

FEDERAL LEGISLATION & CHARITABLE GIVING TO HIGHER EDUCATION:  
THE INFLUENCE OF THE TAX CUT AND JOBS ACT OF 2017

by

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## ABSTRACT

### FEDERAL LEGISLATION & CHARITABLE GIVING TO HIGHER EDUCATION: THE INFLUENCE OF THE TAX CUT AND JOBS ACT OF 2017

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Charitable giving has been a critical resource for higher education dating back to the Academy of Socrates and Plato. It continued through the establishment of Oxford, Cambridge, Harvard, and Yale, and in 2020, American higher education institutions received \$49.6 billion of private support to fund scholarship, programs, and facilities (CASE, 2020). As the success of these institutions become more dependent on private support from individual giving, it's worth examining the role federal tax legislation influences charitable giving to American colleges and universities. The Tax Cut and Jobs Act (TCJA) of 2017 was the single most significant federal tax legislation in recent history.

This study examines the extent to which individual charitable giving behavior was influenced by the TCJA at a selected private university in Texas the two years before (2016 and 2017) and two years after (2018 and 2019) the legislation was enacted. The research focused on two primary areas: total individual giving behavior and individual giving behavior based on age, ethnicity, gender, and wealth. Participants included 33,088 donors that made a gift to the university. This research used a quantitative, nonexperimental correlation research method design based on grounded theory. Measures of central tendency, including mean and median, were computed to examine cross-sectional patterns for both the number of gifts and the amount of gift. Wilcoxon signed-rank tests were used to analyze the dependent measures because the data did not meet the assumptions for paired-sample t-tests and ANOVA models.

This study found that the selected university raised more money after the TCJA was enacted; however, the median number of gifts and mean amount of giving for most groups generally decreased. This is, in part, due to a few very large gifts that skewed the data creating a non-normal distribution of data. Hispanic/Latino, female, and leadership giving-rated donors had the largest median decrease in total giving after the TCJA, while whites, males, and principal giving-rated donors saw a marginal increase in median giving. Higher education leaders and policy makers can use the information to better understand how federal tax legislation influences the giving behavior of donors to American colleges and universities.

## CHAPTER 1: INTRODUCTION

The reliance on charitable giving to colleges and universities in America is only increasing due to the rising cost of higher education. Charitable giving has long been a critical resource for funding education dating back to Cimon the Athenian's support of the Academy of Socrates and Plato (Paulson, 2017). Later in the 12th century, generous benefactors made charitable gifts to medieval universities in Paris, Oxford, and Cambridge. This philanthropic practice continued westward to the United States as early as 1641, first to Harvard College, then to the College of William and Mary, and Yale University (Williams, 2013). Fast forward over 350 years to the Council for Advancement and Support of Education (2020), which stated that charitable giving to colleges and universities in the United States exceeded \$49.6 billion.

As American university administrators plan for future financial security, a number of factors impact sustainable financial models, including charitable giving. One factor that influences giving alumni and friends of colleges and universities is the charitable giving tax deduction. In 2017 the United States Senate passed the Tax Cut and Jobs Act (TCJA), which amended the Internal Revenue Code of 1986, increasing the standard income tax deduction almost 50% and possibly influencing the motivation for individuals to give charitably to colleges and universities.

This study aims to measure the influence of the TCJA on charitable giving to a selected private doctoral university in Texas. By understanding the influence this particular legislation has on giving, university leadership can more clearly understand the influence of the TCJA, account for dependent measures related to legislation, and better forecast giving in the future.

The purpose of Chapter 1 is to describe the relationship between charitable giving behavior and federal tax legislation. It provides a succinct problem statement, purpose, and two research questions, followed by a description of the significance that charitable giving has on higher education and why it is important to understand the influence of federal tax legislation. This is followed by a list of definitions of terms associated with this study that are related to charitable giving, university advancement, and federal income tax law. After key definitions, a description of the Legislative Influence on Charitable Giving Framework follows. In Chapter 2, I provide detailed information on charitable giving to colleges and universities in the United States, the history of federal legislation that has directly impacted charitable giving to nonprofit organizations, including private colleges and universities, and trends related to charitable giving behavior by age, gender, race, and wealth. Next in Chapter 3, I describe the methods this study used to collect data of charitable giving to a selected private university. This includes a t-test to determine the difference in mean before and after the legislation took effect as well as an analysis of charitable giving behavior by age, gender, race, and wealth. After data is collected and analyzed, Chapter 4 presents the results from the study. Lastly, I discuss the results and provide recommendations for future research in Chapter 5.

## **PROBLEM**

Private universities rely on charitable gifts to meet the financial needs of the university. Since federal tax legislation influences private support from individual donors, university leadership needs to know the anticipated results before legislation goes into effect. The better universities can anticipate the influence tax legislation might have on

charitable giving, the better they can adjust fundraising strategies, work closer with policy makers to advocate for legislation that may support private higher education institutions, and work toward a sustainable financial model. As illustrated below, tax legislation has influenced charitable giving in the United States since the War Revenue Act of 1917 (Duquette, 2019). The direct influence of the 2017 TCJA on the selected institution in this study largely remains unanswered.

### **PURPOSE**

The purpose of this quantitative study is to determine the influence of federal tax legislation, specifically the 2017 TCJA, on charitable giving to a selected private university. The study also aims to understand how giving behavior may have influenced various demographic categories, including donor's age, gender, race, and wealth. Understanding how legislation influences charitable giving is critical for university administrators when determining the degree to which universities should rely on charitable giving to establish an appropriate and sustainable financial model moving forward. Further establishing how donors in different demographic groups respond to new legislation also provides additional context and data to drive decision-making processes in university advancement offices.

### **RESEARCH QUESTIONS**

In an effort to understand the influence of the 2017 TCJA on charitable giving to private universities, the researcher measured the amount of money given the year before and the year after the legislation was passed into law. The researcher also determined if the legislation influenced donors by age, gender, race/ethnicity, and wealth rating by

measuring giving before and after the legislation passed. The two questions the researcher asked are as follows:

To what extent did the 2017 TCJA influence donors' charitable giving to a selected private university?

To what extent did age, gender, race/ethnicity, and wealth rating reflect changes in charitable giving to a selected private university after the enactment of the 2017 TCJA?

### **SIGNIFICANCE**

Universities rely on charitable giving to meet some of their financial needs and educational aspirations. If the 2017 TCJA has influenced charitable giving to universities by decreasing total private support for student financial aid, faculty scholarship, and program support, it could potentially diminish the ability of universities to sustain existing educational programs. Understanding the nature of charitable giving that is influenced as it relates to various demographic classification can provide administrators with actionable information that can help them create effective financial forecasts and sound charitable giving strategies.

### **DEFINITIONS**

Operational terms used in the study and generally in the field of university advancement work are provided to minimize any confusion.

*Adjusted gross income* – gross income minus adjustments or eligible deductions.

*Alumna* – a woman who has attended a university.

*Alumnae* – multiple women who have attended a university.

*Alumni* – multiple men or a mix of men and women who have attended a university.

*Alumnus* – a man who has attended a university.

*Average tax rate* – the total amount of tax divided by total income.

*Charity* – the voluntary giving of help to those in need, as a humanitarian act.

*Charitable gift* – a gift made by an individual or an organization in the form of cash or valuable assets.

*Charitable organization* – an organization set up to provide help and raise money for those in need.

*Charitable tax deduction* – an income tax deduction received by an individual in exchange for a gift to a charitable organization.

*College or University* – a postsecondary institution of higher education.

*Donor* – an individual who makes a gift of money or valuable assets to a charitable organization.

*Estate tax* – a tax on your right to transfer property or valuable assets at your death.

*Leadership gift* – gifts between \$10,000 and \$99,999.

*Marginal tax rate* – the incremental tax paid on incremental income.

*Major gift* – gifts between \$100,000 and \$4,999,999.

*Principal gift* – gifts of \$5 Million or more.

*Philanthropy* – the act of promoting the welfare of others by giving money.

*Standard tax deduction* – a set amount of income individuals can deduct from their taxable income.

*Soft credit* – tracked credit a donor receives for having influence (Donor Advised Fund, corporate gift, etc.) or an association (spouse/domestic partner, etc.) with a gift from another person or entity.

*Taxable income* – the amount of a person’s gross income that is deemed taxable by the government.

*Wealth rating* – an amount of money or resources an individual is predicted to be able to give charitably, based on known assets or firsthand knowledge.

### **ASSUMPTIONS**

Given the subject under research, a number of assumptions are present. The first assumption is that people give to charitable causes, including universities, for the personal benefit of a charitable tax deduction. If the charitable deduction is no longer an incentive, donors’ giving patterns will change. Second, the assumption is that the donors in the study planned to continue to give the following year. Many donors make multiyear commitments that were not accounted for in the study. Donors are also often inspired to give for one reason or another that may no longer exist year after year. Third, it may also be assumed donors give for reasons other than tax incentives, and so the TCJA would not impact their giving decisions.

### **LIMITATIONS**

Limitations in this study include issues related to location, classification of institution, and amount of data. While there are 180 national private universities in the United States, this study exclusively looks at one university in one particular part of the country. Another consideration is the years of data. The 2017 TCJA is relatively new,



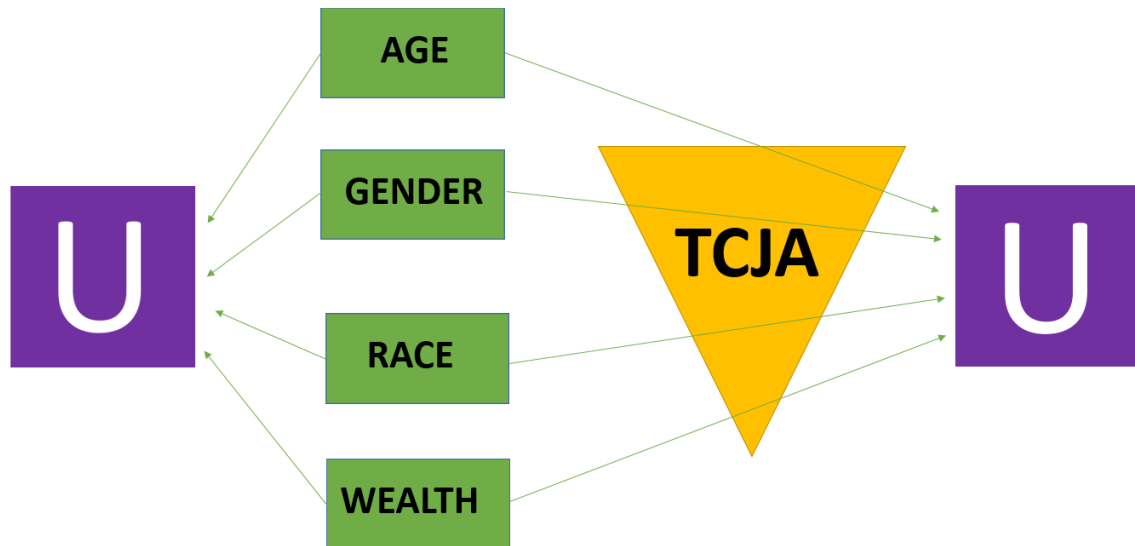
with only two years of data after its effective date. Donor behavior in the first year can be expected to show an initial reaction rather than a long-term change in charitable giving behavior. Additionally, the university in question resides in an economically strong metropolitan area that has grown by 1 million people from 2011 to 2019 (United States Census Bureau, 2019).

## **DESIGN FRAMEWORK**

The primary focus of this dissertation is to provide a detailed analysis of charitable giving in total to the selected university before and after the TCJA and to discover how age, gender, race, and wealth are reflected in giving to the selected university. Grounded theory is the theoretical framework of this study by which data are obtained and analyzed by using comparative analysis (Chun Tie et al., 2019). This study aligns with Birks and Mills's (2015) assessment of grounded theory and is constructed through the views of a particular lens. In this case, the lens is that of a professional higher education fundraiser. The goal of the process used is to generate a theory that emerges from data and accounts for giving behavior of individual donors to higher education institutions when federal income tax legislation is altered.

**Figure 1**

*Legislative Influence on Charitable Giving Framework*



### **SUMMARY**

Individuals, including George Washington, William Penn, John D. Rockefeller, Andrew Carnegie, and others, charitably gave to colleges and universities long before federal legislation created tax incentives through itemized income deductions. However, colleges and universities have become increasingly more dependent on charitable giving to satisfy the demands of the operating budget, which includes financial aid, scholarship support, facility improvements, and research. By determining if the 2017 TCJA has influenced giving behavior, universities can better predict and prepare for changes brought on by federal legislation related to charitable giving. The next chapter of this proposal contains an important review of literature relevant to this research study, including empirical research on the complexity of charitable giving behaviors of donors,

charitable giving theories, the intersection of age, gender, race, and wealth, and the influence legislation has had on charitable giving to higher education in the United States.

## **CHAPTER 2: REVIEW OF THE LITERATURE**

This chapter introduces the history of the relationship of federal legislation to charitable giving to higher education. Charitable giving theories, giving trends, and how they relate to higher education follows. The impact of giving to higher education and additional data related to constituency, generational giving, gender, race and wealth, are presented.

### **PHILANTHROPY IN THE UNITED STATES**

Long before federal income tax was established by the Revenue Act of 1913, following the passage of the 16th Amendment and after charitable giving tax deductions were included in the War Revenue Act of 1917, traditional philanthropy existed in the United States. These philanthropic practices were brought to the United States by early settlers from Spain, Portugal, England, and France where philanthropy was engrained in their cultures (National Philanthropic Trust, 2020). Prior to the Declaration of Independence, educational philanthropy established and supported many of the first American colleges, including Harvard (1636), William and Mary (1693), St. John's (1696), Yale (1701), Columbia (1746), Princeton (1747), and the University of Pennsylvania (1749) (Philanthropy Roundtable, 2020). Harvard conducted its first fundraising campaign in 1643 to establish its first scholarship fund (Harvard, 2020). The first model of charity, Scots Charitable Society, was established in 1657 by Scottish Settlers in Boston, Massachusetts, to provide relief to Scottish-American individuals and families in need (Scots Charitable, 2020; National Philanthropic Trust, 2020). Some of the well-known early colonial leaders, such as George Washington and William Penn

engaged in philanthropy. Penn during his “holy experiment” provided refuge for Quakers facing discrimination. Washington in 1796 gave 100 shares of the James River and Kanawha Canal Company to establish what is now Washington and Lee University in Lexington, Virginia (Washington and Lee, 2020). Cotton Mather, who many consider to be the father of American philanthropy published “Essays to do good,” calling Christians to “do as much good in the world as we can” (Mather & Thomson, 1825, p. 51). Mather inspired Benjamin Franklin to start the Junto Club in Philadelphia, a society for philanthropists to support civic projects and prevent poverty (Walker, 1986). Private philanthropy in the United States also established schools to support the disenfranchised, including women (Vassar College, 1861), former slaves (Storer College, 1868), orphans (Girard College, 1848), and others, regardless of race, religion, or sex (Hillsdale College, 1844). Philanthropy continues today, engrained in American culture, long after federal taxes were implemented and the charitable tax deduction offered, with American’s giving \$427.7 billion in 2018 (Giving USA, 2019).

## **GIVING AND FEDERAL LEGISLATION**

The federal income tax deduction for charitable gifts of money or property was first introduced in the War Income Tax Revenue Act of 1917, four years after the federal income tax was enacted by the 16th Amendment of the United States Constitution. The War Income Tax Act of 1917 stated:

Contributions or gifts made within the year to corporations or associations organized and operated exclusively for religious, charitable, scientific, or educational purposes, or to societies for the prevention of cruelty to children or animals, no part of the net income of which inures to the benefit of any private

stockholder or individual, to an amount not in excess of fifteen per centum of the taxpayer's taxable net income as computed without the benefit of this paragraph. Such contributions or gifts shall be allowable as deductions only if verified under rules and regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. (Equitable Trust Company, 1917, pp. 112–113)

After the War Income Tax Act of 1917, federal legislation continued to evolve over the next 100 years as the needs of the American people and American society changed. The most significant modifications are evident in four distinct periods of time; Early Century (1913–1939), Midcentury (1940–1979), Late Century (1980–1999), and Current Era (2000–2019). Each era faced its own set of unique challenges and shifts in the charitable giving deductions in accordance to federal tax legislation.

### **Early Century (1913–1939)**

After the federal income tax was imposed in 1913, the Revenue Act of 1916 raised the top marginal tax rate from 7% to 15% and introduced the federal estate tax. In preparation for the United States entering World War I, the War Revenue Act of 1917 was passed. While the tax revenue supported a new war effort, income tax rates for the top marginal rate (income over \$2 million) increased from 15% to 67% and decreased the exempt income from \$20,000 to \$2,000, which created a new tax on the lowest income earners. The War Revenue Act also authorized an income tax deduction to qualified charities up to 15%. The following year, the Revenue Act of 1918 raised taxes to 77% on income over \$1 million, then decreased the tax rate to 73% the following two years. The Revenue Act of 1918 also permitted charitable bequests from estates. Shortly after World War I, in the Revenue Act of 1924, Congress suggested the removal of the 15% limit;

however, this was never enacted in part due to the Senate Finance Committee's resistance to the potential consequences and considerable loss of taxable revenue (Finley, 2019). The Revenue Act of 1938 made a number of significant modifications to the charitable deduction rules. One new rule in particular clarified uncertainty and provided uniformity as the charitable deduction claim could only be accounted for in the year the gift was made, rather than the year the pledge was made (Colm, 1938). Prior to this new rule, individuals could count pledged gifts as a taxable deduction without actually making the gift. It also limited tax deductible gifts to only charities operating in the United States. Until 1940 charitable giving to nonprofit institutions was loosely tracked by the IRS because only the wealthy generally paid taxes (Tolan, 2013, p. 364).

### **Midcentury (1940–1979)**

As the United States was in the trenches of World War II, the U.S. Congress passed the Individual Income Tax Act of 1944, increased the top marginal rate to 94%, introduced the standard deduction (10% of adjusted gross income but no tax benefit for giving), kept the 15% limit, and modified the accounting measurement of the deduction from “net taxable income” to “adjusted gross income” (Rottschaefer, 1945, p. 104). Adjusted gross income also included ordinary income as well as capital gains. However, in 1952 Congress raised the maximum deduction from 15% to 20% of adjusted gross income (Finley, 2019). The ceiling was then raised in 1954, with the individual income maximum tax deduction increased from 20% to 30% of their adjusted gross income for gifts to educational institutions, hospitals, and churches (Internal Revenue Code of 1954). In 1960, the Charitable Contribution Amendment changed the tax code once again, allowing households with school-aged children to deduct \$50 per month (Liles et al., 1960). In 1964, Congress expanded the qualified charitable organization recipients to

include those that receive a substantial part of their revenue from government support or public gifts and increased the deductible tax ceiling to 90% of the individual adjusted gross income (Revenue Act of 1964). The Tax Reform Act of 1969 made sweeping changes to charities and charitable giving by phasing out the unlimited charitable tax deduction and slowly lowering the ceiling to 50% by 1974 (Finley, 2019). This reform also decreased the tax deductibility of tangible property to a donee or governmental unit by 50% if the item donated was used for purposes other than the original intent. For example, the value of a piece of art would be tax deductible only if it were used as art at the university rather than in a class at a university. The act also created a distinction between private foundations and public charities, mandated a 6% payout ratio for foundations, required charities to file a 990 form, and make the filing available to the public (Duquette, 2019, p. 582). Once again, charitable tax law changed in the Tax Reform Act of 1976, mainly impacting corporate charitable giving by allowing one-half of the appreciation plus the tax payer's basis on certain types of ordinary income and property given to the charitable organization and lowering the mandated payout by private foundations to 5% (Duquette, 2019).

### **Late Century (1980–1999)**

In an effort to stimulate charitable giving to organizations not supported by the government, Congress, with the support of newly elected President Ronald Reagan, enacted an amendment in 1981 that allowed tax payers to deduct charitable gifts without itemizing. This gave low-income and middle-income tax payers an opportunity to take a deduction without itemization. Tax payers rose to the occasion and individual giving increased almost \$6 billion, a 13% increase over the prior year (Giving USA, 2019, p. 342). The next year, individual giving increased another \$3 billion (Giving USA, 2019, p.



342) after Congress included amateur athletic organizations on the list of charitable organizations under the Tax Equity and Fiscal Responsibility Act of 1982. Two years later, in the Deficit Reduction Act of 1984, Congress required substantiation of the claimed value of property that exceeded \$2,000, imposed penalty for overvaluation, and provided a five-year carryover deduction for individuals. American tax payers also increased their giving by \$5.5 billion (Giving USA, 2019) from 1983 to 1984, even with tighter requirements by the government. Political contributions were deemed non-tax deductible under the Revenue Act of 1987, and donors responded with a decrease of \$2.5 billion (Giving USA, 2019). The Technical and Miscellaneous Revenue Act of 1988 allowed individual donors to purchase athletic tickets to colleges and universities where the deductibility of the gift was maximized at 80% of the contribution. Once again individual donors increased their giving by 8.5% from 1987 totaling \$70 billion (Giving USA, 2019). The Omnibus Budget Reconciliation Act in 1993 required documentation from the charitable organization for any gift of \$250 and above, drastically lower than the \$2,000 minimum under the Deficit Reduction Act of 1984. Tax-deductible gifts of property, including appreciated stock and computer equipment, were allowed temporarily under the Small Business Protection Act of 1996, and then made permanent under the Tax and Trade Relief Extension Act of 1998. From 1996 to 1998, individual donor charitable giving increased over \$30 billion (Giving USA, 2019), the largest three-year increase in the last 40 years.

### **Current Era (2000–2019)**

Over the last 20 years, outside of a fluctuating top marginal tax rate of 38% in 2001 (Economic Growth and Tax Relief Reconciliation Act of 2001), to 35% in 2003 (Jobs and Growth Tax Relief Act of 2003), and back up to 39% in 2012 (American Tax

Payer Relief Act of 2012), the single most impactful legislation to affect charitable giving to nonprofits, including colleges and universities in recent history is the 2017 TCJA. The act doubled the standard deduction to \$12,000 for single filers and \$24,000 to those married and filing jointly, reduced the corporate tax rate to 21%, increased the amount of tax-exempt money for estates, eliminated the 80% charitable deduction for college athletic seating rights, and increased the amount of adjusted gross income that can be deducted for charitable contributions from 50% to 60%. Giving USA (2019) reports that in the past 20 years, individual giving has increase \$120 billion with significant decreases in the Great Recession in 2008 of 8%, 6% in 2009, and a decrease of \$3 billion in 2018 after the TCJA went into effect.

### **Incentives for Giving**

Over the past 100 years, U.S. tax codes have incentivized individuals to give to colleges and universities. Tax deductions that incentivize tax payers to give to higher education include decreasing an individual's federal tax liability through itemized charitable gifts, the opportunity to purchase college athletics tickets, the ability to lower the burden of estate taxes, and lowering an individual's adjusted gross income. The incentive to give to qualified nonprofit organizations, including higher education, by lowering an individual's tax liability has been the basis of federal income tax deductible laws since 1917.

Prior to the 2017 TCJA, individuals could give up to 50% of their adjusted gross income to nonprofit higher education institutions through itemized deductions, gain access to college athletic seats based on giving to college athletic programs, while deducting 80% of the gift and lowering their individual tax burden. The Tax Policy Center at the Urban Institute and Brookings Institution *Briefing book* (2019) states, "The

effects of the most recent legislation concerning charitable giving to higher education, the Tax Cut and Jobs Act of 2017, is projected to have a negative impact on higher education giving. This projected decline is due in part to the increased standard deduction from \$12,000 to \$24,000.” They are also projecting the percentage of taxpayers with a tax benefit from the standard deduction will decline from 21% to 9% with the greatest decrease in the top 90th percentile of income earners (*Briefing book*, 2019).

The charitable giving federal income tax deduction has always encouraged Americans to philanthropically invest in organizations by providing incentives (Enders, 2020). Acts of Congress have established, altered, and manipulated the incentive to give over the years. However, reducing the limit of tax-deductible charitable gifts may disincentivize donors to give and thus decrease giving. Freeland et al. (2015, p. 2) found that charitable giving increases when the burden of taxes is reduced. The challenge to those organizations, including higher education, is to maintain the public’s trust by using resources responsibly and continuing to show the value of higher education in American society.

The majority of scholarly research in the relatively new research field of higher education charitable giving, or as it is being rebranded today, “philanthropic investment,” is focused on the motivation of the behavior. Researchers and practitioners alike want to better understand why people would simply give away their hard-earned money and resources to benefit nonprofit organizations, including nonprofit colleges and universities, rather than using their resources for other purposes. Brittingham and Pezzullo (1990) suggested knowledge of the donors’ behavior and motivation is critical to the practicing fundraiser. As an input to the design of marketing strategy, it can inform

the choice of timing for solicitation and campaigns, the particular pitch, and the size of the request (Brittingham & Pezzullo, 1990, p. 33).

The field of philanthropy is evolving and becoming more complex and segmented to reflect generations, gender, socioeconomic groups, and geography. Another evolution is the sophistication of financial tools and strategies donors are using to give, invest, and impact places and organizations they deem worthy of their financial support. In addition to donor motivations, segmentation, and sophisticated financial vehicles for charitable giving, federal tax law encourages donors to give.

## **MOTIVATION**

The reasons people philanthropically invest in American colleges and universities are complex and diverse. University presidents, governing boards, and advancement offices want to better understand why people give so they can create strategies that appeal to the donor and support the institutional mission. Mann (2007) suggests there are six diverse theoretical perspectives that explain donor motivations: charitable giving, organizational identification, social identification, economics, services-philanthropic, and relationship-marketing.

### **Charitable Giving Theory**

Charitable giving theory suggests the three motivations people give are altruism, reciprocity, and direct benefit (Bruggink & Siddiqui, 1995). Altruism, derived from the French word *autrui* meaning “other people,” is described as well-meaning behavior intended to promote the welfare of another (Oakley, 2013). Andreoni (1990) agrees that altruism is a critical element of donor motivation, but it lacks predictive ability. Altruism is not without its countertheory of “Warm Glow Giving” that describes motivation of

giving through social pressure, sympathy, or guilt where people get a warm feeling by giving (Andreoni, 1990).

Reciprocity—an exchange for mutual benefit—and direct benefit are certainly motivating factors for many donors. This can be seen in college athletics giving, where donors are motivated to give based on tickets to sporting competitions or an opportunity to meet coaches and players at fundraising events. Mauss (1954) suggests reciprocity is a quid-pro-quo agreement that includes the obligation to pay, the obligation to receive, and the obligation to repay.

Direct benefit is similar to reciprocity without the obligation to repay. Mann (2007) explains it is a perceived value of being associated with a college whose reputation is enhanced through alumni support. Speaking at a high-profile event or having a space on campus named in honor of someone would be examples of direct benefit. As it relates to higher education, alumni feel a sense of obligation and responsibility to support their alma mater.

### **Organizational Identification Theory**

Organizational identification theory is the strong sense of connection one feels to an organization or university. Mael and Ashfort (1992) define this as the perception of oneness with or belongingness to an organization, where the individual defines themselves in terms of the organizations in which he or she is a member. Donors in this group enjoy the success of the university, like high academic and athletic national rankings and successful fundraising campaigns, which can be motivating to the individual. This is also referred to as the proud parent phenomenon (O'Reilly & Chattman, 1986), where an individual is aligned with an organization based on principle and mission. Bhattacharya et al. (1995) developed a model that correlates “organizational

and product factors, member's affiliation characteristics and member's activity characteristics” (p. 46) as factors that identify an individual with an organization. As organizational identification theory relates to higher education fundraising, Young (1981) suggests alumni make donations to their alma mater because of five factors, “self-generated convictions as to the institution's merits, objectives and plans of the institution, efficiency of the institution, competence of the institution's leadership, and tax advantages” (p. 81).

### **Social Identification Theory**

Social identification refers to the influence or pressure social groups have on an individual's giving motivations. The premise of the theory is based on two components: personal identity, such as abilities and interests, and social identity, such as group classification (Tajfel & Turner, 1985; Ashforth & Mael, 1989). A former debate team member or student government representative may identify themselves with their role in those groups. Mann (2007) outlines four emerging principles that explain this theory in greater detail. The first two principles include a perception of being psychologically intertwined with the fate of the group (Foote, 1951), and of personally enduring success and failure of the organization (Tolman, 1943). The last two principles are perception of self through social categories rather than values, ethics, or direction of an organization (Martin & Siehl, 1983, p. 22) and the perceived identification through a role (Ashforth & Mael, 1989). Universities work hard to establish and maintain connections with graduates, affinity groups, and athletes that identify, engage, and support similar interests based on their perceived social identification and affiliation.

## **Economics**

Okunade et al. (1994) suggest that economic theory related to giving to charity is based on the demand for nondurable goods and services, which Mann (2007, p. 43) contends “does not fit into a model of philanthropy and understanding why people give.” However, Harrison (1995, p. 398) implies that donor motivation comes from the impact on others. Mann (2007, p. 43) explains that in economic terms, “the utility that the recipient or beneficiary of the gift experience[s] is what influences the donor.” This can be helpful in understanding the motivation of donors who establish endowed scholarships to support students with demonstrated financial need. The opportunity to give a student a formidable educational experience that the student otherwise would not be able to have if not for a charitable gift can be compelling. Mann (2007 p. 44) further contends that “the more apparent the need, the more motivated the donor is to give.” Becker (1974) argues the opposite is also true, that if the organization does not appear to need the resources, the donor is less likely to give.

## **Services-Philanthropic Theory**

Services-philanthropic theory looks closely at how the donor views the university’s service value, service quality, and satisfaction. Mann (2007) suggests these primary constructs also blend with a donor’s intent to give. Service value as Monroe (1990) and Gale (1992) define it is a trade-off between what is received and what is given. Service quality refers to the perceived quality of the organization and its effectiveness in reaching its goals (Bitner & Hubbert, 1994). Lastly, satisfaction is based on the overall experience the donor has with the organization and the perceived value. An example of this is a student who received an internship through a university career center, or an alumnus who received a job after college through a connection made at an alumni event. This is based

on the theory that an alumnus who has benefited from services received that were positive may be more likely to charitably support their alma mater.

### **Relationship-Marketing**

Relationship-marketing refers to how alumni or constituents view their relationship with the university, ranging from transitional to highly emotional, and how the university communicates with those individuals based on that relationship. Garbarino and Johnson (1999, p. 70) state, “The basic premise is that customers (donors, alumni, friend, etc.) vary in their relationship with an organization on a continuum from transactional to highly relational.” University marketing and communication offices that effectively communicate with their alumni can create a positive feeling and emotional connection that may support fundraising appeals. As Mann (2007) confirms, the success of a relationship between a donor and university can be measured based on participation and repeat giving.

## **GIVING CHARACTERISTICS**

### **Alumni Giving**

Philanthropic investment in American higher education is derived from a variety of sources including alumni, nonalumni individuals (parents and friends), corporations, private foundations, and religious organizations. According to the 2019 Voluntary Support of Education Report (Council for Advancement and Support of Education, 2019), of the many giving constituencies that contributed to the \$46.73 billion raised by American colleges and universities in 2018, private foundations contributed more than alumni, corporations, nonalumni, and other organizations. At \$14.01 billion or 30% of the total voluntary support of higher education, alumni were slightly behind foundations



at 26% or \$12.15 billion (Council for Advancement and Support of Education, 2019).

While alumni giving was less than foundation giving, alumni giving increased 7.2% in 2018 (Jaschik, 2019).

Giving USA Foundation (2019) recently reported a slight increase in foundation, alumni, nonalumni, and others (religious organizations, donor-advised funds, and other organizations), and a slight decrease in corporate giving in terms of percentage of total raised by higher education institutions from academic years 2008–2009 to 2017–2018 (p. 191).

Alumni are supporting capital-purpose gifts that include endowment, buildings, and equipment above current operations, which are more significantly supported by nonalumni sources (Council for Advancement and Support of Education, 2019 p. 4). Restricted gifts are often designated in four areas; academic divisions, athletics, student financial aid, and research. Of the four areas, alumni designate their gifts to academic divisions, athletics, and financial needs of the institution at a higher percentage while nonalumni donors designate support to research (CASE, 2019, p. 5).

### **Generational Giving**

In the recent Giving USA report (2019) studies showed Baby Boomers and Generation X donors have led the charge since 2013. According to the study, *The Next Generation of American Giving* (Blackbaud, 2019), Baby Boomers accounted for 41% of all giving, totaling \$60 billion in 2018. More than 20% of Generation X donors, most of whom are in their prime giving years, plan to increase their giving next year. Millennials have less time and money for philanthropy due to their life stage of career and family. Goldseker and Moody (2017) predict Generation X and Millennials will be the most

significant philanthropists in history, in part, due to an estimated transfer of wealth totaling \$59 trillion in the coming years.

### **Giving by Gender**

Historically men have often been thought of as lead philanthropists in giving to charitable causes. Some of the more recent mega gifts (Panas, 1984, p. 201) include Michael Bloomberg's \$1.8 billion gift to Johns Hopkins University, Phil Knight's multiple \$500 million gifts to the University of Oregon, and Ted Turner's \$1 billion gift to establish the United Nations Foundation in 1997. These gifts were publicly celebrated and drew a significant amount of attention. A lesser-known, but just as significant gift was from Joan Kroc, who gave \$1.5 billion in 2004 to the Salvation Army. As women begin to control a more equitable proportion of the world's wealth (Women's Philanthropy Institute [WPI], 2019), more focus has been placed on women's giving behavior and motivations. The WPI at the University of Indiana recently published findings that suggested that women hold 40% of global wealth, women are more likely to give than their male counterparts, and women give differently based on their motivation, causes, and behavior (WPI, 2019). Furthermore, it was discovered that women are more likely to give across generations, women give based on empathy for others whereas men give based on self-interest, women like to give in groups, women give more to women's causes, and women's satisfaction grows as they give more whereas men gain satisfaction when they become donors (WPI, 2019). According to the Million Dollar List (2020), individual women gave 60% of the number of gifts and 25% of the total amount of gifts. Brunel and Nelson (2000) found that men are more motivated by tax breaks. Men tend to give to fewer organizations (Croson & Uri, 2009), are more likely to take social norms

into account (Cox & Deck, 2005), and give more to religious organizations (Meslin et al., 2008).

### **Race and Giving**

While differences in giving by race is a new area of research, it is an important characteristic that may shed more light on the understanding of giving to higher education. Something that further complicated this research is accounting for the many races that give to higher education. As you will see, the majority of research is related to white, black (African-American), Hispanic and Asian, without much attention to other races and ethnicities. A significant amount of giving research related to race tries to distinguish white and minority as the main two race categories. This may be responsible research, however minority cultures impact giving in various ways. According to Wilson (2000), while gender has received more attention regarding charitable giving, the results of research on giving by race is more ambiguous. To complicate matters, there are conflicting arguments. Van Slyke and Eschholz (2002) along with Bryant et al. (2003) found that African Americans gave less than whites, while Conley (2000) and Musick et al. (2000) found there was statistically no difference between giving between whites and blacks. Hispanic donors are spontaneous, emotionally driven, and give more to places of worship (Blackbaud, 2015). Ramos and Kasper (2000) suggest that because of the difference in cultural values, fundraisers should appeal differently to Hispanic prospects than white prospects. The Blackbaud study suggests Asian donors are very generous U.S. donors even though they were more likely to not have been born in the U.S. They are also younger, majority female (60%), highly educated, more liberal, and more likely to give to education.

## **Wealth and Giving**

Many factors go into giving but the one variable that has the most predictive power over giving is income (McClelland & Brooks, 2004). However, Clotfelter and Steuerle (1981) found that the top and bottom 5% of income earners gave about 8% to charity, far exceeding the middle 50th percentile, who gave 3% of their income.

Additionally, Schervish and Havens (2001) learned that the aggregate contribution from families increases significantly as family income increases. Families with income less than \$100,000 give 1.86%, families with income between \$200,000 and \$500,000 gave 1.94%, and families with income above \$500,000 gave 4% of their income to charitable causes (2001). Families with high net worth (wealthy) also reported making larger gifts than those in lower- and middle-income ranges of wealth.

## **Future Landscape**

Trying to predict the future in a complex field such as higher education philanthropy is challenging. The best one can do is understand the forces that impact the who, what, when, where, why, and how of giving behavior and motivation. Looking ahead, higher education advancement leaders are paying close attention to the expectation of increased fundraising in higher education fueled by a strong economy and a growing increase in high-net-worth and diverse donors. The Indiana University Lilly Family School of Philanthropy at IUPUI and Marts & Lundy, a leading fundraising consulting firm, recently published *The Philanthropy Outlook 2019 & 2020*, which predicted moderate increases in giving over the next two years (2019).

According to the study, overall giving to education will increase as well as giving by individuals, estates, and foundations. Specific factors that will positively impact individual giving include growth in personal income, growth in number of itemizers, and

nonprofits' net worth (Indiana University Lilly Family School of Philanthropy, 2019, p. 22). Foundation giving is expected to increase based on the growth of the preceding year's gross domestic product (GDP) and above-average growth in the S&P 500 (Lilly, 2019, p. 23). Estate giving is also expected to increase due to growth in the S&P 500 and household net worth (Lilly, 2019, p. 24). The same factors concerning household income, growth in consumer expenditures, and the GDP support an increase in giving to education. Ultra-high-net-worth and high-net-worth giving is expected to increase based on the association of wealth and charitable giving. According to the Census Bureau, the top 20% of U.S. households received 51% of the U.S. income in 2015, while the top 40% took home 74% of the U.S. income. While research into women and minority philanthropy is relatively new, women and minorities are playing a larger role in giving and wealth accumulation. In 2020 there were 56 women on the Forbes 400 list, up from 55 from the previous year. African American (64%) and Latino/Hispanic (59%) high-net-worth individuals gave to charitable causes. Much of the report's outlook took economic factors, including stock market volatility, strength of the economy, and donors' response to the 2017 policy changes (Indiana University Lilly Family School of Philanthropy, 2019) into account.

## **CONCLUSION**

In conclusion, federal legislation has provided income tax deductions to individuals for charitable gifts to qualified organizations, including higher education, in the United States since the early 1900s. Charitable giving is a complex behavior driven by many factors related to social, economic, and financial motivations. As higher education becomes increasingly dependent on charitable giving, federal legislation might

play a larger role in the future in giving while current trends in age, gender, race, and wealth are revealed.

## **CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY**

### **RESEARCH QUESTIONS**

The purpose of this study is to answer two research questions. The first research question is, to what extent did the 2017 TCJA influence donors' charitable giving to a selected national private university? The TCJA nearly doubled the standard income tax deduction to \$24,000 for joint filers, which make up two thirds of all tax filers (Kess, 2018). With the increase in the standard deduction, the number of individuals taking the standard deduction was expected to increase (Kess, 2018) by 60%, decreasing households taking itemized deductions from 46.5 million in 2017 to 19.3 million in 2018 (Tax Policy Center, 2017), possibly decreasing the tax incentive to itemize charitable gifts. The second research question is, how do age, gender, race, and wealth reflect charitable giving to a selected national private university after the enactment of the 2017 TCJA? While research has been conducted by the Tax Policy Center at the Urban Institute & Brookings Institute (2017), and the Indiana University Lilly Family School of Philanthropy (2019), there is a gap in research on how the TCJA may impact people of color, different generations, women in philanthropy, and different stages of wealth.

### **HYPOTHESIS**

My hypothesis for research question number one is that donor giving was influenced by the 2017 TCJA. My hypothesis for research question number two is that the variables of age, gender, race, and wealth will reflect changes in charitable giving after the 2017 TCJA.

## **RESEARCH DESIGN**

This study used a quantitative, non-experimental correlational research method design. Schilderman (2012) argues that quantitative research employs operations on numbers that represent variations in observations, and that “quantitative method allows for precise observation, measurement, and comparison of constructs deduced from theories, and forms a hypothesis that can be proven or disproven when exposed to empirical reality (p. 124).” A t-test is appropriate when comparing paired samples (donors) that are linked by repeated measures (giving) (Abdi, 2007). For this part of the study, the researcher uses a dependent or paired sample t-test to determine if the mean gift from donors in 2017 increased or decreased after the TCJA went into effect in 2018. Belhekar (2019) suggests that while t-tests are useful in determining the difference between two groups, for example, donors from 2017 and donors from 2018, the more sophisticated analysis of variation (ANOVA) is appropriate when evaluating the difference in means of more than two groups. In this case, an ANOVA was most appropriate to measure the variance of means related to how age, gender, race, and wealth were reflected in giving behavior in 2018 compared to the year before, thus an ANOVA will be utilized. Each category of interest is identified, measured, and compared to the years prior of the same category and the mean difference of the total sample.

## **POPULATION**

The population of this study consisted of donors to the selected private higher education institution in calendar years 2016, 2017, 2018, and 2019. The sample for this study included all individuals who gave a gift to the university from 2016 to 2019 that



could be described by age, gender, race/ethnicity, and wealth rating. The researcher aimed to have a sample size of 10,000 donors for this study after gifts from donor advised funds, corporations, and charitable foundations were removed.

## **DATA COLLECTION**

Data were collected over four consecutive years of individual donors to the selected university. The study included those participants who gave at least once during the two years before or the two years after the TCJA went into effect, which yielded a total sample size of 30,088. The data included the dependent measures of dollar amount of gifts and number of gifts, as well as the independent factors and demographics of donor age (recoded to reflect generation) at the time of gift, gender, ethnicity, and wealth rating.

## **PROCEDURE**

Participants in this study were selected from the records of all donors to the university in calendar years 2016, 2017, 2018, and 2019. Each participant in the study was coded to protect their identity by IBM's Statistical Package for the Social Sciences (SPSS) auto coding. Participant's age (generation), gender, ethnicity, and wealth (rating) were also be coded into categories to distinguish each subcategory. The sample was listed "1" to "10,000" in numerical order. All information related to age, gender, ethnicity, and wealth as well as giving amounts were held in the university donor database, Blackbaud CRM or "Addie."

## STRATIFICATION

To stratify the ages of the participants into age groups, the participants were classified by birth generation (Francis & Hoefel, 2018): Baby Boomer Generation (1940–1959), Generation X (1960–1979), Generation Y (1980–1994), and Generation Z (1995–2010). The gender of the donors were also known by the university and were identified as male, female, or unknown. The university donor database also listed race as “ethnicity,” which includes: American Indian/Alaska Native, Asian, black/African American, multi-ethnic, Native Hawaiian/Other Pacific Islander, not Hispanic, not specified, and White. If any ethnicities were not represented in the sample, the ethnicity was removed from the study. Many constituents in the university’s donor database were assigned a wealth rating based on known assets, including real estate, businesses, securities, income/compensation, and other assets owned by the constituent. If there were no confirmed assets, the rating was based on 5% of the value of their home. If the constituent has not been yet been rated, the constituents rating was \$0 and listed as “not rated.” Ratings were listed as \$0, \$25,000, \$50,000, \$100,000, \$250,000, \$500,000, \$1,000,000+, \$2,500,000+, \$5,000,000+, \$10,000,000+, \$25,000,000+, \$50,000,000+, and \$100,000,000+. For the purposes of this study, the wealth ratings used by the university were categorized into three areas in which the university development team was departmentalized: Leadership Giving included donors rated \$0–\$99,000, Major Giving included donors rated \$100,000–\$2,500,000, and Principal Giving included individuals rated \$5,000,000–\$100,000,000+. Wealth ratings are assigned by the university to the alumnus or the male member of a married alumni couple, parent or friend.

The results from the stratified data collection yielded the following. Data identified participants as male, female, or unknown, and were coded as 1 = male ( $n = 15,842$ ), 2 = female ( $n = 14,120$ ), and 3 = unknown ( $n = 126$ ). In terms of ethnicity, 126 identified as American Indian/Alaska Native, 306 as Asian, 566 as Black/African American, 1,124 as Hispanic/Latino, 205 as Multiethnic, 9 as Native Hawaiian/Other Pacific Islander, 2 as Not Hispanic, 14,495 as Not Specified, 13,255 as White, and 20,388 as Unknown. Donor age at the time the gift was made was recoded to generational groups including 1 = Baby Boomer ( $n = 5,613$ ), 2 = Generation X ( $n = 6,962$ ), 3 = Generation Y ( $n = 5,296$ ), 4 = Generation Z ( $n = 3,026$ ), and 5 = Unknown ( $n = 9,191$ ). With regard to wealth rating, donors identified were rated and coded as 1 = Leadership Giving with ratings from \$25,000 to \$75,000 ( $n = 5,269$ ), 2 = Major Giving with ratings from \$100,000 to \$2.5 million ( $n = 4,243$ ), 3 = Principal Giving from \$5 million to \$100 million ( $n = 188$ ), and 4 = Not Rated ( $n = 20,388$ ).

## **INSTRUMENTS**

This study intended to use a dependent t-test and ANOVA to measure the influence of the TCJA on the sample population's giving behavior. Dependent t-tests were to be used where two groups are measured, including the giving behavior of the sample population from 2016 to 2019 and gender (male and female). ANOVAs were to be used to measure the variance of giving behavior for descriptive characteristics with more than two groups (Pallant, 2016), including age, ethnicity, and wealth.

The dependent t-test design, while less common than the independent t-test, is more powerful and can detect the difference between the two means, and it can reduce the within-subjects variance (Coolidge, 2013). Depending on the data, Coolidge (2013)

suggests the researcher may be able to increase the strength of dependent t-test by increasing the sample size.

One-way ANOVAs were to be used to measure and compare the means of donor characteristics with more than two groups (Pallant, 2016). This will measure the variance between the groups with the variance within the group (Pallant, 2016). If the means show a significant difference, a post hoc test was then used to confirm the differences. By calculating the variance of the means, the researcher was able to determine if the strength of the relationship between the groups' giving before and after the legislation was enacted.

## **ANALYSIS**

The researcher used SPSS software to analyze and better understand the data and G\*Power software to ensure the sample size had the power of .95 and a significance level of .05. Primary analysis focused on the giving mean of the entire sample population. Initially, the researcher determined the mean giving amount of the sample in 2016–2017 and the mean giving amount of the sample in 2018–2019. Then the researcher planned to subtract the 2016–2017 mean giving amount from the 2018–2019 mean giving amount, establishing the variance of the relationship. Secondary analysis focused on descriptive characteristics of the sample population including age, gender, race, and wealth.

The archival data collected were nominal (ethnicity and gender), ratio (age and money), and ordinal (wealth rating). Descriptive and inferential statistics provided results and drew conclusions related to the influence of the legislation on giving.

The entire population was used as the sample so the study would reflect the percentage of donors that were identified by specific generations, wealth ratings, ethnicities, and genders.

The analyses conducted for this study included descriptive statistics and Wilcoxon signed-rank tests. Descriptive statistics were used to describe the demographic characteristics of the sample. To determine if the assumptions for the planned t-tests and ANOVAs were met, univariate statistics and histograms were used to examine the shape of the measure distributions. The data were not normally distributed, thus the assumptions for univariate testing were not met. To answer the research questions, measures of central tendency representing donor behavior in the two years before and the two years after the TCJA went into effect were computed to examine the data in a cross-sectional manner. Because the data did not meet the assumptions for paired-sample t-tests and ANOVA models, the appropriate nonparametric test, that is, the Wilcoxon signed-rank test, was used to compare the paired sample medians on the dependent measures (number of gifts and gift amounts) before and after the TCJA went into effect. Separate Wilcoxon signed-rank tests were conducted to compare medians by factors of interest, which included age, ethnicity, gender, and, wealth rating. Due to the configuration of the original data set, the data were transposed such that each case (each row of data) represented an individual donor. Algorithms were then used to compute the number and amount of gifts per donor per year and per timeframe (the two years before and the two years after the TCJA went into effect). Additional analyses were run to confirm no further need for techniques to handle missing data.

## ASSUMPTIONS

The researcher was aware that there were assumptions related to dependent t-tests and ANOVAs as well as limitations to the study. Each assumption and limitation was addressed separately.

Assumptions of the dependent t-tests were similar to independent t-tests (Coolidge, 2013, p. 251–252). The characteristics of the donors were assumed to have a population that was normally distributed (p. 251)—meaning the sample participants’ giving levels indicate a small portion giving at the lowest and highest levels and most of the donors giving in the middle range. It is also assumed that the scores are independent of one another (p. 252), suggesting an individual giving within the sample was not connected to another donor. It was important that when the data was collected, credit of giving was properly placed on the individual donor, and a related donor who received “soft credit” was not counted as a participant in the study.

Assumptions of ANOVAs include normality, homogeneity of variance, and independence (Belhekar, 2019). Similar to the t-test, normality of the distribution sample is assumed, creating a bell curve with the majority of donor gifts in the middle and smaller numbers of donors giving at the lowest and highest levels. To assume homogeneity of variance, Bartlett’s K-squared and Leven’s Test for homogeneity of variance determined that if the variances were insignificant for the data, then we can assume homogeneity of variance (Belhekar, 2019). Lastly, the assumption of independence is again similar to t-tests, in which observations are made independently from one another.

## **TIMELINE**

The defense for this study was expected in April 2021 with the specific date and time to be determined by February 2021. The data used in this study was existing data, and the researcher did not collect data from human participants nor did the researcher administer treatment of any kind to human participants. Data were collected, reviewed, coded, and analyzed for eight weeks. The data analysis was completed in winter 2020, and the dissertation defense is scheduled for spring 2021.

## CHAPTER FOUR: RESULTS

### INTRODUCTION

Results of the data analysis that addressed the two research questions concerning the influence of federal tax legislations, specifically the TCJA, on donors at a selected university are examined below.

#### **Research Question 1 – To what extent did the TCJA influence giving behavior at the selected university?**

To answer question 1, measures of central tendency including median and mean were computed to examine the cross-sectional patterns for both the number of gifts and the amounts of the gifts.

Cross section results indicated that the mean giving amount for donors ( $n = 30,088$ ) increased \$1,5081.40 from \$8,918.01 (2016 and 2017) to \$10,499.41 (2018 and 2019). The median gift amount decreased \$38.25 from \$289.25 to \$260.00, while the total gift amount increased \$47,581,203.54 from \$268,235,203.20 to \$315,906,406.74. Given the median number of gifts was consistent before and after the TCJA, and the median amount decreased with an increase in the sum, the results indicate a small number of very large gifts increased the average gift amount after the TCJA.

**Table 1**

*Amount of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Sum</i>
Before	30,088	\$8,918.01	\$298.25	\$162,841.07	\$268,325,203.20
After	30,088	\$10,499.42	\$260.00	\$273,359.77	\$315,906,406.74



**Table 2**

*Number of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Sum</i>
Before	30,088	17.09	7	21.80	\$268,325,203.20
After	30,088	19.14	7	25.11	\$315,906,406.74

In summary, it appears that the university received more in donations after the TCJA legislation went into effect; however, the median gift amount decreased, which may illustrate a difference in donor behavior. The data are skewed such that a small number of very large gifts outweighed the increasing number of smaller gifts. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated both were statistically significant (amount  $Z = -4.97, p < .000$ , number  $Z = -42.73, p < .000$ ).

**Research Question 2 – To what extent did age, gender, ethnicity, and wealth reflect giving before and after the TCJA?**

To answer the second research question, separate Wilcoxon signed-rank tests were conducted on the paired samples by the different levels in the following factors: generation, gender, ethnicity, and wealth rating.

**Generation**

Donor age at the time of giving ranged between 10 and 80 years old (born between 1995 and 1940). To examine donor behavior by generation, the data were coded into the following groups: Boomer (Baby Boomer) generation born between 1940 and 1959 with ages ranging from 61 to 80, Generation X born between 1960 and 1979 with ages ranging from 41 to 60 years old, Generation Y born between 1980 and 1994 with ages ranging from 26 to 40 years old, and Generation Z born between 1995 and 2010

with ages ranging from 10 to 25. Each generation was coded as a number (1 - Boomer, 2 - Gen X, 3 - Gen Y, 4 - Gen Z). Donors in the sample that did not self-report a birth year or age to the university were coded as unknown. Donors that were born before 1940 and after 2010 were removed from the sample.

### **Boomer Generation**

The Boomer generation consisted of 5,613 donors. Giving among these donors before the TCJA was reflected by a mean of number of gifts of 18.85 ( $SD = 23.93$ ) and a mean gift amount of \$11,406.91 ( $SD = 256,123.62$ ). After the TCJA, the mean number of gifts was 22.02 ( $SD = 29.15$ ), and the mean gift amount was \$15,806.05 ( $SD = 441,085.80$ ).

Donors in the Boomer generation increased the average number of gifts by 3.17 and average amount of gifts by \$4,399.14. The largest gift made from the Boomers before the TCJA was \$11,002,926.42 and after the TCJA was \$18,997,073.58. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated both were statistically significant (amount  $Z = -3.91$ ,  $p < .001$ , number  $Z = -22.99$ ,  $p < .001$ ). Boomers gave more gifts and more money, but the average size of gift decreased due to fewer Boomers giving more smaller gifts after the TCJA. The Boomer donor population gave an equal number of gifts of less value after the TCJA.

**Table 3**

*Boomer Generation Amount of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	5,613	\$11,406.91	\$300.00	\$256,123.62	\$.00	\$11,002,926.42
After	5,613	\$15,806.05	\$260.00	\$441,085.80	\$.00	\$18,997,073.58

**Table 4***Boomer Generation Number of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	5,613	18.85	7.00	23.93	0	255
After	5,613	22.02	7.00	29.16	0	292

**Generation X.** Generation X consisted of 6,962 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 17.27 ( $SD = 23.70$ ,  $Mdn = 7.00$ ) and a mean gift amount of \$6,966.57 ( $SD = \$135,069.81$ ,  $Mdn = \$360$ ). After the TCJA, the mean number of gifts was 19.66 ( $SD = 28.48$ ,  $Mdn = 7$ ), and the mean gift amount was \$8,333.42 ( $SD = \$230,377.78$ ,  $Mdn = \$340$ ). Donors in Generation X increased the average number of gifts by 2.39 and amount of gifts by \$1,366.85. The largest gifts made from the Generation Xers before the TCJA was \$11,002,926.42 and after the TCJA was \$18,997,073.58. Results from the Wilcoxon signed-rank test comparing within-subjects gift amounts and number of gifts before and after the TCJA indicated both were statistically significant (amount  $Z = -3.91$ ,  $p < .001$ ; number  $Z = -22.99$ ,  $p < .001$ ). The Generation X donor population gave an equal number of gifts of less value after the TCJA.

**Table 5***Generation X Amount of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	6962	\$6,966.57	\$360	\$135,069.81	\$0	\$11,002,926.42
After	6962	\$8,333.43	\$340	\$230,377.78	\$0	\$18,997,073.58

**Table 6***Generation X Number of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	6962	17.27	7	23.70	0	255
After	6962	19.66	7	28.48	0	292

**Generation Y.** Generation Y consisted of 5,296 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 17.74 ( $SD = 21.95$ ,  $Mdn = 9$ ) and a mean amount of gifts of \$7632.26 ( $SD = \$48,035.08$ ,  $Mdn = \$480$ ). After the TCJA, the mean number of gifts was 19.07 ( $SD = 19.07$ ,  $Mdn = 8$ ), and the mean gift amount was \$7533.20 ( $SD = \$47,846.87$ ,  $Mdn = 400$ ). These donors increased in the mean number of gifts by 2.39 and decreased in the mean gift amount by \$99.06. The largest gift made from Generation Y before the TCJA was \$1,190,700.00. The largest gift made from the Gen Yers after the TCJA was \$966,637.50. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated both were statistically significant (amount  $Z = -2.57$ ,  $p = .01$ ; number  $Z = -12.82$ ,  $p < .001$ ). The Generation Y donor population gave fewer gifts of less value after the TCJA.

**Table 7***Generation Y Amount of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	5,296	\$7,632.26	\$480	\$48,035.08	\$0	\$1,190,700.00
After	5,296	\$7,533.20	\$400	\$47,846.87	\$0	\$966,637.50

**Table 8***Generation Y Number of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	5,296	17.74	9	21.95	0	173
After	5,296	19.07	8	23.95	0	136

**Generation Z.** Generation Z consisted of 3,026 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 14.69 (*SD* = 17.76, *Mdn* = 7) and a mean gift amount of \$10,794.95 (*SD* = \$96,983.78, *Mdn* = \$240). After the TCJA, the mean number of gifts was 15.40 (*SD* = 19.40, *Mdn* = 5), and the mean gift amount was \$10,252.18 (*SD* = \$100,951.64, *Mdn* = \$236). This was an increase in the mean number of gifts by .71 and a decrease in the mean gift amount by \$542.77. The largest gift made by the 3,026 Generation Zers before the TCJA was \$2,350,645.00 and after the TCJA was \$3,915,338.00. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated that both were statistically significant (amount  $Z = -2.16, p = .03$ ; number  $Z = -8.41, p < .001$ ). The Generation Z donor population gave fewer gifts of slightly less value after the TCJA.

**Table 9***Generation Z Amount of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	3,026	\$10,794.95	\$240	\$96,983.78	\$0	\$2,350,645.00
After	3,026	\$10,252.18	\$236	\$100,951.64	\$0	\$3,915,338.00

**Table 10***Generation Z Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	3,026	14.59	7	17.76	0	88
After	3,026	15.40	5	19.40	0	104

**Unknown.** Those donors with an unknown age consisted of 9,191 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 16.29 (*SD* = 19.85, *Mdn* = 7) and mean gift amount of \$8,999.13 (*SD* = \$168,825.44, *Mdn* = \$240). After the TCJA, the mean number of gifts was 18.24 (*SD* = 21.56, *Mdn* = 7), and the mean gift amount was \$10,689.89 (*SD* = \$284,488.37, *Mdn* = \$240). This was an increase in average gift number by 2.05 and gift amount by \$1,690.76. The largest gift made from the 9,191 Unknowns before the TCJA was \$11,002,926.42 and after the TCJA was \$18,997,073.58. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts indicated they were not statistically significant in amount of gifts ( $Z = -.56, p = .575$ ) but were statistical significant in the number of gifts ( $Z = -27.48, p < .001$ ). The Generation Unknown population gave an equal number of gifts of the same value after the TCJA.

**Table 11***Generation Unknown Amount of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	9191	\$8999.13	\$240	\$168,825.44	\$0	\$11,002,926.42
After	9191	\$10,689.89	\$240	\$284,488.37	\$0	\$18,997,073.58

**Table 12***Generation Unknown Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	9191	16.29	7	19.85	0	173
After	9191	18.24	7	21.56	0	140

**Gender**

The gender of donors in the sample was self-identified by the donor to the university. Male donors were coded as “1” and female donors were coded as “2.” Donors in the sample that did not self-report a gender were listed as unknown.

**Male**

The Male group consisted of 15,842 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 46.85 (*SD* = 58.39, *Mdn* = 7) and mean gift amount of \$8,915.43 (*SD* = \$158,832.61, *Mdn* = \$300). After the TCJA, the mean number of gifts was 19.31 (*SD* = 25.26, *Mdn* = 7), and the mean gift amount was \$10,610.17 (*SD* = \$158,832.61, *Mdn* = \$363). This was a decrease in the mean number of gifts of 27.54 and an increase in mean gift amount of \$1,694.74. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount donated before and after the TCJA indicated both the amount and the number were statistically significant (amount  $Z = -3.10$ ,  $p = .002$ ; number  $Z = -104.97$ ,  $p < .001$ ). The male donor population gave an equal number of gifts of more value after the TCJA.

**Table 13***Male Amount of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
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Before	15,842	\$8,915.43	\$300	\$158,832.61	\$0	\$11,002,926.42
After	15,842	\$10,610.17	\$363	\$267,611.16	\$0	\$18,997,073.58

**Table 14**

*Male Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	15,842	46.85	7	58.39	1	703
After	15,842	19.31	7	25.26	0	292

**Female.** The female group consisted of 14,120 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 46.03 ( $SD = 57.71$ ,  $Mdn = 7$ ) and a mean gift amount of \$8,941.64 ( $SD = \$167,925.08$ ,  $Mdn = 280$ ). After the TCJA, the mean number of gifts was 18.98 ( $SD = 24.99$ ,  $Mdn = 7$ ), and the mean gift amount was \$10,370.94 ( $SD = \$280,833.70$ ,  $Mdn = 258$ ). This was a decrease in mean number of gifts of 27.05 and an increase in mean gift amount of \$1,429.30. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number were statistically significant (amount  $Z = -4.17$ ,  $p = .002$ ; number  $Z = -104.97$ ,  $p < .001$ ). The female donor population gave an equal number of gifts with less value after the TCJA.

**Table 15**

*Female Amount of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	14,120	\$8,941.64	\$280	\$167,925.08	\$0	\$11,002,926.42
After	14,120	\$10,610.17	\$258	\$280,833.70	\$0	\$18,997,073.58



**Table 16***Female Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	14,120	46.03	7	57.71	1	703
After	14,120	18.98	7	24.99	0	292

***Unknown***

Unknowns consisted of 126 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 37.52 (*SD* = 39.14, *Mdn* = 7) and mean gift amount of \$6,995.38 (\$19,981.52, *Mdn* = \$317). After the TCJA, the mean number of gifts was 14.78 (*SD* = 17.96, *Mdn* = 7), and the mean gift amount was \$10,971.98 (*SD* = \$46,621, *Mdn* = \$240). This reflects a decrease in the mean number of gifts by \$22.74 and an increase in mean gift amount by \$3,976.60. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated both were statistically significant (amount  $Z = -1.99$ ,  $p = .047$ ; number  $Z = -9.11$ ,  $p < .001$ ). The gender unknown population gave the same number of gifts with less value after the TCJA.

**Table 17***Gender Unknown Amount of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	126	\$6,995.38	\$317	\$19,981.52	\$0	\$123,470.00
After	126	\$10,971.98	\$240	\$46,621.34	\$0	\$349,552.00

**Table 18***Gender Unknown Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	126	37.52	7	39.14	1	129
After	126	14.78	7	17.96	0	62

**Ethnicity**

Donor ethnicity includes nine categories: American Indian/Alaska Native, Asian, Black/African American, Hispanic/Latino, Multiethnic, Native Hawaiian/Other Pacific Islander, Not Hispanic, Not Specified, and White. When examining the data, changes were made to reflect accurate categories of self-identified ethnicities. Donors that listed multiple ethnicities, rather than multiethnic were recoded as multiethnic. Donors that did not self-identify were coded as Not Specified.

***American Indian/Alaska Native***

The American Indian/Alaska Native group consisted of 126 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 16.30 (*SD* = 39.14, *Mdn* = 6) and mean gift amount of \$3,539.04 (*SD* \$7,769.46, *Mdn* = \$248). After the TCJA, the mean number of gifts was 19.98 (*SD* = 17.96, *Mdn* = 7), and the mean gift amount was \$3,116.74 (*SD* = \$7,480.60, *Mdn* = \$262). The largest gift made before the TCJA was \$35,553 and after the TCJA was \$45,768. This is an increase in the mean number of gifts of 3.68 and a decrease in the mean gift amount of \$422.30. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated that the amount of gifts was not statistically significant ( $Z = -.14, p = .892$ ), but the number of gifts was statistically significant ( $Z = -$

3.45,  $p = .001$ ). The American Indian/Alaska Native donor population gave more gifts of more value after the TCJA.

**Table 19**

*American Indian/Alaska Native Amount of Gifts Before and After the TCJA*

Source	<i>n</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	126	\$3,539.04	\$248	\$7,769.46	\$0	\$35,553.00
After	126	\$3,116.74	\$262	\$7,480.60	\$0	\$45,768.00

**Table 20**

*American Indian/Alaska Native Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	126	16.30	6	39.14	0	87
After	126	19.98	7	17.96	0	104

### ***Asian***

The Asian group consisted of 306 donors. Giving among these donors before and after the TCJA was reflected by a mean number of gifts of 15.39 ( $SD = 19.26$ ,  $Mdn = 6$ ) and mean gift amount of \$11,051.61 ( $SD = \$85,165.84$ ,  $Mdn = 332.50$ ). After the TCJA, the mean number of gifts was 16.75 ( $SD = 22.07$ ,  $Mdn = 6$ ), and the mean gift amount was \$11,269.46 ( $SD = \$77,928.88$ ,  $Mdn = \$250.06$ ). This is an increase in the mean number of gifts by 1.36 and an increase in mean gift amount by \$217.85. The largest gift before the TCJA was \$1,190,700 and after the TCJA was \$966,637.50. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA were not statistically significant (amount  $Z = -.74$ ,  $p = .461$ ;

number  $Z = -3.64, p = .613$ ). The Asian donor population gave the same number of gifts with less value after the TCJA.

**Table 21**

*Asian Amount of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	306	\$11,051.61	\$332.50	\$85,165.84	\$0	\$1,190,700.00
After	306	\$11,269.46	\$250.06	\$77,928.88	\$0	\$966,637.50

**Table 22**

*Asian Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	306	15.39	6	19.26	0	89
After	306	16.75	6	22.07	0	136

### ***Black/African American***

The African American/Black group consisted of 566 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 19.63 ( $SD = 22.46, Mdn = 11$ ) and mean gift amount of \$26,449.73 ( $SD = \$465,062.60, Mdn = \$400.04$ ). After the TCJA, the mean number of gifts was 21.61 ( $SD = 26.66, Mdn = 10$ ), and the mean gift amount was \$40,617.35 ( $SD = \$799,391.25, Mdn = \$318.36$ ). Donors increased the mean number of gifts by 1.98 and increased the mean gift amount by \$14,167.62. The largest gift made before the TCJA was \$11,002,926.42 and after the TCJA was \$18,997,073.58. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated the gift amount was not statistically significant ( $Z = -.51, p = .613$ ), but the number of gifts was statistically significant ( $Z = -$

5.71,  $p < .001$ ). The Black/African American donor population gave fewer gifts worth less value after the TCJA.

**Table 23**

*Black/African American Amount of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	566	\$26,449.73	\$400.04	\$465,062.60	0	\$11,002,926.42
After	566	\$40,617.35	\$318.36	\$799,391.25	0	\$18,997,073.58

**Table 24**

*Black/African American Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	566	19.63	11	22.46	0	101
After	566	21.61	10	26.66	0	136

### ***Hispanic/Latino***

The Hispanic/Latino group consisted of 1,124 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 17.54 ( $SD = 20.76$ ,  $Mdn = 9$ ) and mean gift amount of \$17,316.72 ( $SD = \$332,121.84$ ,  $Mdn = 422.50$ ). After the TCJA, the mean number of gifts was 19.02 ( $SD = 24.14$ ,  $Mdn = 7$ ), and the mean gift amount was \$23,608.40 ( $SD = \$568,116.68$ ,  $Mdn = \$300$ ). Hispanic/Latino donors increased the mean of number of gifts by 1.48 and increased the mean gift amount by \$6,291.68. The largest gift made before the TCJA was \$11,002,926.42 and after the TCJA was \$18,997,073.58. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated that the amount of gifts was not statistically significant (amount  $Z = -1.07$ ,  $p = .284$ ), but the number of gifts was

statistically significant (amount  $Z = 6.23, p < .001$ ). The Hispanic/Latino donor population gave fewer gifts worth less value after the TCJA.

**Table 25**

*Hispanic Amount of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	1,124	\$17,316.72	\$422.50	\$332,121.84	0	\$11,002,926.42
After	1,124	\$23,608.40	\$300	\$568,116.68	0	\$18,997,073.58

**Table 26**

*Hispanic Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	1,124	17.54	9	20.76	0	89
After	1,124	19.02	7	24.14	0	136

***Multiethnic***

The multiethnic group consisted of 205 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 14.25 ( $SD = 19.50, Mdn = 5$ ) and mean gift amount of \$9,403.76 ( $SD = \$83,460.17, Mdn = \$240$ ). After the TCJA, the mean number of gifts was 14.25 ( $SD = 19.50, Mdn = 5$ ), and the mean gift amount was \$8,043.78 ( $SD = \$67,879.08, Mdn = \$195$ ). This was a decrease in the mean of the number of gifts of .05 and a decrease in the mean gift amount of \$61,359.98. The largest gift made before the TCJA was \$1,190,700.00, and the largest gift made after the TCJA was \$966,637.50. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated that neither were

statistically significant (amount  $Z = -.56, p = .576$ ; number  $Z = -1.86, p = .063$ ). The multiethnic donor population gave fewer gifts worth less after the TCJA.

**Table 27**

*Multiethnic Amount of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	205	\$9403.76	\$240	\$83,460.17	0	\$1,190,700.00
After	205	\$8043.78	\$195	\$67,879.08	0	\$966,637.50

**Table 28**

*Multiethnic Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	205	14.25	5	19.50	0	88
After	205	19.02	4	18.58	0	104

***Not Specified***

The not specified group consisted of 14,495 donors. Giving among these donors before the TCJA was reflected by the mean number of gifts of 16.62 ( $SD = 23.03, Mdn = 7$ ) and mean gift amount of \$6,960.81 ( $SD = \$101,602.55, Mdn = \$242$ ). After the TCJA, the mean number of gifts was 18.74 ( $SD = 23.60, Mdn = 7$ ), and the mean gift amount was \$7,406.46 ( $SD = \$163,904.18, Mdn = \$242$ ). After the TCJA, not specified donors increased the mean of the number of gifts by 2.12 and increased mean gift amount by \$445.64. The largest gift made before the TCJA was \$11,002,926.42, and the largest gift made after the TCJA was \$18,997,073.58. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated that the amount of gifts was not statistically significant ( $Z = -1.66, p = .096$ ),

but the number of gifts was statistically significant ( $Z = -33.93, p < .001$ ). Not specified donors gave the same number of gifts worth slightly less value after the TCJA.

**Table 29**

*Not Specified Amount of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	14,995	\$6,960.81	\$242	\$101,602.55	0	\$11,002,926.42
After	14,995	\$7,406.46	\$240	\$163,904.18	0	\$18,997,073.58

**Table 30**

*Not Specified Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	14,995	16.62	7	21.03	0	255
After	14,995	18.74	7	23.60	0	292

***White***

Those identifying as White consisted of 13,225 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 17.55 ( $SD = 22.74, Mdn = 8$ ) and mean gift amount of \$9,598.17 ( $SD = \$173,324.14, Mdn = \$390$ ). After the TCJA, a mean number of gifts was 19.59 ( $SD = 26.79, Mdn = 7$ ), and the mean gift amount was \$11,582.43 ( $SD = \$292,210.38, Mdn = \$310$ ). White donors increased the mean of the number of gifts by 2.04 and increased the mean gift amount by \$1,984.26. The largest gift made before the TCJA was \$11,002,926.42, and the largest gift made after the TCJA was \$18,997,073.58. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated that the amount of gifts and the number of gifts were both statistically significant (amount  $Z = -$



5.46,  $p < .001$ , number  $Z = -24.83$ ,  $p < .001$ ). White donors gave fewer gifts worth less value after the TCJA.

**Table 31**

*White Amount of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	13,225	\$9,598.17	\$390	\$173,324.14	0	\$11,002,926.42
After	13,225	\$11,582.43	\$310	\$292,210.38	0	\$18,997,073.58

**Table 32**

*White Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	13,255	17.55	8	22.74	0	255
After	13,255	19.59	7	26.79	0	292

***Subgroups Not Analyzed***

The subcategories including Native Hawaiian/Other Pacific Islanders and Not Hispanic each comprised less than 10 donors, thus these subgroups were not analyzed separately.

**Wealth Rating**

Donors in this study were assigned wealth ratings by the selected university ranging from \$25,000 to \$75,000,000. Donors that were not assigned wealth ratings by the university were coded as Unknown. For the purposes of this study, donor wealth ratings were grouped into categories that illustrate the university advancement staff responsibility: 1 - Leadership Giving (\$25,000–\$75,000), 2 - Major Giving (\$100,000–\$2,500,000), and 3 - Principal Giving (\$5,000,000–\$100,000,000).

### ***Leadership Giving***

Leadership Giving consisted of 5,269 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 17.45 ( $SD = 21.22$ ,  $Mdn = 7$ ) and mean gift amount of \$5,122.21 ( $SD = \$24,044.21$ ,  $Mdn = \$300$ ). After the TCJA, the mean number of gifts was 20.67 ( $SD = 27.20$ ,  $Mdn = 7$ ), and the mean gift amount was \$5,956.06 ( $SD = \$49,276.61$ ,  $Mdn = \$260$ ). Leadership Giving donors increased the mean number of gifts by 3.22 and increased the mean gift amount by \$833.85. The largest gift made before the TCJA was \$885,200, and the largest gift made after the TCJA was \$2,389,783.02. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated that the gift amount was not statistically significant ( $Z = -1.43$ ,  $p = .152$ ), but the number of gifts was statistically significant ( $Z = -22.42$ ,  $p < .001$ ). Leadership Giving donors gave the same number of gifts worth less value after the TCJA.

**Table 33**

*Leadership Giving Amount of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	5,269	\$5,122.21	\$300	\$24,044.21	0	\$885,200.00
After	5,269	\$5,956.06	\$260	\$49,276.61	0	\$2,389,783.02

**Table 34**

*Leadership Giving Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	5,296	17.45	7	21.22	0	255
After	5,926	20.67	7	27.20	0	292

### ***Major Giving***

Major Giving consisted of 4,243 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 17.04 ( $SD = 23.01$ ,  $Mdn = 7$ ) and mean gift amount of \$14,192.77 ( $SD = \$294,704.61$ ,  $Mdn = \$275$ ). After the TCJA, the mean number of gifts was 19.34 ( $SD = 26.97$ ,  $Mdn = 7$ ), and the mean gift amount was \$19,799.10 ( $SD = \$506,029.28$ ,  $Mdn = \$263$ ). Major giving donors increased the mean number of gifts by 2.30 and increased the mean gift amount by \$5,606.33. The largest gift made before the TCJA was \$11,002,962.42, and the largest gift made after the TCJA was \$18,997,073.58. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated that both were statistically significant (amount  $Z = -2.03$ ,  $p = .042$ ; number  $Z = 15.99$ ,  $p < .001$ ). Major Gift donors gave the same number of gifts worth slightly less value after the TCJA.

**Table 35**

*Major Giving Amount of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	4,243	\$14,192.77	\$275	\$294,704.61	0	\$11,002,926.42
After	4,243	\$19,799.09	\$263	\$506,029.28	0	\$18,997,073.58

**Table 36**

*Major Giving Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	4,243	17.04	7	23.01	0	255
After	4,243	19.34	7	26.97	0	292

### ***Principal Giving***

Principal Giving consisted of 188 donors. Giving among these donors before the TCJA was reflected in the mean number of gifts of 18.02 ( $SD = 22.51$ ,  $Mdn = 8$ ) and mean gift amount of \$5,739.75 ( $SD = \$32,025.73$ ,  $Mdn = 207.03$ ). After the TCJA, the mean number of gifts was 20 ( $SD = 23.36$ ,  $Mdn = 7$ ), and the mean gift amount was \$5,958.01 ( $SD = \$31,940.91$ ,  $Mdn = \$240$ ). Principal Giving donors increased the mean number of gifts by 1.80 and increased the mean gift amount by \$218.26. The largest gift made before the TCJA was \$423,000, and the largest gift made after the TCJA was \$394,152. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated that the gift amount was not statistically significant ( $Z = -.81$ ,  $p = .421$ ), but the number of gifts was statistically significant ( $Z = -3.91$ ,  $p < .001$ ). Principal Giving donors gave fewer gifts worth more value after the TCJA.

**Table 37**

*Principal Giving Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	188	\$5,739.75	\$207.03	\$32,025.73	0	\$423,000.00
After	188	\$5,958.01	\$240	\$31,940.91	0	\$394,152.00

**Table 38**

*Principal Giving Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	188	18.20	8	22.51	0	173
After	188	20.00	7	23.36	0	140

### ***Not Rated***

Not Rated consisted of 20,388 donors. Giving among these donors before the TCJA was reflected by a mean number of gifts of 17 ( $SD = 21.41$ ,  $Mdn = 8$ ) and mean gift amount of \$8,830.55 ( $SD = \$144,548.07$ ,  $Mdn = \$300$ ). After the TCJA, the mean number of gifts was 18.69 ( $SD = 24.12$ ,  $Mdn = 7$ ), the and mean gift amount was 9,780.08 ( $SD = \$237,356.51$ ,  $Mdn = \$260$ ). Not Rated donors increased the mean number of gifts by 1.69 and increased the mean gift amount by \$949.23. The largest gift made by these donors before the TCJA was \$11,002,926.42, and their largest gift made after the TCJA was \$18,997,073.58. Results from the Wilcoxon signed-rank test comparing within-subjects gift amount and number of gifts before and after the TCJA indicated both were statistically significant (amount  $Z = -4.33$ ,  $p < .001$ ; number  $Z = -32.86$ ,  $p < .001$ ). Not Rated donors gave fewer gifts worth less value after the TCJA.

**Table 39**

#### *Not Rated Amount of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	20,388	\$8,830.55	\$300	\$144,548.07	0	\$11,002,926.42
After	20,388	\$9,780.08	\$260	\$237,356.51	0	\$18,997,073.58

**Table 40**

#### *Not Rated Number of Gifts Before and After the TCJA*

Source	<i>N</i>	<i>M</i>	<i>Mdn</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
Before	20,388	17.00	8	21.41	0	255
After	20,388	18.96	7	24.12	0	292



## CHAPTER 5: FINDINGS

### INTRODUCTION

The purpose of this study was to investigate the influence of federal tax legislation, specifically the TCJA of 2017, on donor giving to higher education institutions. The study examined donor giving in terms of number of gifts made and total dollar amount of gifts before and after the TCJA was enacted as a whole. The study further examined giving behavior of those donors based on their age, ethnicity, gender, and wealth rating. Using grounded theory as the theoretical framework, the study was designed to research the influence of federal tax legislation on philanthropic giving to higher education. By better understanding the extent of the influence of legislation on donor behavior, university leadership can better plan and predict giving trends that support university resources.

The research questions for this study were aligned with the purpose of the study and guided the research. The questions are as follows:

1. To what extent did the TCJA of 2017 influence donors' charitable giving to a selected private university?
2. To what extent did age, gender, ethnicity, and wealth rating reflect changes in charitable giving after the enactment of the TCJA of 2017 to a selected private university?

The researcher based the hypothesis of this study on existing scholarship regarding charitable giving to higher education and federal tax legislation, which suggests individuals give more when charitable giving is incentivized by a lower tax liability or tax deduction (Giving USA, 2019). In fact, individual charitable giving increased over

\$30 billion after the Small Business Protection Act of 1996 and the Tax and Trade Relief Act of 1998 (Giving USA, 2019). However, unlike previous federal tax laws, the TCJA doubled the standard deduction while increasing the deductibility percentage of adjusted gross income (AGI) by 10%. By increasing the individual AGI deductibility limit, the law incentivizes primarily wealthy donors to give more of their income to charitable causes. For those donors with lower to moderate income, the AGI limit has little to no impact on their charitable giving plans. This study specifically examined giving behavior before and after the TCJA was enacted by examining the amount of money given by individual donors and the number of gifts given by individual donors. The study also categorized dependent variables into four categories: Age (Baby Boomer, Generation X, Generation Y, Generation Z, and unknown), Ethnicity (American Indian/Alaska Native, Asian, Black, African American, Hispanic/Latino, Multiethnic, Native Hawaiian/Other Pacific Islander, Not Hispanic, Not Specified, White, and Unknown), Gender (male, female, unknown), and Wealth Rating (Leadership Giving, Major Giving, Principal Giving, and Not Rated). The hypothesis is that the TCJA influenced how much money and the number of gifts constituents gave after the legislation was enacted, resulting in fewer gifts and lower value of gifts. The practical use of this study is to inform leaders in higher education about the impact of federal tax legislation on charitable giving so they can be aware, plan, and advocate in ways that support institutions of higher education.

### **ANALYSIS OF THE STATISTICAL TESTS**

The researcher used IBM SPSS software to analyze the data and G\*Power software to ensure the sample size would have enough power to determine a significance level of .05. Originally the analyses selected to measure the difference in means were paired-



sample t-tests and ANOVA models. After retrieving and cleaning the data, histograms were run to determine the distribution normalcy of the data. Histograms showed significant non-normal distribution, which led the researcher to use a different and more appropriate nonparametric test, that is, the Wilcoxon signed rank-test, to compare the medians of the dependent measures rather than the t-tests and ANOVAs. This process quickly showed that comparing means of the population was not going to be helpful in studying the influence and that the median would show a better representation of the difference in giving behavior of the 30,088 individual donors. The table below simplifies the analysis of the results by identifying which comparisons were statistically significant and the median change in behavior.

**Table 41**

*Reflected Changes in Giving Behavior*

Population	Years	<i>n</i>	Amt Giving <i>Mdn +/-</i>	<i>Sig.</i>	Number of Gifts <i>Mdn +/-</i>	<i>Sig.</i>
Donors	2016 - 2018	30,088	-\$38	Y	0	Y

**Table 42**

Reflected Changes by Age, Ethnicity, Gender, and Wealth Rating

Participants	Subcategory	<i>N</i>	Amount of Gifts <i>+/-</i>	<i>Sig.</i>	Number of Gifts <i>Mdn +/-</i>	<i>Sig.</i>
Age	Baby Boomer	5,613	-\$40	Y	0	Y
	Generation X	6,962	-\$20	Y	0	Y
	Generation Y	5,296	-\$80	Y	1	Y
	Generation Z	3,026	-\$4	Y	-2	Y

	Unknown	9,191	\$0	N	0	Y
Ethnicity	American Indian/Alaska Native	126	\$14	N	1	Y
	Asian	306	-\$82	N	0	N
	Black/African American	566	-\$81	N	-1	Y
	Hispanic/Latino	1124	-\$122	N	-2	Y
	Multi Ethnic	205	-\$45	N	-1	N
	Not Specified	14,495	-\$2	N	0	Y
	White	13,255	-\$80	Y	-1	Y
Gender	Male	15,842	+\$63	Y	0	Y
	Female	14,120	-\$22	Y	0	Y
	Unknown	126	-\$77	Y	0	Y
Wealth	Leadership Giving	5,269	-\$40	N	0	Y
	Major Giving	4,243	-\$12	Y	0	Y
	Principal Giving	188	\$33	N	-1	Y
	Not Rated	20,388	-\$40	Y	-1	Y

## CONCLUSIONS AND IMPLICATIONS

This study investigated the influence of the TCJA on donor-giving behavior at a selected institution. This study also studied the institution's individual giving before and after the legislation was enacted with an additional focus on donor characteristics, including age, ethnicity, gender, and wealth. In the analysis, the study found that most of the characteristics showed a statistically significant difference in giving behavior.

Interestingly, the analysis showed a general decrease in median giving amounts and

median number of gifts after the TCJA was enacted. Only three of the 19 subcategories showed a positive increase in median gift amount. Only American Indian/Alaska Native (+\$14), Male (+\$63), and Principal Gift (+\$33) rated donors showed an increase in median giving amount. Generational giving, where all subcategories saw a decrease in median giving, ranged from -\$80 in Generation Y to 0 in Unknown. The Boomer Generation, which has the most wealth in the United States, saw a median decrease of -\$40. Generation Z also saw a marginal decrease (-2) in median number of gifts while Generation Y saw a marginal uptick (+1) in median number of gifts with Generation X and Baby Boomers staying flat. Ethnic minorities showed the most alarming data: a measurable decrease in the largest minority populations Asian (-\$82), Black/African American (-\$81), and Hispanic/Latino (-\$122). These are minority giving populations that are accumulating more wealth and becoming more philanthropic nationally. Even the largest ethnic population with over 13,000 participants, nearly half of the total population, White, saw a relatively large decrease of -\$80 after the TCJA. The only ethnic subcategory that saw an increase in median number of gifts was American Indian/Alaska Native with a population of less than 5% of the total number of participants. Related to Gender, the Female population saw a median decrease of -\$22, which is also alarming considering the role women are playing in philanthropy on the national scale today. Regarding Wealth, the only median increase after the TCJA was at the Principal Giving level. However, the analysis confirmed a significant level did not meet the standard .05. Principal Giving and Not Rated showed a slight increase in median number of gifts (1) while other categories were flat. Unknown and Not Rated groups in the subcategories were the largest populations in Age (9,191), Ethnicity (14,495), and

Wealth Rating (20,388). Additional data would be helpful in identifying the appropriate categories where these unknowns contribute. With this additional data, the study could paint a clearer picture of median giving and median number of gifts that could impact the implications. The overall findings of the study showed the large majority of participants decreased their giving in dollars and number of gifts, which is unusual and generally the exact opposite reaction to behavior demonstrated after previous income tax laws were passed. The biggest takeaway of this study is that every wealth-rated level of donor decreased with the exception of Principal Giving donors. After looking closer at the alignment of fundraising staff assigned to various wealth-rating levels, the degree of decrease may be by design and not a surprise to university leadership. The selected institution's development office is heavily resourced at the major gift level (\$100,000–\$2,500,000) and less so at the leadership giving levels (\$10,000–\$50,000), while the major gift-rated prospects accounted for 20% more of the donor population. A reason for the significant drop at the lower levels of the wealth-rating group may also be because the lower-rated donors would more likely to itemize deductions to maximize their giving benefit before the TCJA was enacted and therefor may be disincentivized to give once the standard deduction doubled and the benefit was no longer necessary. Perhaps this gives some insight into the motivations of the donor base of the selected institution. Are the donors so noncommitted to giving that the mere dissolution of a tax deduction is enough to persuade them not to give? If the donor base's giving behavior was heavily dependent on the tax advantage rather than reasons to “do good” as the father of philanthropy, Cotton Mather, called on Christians to do in the early 1800s, does it expose the fragility of the donor population? If this is the case, the connection between the institution and

their donors must become stronger by eliciting other motivations that override the simple tax benefit. Charitable giving to higher education in America was built on serving the greater good, creating educated leaders for the future, and establishing a better society through higher learning. In order for universities to sustain a stable development program with loyal donors, university fundraising offices, as a whole, may need to go backward to move forward. Taking a deeper dive into the reasons donors chose to give less or not at all afterward would be beneficial.

The most surprising finding was that the selected institution is not trending with national giving trends that show an increase in giving by women donors and ethnic minority donors. This is of particular importance given the student body of the institution is, and has been, approximately 60% female (TCU, 1981, and ethnic minorities make up 30% of the undergraduate student body (TCU, 2021). These two areas in particular are making significant strides in philanthropic giving and are projected to continue in the future. This is an area where the selected institution would benefit from taking a closer look at their donor marketing strategies and perhaps consider investigating how to appeal to a diverse alumni base. Ethnic minority populations are growing, especially in Texas where the institution is located, and minorities are giving at higher rates than ever before.

The study also realized that the selected institution is dependent, and perhaps focused, on very large, multi-million-dollar gifts from a very small population. Out of the 30,088 donors examined, only 188 were rated above \$5 million, making up less than 1% of the individual donor population. While this strategy has been successful, it is risky. Oftentimes the relationship with principal gift donors has been cultivated over many years, if not decades, and the timing of these gifts is more dependent on the individual

donor's financial plan or life event than a fundraising campaign or tax legislation. However, the fundraising office is heavily resourced at the major giving level, and they are cultivating and soliciting what is expected to be the next group of wealthy principal gift-rated donors. This is more than likely the "sweet spot" where the financial rate of return on human capital investment is the highest. Major gift officers generally raise more money at a lower cost to the university than annual giving officers and the majority of principal giving-focused fundraisers are senior-level advancement or cabinet-level administrators. The typical principal gift-rated donor also has the expectation that they will be cultivated, solicited, and stewarded by the very top decision-makers as they are investing significant resources that they want to ensure will be handled appropriately. At some point in the future, the selected university will need to strategically expand its base, diversify its donor pool, and appeal to wealthy donors from groups that have historically not been the typical major donor. This can be accomplished by creating focus groups to learn from underrepresented populations, integrating a more ethnically diverse formulation and approval process by which gender and ethnically diverse populations are active participants. From a financial perspective, the short-term gains from a small group of staff and donors have accomplished the goals of the university so far; however, the reality is higher education development is not a short-term game. It is a balance of maximizing staff resources and donor giving while building a culture of philanthropy that engages donors at various levels over their lifetime. Universities realize this and many have begun to "count" alumni and donor engagement as a measurable outcome with strategic goals for current, comprehensive fundraising campaigns. The true test of the value of measuring alumni and donor engagement, and the future of a more inclusive

base, is if it holds true throughout the lifetime of the campaign. Often secondary goals, like donor engagement, become less important, and primary goals, like dollars raised, becomes the only goal. It has been the researcher's experience that higher education is becoming more and more dependent on charitable giving, and in many cases, colleges and universities do not have the privilege of long-term planning. The selected institution, however, does not fall into that category as it has an endowment of more than \$1 billion dollars—in large part due to charitable giving—and has the flexibility, if desired, to plan accordingly. For others, they will need to cover their operating costs by building a broad annual giving strategy, assigning their highest-level fundraising administrators to the principal gift donor group, and strategically building long-term balance through their major giving teams. The focus of these major giving teams will be the difference maker. More specifically, how these officers are assigned—whether it is geographically based, academic unit based, or program and initiative based—will create a successful path forward. Additionally, if special attention is given to growing donor and alumni populations, national giving trends, and donor motivations—including but not limited to tax incentives for charitable giving—the fundraising office of the future will become better prepared for the future. The implications from a growing gender and ethnic minority student and alumni population, creates a potential challenge for successful philanthropic giving campaigns in the future.

Based on the findings of this study, it appears the TCJA had a negative influence on the median number of gifts donors made and the median amount of donor gifts at this particular institution. However, due to the outlier gifts, the university's total fundraising from individuals studied increased by \$47.5 million. University development leadership,

frontline fundraisers, and volunteer development committee members responsible for planning and executing strategic development campaigns should pay close attention to federal income tax legislation in the future. They should analyze the giving behavior of their donors, pay close attention to national trends in philanthropy, and create targeted donor marketing and communication strategies that appeal to a wider and, perhaps, more inclusive range of donors.

It should also be noted, that the TCJA, as previously discussed, relieved the income tax burden of many individuals by doubling the standard income tax deduction, and the legislation did increase the individual's AGI deductibility limit. However, the legislation only incentivized wealthy donors to give more while disincentivizing moderate-income-level donors to give charitably. And this is, in part, what this study found to be true—it was a tax cut act not an act to support or incentivize giving.

## **OPPORTUNITIES FOR FUTURE RESEARCH**

As a result of this study, a number of future opportunities for research were imagined, including analyzing donor retention and acquisition, areas of directed giving, academic discipline giving, donor behavior related to gift commitment pledge schedule, and donor motivation. These additional studies could create a predictive model with numerous variables that could enhance these findings and explore important areas of donor-giving behavior.

Donor retention and acquisition is critical to college and university development offices. Similar to customer acquisition in for-profit businesses, there is a cost to universities retaining and acquiring new donors and a certain cost to retaining existing donors. A study like this may provide additional insight into the cost of donor



relationships and provide budgetary opportunities to minimize costs while directing expenditures to areas that are important to sustaining a culture of philanthropy at the selected institution.

Analyzing what initiatives donors were more likely to support would be helpful to better understand their donating habits. As universities progress through strategic plans, many institutions include both human support and facility support. The selected institution has recently placed a moratorium on privately funded facility projects, focusing its philanthropic giving initiatives and priorities on its human capital—students, faculty, and the programs in which they interact. This could give trustees, cabinet-level leadership, and decision-makers better insight on how to pace a comprehensive fundraising campaign in the future so that its progress does not stall. It might also be beneficial for University Advancement leadership so that strategic communication could align with university priorities and appeal to donor interests and motivations.

Additionally, taking a deeper dive into behavior related to areas of support, specifically studying donor academic interest would be beneficial. A study might focus on the academic programs, their alumni, and donor behavior. Oftentimes the academic units that have the largest alumni population do not have the most alumni giving in terms of percentage and total giving. Looking closer at academic leadership activity, unit programs, alumni relations, and fundraising engagement and appeals could give a better understanding of donor behavior related to activity in each academic unit.

While this study examined donor behavior over a four-year period, this legislation was enacted quickly, giving donors very little time to appropriately plan, or in some cases change or modify charitable giving plans and intentions. Looking closer at the data to

determine if donors changed giving plans to take advantage of tax savings before year-end 2017, or vice versa, would be interesting. For example, if a donor had a significant gift commitment pledged over numerous years, did he/she front-load the pledge schedule or pay pledges off early, which may have been advantageous for their individual tax situation? This could change University Advancement marketing and communications to better serve donors facing new tax issues due to the legislation in the future.

An interesting study might focus on the giving motivations of the donors during this same time period. Using Mann's (2007) theoretical framework related to charitable giving motivations, including charitable giving theory, organizational identification, social identification, economics, services-philanthropic theory, and relationship-marketing, would shed additional light on why the selected institution's donors gave. The effect of this could help university leadership better understand the motivations behind their donors' giving behavior thus providing data to help share key messaging with its constituents. Furthermore, overlaying Mann's theory with variables of this study—age, gender, ethnicity, wealth—would provide important data for highly segmented development of communication and activity.

## **LIMITATIONS**

The first limitation of this study is the sample size. This study had a large sample size of over 30,000 gifts from donors over a four-year period. While a large sample size may assist with finding statistically significant relationships between variables because there are so many observations, the analysis is likely to yield relationships that may go undetected. Larger sample sizes also result in a smaller standard error (Urdan, 2010).

This study is likely to have a Type I error, rejecting the null hypothesis even though it is correct, because of the large sample size.

Another limitation is the type of institution studied. The Carnegie Classification of Institutions of Higher Education identifies seven different main categories of institutions, including doctoral universities, master's colleges and universities, baccalaureate colleges, baccalaureate/associates colleges, associate's colleges, special focus institutions, and tribal college with 32 subcategories totaling 4,324 institutions. The institution studied here is one of 135 Doctoral University: High Research (Doc2) institutions in America. The selected institution is also one of 43 private, nonprofit-controlled Doc2 postsecondary institutions in America (CCIHE Summary Table). Carnegie (2021) also narrows the scope by size and setting, making the selected institution a four-year, medium, highly residential private, nonprofit institution, one of only 119.

Size of the selected institution is another limitation of this study. The studied university has an undergraduate and graduate enrollment of just under 10,500 with approximately 90,000 living alumni records. Institutions with a much larger enrollment and more records of living alumni may not see the same results.

Collegiate athletic affiliation may also be a limitation. Power 5 NCAA Division I athletic programs, similar to the selected affiliation of the studied institution, can be a large revenue source in terms of charitable contributions. In this particular case, there may be \$100 million-plus stadium projects and large-scale season ticket renewals that are partially counted as a philanthropic gift that may not be relevant at other institutions.

The institution studied is also located in a metropolitan area considered to be a “boomtown” with significant economic growth and low unemployment rates, ranking in the top three in the United States during this period. Most areas of the United States have not seen the same type of sustained economic growth, which may contribute to the number of gifts and the amount of giving the institution’s alumni and friends have donated.

Many factors go into making decisions related to charitable giving. This study focuses on the influence of federal tax legislation as a factor of the individual donors’ decision-making process. Other factors outside of federal tax legislation may have also played a role in deciding where and when the individual donor gives charitably.

Lastly, this is one study of one institution and their individual donors over a four-year period. The donors of the institution studied consisted of individual donors that include; alumni, parents, and friends of the institution. The gifts made to this institution during this time included all gifts to all areas of the university including gifts to academic units, athletics, and other university priorities.

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## VITA

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### Education

Diploma, The Colony High School, The  
Colony, Texas, 1997  
Bachelor of Arts, Public Relations, Washburn  
University, Topeka, Kansas  
Master of Science, Higher Education  
Leadership, Northwest Missouri State  
University, Maryville, Missouri, 2010  
Doctor of Education, Higher Education  
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### Experience

Assistant Vice Chancellor for Development –  
Regional, TCU, Fort Worth, 2018–  
Present  
Senior Director of Development – Regional,  
TCU, Fort Worth, 2014–2018  
Director of Development – Regional, TCU, Fort  
Worth, 2011–2014  
Director of Development – Regional, William  
Jewell College, Liberty, Missouri, 2008–  
2011  
Major Gifts Officer, Park University, Parkville,  
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Executive Director & Regional Coordinator,  
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### Professional Memberships

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