Subject Index

Academia. See Universities financing of, by type of, 75-77; univer-Advertising, 101. See also Hospital adver-Attendance levels, and governance struc-Alberti, Albertaccio di Lapo degli, 168–69 ture of art museums, 77-81 Alberti, Niccolò di Jacopo, 161 Average cost, and models of firm behavior, Altruism model, of NFP firm behavior, 36, 194, 197-98; empirical evidence for, 186–88; average cost in, 194, 197–98; 207 - 8empirical evidence for firm-level com-Bardi, Riccardo de', 168 parisons in, 202-8; factor demand for, 194, 195-96; firm size in, 194; industry-Barnes Foundation, 28 level comparisons for, 208-11; indus-Becket, Saint Thomas, 31 Bishop Estate case, 220, 222 try-level predictions for, 198-202; qual-Board control, 4-5 ity in, 194, 197; summary of, 211; supply curves for, 193-95 Boards, nonprofit, 1-2, 2n1, 4 American Association of Colleges, 22 Boniface VIII, 31 American Association of University Profes-Bonuses, 35; for hospital CEOs, 130-33; for sors (AAUP), 22-23 hospital middle management, 134-37; American Hospital Association, 104, 106 for hospital technician-level jobs, 137-American Medical Association, 104 40. See also Compensation structures Anschutz, Philip, 97 Burials, 172-73, 174 Antoninus, Saint, 166 Art collecting, 72–73 Capital, trapped, and not-for-profit sector, Art museums, 6, 33-34, 71-72; as aesthetic institutions, 87–94; attendance levels Carnegie, Andrew, 72–73 and forms of governance of, 77-81; Catasto, 150, 161, 161n12 connoisseurship in, 27–29; governance Catholic Church, 6; architectural characteristics of monastic churches of, 151; the forms and, 94-98; governance strucarts and, in Renaissance Florence, ture and objectives of, 74; power of curators and, 28–29; role of, 72–75; role 143–44; immortality of, 149; independof donors and, 84-87; role of traveling ence of, 29-32; during Middle Ages, exhibitions for, 81-84; as social insti-29–31: mission drift and, 149–50: tutions, 84-87; space utilization and nondistribution constraints within,

Catholic Church (cont.)

during Renaissance, 145; organizational structure of, 151; Renaissance church construction, 161–62. *See also* Vatican

Center for British Art (Yale University), 84 Cestello church, 159, 160*f*, 169

Chapels, 35–36, 144; benefits to churches for sale of, 167–70; benefits to donors from purchase of, 173–76; burials and funerals and, 172–73; construction decisions for, 163–64; cost of, 159–61, 163; decorations for, 170–71; defined, 151; employment and, 173; as finance instruments for Renaissance church, 147; outfitting, 170; paid private masses and, 171–72; as private property, 159; rights to, 158; sale of, 145; sale of, and church architecture, 159; status and, 174–76; tie-in arrangements for churches with sales of, 170–72. See also Churches

Chief executive officers (CEOs). See Compensation structures; Managers

Churches: benefits to, for sale of chapels, 167–70; burials and funerals and, 172–73; government funding of, 165; indulgences for funding, 166–67; paid private masses and, 171–72; private donations for, 166–67; tie-in arrangements with sales of chapels for, 170–72; Vatican funding for construction of, 165. See also Chapels; specific church

Claimants, residual, 147-48

Colleges. See Universities

Commercialism, 5, 34–35; hospitals and, 27; product market competition and, 17–19

Compensation structures, 118–23; data and econometric model for, 123–30; study results for CEOs, 130–34; study results for middle management, 134–37; for technician-level jobs, 137–40

Conflicts: in doctors' cooperatives, 24–27; in hospitals, 24–27; in the Medieval Church, 29–32; in universities, 20–24 Connoisseurship, in art museums, 27–29 Curators, power of, and art museums, 28–29

Denver Art Museum, 97–98 de Tocqueville, Alexis, 143

Doctors' cooperatives, conflicts in, 24–27. *See also* Hospitals

Donors: benefits of purchasing chapels for, 173–76; composition of, 5; influence of, 2; role of, and art museums, 84–87

Employee reward structures. *See* Compensation structures

Endowment intensity, 225–26; determinants of, 228t; governance and, 227–30; by industries, 226–27; organizational characteristics affecting, 228t

Endowments, 38–39, 218; board and donor oversight for, 224; data for, 223–24; donors and, 220–21; expropriation of, 220–21; government oversight for, 221–22; media oversight for, 222–23; in nonprofit organizations, 218–20. *See also* Not-for-profit organizations

Exhibits, special, for art museums, 81–84

Factor demand behavior, and models of firm behavior, 194, 195–96; empirical evidence for, 204

Firm behavior, NFP: altruism model of, 186–88; general model of, 183–86; noncontractible quality model of, 191–93; physician cooperative model of, 188–90; predictions of models for, in not-for-profit sector, 193–98

Firm size, and models of firm behavior, 194, 196–97; empirical evidence for, 204–5

Florence, Renaissance, 143–44; church construction in, 161–62; construction costs in, 162–63; documentation for, 150; prices and currency in, 149; private citizens in, 150; public goods from church construction in, 161–62

For-profit organizations, vs. not-for-profit organizations, 1–2. *See also* Not-for-profit organizations

Foxley, William, 97
Free-riders, nonprofits and, 146
Frick, Henry Clay, 73
Frick Gallery, 28, 73
Fund balances. *See* Endowments

Funerals, 172–73, 174

George, Henry, 13 Gilded Age, art collecting in, 27–28, 72–73 Governance structure: art museums and, 74; of art museums and space utilization and finance, 75–77; and employee reward structures, 118–19; of hospitals and advertising, 108–12; of hospitals and capacity, 53–55; of museums and attendance levels, 77–81

Gregory VI, 30 Gregory VII, 30 Guggenheim Museum (Las Vegas), 81 Guggenheim Museum (New York), 82

Harmsen, Dorothy and William, 97 Harper, William Rainey, 21 Harvard University, 14n7, 20-21, 176 Harvard University Art Museum, 84 Health maintenance organizations (HMOs), 27, 106; penetration of, and hospital advertising, 112-14 Henry II (king of England), 31 Henry III (Holy Roman Emperor), 30 Henry IV (Holy Roman Emperor), 30 Henry VIII (king of England), 32 Herfindahl index (HHI), 124-26 Hospital advertising: data for, 108; empirical results for, 108–14; history of, 103– 4; introduced, 101–3; and not-for-profit hospitals, 104-5; theories for rise in, 105–7; and types of hospitals, 108–12 Hospital care, 45-46

Hospitals, 6, 33; conflicts in, 24–27; control by doctors of, 26–27; data for models, 52–57; decline of nonprofit, 27; as doctors' cooperatives, 4; effective of form of ownership on capacity choice in, 47–48; effect of population changes and capacity of, by forms of ownership, 55–66; forms of ownership and capacity of, 53–55; nonprofit, 27, 48; preponderance of nonprofit form of, 46–47; public, 48; religiously affiliated, 48–49; religious nonprofits vs. secular nonprofits, 117–19; statistical models of, 49–52 Hoving, Thomas, 28

Incentives. See Compensation structures Indulgences, 166–67 Innocent III, 31 Investiture, 30–31

Hutchins, Robert Maynard, 21-22

Jordan, David, 22

Krens, Tom, 81

Lincoln Land Institute, 13

The Logic of Collective Action (Olson), 146

Luther, Martin, 145

MacArthur, John, 14n8
Managed care, 106
Managers: compensation structures for,
130–34; freedom of, 5; not-for-profit
vs. for-profit, 2. See also Compensation
structures

Martin V, 31

Massachusetts General Hospital, 25–26 Masses, paid private, 171–72

Medieval church. *See* Catholic Church, during Middle Ages

Mellon, Andrew, 73

Mellon, Paul, 84

Metropolitan Art Museum (New York), 28 Mission drift, not-for-profit organizations and, 148–49

Mixed industries, 117, 117n1

Mixed production, theories of firm behavior and, 198–202

Monastic churches, architectural characteristics of, 151

Museum of Fine Arts (Boston), 72, 81–82 Museum of Western Art (Denver), 97 Museums. *See* Art museums

National Gallery of Art (Washington, D.C.), 28, 73

NFP. See under Not-for-profit Noncontractible quality model, of firm behavior, 36, 191–93; average cost in, 194, 198; empirical evidence for firm-level comparisons in, 202–8; factor demand for, 194, 196; firm size in, 194, 197; industry-level comparisons for, 208–11; quality in, 194, 197; summary of, 211; supply curves for, 194–95

Nonprofits. See under Not-for-profit Not-for-profit hospitals, 27, 48; advertising and, 104–5; employee reward structures for, 118–19; religious vs. secular, 117–19. See also Hospitals

Not-for-profit organizations: boards of, 1–2, 2n1, 4–5; common characteristics of, 145; conflicts in, 19–32; conveying status and, 146; as form of immortality, 148; vs. for-profit organizations, 1–2; free-rider problem of, 146; mission drift and, 149–50; model of, 2–5, 7–17;

Not-for-profit organizations (cont.) powers of state attorneys general in oversight of, 231–32; profits from providing private benefits and, 146-47; reward structures in, 119-23; shareholders and, 147-48; social goals and, 4; theories of, 36-37; weak governance of, 4. See also Art museums; Catholic Church; Endowments; Hospitals

Not-for-profit sector: altruism model of firm behavior in, 186-88; economic importance of, 181-82; general model of firm behavior in, 183-86; noncontractible quality model of firm behavior in, 191–93; physician cooperative model of firm behavior in, 188-90; predictions of models for firm-level behavior in, 193-98; trapped capital in. 48

Organizational structure. See Governance

Ownership, forms of. See Governance structure

Papacy. See Catholic church; Vatican Pennsylvania Hospital, 25 Peruzzi, Donato, 168

Philip the Fair (king of France), 31

Physician cooperative model, of NFP firm behavior, 188-90, 198; average cost in, 194; empirical evidence for firm-level comparisons in, 202-8; factor demand for, 194, 196; firm size in, 194, 196; industry-level comparisons for, 208-11; industry-level predictions for, 198– 202; quality in, 194, 197; summary of, 211; supply curves for, 194–95

Pitti, Luca, 170

Pittsburgh, Pennsylvania, art collecting in,

Portland Art Museum (Portland, Oregon),

Precautionary savings. See Endowments Private chapels. See Chapels

Product market competition, commercialism and, 17-19

Public hospitals, 48. See also Hospitals Purgatory, 166-67

Quality, and models of firm behavior, 194, 197; empirical evidence for, 205–7

Religious orders, 165 Renaissance Church. See Catholic Church; Florence, Renaissance Research universities. See Universities Residual claimants, 147-48 Reward structures. See Compensation structures

Religious not-for-profit hospitals, 117–19

Rockefeller, John D., 14n8 Roman Catholic Church. See Catholic Church; Vatican

Ross, E. A., 22

St. Louis Art Museum, 81

San Lorenzo church, 151; sale of chapels and architecture of, 159

Santa Croce church, 144, 151, 154*f*, 155*f*, 156f, 165, 166-67; private chapels in, 158–59; sale of chapels in, 168–69

Santa Maria Novella church, 144, 151, 152f, 153f, 165, 166–67, 175; private chapels in, 158; sale of chapels in, 167-68

Santo Spirito church, 151, 157f, 158f, 165; sale of chapels and architecture of, 159; sale of chapels in, 169–70

Savonarola, Girolamo, 174, 176 Secular not-for-profit hospitals, 117-19 Shareholders, not-for-profit organizations and, 147–48

Sixtus IV, 166

Social goals, not-for-profit organizations and, 4

Space utilization, and art museums, 75–77 Special exhibits, for art museums, 81–84 Stanford, Jane Lathrop, 22, 24 Stanford University, 22–23

State attorneys general, powers of, 231–32 Strozzi, Filippo, 159, 160, 170, 174 Supply curves: for altruism model, 193-95; for noncontractible quality model,

194–95; for physician cooperative model, 194-95

Teaching colleges, 24. See also Universities Tenure, 22-23

Terra, Daniel, 84

Terra Museum of American Art (Chicago),

Tie-in sales, of chapels for churches, 171–72 Tornabuoni, Giovanni, 175 Trapped capital, and not-for-profit sector,

48

Universities, 6, 164n17; conflicts in, 20–23; increasing control by faculty and administrators of, 23–24; profits from physical structures and, 147; tenure and, 22–23 University museums, 74; special exhibitions and, 84. *See also* Art museums University of Chicago, 21–22

Vatican: chapel construction and, 163–64; church construction funding and,

165; independence of, 29–32. See also Catholic Church VoiceTrak, 108 Voluntary associations, 143. See also Notfor-profit organizations

Walker, T. B., 84 Walker Art Center (Minneapolis), 84 Worker cooperative model, 36 Workers, in not-for-profit organizations, 3