of Washington State awarded three separate endowment funds grants to the Seattle University libraries in Washington, totaling \$3,333,334 in 2007. Foundations from New York reported giving the highest number of grants, with 5 during the five-year span, with the Mellon Foundation awarding a total of \$4,015,000, while academic libraries from California led the way in the number of endowment grants received, with 4 between 2003 and 2007 totaling only \$142,650. Most endowment grants went to institutions within the state of the grant maker with the exception of foundations from New York, which granted all their awards to academic libraries from other states. Most endowment funds awards were given for collection development support for specific subjects, and a very small number were given to support librarian positions or to support special collections and archival services.

Collection Management and Preservation Grants

Collection management and preservation grants came in fifth place in terms of monies awarded with a five-year total of \$11,328,205, an average of \$2,265,641 per year. Fifty major grants were awarded between 2003 and 2007. The year 2007 saw the highest number of awards granted with 21; these grants totaled \$4,445,661 for an average of \$211,698 per award for the year. The year 2004 had the highest average per grant when ten major grants averaged \$339,610 per grant. In 2004, the William and Flora Hewlett Foundation of California granted the biggest award of the five-year period, with Harvard University libraries receiving \$1,250,000 in the category of collection management and preservation grants. In 2007, the Andrew Mellon Foundation of New York awarded 15 collection management and preservation awards, totaling \$3,197,800. These awards went to academic libraries in several states, including one in Massachusetts, two in Kentucky, one in Connecticut, one in North Carolina, one in Pennsylvania, one in England, three in Georgia, one in South Africa, and four in California. New York foundations lead the way in the number of total grants awarded, with 27 during the five-year period. Academic libraries in California were the highest number of recipients by state of these types of grants, with 9 during the period, followed by New York institutions with 7.

Computer Systems and Equipment Grants

Computer system and equipment grants were number six among the eight categories in terms of dollars awarded by foundations, with \$2,380,416 during the five-year period between 2003 and 2007. They also came in sixth place in terms of the numbers of grants awarded by foundations during the five years, with 28 (an average of 5.6 grants per year). The average grant award was \$476,083. The year 2003 was the year that the highest number of major gifts were awarded in this category with eight awards; this was also the year when the highest amount of dollars were disbursed by private foundations during the period, with \$1,083,372, for an average of \$135,000 per award.

The Andrew Mellon Foundation of New York led the way during the five years, with four awards totaling \$1,001,500, with more than \$950,000 going to library projects in South Africa and Poland. The M. J. Murdock Charitable Trust of Washington awarded the biggest grant in this category at the national level when it granted \$231,000 to the Warner Pacific College of Oregon for library software acquisition. New York foundations awarded 10 major grants during the five years, and academic institutions in New York and Oregon received the largest number of awards.

Summary

Academic libraries find themselves in the middle of financial crisis resulting from the severe cuts made to their budgets by their parent institutions, at a time when their roles are changing due to the continuous flow of new technological developments in the information world. College and university administrators and library users are asking for seamless and uninterrupted access to the new information resources and technologies, both for onsite and remote use, creating a demand for libraries to rethink their role as the information center of their academic institutions and as information providers, and to rethink how they make this information available to their patrons more seamlessly.

In order to provide these services and meet these demands, academic library administrators will need to expand their own development programs and have them work in cooperation with the institutional development officers of their parent institutions. For this process to take place, development officers need to realign their research efforts in order to match their grant proposals with the most appropriate and receptive philanthropic foundations by the type of project for which funding is being sought.

The data compiled here reveal a shifting trend in the philanthropic foundations' giving programs from the previous decade, toward awarding more grants to renovation and new buildings projects, followed by unrestricted and

operating funds-type awards, as academic libraries struggle to create better and more technological friendly environments for their users. In the 1990s, private philanthropic funding for academic libraries fluctuated from funding for automation projects to funding for resource-sharing projects. However, during the first decade of the twenty-first century (the period between 2003 and 2007), private philanthropic support for academic libraries has shifted toward funding for building renovation projects. The data collected revealed that during this period, private foundations awarded 179 renovation or building construction projects for an estimated total of \$91 million, an average of \$18 million per year. The average renovation grant during the period was around \$500,000 per award. Although the number of continuing support grants awarded was slightly higher than that for renovation awards (182 were given during the five-year period), the total amount of dollars disbursed was lower, with a total of \$53 million awarded in this category (an average of \$10 million per year and \$275,000 per grant).

It is significant to note that some of these major grant awards were disbursed to academic libraries of institutions from other countries. Thirty-four grants were awarded to academic institutions in Nigeria, South Africa, Ghana, Turkey, India, Great Britain, Israel, Canada, France, and Poland. Over \$11.5 million was awarded to academic libraries in these countries, an average of \$343,000 per award.

Media/online and service projects came in last in terms of the number of major grant awarded, with only eight major grants given during the five years. Capital campaign grants came as the grants with the highest average of money awarded per grant with \$743,000 per award; however, only thirteen awards were given during the five-year span. Computer systems/equipment grants had the lowest average per award, with \$76,000 for the 28 grants awarded during the specified period.

The biggest grant-making states during the five-year period were New York and California. Grant makers from the two states awarded 148 and 103 grants respectively. However, the grant makers from North Carolina awarded the highest number of grant dollars, with \$51,168,632, with most of these monies coming from the Duke Endowment Fund and targeted to Duke University. New York and California grant makers awarded \$40 million and \$37 million respectively. California academic libraries received the most awards, with 103 grants granted, for a total of \$26 million received in these 103 (an average \$252,000 per award). New York academic libraries came in second, with 51 awards given and a total of \$10 million (an average of \$197,000 per award). Texas academic libraries received 31 grants, but their dollar amount total was only \$2.5 million, for an average of \$81,000 per award.

Monies going for building/renovation grant awards

decreased steadily throughout the five-year period. In 2003, \$22 million was awarded for these projects. During the next four years, the total amount of major grants disbursed by private foundation decreased every year. By 2007, the total amount of dollars awarded for building/renovation projects for libraries was \$16 million (a 28 percent reduction). None of the other eight categories showed such a pattern. Although, electronic media/online projects did not receive any major grant awards during 2004 and 2006, the total monies granted fluctuated in no discernable pattern during the five-year period.

The year 2005 was the worst in terms of total dollar amount awarded, with \$23.6 million total for all nine categories (an average of \$2.6 million per category). In 2006, major grant awards increased by 46 percent for a total of \$51.6 million—the highest yearly dollar amount during the five-year span. The total number of grants awarded per year remained relatively steady during the five-year span, with an average of 113 awards per year. The year 2006 saw the highest number of awards, with 122 major gifts given; on the opposite end, 2005 had the lowest number of awards, with 103.

Although the report does not cover 2008 and 2009 (data was still being compiled and organized as the report was created), it is a fair conclusion that most private philanthropic foundations cut down in their giving as their portfolios were affected by the banking crisis and economic recession that started in 2008.

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