

Spring 2008

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Econ 514 - The Nonprofit Economy and Public Policy

Nonprofit organizations provide an intriguing alternative institutional form for provision of services in higher education, health care, religion, aid to the poor, research, and arts and culture. We first consider the role and behavior of these organizations (If not for profit, for what?), then consider several recent public policy controversies. These include purported fundraising abuses, the funneling of 'profits' towards personal gain, 'collusion' by universities in the granting of financial aid, commercial activities that may unfairly compete with for-profits, the conversion of multi-billion dollar nonprofit health and health insurance organizations into for-profit entities, and the tax treatment of personal donations. More recently, the U.S. Senate is considering reforms that would force nonprofits to renew their exempt status every five years, restrict tax deductibility for gifts of property and split-interest trusts, mandate payout rates from donor-advised funds, redefine what sorts of nonprofit organizations qualify for tax exemption, further regulate executive compensation. A good site for updates on this (in summary with links to full testimony, etc.) is at <http://www.ncna.org>

Accommodating Diverse Backgrounds

Econ 514 is designed to be taken by MA-Philanthropic Studies students, MPA-Public Affairs (with concentration in Nonprofit Management) students, and MA-Economics students. Some doctoral students in Philanthropic Studies may also take this class as an elective or to make up for deficiencies in the coverage of their MA degree program. Those taking 514 for credit towards the MA in Economics will have a distinct but overlapping set of required readings, and supplementary meetings will be arranged as necessary to cover the technical aspects in the distinct articles.

Class Objectives

The goals of this course are:

- a) To provide a deeper understanding of the regulatory and tax environment faced by nonprofit organizations.
- b) To develop your analytic skills by sketching the logic behind recent research and work-in-progress on the role, functioning, and regulation of the third sector.
- c) To foster your creative application of these analytic skills so that you can effectively address governmental-policy controversies that may emerge in the future, either as a nonprofit manager, spokesperson, lobbyist, voting citizen, or academic researcher.
- d) To illustrate the ubiquity of basic economic tools and the ways in which economic logic needs to be modified in a particular applied policy setting.

Prerequisites

Econ 201 or equivalent (Principles of Microeconomics) is a prerequisite for this class. The relevant elements of that course presumed here (although brief reviews will be incorporated in lectures) are supply and demand, monopoly, marginal costs, and market failure (where a more extensive review will be given). If you are lacking in this background, need a refresher, or are just plain curious, you should read selected chapters from Economics for Nonprofit Managers by Dennis Young and Rich Steinberg (ranked #4,262,340 on amazon.com!).

Course Requirements

There is no textbook for this course. Required readings will either be posted on oncourse for download or photocopied and distributed in class for a fee covering costs (5 cents per page). There will be two exams (counting 25% each), occasional assignments (totalling 20%), and a term project (counting 30%). A one-page description of your intended project must be submitted for approval (and to enable me to make timely suggestions) no later than Feb. 27, 2008. Economics graduate students taking this course will have different assignments than other graduate students. Specifically, Economics students will need to make a presentation (preferably oral) on one of the more technical readings, with details to be given later, in lieu of one of the homeworks that provides practice on economics issues you are already good at.

Statement on Plagiarism, Cheating, and Related Opportunistic Behaviors.

Don't do it. I check. I prosecute. Penalties are the maximum allowed. If you are unsure how to cite the work of others in your term projects, learn how or ask. I don't care too much about formatting issues (for example, it is ok to omit page numbers) as long as you clearly distinguish your own work and ideas from the work and ideas of others and give credit where credit is due.

Course Outline:

The first half of the course, on theories of the role and behavior of nonprofit organizations, has a set list of topics. The second half of the course, applying these tools to public policy controversies has a longer list of topics than we will have time for. I have selected a manageable set of topics, but we can substitute topics from the bibliography below if you would prefer. The required reading list below assumes we cover the topics I have selected.

This list of readings serves as a general bibliography. Only those readings marked by a * are required. \$ indicates a technical reading for those with sufficient economics and/or statistics backgrounds. These readings are not required, but I'd love to discuss them individually with you if you have sufficient background and desire.

D) Overview

*(required only if you haven't had any economics). Dennis R. Young and Richard Steinberg, Economics for Nonprofit Managers, Ch. 1.

* (required only if this is your first course in Philanthropic Studies). Elizabeth Boris, Introduction: Nonprofit Organizations in a Democracy: Varied Roles and Responsibilities, in Boris and C. Eugene Steuerle, eds., Nonprofits and Government: Collaboration and Conflict.

Burton Weisbrod, The Nonprofit Economy, 1988, (hereafter NPE). Chapter 1; optionally, skim Chapter 4 and Appendix A.

Nonprofit Information Center: (www.independentsector.org/Nonprofit_Information_Center/information_center.html)

Boris and Steuerle, "The Scope and Dimensions of the Nonprofit Sector in the United States." In Walter W. Powell and Richard Steinberg, eds., The Nonprofit Sector: A Research Handbook, Second Edition. (Hereinafter Handbook2)

Anheier and Salamon, "The Nonprofit Sector in Comparative Perspective." Handbook2

Lester Salamon, America's Nonprofit Sector.

Voluntas special issue on methodology of the Nonprofit Almanac, vol. 4, # 2, 1993.

Giving USA, (annual).

American Behavioral Scientist, Special Issues on Resources for Scholarship in The Nonprofit Sector: Studies in the Political Economy of Information, edited by Clotfelter, DiMaggio, and Weiss. Part 1: Data on Nonprofit Industries (June 2002); Part 2: Resources for Comparative Institutional Research (July 2002).

II) What Role for Nonprofits?

A) Economic and Political-Economic Theories.

1) Required

*Richard Steinberg, "Economic Theories of Nonprofit Organization", Handbook2.

*Estelle James, "Introduction," (pages 1-13 only), from James, ed., The Nonprofit Sector in International Perspective: Studies in Comparative Culture and Policy, 1989 (hereafter NSIP).

*Lester Salamon, "Partners in Public Service: The Scope and Theory of Government-Nonprofit Relations," in Powell, ed., The Nonprofit Sector: A Research Handbook (first edition).

Steven Rathgeb Smith and Kirsten A. Gronbjerg, "The Scope and Theory of Government - Nonprofit Relations," Handbook2.

Clemens, Elisabeth. "The Constitution of Citizens: Political Theories of Nonprofit Organizations." Handbook2

2) More on Public Goods Theories

\$Avner Ben-Ner, "Nonprofit Organizations: Why do they Exist in Market Economics?," In Susan Rose-Ackerman, ed., The Economics of Nonprofit Institutions: Studies in Structure and Policy, 1986 (hereafter ENPI).

Burton Weisbrod, "Toward a Theory of the Voluntary Nonprofit Sector in a Three-Sector Economy," in ENPI (and other places).

Bruce Kingma, "Public Good Theories of the Nonprofit Sector: Weisbrod Revisited," from Helmut Anheier and Avner Ben-Ner, eds., The Study of Nonprofit Enterprise: Theories and Approaches, 2003. (Hereinafter SNE)..

\$Bilodeau, M. and Slivinski, A. 1998. Rational Nonprofit Entrepreneurship. Journal of Economics and Management Strategy.

\$Bilodeau, Marc and Al Slivinski. Rival Charities, *Journal of Public Economics* 66, 1997, 449-467

\$Bilodeau, Marc and Richard Steinberg. "Donative Nonprofit Organizations." In Handbook on the Economics of Giving, Reciprocity, and Altruism, Vol. 2, edited by S.-C. Kolm, and J. Mercier Ythier

\$Hansmann, Henry. Nonprofit Enterprise in the Performing Arts, *Bell Journal of Economics* 12, 1981, pp. 341-361

\$A.G. Holtmann, "A Theory of Non-profit Firms," Economica 50, November 1983.

\$Anne Preston, "The Non-Profit Firm: A Potential Solution to Inherent Market Failures," Economic Inquiry, July 1988.

3) More on Asymmetric Information Theories

Henry Hansmann, "The Role of Non-Profit Enterprise," Yale Law Journal 89, April 1980.

Burton Weisbrod, Chapter 2 "Options Among Institutional Forms" in NPE.

Andreas Ortmann and Mark Schlesinger, "Trust, Repute, and the Role of Nonprofit Enterprise," SNE

\$Richard Hirth, 1999. "Consumer Information and Competition Between Nonprofit and For-Profit Nursing Homes." Journal of Health Economics. 18:219-40.

\$David Easley and Maureen O'Hara, "Optimal Nonprofit Firms," in ENPI.

\$Chillemi, Ottorino and Benedetto Gui. 1991. Uninformed Customers and Nonprofit Organization: Modelling 'Contract Failure' Theory. Economics Letters 35, 1991.

4) More on Other Topics

Avner Ben-Ner and Theresa Van Hoomisen, "Nonprofit Organizations in the Mixed Economy: A Demand and Supply Analysis," in Annals of Public and Cooperative Economics, 1991.

Dennis Young, "Entrepreneurship and the Behavior of Nonprofit Organizations: Elements of a Theory," in ENPI (and other places).

Dennis Young, If Not For Profit, For What?, 1983

Charles Clotfelter, "The Distributional Consequences of Nonprofit Activities" in Clotfelter, ed., Who Benefits from the Nonprofit Sector, 1992.

Richard Steinberg, "Overall Evaluation of Economic Theories," Voluntas, June 1997.

B) Testing the Theories.

1) Public Goods Theories

\$James, Estelle. Why Do Different Countries Choose a Different Public-Private Mix of Educational Services?, Journal of Human Resources 28#3, 1993, pp. 571-592

\$Feigenbaum, Susan, "The Case of Income Redistribution: A Theory of Government and Private Provision of Collective Goods," Public Finance Quarterly, 8, 1980.

2) Contract Failure

*Elizabeth Mauser, "The Importance of Organizational Form: Parent Perceptions vs. Reality in the Day Care Industry", in Powell and Clemens, 1998. Selected tables only.

Richard Steinberg and Bradford Gray, "'The Role of Nonprofit Enterprise' in 1992: Hansmann Revisited," in Nonprofit and Voluntary Sector Quarterly (hereafter NVSQ), 1993.

Hansmann, Henry. The Economic Role of Commercial Nonprofits: The Evolution of the Savings Bank Industry, in Helmut Anheier and Wolfgang Seibel, eds., The Third Sector: Comparative Studies of Nonprofit Organizations. de Gruyter. 1990,

Eleanor Brown and Al Slivinski, "Nonprofit Organizations and the Market." Handbook2

\$Grabowski, David and Richard Hirth, 2003. Competitive Spillovers Across Non-Profit and For-Profit Nursing Homes. Journal of Health Economics 22(1): 1-22.

\$Tami L. Mark, Psychiatric Hospital Ownership and Performance: Do Nonprofit Organizations Offer Advantages in Markets Characterized by Asymmetric Information, Journal of Human Resources, vol. 31, 1996 or so.

\$William Spector, Thomas Selden, and Joel Cohen, The Impact of Ownership Type on Nursing Home Outcomes, Health Economics, Nov. 1998.

\$McClellan, Mark and Douglas Staiger. Comparing Hospital Quality at For-Profit and Not-for-Profit Hospitals in David M. Cutler, ed., *The Changing Hospital Industry: Comparing Not-for-Profit and For-Profit Institutions*. University of Chicago Press, 2000, pp. 93-112.

Burton Weisbrod and Mark Schlesinger, "Ownership and Regulation in Markets with Asymmetric Information: Theory and Empirical Application to the Nursing Home Industry," in ENPI.

Jeffrey Ballou, An Examination of the Presence of Ownership Effects in Mixed Markets, Working Paper, IPR, Northwestern U., 2002.

3) Subsidy Theories

\$Henry Hansmann, "The Effect of Tax Exemption and other Factors on the Market Share of Nonprofit Versus For-Profit Firms," National Tax Journal, 1987.

\$Gulley, O. David and Rexford E. Santerre. 1993. The Effect of Tax Exemption on the Market Share of Nonprofit Hospitals. National Tax Journal, XLVI, pp. 477-486.

4) Entrepreneurial Sorting

Philip Mirvis, "The Quality of Employment in the Nonprofit Sector: An Update on Employee Attitudes in Nonprofits Vs. Business and Government," Nonprofit Management and Leadership, 1992.

James Rawls, Robert Ullrich, and Oscar Nelson, Jr., " A Comparison of Managers Entering or Reentering the Profit and Nonprofit Sectors, Academy of Mangement Journal, 1975.

\$Ronald Ehrenberg, John Cheslock, and Julia Epifantseva, Paying Our Presidents: What do Trustees Value?, NBER Working Paper 7886, 2000.

5) General Comparisons

*Mark Schlesinger and Brad Gray. "Nonprofit Organizations and Health Care: Some Paradoxes of Persistent Scrutiny." In Handbook2

Burton Weisbrod, Institutional Form and Organizational Behavior, in Powell and Clemens, eds., Private Action and the Public Good, 1998 (hereafter Powell and Clemens).

\$Mark Schlesinger, Mismeasuring the Consequences of Ownership: External Influences and the Comparative Performance of Public, For-Profit, and Private Nonprofit Organizations, in Powell and Clemens.

Mark Pauley, "Nonprofit Firms in Medical Markets," American Economic Review 77, 1987, pp. 257-262.

Martin Knapp, "Intersectoral Differences in Cost Effectiveness: Residential Child Care in England and Wales," in NSIP.

Bradford Gray, ed., For-Profit Enterprise in Health Care, 1986.

Bradford Gray, The Profit Motive and Patient Care: The Changing Accountability of Doctors and Hospitals, 1991.

Christoph Badelt and Peter Weiss, "Specialization, Product Differentiation and Ownership Structure in Personal Social Services: The Case of Nursery Schools," Kyklos, 1990.

Vivian Hamilton, "The Impact of Ownership Form and Regulatory Measures on Firm Behavior: A Study of Hospices." Nonprofit Management and Leadership, 1994.

Jeffrey Ballou, The Relationship between Pricing Behavior and Ownership Types in the Nursing Home Industry, 1984-1995. Working Paper, IPR, Northwestern University, 2002.

6) Objectives

Debra Minkoff and Walter W. Powell, Nonprofit Mission: Constancy, Responsiveness, or Deflection, Handbook 2

Howard Tuckman and Cyril Chang, Commercial Activity, Technological Change and Nonprofit Mission, Handbook2

\$Richard Steinberg, "The Revealed Objective Functions of Nonprofit Firms," Rand Journal of Economics 17, Winter 1986.

\$Jyoti Khanna, John Posnett, and Todd Sandler, "Charity Donations in the UK: New Evidence based on Panel Data," Journal of Public Economics, 1995.

\$Burton Weisbrod and Burcay Erus. "Objective functions and compensation structures in nonprofit and for-profit organizations: Evidence from the "mixed" hospital industry." in

Edward Glaeser, ed., *The Governance of Not-for-Profit Firms*. University of Chicago Press (2003).

§Burton Weisbrod and Jeffrey Ballou. Inferring Differences in the Behavior of For-Profit, Governmental, and Nonprofit Organizations from Managerial Rewards: Evidence from the Hospital Industry. Journal of Public Economics, 2002.

Brooks, Arthur C. (2005). "What Do Nonprofit Organizations Seek? (And Why Should Policymakers Care?)" Journal of Policy Analysis and Management 24(3): 543-558.

Brooks, Arthur C., and Jan I. Ondrich (2007). "Quality, Service Level, or Empire: Which is the Objective of the Nonprofit Arts Manager?" Journal of Cultural Economics 31: 129-142.

Lowry, Robert C. 1997. "The Private Production of Public Goods: Organizational Maintenance, Managers' Objectives, and Collective Goals." American Political Science Review. 91:308-323.

Vitaliano, Donald F. 2003. "Do Not-For-Profit Firms Maximize Profit?" The Quarterly Review of Economics and Finance. 43:75-87.

Deneffe, Daniel and Robert T. Masson. 2002. "What do Not-For-Profit Hospitals Maximize?" International Journal of Industrial Organization 20:461-492.

William Luksetich, Philip Jacobs, and Mark Lange, "How do Nonprofits Respond to Donations? An Economic Analysis of Nonprofit Supply Behavior" Philanthropy Monthly, 1986.

C) Theories Primarily from Other Disciplines

Julian Wolpert, "Decentralization and Equity in Public and Nonprofit Sectors," NVSQ, Winter 1993.

Walzer, Michael. 1991. "The Idea of Civil Society: A Path to Social Reconstruction." Dissent, Spring, pp. 393-404.

Rich Steinberg, "The Clash of Values in the Civil Society," working paper.

James Douglas, "Political Theories of Nonprofit Organizations" in Powell.

Elisabeth Clemens, *The Constitution of Citizens: Political Theories of Nonprofit Organizations*, Handbook2

III) Modelling Nonprofit Behavior

*Estelle James, "How Nonprofits Grow," in ENPI.

*Richard Steinberg, "Public Policy and the Performance of Nonprofit Organizations: A General Framework", NVSQ, 1993.

Eleanor Brown and Al Slivinski, Nonprofits and the Market, Handbook2

\$Malani, Anup, Tomas Philipson, and Guy David. "Theories of Firm Behavior in the Non-Profit Sector: A Synthesis and Empirical Evaluation." In The Governance of Not-for-Profit Organizations, edited by Edward L. Glaeser. Chicago: University of Chicago Press, 2003.

\$Anne Preston, "Entrepreneurial Self-Selection into the Nonprofit Sector: Effects on Motivation and Efficiency," draft, 1992.

\$Catherine Eckel and Rich Steinberg, "Tax Policy and the Objectives of Nonprofit Organizations in a Mixed-Sector Duopoly.", draft, 1994.

\$Avner Ben-Ner, "Birth, Change and Bureaucratization in Nonprofit Organizations: An Economic Analysis" (draft, 1987)

\$Marc Bilodeau, "Profitable Nonprofits," (draft, 1998).

\$Mark Pauley and Michael Redisch, "The Not-for-Profit Hospital as a Physicians Cooperative," American Economic Review 63, 1973.

\$Joseph Newhouse, "Toward a Theory of Non-profit Institutions: An Economic Model of a Hospital," American Economic Review 60, 1970.

\$Richard Steinberg and Burton A. Weisbrod. Nonprofits with Distributional Objectives: Price Discrimination and Corner Solutions, Journal of Public Economics, 2005.

Richard Steinberg and Burton A. Weisbrod, "Pricing and Rationing by Nonprofit Organizations with Distributional Objectives," in Burton A. Weisbrod, ed., To Profit or Not to Profit: The Commercialism Transformation of the Nonprofit Sector. New York: Cambridge University Press, 1998.

Estelle James and Susan Rose-Ackerman, The Nonprofit Enterprise in Market Economies, 1986.

IV) Contracting Out, Public-Private Partnerships: Government/Nonprofit Relations

A) Contracting

*Kirsten Grønbjerg, "Transaction Costs in Social Service Contracting: Lessons from the USA," In Perri 6 and Jeremy Kendall, eds., The Contract Culture in Public Services, Brookfield, VT: Ashgate Publishing Co., 1997.

*Steinberg, Richard. "Competition in Contracted Markets." In Perri 6 and Jeremy Kendall, eds., The Contract Culture in Public Services, Brookfield, VT: Ashgate Publishing Co., 1997.

\$Susan Rose-Ackerman, "Do Government Grants to Charity Reduce Private Donations?" In Michelle White, ed., Nonprofit Firms in a Three-Sector Economy, 1981. Reprinted in ENPI.

\$Susan Rose-Ackerman, "Ideals versus Dollars: Donors, Charity Managers, and Government Grants," Journal of Political Economy 95, 1987.

\$Ferris, James M. and Elizabeth Graddy. Organizational Choices for Public Service Supply, *Journal of Law and Economic Organization* 10#1, 1994, pp. 126-141

\$Bruce Kingma, "Portfolio Theory and Nonprofit Financial Stability," NVSQ, 1993.

Kendall, Knapp, and Forder. "Social Care and the Nonprofit Sector in the Western Developed World." In Handbook2

Steven Rathgeb Smith and Kirsten Gronbjerg, Scope and Theory of Government--Nonprofit Relations, Handbook2

Carolyn Hill, Contracting with Nonprofits and For-Profits for Human Services, working paper, Harris School of Public Policy Studies, 2000.

James Ferris, "The Double-Edged Sword of Social Service Contracting: Public Accountability versus Nonprofit Autonomy," Nonprofit Management and Leadership, vol. 3 #4, 1993.

Judith Saidel, "Resource Interdependence: The Relationship between State Agencies and Nonprofit Organizations," Public Administration Review, 1991.

Steven Rathgeb Smith, "Contracting and the Changing Politics of Need in the U.S." In Perri 6 and Jeremy Kendall, eds., The Contract Culture in Public Services, Brookfield, VT: Ashgate Publishing Co., 1997.

Kirsten Gronbjerg, Understanding Nonprofit Funding, 1993.

Steven R. Smith and M. Lipsky, Nonprofits for Hire: The Welfare State in the Age of Contracting, 1993.

Robert W. Paulson, "People and Garbage are not the Same: Issues in Contracting for Public Mental Health Services," Community Mental Health Journal, 1988.

Christoph Badelt, "Contracting and Institutional Choice in Austria" In Perri 6 and Jeremy Kendall, eds., The Contract Culture in Public Services, Brookfield, VT: Ashgate Publishing Co., 1997.

Susan Rose-Ackerman, "Efficiency, Funding, and Autonomy in the Third Sector," in Anheier and Seibel, eds., The Third Sector: Comparative Studies of Nonprofit Organizations, 1990.

B) Partnerships

*C. Theodore Koebel, Richard Steinberg, and Robert Dyck, "Public-Private Partnerships for Affordable Housing: Definitions and Application in an International Perspective," in Koebel, ed., Shelter and Society: Theory, Research, and Policy for Nonprofit Housing, 1998.

Jeanne M. Wolfe and William Jay, "The Revolving Door: Third-Sector Organizations and the Homeless." In George Fallis and Alex Murray, eds., Housing the Homeless and Poor: New Partnerships among the Private, Public, and Third Sectors, 1990.

Keith Banting, "Social Housing in a Divided State." In George Fallis and Alex Murray, eds., Housing the Homeless and Poor: New Partnerships among the Private, Public, and Third Sectors, 1990.

V) Giving

A) Theory

*Richard Steinberg, "Collective Goods as a Window on Nonprofit Economics," Third Sector Review, 4#2, 1998, pp. 27-48

Lise Vesterlund, "Why Do People Give" Handbook2

B) Subsidizing Donations

*Richard Steinberg, "Would a Flat Tax Flatten Donations?" Indiana Donor's Alliance Review, 1996.

Richard Steinberg, "Taxes and Giving: New Findings," Voluntas, 1990.

Rob McClelland. Effects of Allowing Nonitemizers to Deduct Charitable Contributions, Working Paper, Congressional Budget Office, Dec. 2002.

Joulfaian, David (2000a) Estate Taxes and Charitable Bequests by the Wealthy, Working Paper, U.S. Treasury Office of Tax Analysis, Washington DC.

Joulfaian, David (2000b) Charitable Giving in Life and at Death, Working Paper, U.S. Treasury Office of Tax Analysis, Washington DC.

\$Charles Clotfelter, Chapter 2, "Contributions by Individuals: Estimates of the Effects of Taxes," in Federal Tax Policy and Charitable Giving, 1985, excerpts.

\$Kevin Barrett, "Charitable Giving and Federal Income Tax Policy: Additional Evidence from a Panel of Taxpayers," National Tax Journal, 1991.

\$Kevin Barrett, Anya McGuirk, and Richard Steinberg, "Further Evidence on the Dynamic Impact of Taxes on Charitable Giving," National Tax Journal, June 1997.

\$O'Neil, Cherie J., Steinberg, Richard and Thompson, G. Rodney (1996) Reassessing the Tax-Favored Status of the Charitable Deduction for Gifts of Appreciated Assets, *National Tax Journal*, XLIX, 2, 215-234.

\$Randolph, W.C. (1995) Dynamic Income, Progressive Taxes, and the Timing of Charitable Contributions, *Journal of Political Economy*, 103, 4, 709-38.

\$Andreoni, James and Bergstrom, Theodore (1996) Do Government Subsidies Increase the Private Supply of Public Goods, *Public Choice*, 88, 295-308.

\$Russell Roberts, "Financing Public Goods," Journal of Political Economy 95, 1987.

\$Joel Slemrod, "Are Estimated Tax Elasticities Really Just Tax Evasion Elasticities? The Case of Charitable Contributions," Review of Economics and Statistics 71, August 1989.

\$LH Lankford and JH Wycoff, "Modeling Charitable Giving Using a Box-Cox Standard Tobit Model," Review of Economics and Statistics, 73, 1991.

\$William Reece and Kim Zieschang, "Consistent Estimation of the Impact of Tax Deductibility on the Level of Charitable Contributions," Econometrica 53, 1985.

Richard Steinberg, "Tax Credits for Charitable Giving," draft 1988.

Gerald Auten, Charles Clotfelter, and Richard Schmalbeck, "Taxes and Philanthropy Among the Wealthy".

C) Crowding Out

Richard Steinberg, "What the Numbers Say," Advancing Philanthropy, vol 3, #2, Summer 1995, pp. 26-31.

Richard Steinberg, "Does Government Spending Crowd Out Donations? Interpreting the Evidence," Annals of Public and Cooperative Economics, 1991. selected tables = *; entire article = \$.

\$Andreoni, James and Payne, A. Abigail (2003) Do Government Grants to Private Charities Crowd Out Giving or Fundraising? *American Economic Review*, 93#3, 792-812.

\$Richard Steinberg, "Voluntary Donations and Public Expenditures in a Federalist System," American Economic Review, 1987.

\$Jerald Schiff, Charitable Giving and Government Policy, 1990.

\$Bruce Kingma, "An Accurate Measurement of the Crowd-Out Effect, Income Effect, and Price Effect for Charitable Contributions," Journal of Political Economy, 1989.

\$Bruce Kingma and Robert McClelland, "Public Radio Stations are Really, Really Not Public Goods: Charitable Contributions and Impure Altruism," Annals of Public and Cooperative Economics, March 1995.

\$John Straub, Fundraising and Government Crowd-Out of Private Contributions to Public Radio: An Empirical Study, working paper, U. of Wisconsin-Madison, 2000.

\$Andreoni, James. (1989). Giving with Impure Altruism: Applications to Charity and Ricardian Equivalence. Journal of Political Economy, 97, 1447-58.

\$Andreoni, James. (1993). An Experimental Test of the Public Goods Crowding-Out Hypothesis. American Economic Review, 83, 1317-1327.

Brooks, Arthur C. (Forthcoming). "Do Government Subsidies to Nonprofits Crowd Out Donations or Donors?" Public Finance Review

Brooks, Arthur C. (2000). "Is There a Dark Side to Government Support for Nonprofits?" Public Administration Review 60(3): 211-218.

Brooks, Arthur C. (2000). "Public Subsidies and Private Giving: Crowding Out, Crowding In, or Both?" Journal of Policy Analysis and Management 19(3): 451-464.

\$Burton Abrams and Mark Schmitz, "The Crowding-Out Effect of Governmental Transfers on Private Charitable Contributions," Public Choice, 1978.

\$Burton Abrams and Mark Schmitz, "The Crowding-Out Effect of Governmental Transfers on Private Charitable Contributions: Cross-Section Evidence," The National Tax Journal, 1984.

\$Abigail Payne, Does the Government Crowd-Out Private Donations? New Evidence from a Sample of Non-Profit Firms, Journal of Public Economics, 1998.

\$Mark Wilhelm and David Ribar, Altruistic and Joy-of-Giving Motivations in Charitable Behavior, Journal of Political Economy, April 2002.

D) Fundraising

*Richard Steinberg, "The Economics of Fundraising," in Dwight Burlingame and Monty Hulse, eds., Taking Fund Raising Seriously, 1991.

\$Richard Steinberg, "Optimal Fundraising by Nonprofit Firms," in Giving and Volunteering: New Frontiers of Knowledge, 1985.

\$James Andreoni, "Toward a Theory of Charitable Fundraising." Journal of Political Economy, December 1998.

\$Vesterlund, Lise. 2003. The Informational Value of Sequential Fundraising. Journal of Public Economics 87:627 -- 58.

Sargeant, Adrian and Kahler, Jurgen (1999) Returns on Fundraising Expenditures in the Voluntary Sector *Nonprofit Management and Leadership*, 10, 5-20.

E) Volunteering

*Laura Leete, Work in the Nonprofit Sector. In Handbook2.

Nancy Wolff, Burton Weisbrod, and Edward Bird, "The Supply of Volunteer Labor: The Case of Hospitals," Nonprofit Management and Leadership, 1993.

Jerald Schiff, "Tax Reform and Volunteering," in Independent Sector and United Way Institute, The Constitution and the Independent Sector - 1987 Spring Research Forum Working Papers, 1987.

\$Brown, Eleanor and Lankford, R. Hamilton (1992) Gifts of Money and Gifts of Time: Estimating the Effects of Tax Prices and Available Time. *Journal of Public Economics*, 47, 321-341.

\$Kathleen M Day and Rose Anne Devlin, Volunteerism and crowding out: Canadian Econometric Evidence. Canadian Journal of Economics, XXIX, Feb. 1996, pp. 37-53.

\$Andreoni, James, Gale, William and Scholz, John Karl (1996) Charitable Contributions of Time and Money, Working Paper, University of Wisconsin Dept. of Economics, Madison WI.

\$Brown, Eleanor (1999) Assessing the Value of Volunteer Activity *Nonprofit and Voluntary Sector Quarterly*, 28, 3-17.

\$Day, Kathleen M. and Rose Anne Devlin. (1998) The Payoff to Work without Pay: Volunteer Work as an Investment in Human Capital, *Canadian Journal of Economics*, 31:1179-1191.

F) Corporate Donations

\$Peter Navarro, "Why Do Corporations Give to Charity?," Journal of Business, 1988.

*Galaskiewicz, Joseph and Michelle Sinclair Colman. Collaboration between Corporations and Nonprofit Organizations. Handbook2.

VI) Taxation of Nonprofit Organizations and their Commercial Activities

*John Simon, Harvey Dale, and Laura Chisolm. "The Federal Tax Treatment of Charitable Organizations." Handbook2.

Richard Steinberg and Marc Bilodeau, Should Nonprofit Organizations Pay Sales and Property Taxes. Monograph published by the National Council of Nonprofit Associations, July 1999.

Burton Weisbrod, "Ch. 6: Revenues from Sales," NTE

James, Estelle. Commercialism Among Nonprofits: Objectives, Opportunities, and Constraints, In Burton A. Weisbrod, ed., *To Profit or Not to Profit: The Commercial Transformation of the Nonprofit Sector*. Cambridge University Press, 1998, pp. 271-286

Howard Tuckman and Cyril Chang, "Commercial Activity, Technological Change, and Nonprofit Mission." in Handbook2.

Harvey Dale, "Rationales for Tax Exemption," in Independent Sector and United Way Institute, Looking Forward to the Year 2000: Public Policy and Philanthropy - 1988 Spring Research Forum Working Papers, 1988.

Joseph Cordes and Burton Weisbrod, "Differential taxation of nonprofits and the commercialization of nonprofit revenues," in To Profit...

Charles Clotfelter, "Tax-induced Distortions in the Voluntary Sector," Case Western Reserve Law Review, vol 39 #3, 1988-89.

Jerald Schiff and Burton Weisbrod, "Competition between For-Profit and Nonprofit Organizations in Commercial Activities," Annals of Public and Cooperative Economics, 1991.

\$Catherine Eckel and Richard Steinberg, "Tax Policy and the Objectives of Nonprofit Organizations in a Mixed Sector Duopoly," (draft, 1994).

\$Richard Steinberg, "'Unfair' Competition by Nonprofits and Tax Policy," National Tax Journal, September 1991

\$Lewis M. Segal and Burton A. Weisbrod, "Interdependence of Commercial and Donative Revenues," in To Profit...

Susan Rose-Ackerman, "Unfair Competition and the Corporate Income Tax," Stanford Law Review 34, May 1982.

Henry Hansmann, "Unfair Competition and the Unrelated Business Income Tax," Virginia Law Review 75, 1989, pp. 605-635.

Kingma, Bruce R. 1995. Do Profits "Crowd Out" Donations, or Vice Versa? The Impact of Revenues from Sales on Donations to Local Chapters of the American Red Cross. Nonprofit Management and Leadership 6, pp. 21-38.

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