

3. Is the argument made by Wrabetz in this case an ethical one?
Compare the argument to the five standards of the TARES test found in this chapter and see how it measures up.

CASE 3-F

SPONSORSHIPS, SINS, AND PUBLIC RELATIONS: WHAT ARE THE BOUNDARIES?

LAUREN BACON BRENGARTH

University of Missouri

Sponsorships are a complicated yet essential tool for nonprofit organizations. Sponsorships from the for-profit world provide funds that are critical for nonprofit growth and operations, yet they come at a cost. Consider the example the for-profit University of Phoenix and a nonprofit organization that administers local Head Start services and provides free preschool to children living in poverty.

While interviewing the communication manager of the nonprofit, I asked him if he felt that social media enabled the organization to serve a news-producing function in the community. He affirmed that he not only believes that the organization is a news producer, but that the group's success in driving social media has led to new dollars coming to the organization. Some of those new dollars had raised troubling questions.

For example, contributions from the for-profit University of Phoenix included an exchange of promotional mentions and opportunities by the nonprofit preschool. For example, the preschool promoted the University of Phoenix as the lead sponsor of its annual fundraising breakfast through Facebook and Twitter posts. Additionally, at the breakfast, the nonprofit hosted a University of Phoenix "cyber café" where event attendees were encouraged to log on and tell others that they were at the event.

In previous years, the University of Phoenix local staff members volunteered at the preschool through events such as reading to the children, providing "literacy totes" filled with school supplies and books for the kids, and several other activities. The relationship between the two organizations prompted the preschool to nominate the University of Phoenix for a Head Start Corporate award for model corporate/community partnerships, which it won.

Meanwhile, the University of Phoenix has come under fire for its high tuition rates and tendency to cater to low-income students who often leave campus with a pile of debt, minimal job prospects, and no

degree. Because of the substantial federal financial aid that students receive, graduation rates have received heightened government scrutiny (Gramm 2012).

Additional University of Phoenix criticisms highlight its reliance on part-time instructors and a pattern of pushing students through course curriculum in half the time of traditional postsecondary schools (Dillion 2007). In 2009, the institution paid a \$78.5 million settlement when two whistleblowers filed a False Claim Act lawsuit against the university regarding its student recruitment practices. Officials counteracted widespread critiques by saying that the university structure caters to working students that many traditional schools ignore.

The University of Phoenix has experienced a sharp dip in enrollment because of widespread national criticism adding to a negative public image. In the third quarter of 2012, reports from the University of Phoenix reflect a 15 percent drop in average degree enrollment and an 8 percent decline in new student starts. Net revenue for the Apollo group (the operator of the University of Phoenix) shows a 9.2 percent decline in the third quarter of fiscal year 2012; however, the company still brought in \$3.3 billion in revenue.

Micro Issues

1. If working, lower-income students make up a large portion of the University of Phoenix student body, how does this partnership cause potential ethical conflicts?
2. Should nonprofits partner with for-profit organizations?
3. What are the appropriate conditions and parameters for a nonprofit to promote its sponsor(s)?
4. What do for-profit organizations hope to gain by partnering with nonprofits?
5. What are nonprofits willing to sacrifice in order to gain for-profit capital?

Midrange Issues

1. What differentiates sponsorships from advertising?
2. Many for-profit corporations encourage employees to volunteer their time and dollars to a variety of local and national organizations. What, if anything, should for-profit organizations expect for this effort?

Macro Issues

1. How do politics influence the appropriateness of sponsorship relationships and promotion (for example, the US Olympic Team received apparel from Ralph Lauren that was manufactured in China)?
2. How does social responsibility influence the appropriateness of sponsorship relationships (for example, Budweiser sponsoring football tailgates for a major university)?
3. What should nonprofits do to adequately research the history and practices of the for-profits that want to sponsor them?
4. Chapter 6 discusses the role of the corporate citizen as one element that can have a positive impact on the bottom line. Do you believe sponsorships such as the one described above contribute to the concept of the “good” corporate citizen? Do motives matter?

CASE 3-G

A CHARITY DROPS THE BALL

PHILIP PATTERSON

Oklahoma Christian University

Susan G. Komen for the Cure is a global organization dedicated to finding a cure for breast cancer, educating the public about the disease and aiding patients who have been diagnosed with cancer. The organization has raised nearly \$2 billion in more than three decades of operation. Its signature event, the Susan G. Komen Race for the Cure, draws on a network of activists, survivors, and volunteers to create an event that is one of the largest in all US charities. Since 1982, the Komen organization has been a trusted brand in its chosen field of breast cancer research.

In February 2012, the leadership of Komen announced that it would end its long-standing relationship with Planned Parenthood, a women's health resource. Planned Parenthood delivers reproductive health care, sex education, and information to its clients worldwide. Their 800 centers in the United States serve nearly five million clients each year. According to their publicity information, one in five women in the United States has visited a Planned Parenthood health center at least once in her life. Nearly three-quarters of a million breast exams are provided by the organization each year. Three percent of the healthcare