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Giving to local schools: Corporate philanthropy, tax incentives, and the ecology of need ☆

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Abstract

This paper extends work on corporate philanthropy by arguing that we need to look not only at legal and institutional factors that shape corporate philanthropic activity but also at the ecology of the ''consuming'' organizations toward which philanthropic activity is directed. We examine the forces that shape the philanthropic practices of corporations, focusing our analysis on corporate giving to local schools. The analysis draws upon a survey of the philanthropic practices of a representative sample of 2776 corporations in the United States in 2002. Two significant findings emerge: first, higher levels of state corporate taxation are associated with greater levels of giving to local schools. This finding fits well with established arguments about the relationship between tax write-offs and charitable giving—higher taxes provide greater incentives for increasing philanthropic activity. Second the proportion of private schools in a given state is inversely related to philanthropic giving to local schools. We argue that the ecology of the receiving organizations in this area shape the perceptions of need among corporate givers. Corporations that are in states that have more competition between schools and a healthier ''market'' for education demonstrate less commitment supporting the provision of social services in this area.

Keywords: Philanthropy; Educational resources; Organizational environment

1. Introduction

For the last quarter century, there has been a significant rise in philanthropic activity from a number of different sectors of the economy, with philanthropic activity increasing by over 1200% overall and nearly 400% in inflation-adjusted dollars since 1975. Private foundations have been the most significant force in this distribution of resources—more than doubling in number since 1975—however, corporate philanthropic giving has also risen significantly during this time period as well (Foundation Center, 2002). Indeed, while corporations in the United States have long been engaged in philanthropic activity, the level of philanthropic

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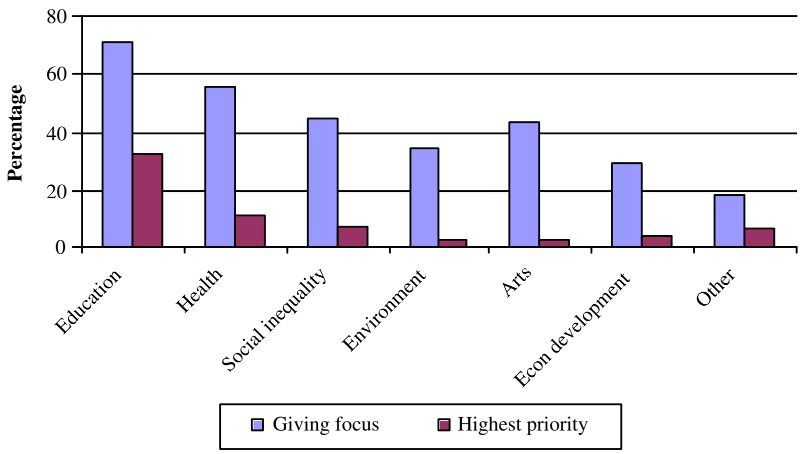


Fig. 1. ‘‘Giving Focus’’ and ‘‘Highest Priority’’ for corporate philanthropy, 2002.

commitments from the corporate sector has risen steadily since the middle of the 20th century and most rapidly since the 1970s (Useem and Kutner, 1986). In 2000, the Fortune 100 group alone donated over $2 billion in cash gifts and total philanthropic giving from corporations neared $11 billion.[1] Corporate philanthropic giving to support local organizations is a key feature of the flow of resources that has redefined the funding and provision of public goods in the United States.

Joseph Galaskiewicz’s (1979, 1985a,b, 1989, 1991, 1997) pioneering research on the ‘‘urban grants economy’’ illuminated a great deal about the ways that corporations invest in the local areas in which they are embedded. Yet, while we have learned a tremendous amount about the factors that shape the giving patterns of corporations, we still have much to learn about the ways they are connected to specific types of non-profit organizations and specific types of institutions, particularly as the state continues to pull back resources from the support of social services and public goods. For example, what do we know specifically about corporate support for *local* elementary and secondary schools? Some scholarship has examined the ways that philanthropy has influenced policy and educational agendas (e.g., Lagemann, 1998, 1990, 1988); other studies have looked at the ties between business institutions and institutions of higher education (Useem, 1988; Wren, 1983). The issue of support for public education is especially important, not just because education is arguably the most critical public institution for shaping individual lifecourse outcomes in a modern society, but also because education is currently the highest priority of corporations in their philanthropic giving: in 2001, among the 100 largest corporations in the United States, education was the highest priority target—in terms of the amount of money given to any one cause—compared to any other area of philanthropic giving.[2] In addition, in a recent survey conducted by the University of California Survey Research Center of the philanthropic activities of a representative sample of 2776 corporations in the United States (survey described in greater detail below), we found that corporations of all sizes across the nation were most likely to list education as a ‘‘giving focus’’ and as their ‘‘highest priority of giving’’ compared to all other areas of philanthropic activity. As Fig. 1 shows, 71% of corporations listed education as a focus area of their philanthropic programs, and 33% listed education as their highest priority in philanthropic activities. By comparison, 55% of corpora-

[1] The Chronicle of Philanthropy 13(19), July 26, 2001. See also World Vision, ‘‘Philanthropy: Corporate Philanthropy Generates Lasting Rewards.’’ Among Global 500 corporations the collective revenues, profits and assets of these institutions are $14 trillion, $667 billion, $45 trillion, respectively, and they employ 45 million employees (the corresponding figures for Fortune 500 companies are $7 trillion, $443 billion, $17 trillion, and 24 million).

[2] These findings are based on the Fortune© Datastore dataset with information gathered from the Web sites of the 100 largest corporations in the US. We should acknowledge here that this statistic does not distinguish between corporate giving to institutions of higher education and elementary and secondary education. However, as a number of corporate foundations have become increasingly attuned to needs of elementary and secondary education in the United States, this category of giving has become quite significant in recent years.

tions listed health as a "giving focus" and 12% named health as their highest priority in their philanthropic programs.[3]

In this paper, we explore the factors that drive corporate contributions to education. Empirically, the focus of our study is on corporate giving to public schools in general and to local public schools specifically. However, beyond identification of corporate philanthropic practices vis-à-vis education, the research is also driven by a theoretical agenda: we demonstrate that the institutional environment and the ecology of receiving organizations both matter significantly for the decisions a corporation makes with regard to the local orientation of philanthropic activity. As incentives for corporate giving provided by the state vary, corporate practices surrounding giving to education also change. Where most of the research on the relationship between corporate contributions and taxes has looked at institutional variation across sectors of the economy, we look at institutional variation in corporate tax rates across states. In addition while the manifest needs of local schools have no impact on the substantive focus corporations make with regard to giving programs, as the structure of the competition for local schools varies net of other organizational factors, so too do the practices of corporate giving in this area.

2. Theoretical issues

2.1. Corporate philanthropy

Corporations in the United States have long been involved in philanthropic giving, and there is a rich literature exploring this topic. However, understanding what the implications of this giving are and the forces driving the giving is an area that requires more research. Useem and Kutner (1986) point out that, even as philanthropic commitments among corporations rise, spread evenly across the non-profit sector, the amount of money coming from the corporate sector would not be all that significant—indeed, funding from the corporate sector is a relatively small percentage of total revenues for the non-profit sector. However, as Useem and Kutner also note, this source of funding is *not* spread evenly, and, as such, the corporate sector becomes a very significant source of revenue for some organizations. The question of who gets what and why remains an important issue to explore in research on corporate–community ties, because it raises questions about the ways corporations respond to the needs of the communities in which they are embedded, questions that are especially important in the era of the receding welfare state and the privatization of public goods.

Statutory law relating to corporate philanthropy first emerged at the state level in 1917, a time during the Progressive Era when individual states began to pass legislation allowing corporations to give to charity. The next significant change in the institutional environment came in 1935, when Congress created the first set of incentives for philanthropic action by corporations, allowing corporations to write off up to 5% of net income (Fremont-Smith, 1972). This amount was raised to 10% of taxable earnings during the Reagan Administration as a provision of the Economic Recovery Act of 1981. Corporations are not mandated to give, and some scholars have interpreted such practices in economic, profit-maximizing, or self-interested terms (Fry et al., 1982; Navarro, 1988; Piliavin and Charng, 1990). Burt's (1983a,b) argument about corporate "cooptation" views corporate philanthropy as a public relations tool: to the extent that corporations reside in industries that provide incentives for them to institutionalize close ties with consumers, philanthropy becomes a useful tool for that end. Burt's research on corporate philanthropy is a key starting point for any analysis that seeks to engage the question of why corporations engage in philanthropic activity. Burt views corporate philanthropy and advertising as two sides of the same coin. Both expenditures are tax deductible and therefore governed by the same set of tax incentives, and based on his comparative analysis of the spending of profits on advertising and philanthropy, Burt argues that both modes of spending can be examined as ways for corporations to make connections with household consumers. Though tightly focused around assumptions of a rational profit-maximizing framework for corporate expenditures, Burt's analysis of corporate philanthropy across

[3] According to Navarro (1988), over 70% of all corporate contributions go to "education and research". According to Burt (1983a, p. 421), "the percentage of donations [has] remained relatively stable at approximately 1% since the late 1950s with the bulk of donations going to health and welfare (about 40%) and education (also about 40%).

industrial sectors is among the most systematic to date and therefore must be taken seriously as a starting point for understanding corporate motivations to give back to the community.

Yet, while the economic imperative may be central, it may also be the case that corporations attempt to connect with constituencies in a variety of ways; in other words, corporations may respond to market incentives, but they may also respond to other signals from the institutional environment in which they are embedded. Thus, following the research in neo-institutional analysis, we might also expect that there are institutional imperatives in this realm of corporate philanthropic activity as well: economic and institutional forces may combine to drive the decisions that corporations make surrounding corporate philanthropy, corporate investment in local communities, and a commitment to having an impact on the localities in which they are embedded. Indeed, past research that has engaged questions of corporate civic engagement has found strong effects in support of the impact of institutional environments on corporate giving (e.g., Galaskiewicz and Burt, 1991; Galaskiewicz and Wasserman, 1989). Corporate philanthropy is a symbolic act, yet, where these resources are channeled makes a difference not only for how corporations market their images but also for the communities to which the resources flow (Useem, 1993). While sectoral variation in corporate philanthropic practices is central to the variation in corporate giving (e.g., Burt, 1983a; Schwartz, 1966), there is also significant variation in whether corporations focus their philanthropic practices on national and global versus local causes. What explains variation of these practices across localities? What explains why a company like General Mills focuses the majority of its giving on issues of crime and urban infrastructure in the city of Minneapolis-St. Paul, where it is headquartered, while the Microsoft Foundation directs little of its resources to the city of Seattle (Guthrie and McQuarrie, 2004)? Do symbolic statements of corporate commitment to local communities follow state regulation and normative institutional commitments or are they purely tied to the market in which corporations are embedded?

Where Burt's work has set the standard for understanding how corporate commitments vary by industry, Galaskiewicz's (1979, 1985a,b, 1989, 1991, 1997) work has been among the most systematic at interrogating questions surrounding local commitments of corporations. Anchoring his research in the Twin Cities of city of Minneapolis—St. Paul, Galaskiewicz and his collaborators systematically examined the social forces behind corporate philanthropic giving in the Twin Cities. Rates of giving have apparently been much higher in the Twin Cities than throughout the rest of the country—a fact that earned this metropolitan area the moniker of Emerald City—and Galaskiewicz's research set out to find out what was behind the social norm of corporate giving there. Based on a 1981–1982 survey of the population of publicly owned corporations headquartered in Minneapolis—St. Paul, Galaskiewicz identifies the corporate factors most closely associated with corporate giving. Focusing on network and reputational effects for corporations as well as the business elites that run these institutions, Galaskiewicz (1985a) identifies a number of different categories of giving, which include giving-as-public-relations strategy, giving-as-social-currency, and giving-as-enlightened-self-interest. Galaskiewicz conceives of the urban grants economy as a network of collective action, where, for a variety of reasons, normative pressure from within the community shapes corporate pressure to give. A follow-up survey was conducted in 1989 to give temporal dimension to the study (Galaskiewicz, 1997).

The strength of Galaskiewicz's in-depth work on the Twin Cities has also been its main limitation: by concentrating on one metropolitan area, Galaskiewicz and his collaborators have, over the years, set forth a very deep understanding of the sociology of the urban grants economy in that site; however, the focus on one place does not allow for a comparative framework, which would allow us to look deeper into the question of how variation in the institutional environment shapes the decisions corporations make in the area of corporate giving. Galaskiewicz's study has drawn upon the insights of institutional analysis, mostly tracking the ways that individuals and organizations within an organizational field influence one another in strategy and behavior (e.g., Galaskiewicz, 1985a,b; Galaskiewicz and Wasserman, 1989; Galaskiewicz and Burt, 1991). However, with a single research site, the work on corporate philanthropy has not drawn on one of the principal insights of new institutional analysis in organizational sociology—that variation in the institutional environment plays a key role in shaping what organizations in local environments do. Whether looking at variation in the institutional environment at the state level (Dobbin et al., 1993; Sutton et al., 1994; Dobbin and Sutton, 1998; Guthrie and Roth, 1999a,b; Arum, 2003) or variation in the federal judiciary (Guthrie and Roth, 1999a,b), one of the main issues raised in this line of research has been understanding the impact of the institutional environment on local organizations, and without comparative data across localities, we cannot assess the

Table 1
Number of local giving and receiving organizations at various levels of giving, 2002

	Atlanta	Cleveland	Seattle
Total philanthropic giving [a]	$479,760,552	$275,929,353	$1,143,651,797
Mean philanthropic giving[a]	$3,263,667	$2,090,374	$14,119,158
Median philanthropic giving[a]	$518,000	$540,832	$611,009
Total number of independent foundations[a]	580	946	485
Total number of corporate foundations[a]	25	48	14
Total number of operating non-profits[b]	2778	1626	2079
Total number of support organizations[b]	252	394	237

[a] Foundation Yearbook.
[b] National Center for Charitable Statistics.

impact of that variation. As Galaskiewicz (1985a, p. 207) put it, "without comparative data we cannot say why company giving in other cities did not match the Twin Cities."

Galaskiewicz's work is a key point of departure for any study that aspires to examine the driving forces behind corporate philanthropy. Galaskiewicz's work on understanding philanthropic behavior has been enriched by recent neo-institutional scholarship on the topic. Marquis et al. (in press) in their research examining corporate philanthropic activity in Cleveland and Columbus, Ohio have argued that normative institutional pressures are generated across local corporate communities producing variation in normative expectations affecting patterns of giving. Besser (1998) and Bielefeld and Corbin (1996) also have pointed to the importance of normative institutional cultures in structuring corporate philanthropy.

2.2. Philanthropy and the ecology of need

With the exception of several key studies in the area of corporate philanthropy (e.g., Galaskiewicz, 1985a,b; McElroy and Siegfried, 1986; Besser, 1998; Lowry, 1999; Marquis et al., in press), few researchers have focused on the influence of the contextual institutional environment on patterns of corporate philanthropy. We expect that the local ecology of the field of receiving organizations influences the decisions that corporations make in the area of philanthropic giving. For example, in the cities we studied in greater depth in the Corporate–Community Relations Study—Atlanta, Cleveland, and Seattle[4]—while total, mean, and median levels of philanthropy vary significantly across the three cities (Table 1), so, too, do ecologies of the operating charities that are eligible to draw from these pools of resources. It is likely that these divergent ecologies have important consequences for the decisions that corporations headquartered in these localities make.

With respect to schools specifically, there is significant variation in the ecology of receiving organizations. Understanding the local implementation and provisioning of support for public education requires not only an understanding of the allocation of public funding, but also an understanding of the competing organizations that shape the market for education in a given locality and the ways that the strength of this market places additional pressure on other institutional actors in the environment. Arum (1996), for example, has argued that private schools "force public schools to compete", showing that the vitality of the "market" for education strengthens the performance of all public schools in this sector: net of other organization-level variables, the size and strength of the private school market has a positive effect on public investment and the performance of public schools in the same market. In other words, with regard to education, the structure of the market for education shapes the delivery of this public good.[5]

[4] The Corporate–Community Relations Study is comprised of a national survey of corporate decisions in the area of corporate philanthropy coupled with in-depth studies of Atlanta, Cleveland, and Seattle to supplement the quantitative data gathered for the study. See below for further discussion.

[5] While Arum's research might appear on one level to be an argument about competition in the market for education, a deeper look reveals an explicitly institutional argument: while the strength of the private sector positively affects outcomes in the public sector, Arum argues that this is not a function of greater efficiency in the face of competition. Rather, he shows that this is because the state provides more resources than otherwise would be expected to schools in states that have active private school sectors.

It may also be the case that corporations respond to the publicized needs of organizations and institutions in their locales. When faced with a community of organizations that display great need, corporations may be more likely to target resources in response. The issue of perceived needs of institutions of education is a critical issue within this calculus, because the manifest neediness of local institutions of education along measurable dimensions is a well-publicized fact. Student–teacher ratios, poverty levels, and even performance are well-known measures that make explicit the "neediness" of local schools. But do corporate patterns of giving vary in association with the perceived need of educational institutions in the environment in which they are embedded? It may be the case that corporations in an environmental context that exhibits need with respect to a specific institution will be more likely to target resources locally to such an institution.

However, defining "need" is complicated, and assessing the strength or weakness of a public good draws upon multiple signals from the environments in which individuals and organizations are embedded. In some cases, the strength of a public good can be tested by the migration to the private market for that good. Arum (1996) has shown that as the proportion of private schools in a local education market increase, so too does the relative level of public investment and the performance of the public schools in that market. The key insight here is that the private market shapes both the practices and perceptions of the quality of the public school market. Thus, with respect to philanthropic giving, it may be the case that private–public competition in local school markets also shapes the ways that philanthropic organizations view the schools seeking resources in their local markets. As the private school market expands, philanthropic givers potentially could see their responsibility for the educational system in a given area as diminishing, because there will be additional alternative opportunities for students within that education market. In other words, when a higher proportion of students are abandoning the public school system and seeking private sector market solution (thus, seeing education as a private good), corporations are potentially less likely to see education as a public good for which they bear responsibility, and resources from the corporate sector could potentially decline.

2.3. Legal institutions and the incentives for giving

Many scholars of institutions have argued that corporations are embedded in institutional environments, and those institutional environments influence the decisions and practices that corporate actors adopt (e.g., Edelman, 1990, 1992; Dobbin et al., 1993; Sutton et al., 1994; Fligstein, 1990). Just as organizations respond to market uncertainty by adopting new economic strategies to gain competitive advantage over rivals, they also respond to the constraints of the institutional environment in which they are embedded by adopting structures and practices that signal compliance with the laws and norms of society. Often times, a *post hoc* rationalization recasts these decisions as being based on a rational economic calculus (Dobbin and Sutton, 1998), but the basic fact is that institutions shape the decisions of corporations. And in some cases shifting institutional environments defines not only who governs an organization (e.g., Abzug and Simonoff, 2004), but the very notion of what it means to be a corporation in a given period or era (Fligstein, 1990).

While some scholars have rightly argued that organizational research lost touch with the importance of the relationship between organizations and the social environment (Stern and Barley, 1996), we argue here that the framework of institutional analysis in general and the study of corporate philanthropy specifically are fields that have illuminated the relationship between organizations and the social environment. In their classic article on the institutional pressures that shape organizational action, DiMaggio and Powell (1983) point to three types of institutional pressure—mimetic, coercive, and normative. Mizruchi and Fein (1999) show that the vast majority of research has focused on the first of these categories, mimetic isomorphism, though a number of studies have also focused on the second of these three categories, coercive isomorphism.[6] Yet, it is perhaps the normative pressures that have always held the most allure for sociological research on corporations. While many studies have highlighted the mechanisms for the diffusion of practices across organizations in a general way, a good deal of scholarship has focused substantively on how these forces shape corporate citizenship—for example, the forces that push corporations to adopt structures that comply with Equal Employ-

[6] Mizruchi and Fein also note that the categorization of observed institutional pressures has been somewhat arbitrary: some processes that are defined as mimetic could just as easily be coercive or normative, and those defined as coercive could just as easily be defined as mimetic or normative.

ment Opportunity law. In a sense, at the heart of many studies in neo-institutional research lies not only an argument about norms for action but also an argument about the social contract. Institutional environments send signals to citizens—be they individual or corporate—about how they should engage in the social world. In the empirical analysis below, we examine the legal regulations (specifically local state tax laws) that shape corporate giving to local schools, arguing that there are clear relationships between legal institutional structures and social investment.

Neo-institutional theory posits that, net of other internal factors, organizations respond to the political and normative environments in which they are embedded. Organizations read signals and norms that come out of the environment, and they make decisions and formulate strategies accordingly. For example, it may be the case that the norms of giving to local institutions vary with the local area in which a corporation is embedded (e.g., Marquis et al., in press; Besser, 1998; Useem, 1988). While observing this type of variation at the metropolitan area empirically may not be surprising, understanding and explaining the reasons for it will be a much more difficult yet sociologically fruitful task. At least three broadly defined areas—each of which will lead to a variety of hypotheses—will influence the patterns of corporate investment that are specific to a given region or metropolitan area. First, the political economy of a given place is certainly important for the decisions these economic actors make with regard to their local communities. For example, as Stone (1990) describes these relationships in postwar Atlanta, the local political economy was intimately tied to race, demographics, and access to political and economic power in this Southern city. The business elite brought economic resources to the table, while the largely black civic elite brought legitimacy through their electoral leadership among the city's black middle class. An alliance between the two became essential for both groups, and this dynamic fundamentally shaped the civic involvement of corporations in the area. This local political economy is very specific to Atlanta's history and demographic makeup, and other areas likely have their own local historically specific construct. The local culture of a given place has important implications for the patterns of corporate–community ties. As a result, some cities have long histories and traditions of philanthropic giving, which may have important implications for the type of corporate practices in place today. While local political economies are more complex than the identifiable formal institutions that define them—e.g., they are often tied to the complex political relations among business elites and civic leaders—it is also likely that we can identify specific institutions that matter for corporation-community ties. A number of scholars have shown that variation in state-level legal cultures (Dobbin et al., 1993), variation in state-level statutory provisions (Guthrie and Roth, 1999b), and even variation across the federal judiciary (Guthrie and Roth, 1999a) all lead to variation in corporate practices in various localities. But how do those local institutions matter in specific ways? One key way that states vary with respect to governance of the corporate sector is through corporate taxation: some states, such as Washington have no corporate tax, while others, like New York, have a corporate tax of more than 9%. Conventional wisdom often seems to assert that a reduction in taxes will lead to an increase in philanthropic and charitable giving. Indeed, in his famous "1000 points of light" statement in 1989, then President George Bush (1989) declared that public goods should be generated by a "readiness and ability of every individual and every institution in America to initiate action as "a point of light"; meaningful one-to-one engagement in the lives of others is now required to overcome our most serious national problems." Arguing that charitable action and the provision of public goods should be individual and community-based rather than federally-funded, Bush called for "a movement that is grassroots and community-based rather than devised in and imposed from Washington, a movement that does not compensate people with federal dollars for what should be an obligation of citizenship."

This view of the tradeoff between taxes and charitable donations, while popular, is not supported by research. Indeed, a number of econometric studies have shown that as taxation declines, so does philanthropic giving (Burt, 1983a; Levy and Shatto, 1978; Bennett and Johnson, 1980; Schwartz, 1966; Bakija and Slemrod, 1996, 2001; Bakija and Steuerle, 1994; Bakija et al., 2003; Bakija and Gale, 2003). The argument most commonly advanced for this association is simple: with taxes, potential givers—individuals or corporations—have incentives to give because of tax write-offs; without taxes, there is no opportunity for write-offs. The result is a decline in giving. We believe this argument is right, but we also extend upon it. As discussed above, state institutions not only work on coercive levels; they also shape normative understandings of how society should be organized. Thus, states with higher levels of taxation not only create incentives and opportunities for tax write-offs, they also likely set in place a normative environment signaling the importance of creating and maintaining the health of the local community in which the organizations are embedded.

2.4. Internal organizational characteristics

In addition to the potential for environmental context to influence corporate philanthropy, prior research also suggests the importance of organizational structure as a driver of corporate practice. A number of scholars have looked at the ways that overall formalization shapes the offering of certain benefits to employees in corporations (Guthrie and Roth, 1999a,b; Dobbin et al., 1993; Sutton et al., 1994). There has been a good deal of research on the factors that shape corporate investment in the communities in which they are embedded, exploring many different variables driving corporate–community ties. Galaskiewicz (1997) found that corporate size is a strong determinant of community investment, especially when we are looking at indicators such as the dollar value of investments, as other studies have found. Larger corporations simply have greater amounts of money to spend on corporate–community ties, so a relationship such as this would not be surprising. However, this relationship is not a linear one, where corporate involvement and corporate giving vary monotonically with number of employees and revenues. Similarly, publicly held corporations are also likely to behave differently in terms of their investment in local communities than their private counterparts, and the ownership of stock is also likely to shape the decisions of corporate giving (Atkinson and Galaskiewicz, 1988). This effect is likely tied up with size, as the two factors are closely correlated. Inasmuch as public corporations are driven by quarterly earnings reports and profitability, the incentive to spend money outside of the corporation is likely significantly lower within this group of corporations. In addition, private companies tend to be more closely tied to local markets than public corporations of equal size. Therefore, all things being equal, publicly traded corporations could be less likely to invest in *local* communities than their private counterparts.

Useem (1988) and Useem and Kutner (1986) have shown that specific giving programs within a corporation shape giving in significant ways. A corporation’s internal structure suggests certain things about the disposition the organization has toward community structure and corporate–community interaction as well as the level of ‘‘professionalization’’ of company giving (Galaskiewicz, 1985a,b; Galaskiewicz and Burt, 1991). A corporation’s internal structures may have implications for the extent to which management is attentive to the impact of a corporation on community life. In this case, we posit that corporations that have more institutionalized giving programs are likely to direct philanthropic gifts to substantive areas that are well-established targets of corporate giving. For example, corporations that have institutionalized offices devoted to the practices of corporate giving as opposed to corporations that leave philanthropic decisions to ‘‘utility’’ offices (such as an office of Human Resources), may be significantly more likely to give to established local schools.

Similarly, it may be the case that organizations with official policies devoted to corporate giving focus their efforts on more institutionalized forms of need. While some organizations make decisions about philanthropic giving in a more ad hoc fashion, 38% of corporations in the United States have a formal stated policy that guides their giving decisions. Further, it is well-known throughout philanthropic communities that education is a high-priority target of corporate giving. As we have described above, corporations in general and the Fortune 100 corporations specifically name education as their primary target of giving. The logic of mimetic isomorphism (DiMaggio and Powell, 1983) would dictate that organizations that have established policies with respect to their giving programs would target the areas that are deemed most important by the larger corporate giving community. Thus, corporations that have an institutionalized orientation toward giving could potentially be more likely to give philanthropically to areas that are more high priority areas for other corporations.

3. Data and methodology

Based on a large-scale, cross-sectional dataset of corporate–community ties in the United States, we analyze the organizational and environmental factors associated with corporate giving to local institutions—in this case schools. We compare these results to a baseline of corporate giving to institutions of education in general as well as to organizations with non-educational functions. This research strategy is motivated by the view that, if the environmental educational context in which corporations are embedded matters, we should be able to see more pronounced effects of this institutional environment on patterns of local giving, while the effects of the institutional educational environment will be absent or weaker in the analysis of corporate giving to education in general or to organizations with non-educational functions. Effects of internal institutional characteristics (e.g., organizational size, structure, sector) are expected to be fairly comparable regardless of whether modeling is done on giving to local schools, giving to education in general or giving to organizations not focused on educational purposes.

3.1. Data

The data employed in this analysis come from multiple sources. At the core of the analysis, we draw on data from a survey of 2776 corporations in the 50 largest Metropolitan Statistical Areas (MSA) of the United States on the ways corporations give. Substantively, our study most closely follows Galaskiewicz's research on the urban grants economy in Minneapolis—St. Paul, though there are important differences in terms of research design. First, ours is a national study that affords the opportunity to test the effects of variation in institutional contexts. Following Guthrie and Roth (1999a,b), we merge these survey data with contextual variables to analyze the extent to which corporate practices vary by institutional context. In addition, where past studies have looked primarily at a single type of corporate form—for example, focusing on publicly traded corporations (e.g., Galaskiewicz, 1989; Arum, 2000)—this study compares across corporate types, allowing us to capture the similarities and differences between private and publicly traded corporate practices in these areas.

The organizational sample was drawn from the Dun and Bradstreet Database of U.S. Organizations, with the sampling frame consisting of for-profit organizations of 50 or more employees. The sample was stratified by size and by sector. The sector stratification approach was used to ensure representation of organizations from a variety of important sectors, as defined by the 2-digit Standard Industrial Classification (SIC). In addition, it is likely that the practices of larger corporations have more of a societal impact than the practices of smaller corporations in the area of corporate giving (in other words, the practices of large corporations may contribute more to the normative environment that shapes the practices of smaller corporations in the same area), and it is likely that this relationship does not vary monotonically with size, so the survey also oversampled larger corporations.[7] Thus, size stratification was accomplished through a size-based proportional probability sampling technique, where the factor of sampling increased with categories of size ranging from 50–99, 100–250, 251–1000, and 1000+.[8] In addition to the size and sector stratification, oversamples were drawn in three of the cities—Cleveland, Seattle, and Atlanta—in order to match the associations observed in the quantitative analyses with in-depth qualitative research in each of these settings.[9]

The survey asked a wide range of questions about companies' involvement in the community. Any involvement at all, or even a total lack of involvement, was of interest. Much of the survey asks about companies' philanthropic activities and charitable giving. We asked how companies administrated their philanthropy and donations, the specific types of activities in which they were involved, and the amounts they gave. We also asked about their interaction with local civic organizations, local governments, and other groups. The demographic section of the survey asked for data describing the company: size, revenues, nature of the business,

[7] The logic here is that the economic, social, and political impact of large corporations on local environments is potentially much greater than that of small corporations.

[8] Further, pilot research revealed that large local branches of multi-establishment organizations had autonomous discretion over local giving, so generally we focused on the giving practices of the sampled branch organization. However, given the complexity of the dynamics of giving practices between headquarters and local branches, we further controlled for this issue in two ways. First, early on in the survey (question 2), we asked whether, headquarters handled giving decisions if the organization was a multi-establishment organization. In 21 of the cases (.8%) the answer to this question was 'yes' and for these cases we then shifted the interview to headquarters. Second, in our models, we control for whether the organization in a 'branch' organization, i.e., an establishment in a multi-establishment organization.

[9] One problem that arises, however, is that this sampling strategy has given rise to the necessity of differences in weighting strategies for different quantitative models. For models that include dummy variables for the three oversampled cities, we use no weights, as the dummy variables effectively provide the control for the oversampling in these areas. For the studies that contain no such dummy variables—as in the current study—we use a post-stratification weighting scheme related to the proportional oversampling of both size and place. For models that include dummy variables for the three oversampled cities, we use no weights, as the dummy variables effectively provide the control for the oversampling in these areas. However, in this study, those models showed no significant effects.

growth history, age of company, union status, and labor force. For more detailed information on the survey, see Appendix.[10]

The 103-question survey focused primarily on the decisions corporations make about charitable behavior and philanthropic practices. However, the survey also looked beyond corporate philanthropy *per se* to map decisions about giving and the types of links corporations have to local non-profits, local governments and local schools.[11] These data were supplemented by 39 accounting variables tracked by Dun and Bradstreet, including size, legal status, background of the CEO, etc. The survey itself was carried out by the University of California, Berkeley, Survey Research Center (UCB—SRC). Telephone interviews were conducted with the individual deemed most appropriate by the senior human resource manager in the organization. In large corporations, the individual interviewed was often the Director or Vice President of the corporation's corporate–community relations office. In smaller corporations, the individuals interviewed varied from the Human Resource Manager to the Chief Financial Officer to, in some cases, the Chief Executive Officer.[12] The overall participation rate for the study was 60.8%.

Additional datasources (described below) were merged with these data to analyze contextual effects on corporate giving to education. These merged data provide us with information on key institutional and demographic variables at the state and metropolitan areas in which the surveyed organizations in the study resides. The key variables here are: percentage minority students in the public school system, poverty measures for the student body and pupil–teacher ratio measured at the MSA level; as well as corporate taxation rate and size of the private education sector measured at the state level.

3.2. Models and variables

We view the additive model of whether a corporation contributes to schools as part of its philanthropic activity as the logit:

$$\Phi_i = \log\{P_i/(1-P_i)\} = \alpha + \Sigma\beta_n X_{in} + \Sigma\beta_n \delta_{ijn} + \Sigma\beta_n \tau_{ikn},$$

where Φ_i is the log of the odds that the ith corporation will give to a particular cause, P_i is the probability of this dichotomous outcome (yes = 1), X_i is a vector of organizational variables for the ith corporation, δ_{ij} is a vector of school effects for the ith corporation in the jth metropolitan area, and τ_{ik} represents a measure of the effects of the state level institutional environment for ith corporation in the kth state. The α term is a constant and βs are regression coefficients. We adjust for the clustering of standard errors at the state level using Huber–White methods.

Table 2 presents the means, standard deviations and definitions of the variables included in the analysis. We examine four dependent variables for this study examining whether corporations make "contributions"—defined as a "cash gift", "award or grant", "in-kind donation" or any combination of these. Our first three dependent variables are derived from a set of questions in the survey that ask corporations to indicate whether they currently contribute to any of seven categories of giving (i.e., events like art fairs and civic events, sports

[10] For more information on the substance of the survey or the codebook, contact first author.

[11] "Location" is a complicated term for this study, as it might imply where a corporation is headquartered or where a branch office is located. Both have implications for where a corporation is "located" and the local institutions to which it directs its resources. This tension was critical in our study, as we oversampled on large organizations, which are more likely to be multi-establishment organizations and therefore more likely to have branches and headquarters in different places. We dealt with this issue in a variety of ways, as we describe below.

[12] Variation in size and structure of the organizations included in the sample meant there was significant variation in the roles, responsibilities, and practices of corporate giving. Many large-scale corporations have entire divisions devoted to corporate–community relations with senior officers of VP status running these divisions; others have no such office and place the practice under HR, operations, or even finance. In order to determine the right person to be interviewed for the survey, we adopted a somewhat extended process for the interview workup. First, UCB—SRC sent out a letter introducing the survey. These letters were followed by a pre-interview phone call, usually with an HR manager, to identify the correct person to be interviewed for the survey. Following this conversation, a web-based version on the survey was sent to the person identified. These individuals were encouraged to first go through the web-based version of the survey before the telephone interview in order to identify and collect relevant information that might not otherwise be readily available to them. We then followed up with a telephone interview and went through the survey systematically in a telephone survey format using the CATI system, developed by UCB—SRC.

Table 2
Means, standard deviations (in parentheses), and variable definitions

Dependent variables		
Proportion of corporations contributing to...		
Any cause	0.965	Contribute to any cause
Schools in general	0.675	Contribute to schools in general
Causes other than schools	0.892	Contribute, but not to schools
Local schools specifically	0.739	Contribute to local schools
Organizational characteristics		
Size (ln)	4.945 (0.722)	Natural log of number of employees
Age (ln)	3.353 (1.030)	Natural log of the age of the organization
Branch	0.415 (0.491)	Organization has multiple branches in HQ area (yes = 1)
Public	0.286 (0.451)	Organization is a publicly listed corporation (yes = 1)
Union	0.048 (0.214)	Organization is unionized (yes = 1)
Manufacturing/construction	0.329 (0.469)	Organization is in manufacturing/construction sector (yes = 1)
Service/finance	0.344 (0.473)	Organization is in service/finance sectors (yes = 1)
Institutional structure		
Policy	0.339 (0.472)	Organization has a formal policy re-charitable giving (yes = 1)
Office	0.146 (0.352)	Organization has an office devoted to managing giving (yes = 1)
Human resources	0.306 (0.460)	HR office handles giving (yes = 1)
School characteristics (MSA)		
Minority students (%)	38.513 (13.099)	Percentage of students that are minority
Students receiving free lunch (%)	19.344 (13.617)	Percentage of students that receive free lunches
Pupil–teacher ratio	17.411 (2.218)	Number of students for each teacher
Environmental characteristics (state)		
Corporate tax rate (%)	5.046 (3.436)	Local corporate tax rate, range 0–9.99
Private schools (%)	9.252 (2.625)	Percentage of schools that are private

$N = 2510$ (except for causes other than school, $N = 783$; local schools specifically, $N = 2205$).

teams, non-profit organizations, the arts, schools, local government projects, or other). Corporations range from 0 to 7 categories of giving with a mean of approximately 3. Our first dependent variable—*(1) any giving*—examines simply whether corporations currently make any contributions; our second dependent variable—*(2) schools in general*—considers whether they contribute to schools; and the third dependent variable—*(3) causes other than schools*—whether they contribute, but not to schools. The first two dependent variables include the whole sample, while the third one excludes all organizations giving to schools (i.e., the comparison in the third model is between organizations that contribute to causes other than schools and those that do not contribute at all). Our final dependent variable—(4) *local schools specifically*—is based on a separate question in the area of local contributions, asking corporations whether they have contributed to local schools over the last year. While the specific survey question does not explicitly define the term ''local'' in the prompt, in the context of the larger survey it is used interchangeably with ''metropolitan area'' and thus for analytical purposes we treat ''local'' as equivalent to Metropolitan Statistical Area (MSA).

Approximately 16% of corporations did not answer the question on giving to local schools specifically, resulting in a smaller number of cases in the final model. We conducted supplementary modeling (results available upon request), where we restricted our sample to cases with non-missing data on *both* sets of dependent variables with analyses yielding similar findings as the presented results.

All models include a range of controls for organizational characteristics. Both size and age are measured as the natural log of the actual values for the corporation, as we expect that the effects of these variables increase at a diminishing rate.[13] Dummy variables (yes = 1) are included for whether the sampled establishment is a

[13] Due to missing data on the age variable, we use a mean-substitution technique to capture missing cases. Missing variable coefficients were not statistically significant. We believe that, on a theoretical level, it makes the most sense to capture the effects of these variables in a log-linear relationship. The logic here is that, changes in size will have larger effects for small corporations and diminishing effects for larger corporations in the area of corporate giving. However, it might be argued that this is not the case—that the effect of size on corporate giving does not increase at a diminishing rate. In order to test for this effect, we also ran all models with untransformed size and age variables and additional variables ($size^2$ and age^2) to account for non-linearities within the relations among these variables.

branch of a multi-establishment corporation, whether the corporation is publicly listed, whether the corporation is unionized, and whether it is part of the manufacturing and construction sectors or service and finance sectors, as defined by the 2-digit SIC codes. In terms of intra-organizational structures surrounding corporate philanthropic activity, we examine the effects of three key variables. First, one-third of corporations in our sample have official policies that drive giving practices. Second, beyond an official policy, some corporations have separate offices handling these practices. Both of these variables reflect the level of formalization of giving procedures. For organizations for which the process is less formal—i.e., they have no formal policy or designated office—we asked which office does handle these issues. For many (30.6%) the answer was the human resources office, so we include a variable to examine the patterns among organizations that have taken this more *ad hoc* approach to giving.[14]

Contextual variables capture demographic and institutional effects of the environment in which the schools and corporations are located. We assess school poverty based on percentage of students in schools that are eligible for federal assistance for student lunches. We also look at resources and demographics in the school systems as a function of student–teacher ratios and the percentage of students that are minority. Student–teacher ratios are an appropriate measure of school resources as they implicitly adjust per student educational expenditures for variation in local labor costs (Arum, 1996). School characteristics are measured at the MSA level and refer to public elementary and secondary schools. These variables are available from the Common Core of Data, a dataset collected by the National Center for Education Statistics.[15] Following Arum (1996) we also look at the percentage of the total elementary and secondary educational system at the state level that is private. The number of students enrolled in private schools is available from the Private School Universe Survey, collected by the National Center for Education Statistics and published in the Statistical Analysis Report (NCES, 2001).[16] Finally, states also vary in corporate tax rates (ranging from 0% to 10%). Our political institutional variables are measured at the state level for the location in which the corporate headquarters is based as institutional decisions affecting resource allocations and the overall structure of schooling increasingly are determined at the state-level (Arum, 2000).

4. Results

Table 3 presents the results of logistic regressions modeling the factors associated with corporate giving to: any cause (Model 1), to schools in general (Model 2), to causes other than schools (Model 3), and to local schools specifically (Model 4). As the first three models address the issue of corporate giving that is not targeted specifically to local schools, we expect the effects of internal organizational characteristics to be similar, but the effects of state and local context to be weaker, than in subsequent models that focus on corporate giving specifically to local schools. We find that unionized corporations are significantly more likely to target education in general than their non-unionized counterparts. Corporations in manufacturing and financial sectors are both less likely to engage in philanthropy in general and schools in particular than corporations in other sectors.

Examining the importance of institutional structure, corporations that have institutionalized formal structures to guide philanthropy in their organizations are significantly more likely to give resources, including to schools. Corporations with formal policies articulating the priorities of their giving programs are significantly more likely to give to any cause, including schools in general or other causes. Education is a public good for which there is a wide range of consensus over the need for its support, however, and corporations that have a well-defined program of giving—measured by the presence of a formal office devoted solely to handling this activity—are more likely oriented toward societal institutions such as this. Similarly, organizations that have an ad hoc approach to giving—placing decisions over philanthropic activity in a utility office, such as Human Resources—are significantly less likely to focus their giving programs on institutions of education. The rea-

[14] Other answers given by organizations that had no formal office to direct giving included Personnel (10.8%), Finance (8.4%), Operations (14.1%), Marketing (14.8%), Accounting (6.0%), and other (29.4%).

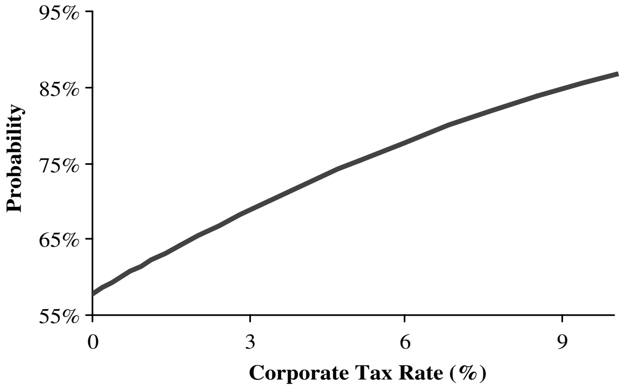
[15] Common Core of Data has an interactive web feature which allows researchers to build tables of desired characteristics on a range of levels (state, MSA, county, district, and school). For a detailed description of Common Core of Data, see http://nces.ed.gov/ccd.

[16] For a detailed description of Private School Universe Survey, see http://nces.ed.gov/surveys/pss.

Table 3
Logistic regression models predicting likelihood of various corporate contributions

	Any cause (Model 1)	Schools in general (Model 2)	Causes other than schools (Model 3)	Local schools specifically (Model 4)
Organizational characteristics				
Size (ln)	−0.045 (0.127)	0.118 (0.101)	−0.141 (0.125)	0.160* (0.062)
Age (ln)	0.151 (0.113)	0.047 (0.054)	0.105 (0.120)	0.055 (0.056)
Branch	0.254 (0.290)	0.094 (0.083)	0.146 (0.295)	0.113 (0.091)
Public	−0.130 (0.204)	0.100 (0.148)	−0.097 (0.266)	0.026 (0.077)
Union	0.072 (0.549)	0.592** (0.131)	−0.159 (0.610)	0.209 (0.194)
Manufacturing/construction	−0.890** (0.213)	−0.546** (0.084)	−0.557* (0.239)	−0.541** (0.134)
Service/finance	−0.925* (0.407)	−0.845** (0.091)	−0.420 (0.463)	−0.789** (0.213)
Institutional structure				
Policy	0.604** (0.180)	0.335** (0.055)	0.447* (0.180)	0.132 (0.096)
Office	0.534* (0.255)	0.713** (0.134)	−0.126 (0.169)	0.632** (0.137)
Human resources	−0.324* (0.152)	−0.363** (0.050)	−0.126 (0.141)	−0.309* (0.133)
School characteristics (MSA)				
Minority (%)	−0.016 (0.010)	−0.006 (0.004)	−0.010 (0.010)	−0.003 (0.006)
Free lunch (%)	0.013 (0.013)	0.003 (0.006)	0.010 (0.013)	−0.004 (0.008)
Pupil–teacher ratio	0.017 (0.091)	−0.019 (0.052)	0.071 (0.088)	0.078 (0.066)
Environmental characteristics (state)				
Corporate tax rate (%)	0.032 (0.101)	0.061 (0.047)	0.029 (0.094)	0.157** (0.057)
Private (%)	0.068 (0.074)	−0.044 (0.030)	0.083 (0.073)	−0.102* (0.041)
Intercept	3.089 (1.802)	0.972 (1.146)	1.082 (1.617)	−0.573 (1.226)
Log pseudolikelihood	−358.189	−1484.783	−258.592	−1204.446
N	2510	2510	783	2205

Note. $^{*}p < 0.05$, $^{**}p < 0.01$ (two-tailed tests). Robust standard errors in parentheses.



*Based on Model 4, Table 3; all other variables constrained at the means

Fig. 2. Effects of state corporate income tax on probability of corporate philanthropy for local schools*.

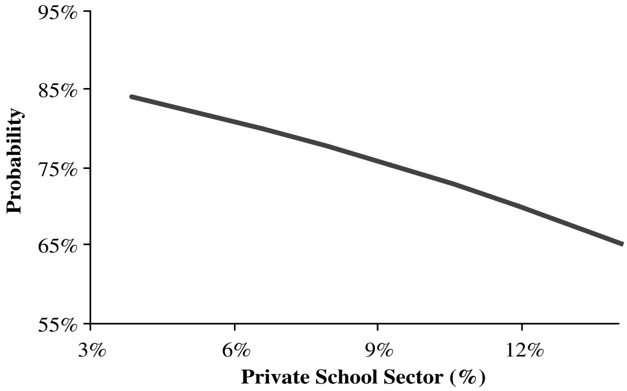
sons for these findings, likely has to do with the extent to which corporations with more institutionalized giving programs tend to focus on channeling resources into the major institutions of society that are associated with public need. There are many institutions in society that are associated with public need, but few are as institutionalized or connected to as large of an at-risk population as public education.

The last column of Table 3 presents the results of a logistic regression modeling the factors associated with corporate commitments to local schools specifically. These results mirror many of the key findings on associations between organizational characteristics and giving to education in general. However, three key contextual differences emerge when we examine corporate giving to local schools in particular. Corporations do not appear to respond to the standard markers of "need" in terms of the fitness of local institutions of public education. In terms of the percentage of minority students in the schools, the percentage of students qualifying for free lunches, and the student–teacher ratio, there are no significant statistical relationships between any of these variables and corporate giving to local schools. However, there *is* a significant relationship between the size of the private school market and corporate giving to local schools: the stronger the presence of private schools in the market for education, the lower the likelihood of corporate giving to local schools. Second, corporate giving to local schools varies with the corporate tax rate: the higher the corporate tax rate the more likely it is that corporate giving is directed toward the funding of local institutions, namely local schools.

5. Discussion

Corporations make decisions about where they direct resources based on a combination of incentives and cues about their normative obligations to fulfilling the social contract that are embedded in the local institutional environment. Incentives matter on a fundamental level, and this relationship cuts against the view that a reduction of taxes will lead to greater charitable giving—the thousand-points-of-light view of charity and philanthropy. As Fig. 2 shows, net of other organizational effects, as state-level corporate tax rates rise from 0% to 10%, corporate giving to local schools rises from 62% to 86%.[17] Taxes and giving are inextricably related, as the tax system creates the incentives to seek write-offs against tax liability, as many scholars of charity and philanthropy have argued (Bakija and Slemrod, 1996, 2001; Bakija and Steuerle, 1994; Bakija et al., 2003; Bakija and Gale, 2003). Without taxes there are no incentives to gain tax write-offs and, thus, weaker incentives to give charitable donations. However, we also argue that an additional mechanism is also at work here. The presence of a corporate tax does not mandate that resources be directed locally—it only creates a greater tax burden such that corporations are likely to give more to write-off more. But what is behind the association between higher corporate tax rates and corporate giving to local institutions? We argue that, beyond strict

[17] Figs. 2 and 3 calculate probabilities as $P_i = 1/(1 + e^{-z})$, where $z = \beta_0 + \beta_1 X_1 + \cdots + \beta_n X_n$, for Model 6 in Table 2; all other variables constrained at the means.



*Based on Model 4, Table 3; all other variables constrained at the means

Fig. 3. Effects of private school sector on probability of corporate philanthropy for local schools*.

incentives, corporations are responsive to signaling at the state level about the normative importance of the social contract. Corporations that reside in states that have higher corporate tax rates are not only subject to higher taxes overall, they are also subject to signals about the importance of supporting social services and the provision of public goods. As a result, when they seek ways to deal with the higher tax burden, one of the primary places they look is to the institutions in their local environments. The relationships between corporations and the institutional environments in which they are embedded extend beyond a simple incentive-based model: corporations read cues from the local institutional environment about the specific features of their normative obligations towards fulfilling the social contract. States set social agendas, and corporations respond to those agendas in ways that reflect these values. Higher corporate tax rates signal to corporations in a given metropolitan area the importance of supporting and contributing to the public goods. Higher corporate tax rates do not just create greater incentives to find more write-offs; they also likely give corporations signals about the state and larger institutional community's priorities vis-à-vis the social contract, and the evidence suggests that corporations respond to these normative signals.

There are also other, more subtle cues that emerge from the environment in which corporations are embedded, and these cues are tied to the local ecology of the receiving organizations. The market for access to a given public good is a case in point. Fig. 3 shows that, as the proportion of the private sector market for education increases from 4% to 12%, the likelihood of corporate giving to local schools decreases from 85% to 65%. A strong private school market implies less need for corporations to provide support for schooling. In effect, the private market for education shapes the ways corporations in this organizational field deal with the provision of this public good. As powerful institutions and potential contributors to the larger public good, corporations sit in the position of deciding where they should channel the resources they control. As a result, corporations in localities with strong private school markets are significantly less likely to direct resources to local schools. An increase in the private provision of this social good signals less need for shared responsibility for this public institution.

6. Conclusions

In the era of the receding welfare state, as the burden of providing for the public good shifts further and further onto the shoulders of private sources, questions about charitable and philanthropic action become increasingly important. Yet, the forces that shape charitable and philanthropic action—*and how they vary across localities*—remain somewhat elusive. We have shown here, at least with respect to the provision of funding for education, corporations respond in significant ways to cues from the environment in which they are embedded. Organizational factors are important in determining whether or not corporations will prioritize education in their giving practices. Unionized organizations prioritize giving in general, and those with more institutionalized giving programs prioritize education in general and local schools specifically. The key find-

Table A1
Distribution of sample compared to other samples (in percentages)[a]

Industry	Source		
	Organizational survey (this study)	National organizations study	Current population survey
Agriculture	—	2.2	2.4
Mining–construction	6.3	5.9	6.5
Durable manufacturing	15.8	11.1	10.2
Non-durable manufacturing	11.8	5.8	7.4
Transportation	5.8	8.8	7.0
Wholesale trade	3.0	2.2	4.0
Retail trade	9.5	14.2	16.6
Finance, insurance, real estate	10.0	5.7	6.8
Professional services	21.4	25.7	22.5
Other services	10.2	10.2	11.7
Public administration	6.2	8.1	4.8
Total	100	99.9	99.9
N	2776	724	230,789

[a] Source of information on NOS and CPS is Kalleberg et al. (1996, p. 34).

ings of this paper, however, relate to the subtle ways the environments in which corporations are embedded shape their orientation toward institutions in those environments. The notion that higher corporate tax rates are associated with increased giving is not a radical departure from past research on this topic. However, we have shown here that higher corporate taxes are also associated with an increased local orientation of the philanthropic act, at least with respect to certain institutions. We have also argued that the ecology of receiving organizations is an important factor related to whether corporations direct philanthropic dollars toward local schools. In this case, the private school market shapes corporate decisions over charitable giving to local schools. While higher corporate taxes send a message about supporting the local welfare state to corporations, a stronger private sector is associated with diminished corporate support for this public good. Thus, corporations make decisions about philanthropic support for local institutions that reflect subtle cues the organizations receive from their institutional environments.

Appendix A

The Survey of Corporate–Community Relations examined the way companies interact with their local communities. In particular the study looked at charitable giving and philanthropy as a means of community involvement. The goal was to better understand the role of the corporate sector in society. Data were collected through telephone interviews conducted by the University of California, Berkeley, Survey Research Center. The project was funded by a grant from the Ford Foundation and supported administratively by the Social Science Research Council. The data provide insights into how various businesses see their role in the community. Table A1 shows the sample's representativeness relative to other samples of organizations.

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