

# *Corporations Still Give, but Also Get*

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While corporations continue to lend major support to colleges and universities, their giving is rarely so purely philanthropic as in the past, the leading organization of education fund-raisers was told at its annual meeting over the weekend.

"Rather than simply hand over a check and say goodbye, today's corporate sponsors want to see their money used in ways in line with their business objectives," said Suzanne Cornforth of Paschall & Associates, public relations consultants in Saskatoon, Saskatchewan.

Ms. Cornforth, who spoke in Chicago on Sunday at the annual gathering of the Council for Advancement and Support of Education, an organization of academic fund-raisers, alumni association administrators and others, said corporate giving to all beneficiaries leaped to \$4.25 billion in 1994 from \$850 million in 1985. But increasingly, she said, strings are attached.

"This is a young generation of corporate sponsors," Ms. Cornforth said, "and they have discovered the advantages of building long-term relationships with educational institutions."

Those long-term relationships -- or "partnerships," as they are known -- manifest themselves in a variety of ways. A corporation may donate a laboratory and then train students and faculty in the use of its own technological equipment, a step virtually sure to have long-term sales benefits. Or companies may use scholarships and grants to focus research in ways useful chiefly to themselves.

Or they may award fellowships to promising graduate students, or endow faculty chairs or deanships that carry the corporate name: when Laura D'Andrea Tyson, former chief economic adviser to President Clinton, was chosen two months ago to head the Haas School of Business at the University of California at Berkeley, the title she assumed was BankAmerica Dean, following a \$2 million BankAmerica donation to the business school.

Corporate consulting fees to faculty are another common partnership feature, and critics worry that big businesses can threaten academic independence and steer the human and physical resources of a university in directions beneficial mainly to themselves. Even a believer in corporate partnerships, Manny Cunard, executive director of the National Association of College Auxiliary Services, acknowledges, "When you have colleges taking money from corporations, there's always the potential risk that the colleges will become obligated to a particular company."

Partnerships are a relatively recent trend that experts trace to 1992, when the Pepsi-Cola Company and the Pennsylvania State University system struck a deal in which Pepsi agreed to pay the system about \$14 million over 10 years for exclusive rights to sell its products on 21 university campuses. Today nearly 100 institutions have similar deals, according to a survey by Lee White, a Denver investment banker who specializes in higher education finance.

Among the corporate heavyweights that have entered or are exploring partnerships are Fujitsu Ltd., GTE Services, Nike Inc., Barnes & Noble Inc., the Rite Aid Corporation, the Sun Company, Pfizer Inc., Merck & Company, the Pepsi-Cola Company and the Coca-Cola Company.

In January, California State University at Fresno announced that Pepsi-Cola and Save Mart Supermarkets had jointly offered to contribute \$40 million over 20 years or so toward the \$105 million needed to build a multipurpose campus event center. If the trustees approve, the new building will be named the Save Mart Center, and the food chain will be granted the exclusive right to serve as the off-campus ticket outlet for all Fresno State events. As for Pepsi-Cola, a unit of Pepsico Inc., it would be given the exclusive right to sell nonalcoholic beverages and certain snack foods on campus.

Still other corporate sponsors provide scholarships and support academic work increasingly tied to their research and development needs. This spring the trustees of the University of Connecticut approved a deal in which Pfizer will build a \$19 million research laboratory on the university's campus in Storrs. The university will occupy 20 percent of the space, and Pfizer 80 percent. Officials said they expected that the venture would help Pfizer develop animal vaccines and enhance the university's ability to attract highly qualified faculty and students.

Of course, Pfizer is not alone among pharmaceutical companies in reaching out to colleges and universities. Last year, for example, Merck announced an agreement under which it will pay the Massachusetts Institute of Technology \$15 million over five years to collaborate in the development of innovative technology. Merck will be given patents and licensing rights to developments resulting from the deal.

Not all such arrangements work out smoothly. One of them, which only recently collapsed after months of negotiation, concerned a partnership called the California Educational Technology Initiative, in which two or more companies, including Fujitsu and GTE Services, were to build a \$300 million high-technology network linking the 23 campuses in the California State University system. In exchange, the corporations were to have the use of the linkage to market their products to university students, faculty and alumni.

While critics voice concerns about corporate influence and its potential to threaten academic independence, corporations and university development officers defend their ties, arguing that universities have become more sophisticated in fund-

raising.

"A generation ago, some people thought it was unseemly for universities to go out and ask people to give money," said Charles R. Agnew, vice chancellor for development at the Penn State system of higher education. "Now it's routine. And some of those we routinely ask -- sometimes in exchange for a franchise -- are corporations."

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