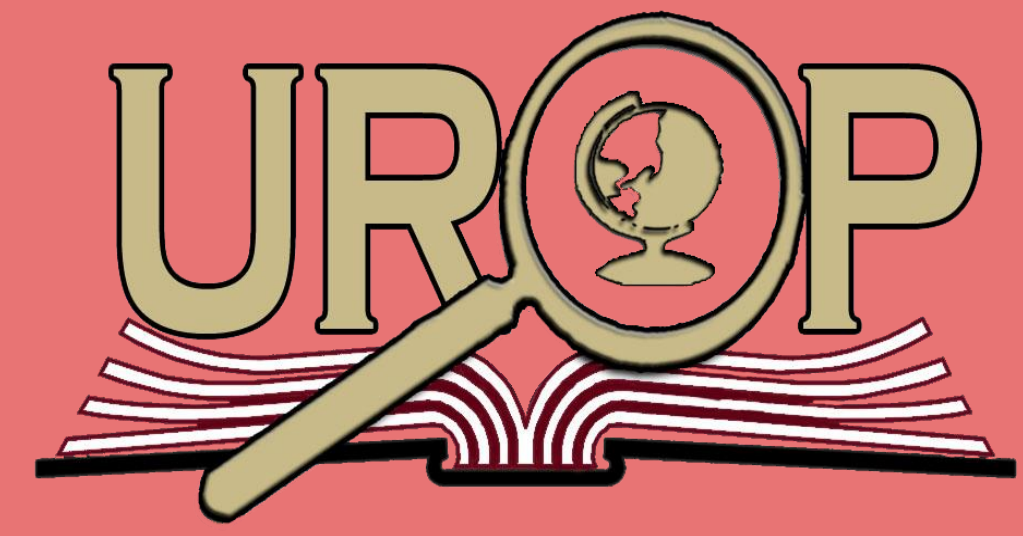




A Normative Analysis of the Externalities of Gifts Given to Universities

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Abstract

This is a meta-analysis of gifts to universities and an analysis of their externalities to the university and taxpayer. The primary point of this research is to understand how and when gifts to universities are good for the betterment of the education of those there and or the benefit of research for mankind. While additionally, looking at how a good-hearted gift can result in negative productivity or inefficient use of university resources. The results of this research will not be finalized however, it has initially shown that completely monetary gifts with little to no restrictions and requirements or physical gifts with similarly limited requirements are purely beneficial or close to, as at worst the university will discard the physical gift and will absolutely make use of a financial gift. However, gifts with strict requirements on how and when to be used can be detrimental unless it is a resource otherwise unavailable to the university or institution.



Figure 1: FSU Staff breaks ground on a new facility with money from a donor

Introduction

The purpose of this research is to understand the effects gift universities have and whether their impact is positive or negative and the externalities they cause by their existence. This will be done through an analysis of specific case studies of gifts given to Florida State University monetary and physical and how their intended outcomes have either played out or been subverted and additionally how these things should be perceived in the future or have current projects reviewed. The conclusion that was formed through this research is that sharing monetary gifts with little to no rules for use is almost fully beneficial for researchers and the University and by proxy the nation. Whereas physical gifts with strict limitations can be a detriment to the university with wasted time and money setting up a project that is ultimately an inefficient use of those resources and money.

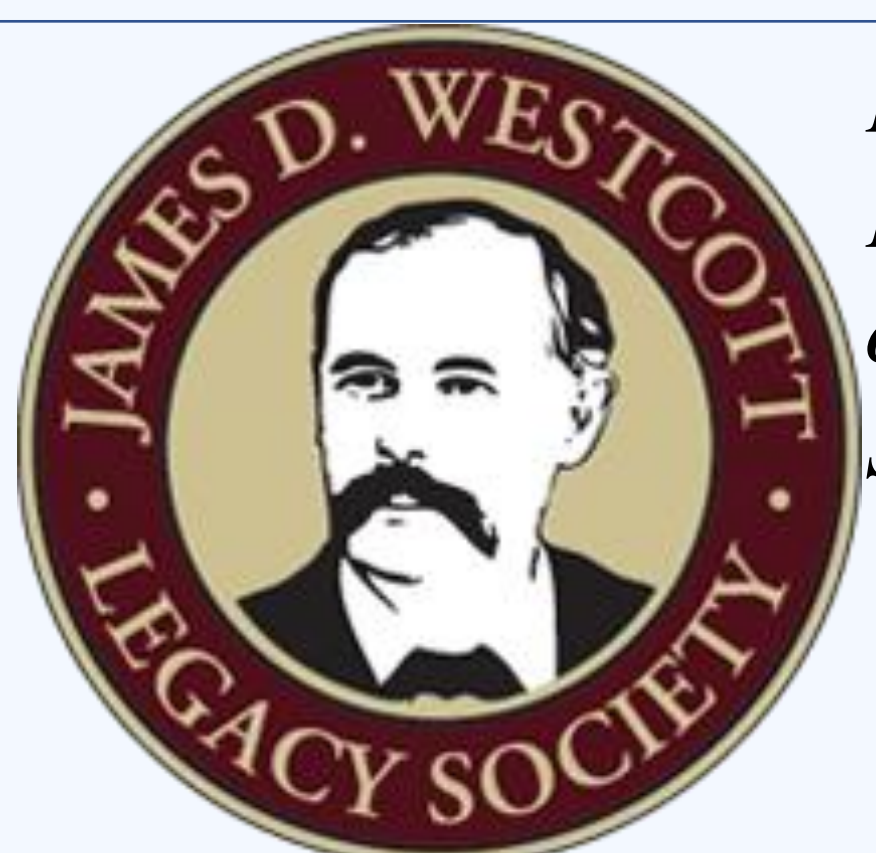


Figure 2 and 3: Left Emblem of the FSU presidents club Right Emblem of the James D. Westcott Legacy Society

Methods and Definitions

Methods:

My process of research first started with case one which was a gift of 10,000 pictures given to the University with the stipulation that they all be put into an archive.

My second case was a \$100 million grant from Jim Moran to start our college of entrepreneurship.

I then met with university staff to talk about these gifts and develop an informed opinion on what universities should do with non-monetary gifts and how they should interact with large quantities of monetary gifts to best achieve positive externalities (which are outside effects) for the University and the general US population.

Definitions:

Positive: in this context, a positive means that the gift given to the university is beneficial to either the university or the public as a whole. Additionally, in order for something positive it has to be worth the resources given to it for example even if you gain a very small amount out of some gift given to the university if it does not equal the resources put into it whether, in time or money, it will not be considered a positive.

Negative: in this context, negative parts of a gift are often in the wasted resources in order to utilize it specifically, within non-monetary gifts where the research or information gained is either already available to the university or what is gained is minuscule in comparison to the amount of time spent on it. Finally, with monetary gifts, there are two main kinds of negatives those being an outside institution or person with high influence having too much control over what is taught in the classroom these kinds of negatives should be heavily monitored and in general, avoided if possible. Secondly, if a monetary gift is so restrictive or unnecessary, he has requirements he can rest the time of university staff trying to utilize it and those university staff still have to get paid and that's also partially wasting the money of the gift.

Time: While not a definition Time=Money in this context as the people working on a project are being paid a wage or could otherwise work on another project.



Figure 4: Wescott Building at night symbolizing the real estate gifts given to FSU

Results/ Conclusion

For non-monetary gifts:

These typically being things like old cars or real estate given to a university they are at the highest risk of being detrimental. However, if the gift is specific enough and the university has few restrictions, it can still be a net benefit to the public and or the university. whereas non-monetary gifts with lots of restrictions should only be taken if they will provide a significant benefit over their costs in terms of university time and resources.

For monetary gifts:

Almost all monetary gifts given to a university will be beneficial even if there are decent restrictions placed on them most of that money will eventually end up being used to benefit the university or whatever group underneath the University it is targeted at. The few gifts that wouldn't be useful and should be cause for concern are when third-party institutions or powerful people gift humongous amounts of money to a college in return for changing the curriculum within classes while all of this is rare it isn't unheard of and schools have thought of doing paid partnerships with institutions before which could lead to this effect.

Restrictions:

As for restrictions on non-monetary gifts, I think Florida State University should recommend that they have little restrictions, as they are going to be the most vulnerable to being an inefficient use of time and resources.

As for restrictions on monetary gifts, the donor should have more free will on how many restrictions these have. Whereas the concern from the university should be more so focused on making sure that there is not too much outside influence on what is being taught in the classroom.

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