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## **Reaching Critical Mass: Why Community Colleges Need to Increase Private Funding**

By Dr. Paul Lanning

America's community colleges are a key link in the chain of upward mobility, and they need more support than they're getting. This is an obvious statement for many in the community-college world, but with the increasing challenges facing the system that educates half of the nation's undergraduates, we must push the discussion of how we can increase financial support—particularly in private and philanthropic dollars—for community colleges.

That discussion is increasingly important because public funds for community colleges are becoming more and more unreliable. The current economic woes add to that unreliability, with some cash-strapped states raiding the funds of community colleges for some financial salvation. Without reliable budgets, it is difficult for college administrators to think in the long-term financially. Community colleges need sustainable support that incorporates more philanthropic dollars to supplement the public funding that comes often at the whim of the electorate.

The Council for Aid to Education's last report on private giving to higher education, released last February, shows that voluntary gifts to colleges and universities are at an all-time high, at \$29.8 billion per year. Yet community colleges, which enroll approximately 46 percent of all undergraduates throughout the nation, receive a disproportionately small fraction of the private dollars given to higher education.<sup>1</sup>

Billion-dollar campaigns are no longer uncommon among four-year universities. The University of California campuses at Berkeley, Los Angeles, San Diego, and San Francisco all have completed or are in the midst of campaigns exceeding the billion-dollar mark. In 2007 alone, the 36,000-student UCLA campus raised nearly \$365-million, and UCSF, with just 3,000 students, raised \$252-million.<sup>2</sup> At the opposite end of the spectrum are California's community colleges. With 2.6 million students system wide, the total combined endowment of the 110 California community colleges is just somewhere around \$300-million.<sup>3</sup>

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<sup>1</sup> According to the CHE 2008-09 almanac, which cites the Council for Aid to Education as its source, approximately \$25.2 billion per year was given to higher education institutions in 2006-07. Of that amount, public two-year colleges raised only \$245 million, less than 1 percent. In the 2007 survey of higher education fundraising released in February by the CAE, the approximate percentage of dollars raised by two-year colleges was roughly 2 percent.

<sup>2</sup> Source: *Chronicle of Higher Education* 2008-09 Almanac.

<sup>3</sup> Source: The Foundation for California Community Colleges informal survey of California Community College foundations, conducted in August 2007.

Not only do community colleges educate half the nation's undergraduate students, but in California they enroll six out of every 10 college students in the state, a larger proportion than any other community-college system in the nation. We know the societal benefits community colleges provide: workforce training, basic skills education, preparation for students transferring to four-year institutions, and opportunities for personal enrichment and lifelong learning.

The need to increase support to community colleges has never been greater. With more students, increasing demand, and greater challenges in meeting the needs of both students and accrediting agencies, it can be difficult for community colleges to accomplish their diverse missions. Yet they do so while providing accessible and affordable education to millions of Americans every year.

But the most compelling reason to enhance our efforts in raising private dollars for community colleges is the need of the students themselves. About half of community-college students still have unmet financial need after all financial aid is considered.<sup>4</sup> Textbooks, supplies, housing, transportation, child care, and health care now make up nearly 95 percent of a community-college student's financial burdens.

As more community colleges step up their fund-raising efforts, we find ourselves at a tipping point of sorts. The momentum exists to take advantage of the growing public awareness of the challenges community colleges face and the benefits they provide.

But given the state of our national economy, concerns are likely to arise about the ability of community colleges in particular to raise philanthropic funds. It may seem daunting – especially to a community college that is just in the process of enhancing its fundraising capacity – to approach potential donors when the nation's economic outlook is bleak at best. But fundraising is about planning for the future, and the financial news of today shouldn't halt our efforts to plan for the future of our colleges.

Recently the Bernard Osher Foundation set a prime example for other donors that community colleges warrant philanthropic support, especially in difficult times. Last May, the foundation pledged the largest-ever gift to a community-college system. Half of it, \$25-million, will support about 1,250 scholarships for California Community College students, and another \$25-million will go to California Community Colleges on a one-to-two basis: One dollar will be given for every two raised by the system. In addition, the foundation has challenged other supporters and philanthropists to follow its lead and support community colleges financially.

Community colleges themselves can build on this momentum. Taking key steps now will enable them to foster partnerships that can build scholarship, operating, and faculty endowments and begin to provide long-term viability and stability. That strategy requires pursuing broad-based support from both industry and alumni.

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<sup>4</sup> Source: "California Community Colleges: Making them Stronger and More Affordable," Zumeta and Frankle, March 2007, Prepared for the William and Flora Hewlett Foundation by the National Center for Public Policy and Higher Education.

First, community colleges must recognize the need for development staff. The Valencia Community College Foundation in Orlando, Florida, has a staff of 9 and a 60-member board dedicated to development efforts. As of March 31, 2007, the foundation had an endowment totaling \$52 million—almost a quarter of the endowment of the entire 2.6-million-student-system in California.<sup>5</sup> Unfortunately, the Valencia foundation and others like it that have embraced the need for strong development teams remain the exception and not the rule. In California, many of our foundations rely on just one or two staff members to raise private dollars, on top of a myriad of other day-to-day tasks.

An example of the direct correlation between fund-raising staff and increased resources can be pulled from four-year public institutions, which, until about 20 years ago, didn't have to focus so much on raising private dollars. Among the 10 public research universities that raised the most private donations in 2007, most had expanded their fund-raising staffs by at least 25 percent in five years, according to *The Chronicle*.<sup>6</sup>

Second, community colleges need to better engage their alumni. While four-year universities routinely emphasize alumni relations, community colleges are not as strong in that area. Critics often say that community-college graduates who transfer have stronger allegiances to their four-year institutions, or that devoting time and resources to alumni relations is a lower priority in the grand scheme of things when support for other programs or services is in flux. But how can we argue that community-college alumni are unwilling to give if we don't give them the opportunity?

The experiences students have at community colleges are significant. Many students use this time as a gateway to a four-year education that would not have been possible without the low costs and accessibility of a community college. Some go on to lucrative technical careers. And many might not have gone to college at all without access to two-year institutions. Community colleges must tap into the loyalty and good will that so many of their former students no doubt feel toward their two-year experiences. The California system, for example, is launching an alumni initiative to support our colleges' marketing efforts. We want to enable local colleges to communicate with and engage their alumni, to build a sense of shared ownership, without having to recreate the wheel or invest significant resources.

Last, and perhaps most important, community colleges need to communicate a unified message. While many offer unique programs and services, they are all a stepping stone to a brighter future for those who would not otherwise be able to afford a college education. That is the message we should be telling potential supporters.

With the Osher Foundation's gift, the tide may be turning for community colleges. By focusing on increasing private support, community-college leaders will be able to improve the ability of their systems to help community-college students realize the American dream.

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<sup>5</sup> Source: Valencia Community College Foundation web site, [www.valencia.org](http://www.valencia.org).

<sup>6</sup> Source: "The Hardest Sell in Fundraising: Attracting Talent", Masterson and Wolverton, featured in *The Chronicle of Higher Education*, July 18, 2008

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