

Everybody wants to save the world

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Business school students once coveted jobs in finance and consulting. Now they want to save the world. They once strove to accumulate wealth. Now, before they've even made it, they learn how to give it away.

At the same time, non-profit staff, who historically valued practical experience over time in the classroom, are approaching charity work like business people. They enrol in graduate programmes to learn to run their operations, and work with donors and policymakers to achieve goals.

The trend towards non-profit management training mirrors Americans' mounting engagement in the field as a whole. According to the Bureau of Economic Analysis, in the past 30 years non-profit value added to the US's gross domestic product grew tenfold, almost twice as much as the public sector and 64 per cent more than the private sector. Non-profit salaries increased 115 and 66 per cent faster than those in the public and corporate sectors, respectively.

Recent years have seen greater employee crossover between corporate, non-profit and public sectors, and this increased fluidity has created more professional non-profits and a business world with a burgeoning social conscience. As a result, non-profit education has become centralised and formalised, both at stand-alone graduate schools and in business schools, where these courses are often oversubscribed.

"There has been an astronomical increase in student interest," says Raymond Horton, director of the social enterprise programme at Columbia Business School, which recently launched a \$20m capital campaign. "It's growing so fast we're having trouble keeping up with demand."

Horton believes his students have been affected by the corporate scandals of the late 1990s and the events of September 11 2001, and are acutely aware of global issues such as climate change. "Today's students understand the problems and perils that lie ahead of them both professionally and personally. There aren't as many Gordon Gekkos as there used to be."

Social enterprise courses top other courses in terms of average enrolment. His degree concentration provides two student clubs with about 400 members, almost a third of the business school.

Teach students the joy of granting the most basic wish

Non-profit management and philanthropy education has even found its way into undergraduate curriculums, as foundations donate money to various universities to enable students to participate in hands-on grant making.

Doris Buffett's Sunshine Lady Foundation donates \$10,000 a semester to Cornell, Tufts, and the University of Virginia, among others. Students familiarise themselves with

Professor V Kasturi Rangan, faculty co-chair of Harvard Business School's social enterprise initiative, says students "have really shown that they care ... especially about healthcare and education". Last year's social enterprise conference attracted 1,000 people, and the accompanying club has the highest affiliation of any at the business school: each class of 850 students yields more than 300 members.

The Yale School of Management has focused on non-profits from the beginning. "When Yale got its business school, the people who developed it wanted a strong emphasis on creating leaders in the public and non-profit sector," says Sharon Oster, faculty director of the social enterprise programme. "We have always kept the interest in helping people who wanted to go into the public sector or non-profit management, but now it's student-driven. Young people want to give back to society."

A wider-reaching admissions policy is also responsible for business students' demand for non-profit courses. Prof Rangan says in order to

the missions and finances of local non-profits, and meet directors and constituents. They are encouraged to solicit proposals and must argue a case for donating resources. Buffett, who is Warren's sister, meets students to review their accomplishments. "They have the energy and I've got the money. It's a good match," she says.

Buffett stresses the ethics and the joy of giving. "When you get them young and they're not corrupt, they can do miraculous things. But if you make it dour and concentrate on issues like tax, it's just a dreary old job. I'm big on making it fun.

"When I was growing up, nobody talked about service to the community, but to get into these colleges many students have had to volunteer. They know about poor people, and they should learn about philanthropy."

produce a more diverse class with varied experiences, the Harvard admissions office screens applicants from non-traditional sectors. "If you work for United Way or Teach for America, that's now considered relevant experience. It has increased the number of students who apply from these places and get in."

Few business school students join non-profits directly after graduation. Only 5 to 7 per cent of Harvard students take non-profit jobs. However, Oster says: "If you look five years out, you see a bigger number. If you were interested in working at a high level in a museum, you might decide your first job out should be at Goldman Sachs, that you need to get experience in a mainstream firm first."

Students who join corporations are also likely to become non-profit board members at some point in their lives. Within five years, 25 to 30 per cent of Harvard Business School alumni engage in some way with the non-profit world. After 20 years, that figure jumps to between 75 and 80 per cent.

For this reason business school administrators aim to design civic-minded courses that are relevant to students who pursue a for-profit route. "The emphasis is social enterprise rather than non-profit. You can work for a for-profit company and still create social value," Prof Rangan says. "We are trying to teach our students that the role of a business leader is to add value to shareholders but also to help society as a whole."

As the non-profit world becomes more proficient, adopting the language and metrics of business, some charities actively seek to hire people with MBAs. And this new focus provides legitimacy to a non-profit career track that business school students require.

"There is genuine recognition that non-profit management is a highly disciplined area," Prof Rangan says. "People have started thinking about it professionally, as opposed to [things] like social work, like the thing you do on Sunday to cleanse your soul."

Graduate programmes aimed specifically at preparing students for non-profit management have also emerged. In Manhattan, Milano The New School for Management and Urban Policy, was one of the first to offer a degree in this area. Fred Hochberg, dean, says the programme focuses on the interaction between executive directors and their donors and boards, and requires much fieldwork.

"Our degree blends hands-on work experience with the theoretical underpinnings. I find someone trying to resolve a policy issue and my students go out and make a recommendation with a written report."

Many Milano students are part-time non-profit employees who are pursuing mid-career education.

Eugene Tempel, executive director of the Center on Philanthropy at Indiana University, says philanthropy and volunteerism should be viewed as vital aspects of all social activity. The programme teaches financial management in addition to humanities and social science courses.

"Our students learn how to engage donors and volunteers and make them more effective, and how to build strong boards," Tempel says. "This is all part of the professionalisation of non-profits."

Lower salaries often dissuade non-profit staff from pursuing additional degrees and business school students from joining non-profits; it is too hard to repay debts. Columbia and Yale offer loan forgiveness programmes, and Harvard helps students get strategic positions at leading agencies, then supplements their income to \$90,000.

But, as Tempel says: "People are not generally working in this field because of money. They accept the burden of loans and earning less money to be in a more satisfying career. These are people who want to make a difference and spend their lives doing something they believe in."

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