LARGE CORPORATIONS, SOCIAL CAPITAL, AND COMMUNITY PHILANTHROPY

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ABSTRACT

A large and growing literature examines the explicit social responsibility practices of companies. Yet corporations' greatest consequences for social welfare arguably occur through indirect processes that shape the social fabric that sustains generosity and mutual support within communities. Based on this logic, we theorize and test a model that suggests two pathways by which large corporations affect community philanthropy: (1) through direct engagement in community philanthropy and (2) by indirectly *influencing the efficacy of community social capital, defined as the relationships among community members that facilitate social support and maintenance of social welfare. Our analysis of United Way contributions in 136 US cities over the 46 years from 1952 to 1997 supports our model. We find that the presence of corporations weakens the contributions of both elite and working-class social capital on community philanthropy. Our findings thus contribute to a novel view of corporate social responsibility based on how corporations influence the social capital of the communities in which they are embedded.*

Keywords: Large corporations; social capital; community philanthropy; CSR; social responsibility; corporations and social welfare; community relationships; United Way; corporations within communities

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INTRODUCTION

Debates about the influence of corporations on society are nearly as old as the corporate form itself (Avi-Yonah, 2005; Davis & Cobb, 2010). Over the past two decades, strategic management researchers have thoroughly examined corporations' social responsibility (CSR) activities to identify relationships between CSR and business outcomes such as corporate financial performance (Margolis & Walsh, 2003), hiring success (Burbano, 2016; Jones, Willness, & Madey, 2013), and social certification (Ramchander, Schwebach, & Staking, 2011). This view of CSR as a management tool for achieving business outcomes, however, departs from early organizational scholarship that advanced a more encompassing, systemic conception of corporate influence on society. Indeed, a primary goal of early organizational research was to understand the role of businesses in social structure and societal concerns such as patterns of privilege and disadvantage (Hinings & Greenwood, 2002), noting that the rise of large corporations seemed to be fundamentally reshaping such patterns (Perrow, 1991).

From this broader perspective, corporate influence on society encompasses not only deliberate CSR policy, but also the indirect, often unintended effects of corporations operating within a larger social system – corporations create and redistribute economic value, move employees between geographies, define professionals' identities, and change power structures within communities and nations. This more encompassing conception faded from research discussion as the managerial perspective became dominant in organization theory, leading some scholars to call the development of this systemic view of corporate influence a lost opportunity, or "neglected mandate" for organizational scholarship (Stern & Barley, 1996). While direct, strategic corporate social action remains important, a full accounting of firms' social performance must also consider such indirect mechanisms by which corporations affect the welfare of their stakeholders and society at large (Barley, 2010; Starbuck, 2003; Walsh, Weber, & Margolis, 2003).

In this chapter, we adopt the latter perspective to analyze the historical influence of corporations on community philanthropy, defined as monetary contributions by members of a community to address issues that affect the community as a whole. Community philanthropy emerged in the early twentieth century to address the growing social-welfare challenges faced by industrial communities. During this period, rapid urbanization created unprecedented human needs related to poverty, housing, and crime that were viewed not only as the plight of the impoverished, but as issues central to the sustainability of communities (Bremner, 1956). New civic efforts focused on the unmet needs of community members and the welfare of the community as a whole versus the welfare of specific individuals or subgroups (Hall, 2006). In the United States, local philanthropists organized Community Chest organizations to support the city-wide private provision of social services, and later the United Way, a coalition of community charities that was active in nearly every major US city and played a central role in the funding of social programs through the end of the twentieth century (Barman, 2006). The rise of large corporations has been anecdotally seen as benefitting community philanthropy (Barman, 2006), but this relationship has never been systematically examined. Therefore, we ask: how does the presence of large corporations affect community philanthropy?

We theorize a two-part model to address this question. First, we argue that the presence of large corporations is likely to contribute directly to community philanthropy, consistent with previous research identifying the direct giving by companies to local social causes (Marquis, Glynn, & Davis, 2007). The second part of our argument relates to how the presence of large corporations, beyond their direct influence, might influence the efficacy of the surrounding social system – namely, the existing social capital of elite groups and the working-class – that otherwise underpins community philanthropy. In short, we suggest that corporations also have indirect effects on community members' involvement in community social capital that enables contributions to social welfare (Perrow, 1991), and propose that these effects are typically negative. Social capital, which consists of the durable, functional relationships among a community's members that enable contributions to the general social welfare (Bourdieu, 1977; Putnam, 2000), has received significant research attention in recent years (Adler & Kwon, 2002; Kwon & Adler, 2014), but this research is criticized for failing to adequately account for the effects of corporations (Marquis, Davis, & Glynn, 2013). Our model thus offers a new theoretical perspective on the consequences of business organizations by showing how their effects on social capital might indirectly influence community philanthropy.

We test our theory on a newly constructed database of philanthropic contributions to 136 local United Way organizations between 1952 and 1997. The emergence of organized community philanthropy in the United States was roughly contemporaneous with the rise of large corporations in America, making it a suitable setting for testing the relationship between these two developments. The United Way was the primary vehicle for organized community philanthropy (Barman, 2006), and therefore is a good source of data for understanding collective organization on philanthropy.

The results of our empirical analyses support our proposed model. We find evidence consistent with our hypothesis that large corporations contribute directly to community philanthropy. Our findings also suggest negative effects of the presence of large corporations on contributions enabled by social capital external to the corporation. That is, increasing levels of corporations in communities appear to weaken the effects of both the social capital of elite groups and the working class. Our analysis thus suggests that the positive contributions to community philanthropy made directly by corporations partly substituted for their negative, indirect effects on social organization in the communities more generally. In further analyses, we find evidence that the effects of corporations change over time. Corporations enhance community philanthropy when they first appear in a community, but not after they become established more deeply. In our conclusion, we take up the question of the net effects of direct and indirect mechanisms on contributions to community philanthropy.

In sum, our chapter attempts to reintroduce a focus on large corporations' influence on the social systems in which they are embedded. In so doing, we contribute to research on social capital (Putnam, 2000) and a growing awareness of the multiplex nature of the relationship between large corporations and the civic environments in which they are embedded, including but not limited to groups traditionally viewed as corporate stakeholders (de Bakker, den Hond, King, & Weber, 2013). Whereas past research has typically equated corporate social responsibility with direct, strategic social actions, the indirect mechanisms we develop and test in this study highlight unconscious, often unintended influences of corporate behaviors on social welfare. Investigating social capital as an indirect pathway of corporate influence builds on emerging conceptions of the corporation as a powerful actor embedded within systems of socially conscious actors (Hiatt, Sine, & Tolbert, 2009), thus offering a new perspective on theories of corporate influence on society.

LARGE CORPORATIONS AND COMMUNITY PHILANTHROPY

Large corporations grew in number in the US in the years following the Second World War and peaked in the early 1970s (Davis & Cobb, 2010), a period in which corporations gained unprecedented influence over many aspects of everyday life (Drucker, 1962). These developments were widely viewed as a sign of social progress, particularly as corporations participated directly in corporate philanthropy and other social programs in their local communities (Muirhead, 1999). Yet the rise of the corporate form was also viewed as having potentially disruptive effects, with some suggesting that corporate bureaucracy was antithetical to traditional community arrangements (Starbuck, 2003). For instance, early studies focused on effects of corporations on individuals, such as the social construction of the "organization man" compliant to organizational control (Whyte, 1956).

Community philanthropy was a primary form of philanthropic activity during this period, and continues to play a central role in the funding of social programs today. We develop a model of how corporations influence overall contributions to community philanthropy through both direct and indirect pathways. First, consistent with the existing CSR literature, we suggest that companies contribute directly to community philanthropy. Second, we argue that the rise of corporations led to a decrease in the efficacy of existing forms of community social capital. As we suggest below, such an effect results from the demands of corporations in terms of time and affiliation. As corporations demand the time and affiliations of community members, they mitigate the social capital effects of other actors. Furthermore, as we elaborate more in the discussion section, such a relationship is dynamic and can change over time. Our general approach to exploring the effects of corporations on community social capital and community philanthropy is pictured in Fig. 1.

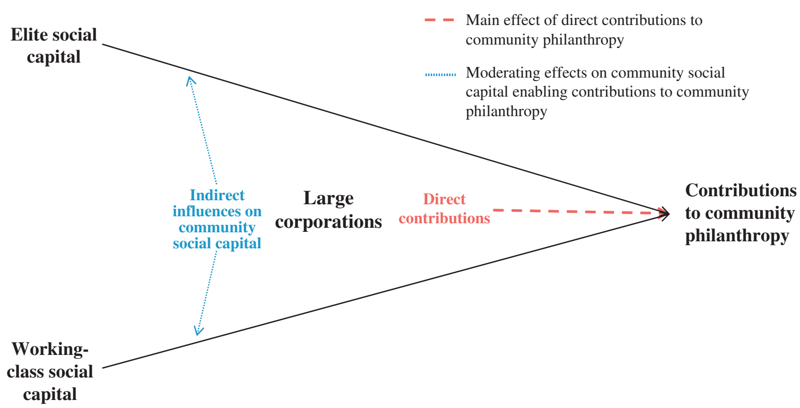

Fig. 1. Effects of Corporations on Social Capital and Contributions to Community Philanthropy.

Direct Engagement of Large Corporations in Community Philanthropy

Large corporations' most tangible influence on social welfare in their communities occurs through direct engagement in local philanthropic programs. During the mid-twentieth century, corporate involvement in community philanthropy evolved from an idiosyncratic and personal activity guided mostly by the moral interests of individual business leaders to a strategic behavior on the part of corporations, and subsequently became much more widespread (Carroll, Lipartito, Post, & Werhane, 2012; Soskis, 2010). Research has frequently identified social pressures on individual executives, who possess discretion over the allocation of philanthropic funds, as a primary determinant of philanthropy (Marquis & Lee, 2013). Corporate leaders tend to themselves be locally embedded and sensitive to the social-welfare concerns of the communities in which they also live (Marquis et al., 2013). Among local corporate leaders, informal pressures for corporate philanthropy emerge as a criterion for membership among a local corporate elite class (Navarro, 1988), such as the "5 percent club" by which Minneapolis-St. Paul executives monitored and pressured local corporations to donate a significant percentage of profits to local charities (Galaskiewicz, 1985, 1997).

Research also indicates that corporations' direct contributions to community philanthropy might yield strategic benefits (Aguilera, Rupp, Williams, & Ganapathi, 2007). Studies have consistently shown a link between firm size and the percentage of revenues given to charity, arguing that larger companies tend to be the most visible and thus most likely to gain from visible displays of charity (Amato & Amato, 2007; McElroy & Siegfried, 1985; Udayasankar, 2008). Corporations furthermore possess enduring, committed ties to local resources, creating greater interests to ensure the long-term welfare of their local communities (Molotch, 1976). Finally, research suggests that contributions to social welfare can improve corporate reputation (Fombrun, 1996) as well as help to attract and retain employees (Bhattacharya, Sen, & Korschun, 2008; Greening & Turban, 2000).

Thus, for both normative and instrumental reasons, we expect to find a direct, positive association between the presence of large corporations and community philanthropy. We expect this effect to be cumulative, such that a greater density of large corporations in a community is associated with higher overall levels of community philanthropy.

> *H1.* Greater density of large corporations in a community will be associated with higher community philanthropy

Social Capital and Community Philanthropy

Scholars use the term social capital[1] to conceptualize features of social structure that enable generalized social support. Social capital provides both motivation and social medium by which resources, tangible and intangible, can be distributed via a "durable network of more or less institutionalized relationships of mutual acquaintance or recognition" (Bourdieu, 1977) and influences behavior via a shared sense of "generalized reciprocity" (Adler & Kwon, 2002; Putnam, 1993), which motivates actors to contribute to the well-being of others (Portes, 1998). Such generalized reciprocity emerges in environments such as geographic communities, where monitoring is possible and embedded, trusting relationships among actors exist. Social capital thus helps to explain the existence of contributions to general, collective welfare that may not yield immediate instrumental benefits.

Organization and management research addressing this type of social capital has typically focused on it as an external feature of the corporate environment that shapes relations within and between firms. Social capital is viewed as providing a template for the organization of local economies, and thus as potentially both enabling and constraining local economic development (Piore & Sabel, 1984). In economic clusters such as Silicon Valley, relations among local actors enable access to resources, information, and supranormal business success (Saxenian, 1996). Such benefits of social capital are particularly important for entrepreneurs and small organizations, which mobilize local relations in order to identify opportunities and secure capital (Kalnins & Chung, 2006). Community social capital can also function as a conduit for norms surrounding corporate strategies, and facilitate shared understandings of legitimate behavior (Galaskiewicz, 1985; Marquis et al., 2007).

The distribution of social capital often mirrors the prevailing organization of relations in society, which is profoundly shaped by social class (Giddens, 1971). This pattern is reflected in research on social capital, which has frequently focused on class-based arrangements (Baltzell, 1958; Domhoff, 1967; Khan, 2012). Members of the same social class collectively pursue shared class interests, reflecting a sense of common destiny (Portes, 1998), and social class members typically share norms as a result of having experienced similar socialization. We analyze in this study two types of class-based social capital: elite social capital and working-class social capital. Social capital among elites plays a key role in community-level activities that support social welfare. Elite organization plays a central role in a variety of such activities, including voluntary organizations and politics (Dahl, 2005). The presence of a distinct, elite class is thus a persistent influence on key civic processes, and has been proposed to be as a predictor of effective social leadership (Baltzell, 1958, 1979; Mizruchi, 2013). Galaskiewicz (1985, p. 57) finds that giving by elites provides "social currency" that, with the understanding that those who do not give will suffer exclusion, permits elites to maintain their standing within elite groups. In his study of giving in the Twin Cities region, he finds that giving behavior is concentrated among those deeply embedded in elite networks. These ties were the basis for the creation of elite giving clubs that formalized giving expectations and socialized new elites in the appropriate practices of giving. In effect, the creation of such clubs oriented around contributions to community philanthropy institutionalized a system of selective incentives that enabled such contributions.

Ostrower (1997) goes further, arguing that contribution to community social welfare, typically manifested as local philanthropy, is a key marker of status boundaries and a prerequisite for admission to elite social circles (Ostrower, 1997). Like Galaskiewicz, she finds that philanthropy is a practice for the maintenance of existing elite society as well as a price for admission of newly wealthy individuals into these groups. In such arrangements, the culture is sustained through the existence of a meaningful class distinction that participation in large-scale philanthropy can reify, helping elites to "carve out" their distinctive social space (Ostrower, 1997, p. 48). Thus, through socialization, signaling, and norms, elite social capital thus promotes the contributions of elites to community philanthropy.

> *H2a.* Greater elite social capital will be associated with higher contributions to community philanthropy.

In addition, working-class social capital plays a prominent role in enabling contributions to community philanthropy. The community organizing activities of the United Auto Workers union are illustrative: "activities sponsored by locals included golf tournaments, children's summer day camps, family picnics, Christmas parties, choral and other musical groups, sportsmen's shows, retiree drop-in centers, and hobby exhibits and demonstrations" (Barnard, 2005, p. 268). Because labor membership overlapped significantly with populations in need of social services, labor was uniquely positioned to understand their needs and mobilize their resources for social benefit. Working-class groups provided grassroots social services related to job training, housing, park development, transportation, and healthcare that were often operated by former union members (Magat, 1999). Unions also created a range of business-like programs addressing basic working-class needs, such as medical insurance, education, retirement and credit (Bok & Dunlop, 1970), and low-cost recreational or leisure programs that brought together workers and their families: "according to a UAW estimate, over 600,000 members participated in one or more [recreational or leisure] activity in 1960; they were joined by many more thousands of non-member, usually family, participants" (Barnard, 2005, p. 268). Based on this evidence, we expect to also find a positive effect of working-class social capital on contributions to community philanthropy.[2]

> *H2b.* Greater working-class social capital will be associated with higher contributions to community philanthropy.

THE INDIRECT INFLUENCE OF LARGE CORPORATIONS ON ELITE AND WORKING-CLASS SOCIAL CAPITAL

The literature connecting corporations to community social capital has examined direct effects on social welfare resulting from both strategic, social-welfare oriented behaviors and unintentional externalities (Margolis & Walsh, 2003). Similarly, research connects social capital to noninstrumental philanthropic activities. However, it is not immediately clear how corporations, as new and powerful community actors, would interact with these existing sources of social capital in their support of community philanthropy. Such processes, should they exist, would comprise indirect effects on social welfare which many agree to be important (Hinings & Greenwood, 2002), but which have been neglected by recent research (Stern & Barley, 1996). In other words, we ask: how do corporations influence the productivity of social capital for community philanthropy?

Multiple theoretical perspectives have suggested avenues by which the presence of large corporations might indirectly benefit community philanthropy. Scholars studying corporate philanthropy and volunteering programs suggest that corporations might contribute not directly to community philanthropy, but to civic associations, thus strengthening their efforts (Price, 2002). Others argued that employment in managerially sophisticated corporations would train community members with superior management skills, thus enabling them to more effectively, or at least more professionally, lead voluntary organizations (Hwang & Powell, 2009; Kaysen, 1957). More recently, the availability of jobs in large corporations has been viewed as benefitting nonprofit leaders who import organizational skills from their experiences in business management (Suarez, 2009). Others have argued that the presence of large corporations would create new jobs and economic activity, thus providing economic capital that would enable the efforts of civil society (Marquis et al., 2013).

However, a competing view suggests that the principal effect of corporations was to disrupt, rather than support, existing social capital. Perrow (1991, 1996) describes how the rise of large corporations affected the existing social fabric":

> As organizations grew large, they became the locus of social interactions that occurred because of the employment contract, rather than civic status… The organization's employment contract thus shaped social interactions, largely, though not entirely, unwittingly. The viability of these social opportunities outside the employment contract – those shaped by one's civil status – was reduced. (Perrow, 1996, p. 299)

The effectiveness of social capital for advancing contributions to community philanthropy should depend not only on the structure of relationships among actors, but on the time and attention of these actors committed to civic, rather than work, activities. Academic literature on work and occupations have focused on time as a specific, limited resource for which work competes with nonwork pursuits (Jacobs & Gerson, 2004). Increases in time spent at work, in turn, are often attributed to corporations (Gordon, 1996; Schor, 1991). Although much of this research refers to tradeoffs made generally in "nonwork" activities including family life (see, e.g., Schieman, Milkie, & Glavin, 2009), recent research documents the direct, negative effects of work time on civic participation (Cornwell & Warburton, 2014). Such resource tradeoffs are, notably, documented specifically among elite, white-collar employees (Brett & Stroh, 2003; Perlow, 1998).

In addition to demanding time that individuals might otherwise spend engaging in outside activities, corporations offer individuals a sense of affiliation and identity that further weakens their need to engage in external, organized activities. William Whyte's (1956) "The Organization Man" is best known for documenting the homogenizing force of corporate culture on the identities and behaviors of workers, both inside and outside of work. Largely lost, however, is its discussion of how socialization loosened the affiliative connection workers held to socially oriented activities in the community, outside of their work: "Civic work? Executives don't particularly like it. Rightly or wrongly, most of them consider it a diffusion of energy and only those who see a clear relationship between civic work and their careers perform it with any enthusiasm" (Whyte, 1956, p. 163). Other scholars echo the existence of an implied antagonism between the needs of the companies toward which employees were deeply loyal, and their commitments to civil society. Mills (1956), for instance, argues that although many social elites rose to the top of corporations, the net effect of the rise of corporations was a disruption of the social elite and their privileged role in social affairs.

In summary, based on this second line of argument, we suggest that corporations compete for time and weaken workers' affiliations with the collectivities in their nonwork lives. We argue that as a result, large corporations diminished the productivity of elite social capital in terms of contributions to community philanthropy.

> *H3a.* Greater density of corporations in a community will diminish (i.e., negatively moderate) the positive association of elite social capital with contributions to community philanthropy

Prior research suggests that the community contributions of working-class populations have been affected by the time demands of work to an equal, if not greater, degree as those of elites (Shipler, 2008). Increased work demands have a particular effect on working-class community members, because their livelihoods are highly dependent on their income. As a consequence, community participation is pushed aside, or limited to activities in which a worker or their family has a direct stake, such as Parent-Teacher Associations (Rubin, 1976). The corporatization of local economies also affected social capital through their disruption of career trajectories. A 1961 study of the community participation of men in Detroit found that the industrialization of local economies disrupted standard careers for working-class community members; this contributed to career uncertainty, which subsequently limited community participation (Wilensky, 1961).

Studies of working-class individuals' relationships with work also suggest that corporations, relative to other types of employers, held great sway over the affiliations and identities of the working class (Sennett & Cobb, 1972). Modern corporations paid greater attention to work design, resulting in deliberate fulfillment, at work, of some of the social functions previously provided by family and community life (Hochschild, 1997). On a different front, scholars have argued that specialized job roles in corporations segmented the labor market, leading to a fracturing of the working class into distinct subgroups with conflicting interests (Edwards, 1979). Based on these arguments, we would expect corporations to reduce the efficacy of working-class social capital for contributions to community philanthropy.

> *H3b.* Greater density of corporations in a community will diminish (i.e., negatively moderate) the positive association of working-class social capital with contributions to community philanthropy

CONTEXT: THE UNITED WAY

During the twentieth century, the organization of community philanthropy campaigns emerged in US cities, reflecting an emergent interest among community members in supporting the social welfare of the community as a whole (Barman, 2006). In the early twentieth century, individual charities typically solicited donations unilaterally, in particular from wealthy urban elites (Hall, 2006). Such individual philanthropic solicitation, however, was perceived as onerous and inefficient for both fundraisers and those being solicited. These challenges were well summarized in the charter of the Cleveland Federation for Charity and Philanthropy, which justified the formation of the federation thus:

> Some of the most reliable charitable institutions in the city have experienced great difficulty in raising money while other societies doing less important work have been laying up a surplus of receipts over expenditures… those known to be charitably inclined have come to be unduly burdened by the present solicitations of the representatives of various charitable organizations. (Cleveland Chamber of Commerce, 1913)

Responding to this challenge, leaders in several communities formed organized federations of charities that consolidated the fundraising activities of the growing constellation of charities and their donors. According to their organizers, these new organizations promised not only to minimize the transaction costs of contributing to charities, but to support a portfolio of social services that would advance the community as a whole (Brilliant, 1990).

By the Second World War, organized community philanthropy had spread to most major US cities. Early organized philanthropy efforts were elite-dominated, but financial pressures later attracted participation from across social classes. The experience of the small town of Lorain, Ohio is illustrative:

> Until the end of the 1930s the Community Chest operated in the name of the entire community but was effectively controlled by the upper stratum… community support was difficult to mobilize; the lower-status groups contributed little, if anything. This produced a series of financial crises which finally culminated in the recognition by the Chest's leaders that they would have to find some means of mobilizing community support or disband, and the latter was seriously considered. Then the Catholic church and the professional social workers proposed the inclusion of organized labor as an alternative. The leaders of the Chest reluctantly accepted. (McKee, 1953)

In 1947, these disparate Community Chest organizations across the United States joined together into the United Way. While all of these community organizations were now part of a larger federation, they still maintained significant autonomy in their solicitations and giving. The typical United Way organization followed the direction of volunteers from the community, in particular a board of directors that recruited and appointed directors of annual campaigns (United Way of America, 1977). The primary activity of the United Way was soliciting donations within their local catchment areas, and this fundraising took place through one or more major annual campaigns focused on meeting targets set by the board and campaign directors. Among charitable pursuits, the United Way is relatively rare in its explicit focus on the community level, and is the foremost organization dedicated to the advancement of community philanthropy during the time period of our study (Barman, 2006). Furthermore, because they take a similar form across communities, local United Way organizations offer a unique opportunity to analyze contributions to community philanthropy across communities and over time.

METHODS AND ANALYSES

Sample and Units of Analysis

Our empirical sample included every US city that appeared in the top 100 in terms of population during the period 1952−1997, as measured by the decennial US Census, a total of 160 cities. A local United Way organization conducted fundraising activities in 139, or 86.8% of these cities at some time during our window of observation. Due to missing data and three cities for which data were available for only one year, we tested our predictions on a dataset that included 136 cities and 4,461 city-years. The years of our sample were chosen based both on data availability and historical considerations. We begin in 1952 because in that year, the postwar industrial economy had been established, marked by the "Treaty of Detroit" in 1950 (Cobb, 2012). It was also shortly after the creation of the modern United Way organization in 1947 and approximately the time at which the United Way became widespread in major US cities (Brilliant, 1990). The final year of our sample, 1997, was the last year for which data were available.

Dependent Variable

To measure contributions to community philanthropy, we manually looked up and recorded the total dollar amount of funds raised by United Way chapters from the United Community Funds and Councils of America "Campaign Facts and Figures" (Morris, 2015; United Way of America, various years; Wenocur, 1975). We measured *organized community philanthropy* as the total funds raised by each chapter, logged to account for skewness.

Independent Variables

Elite Social Capital

To measure social capital among elites, we measured the presence of *upper-class clubs* frequented by wealthy and high-status individuals in American cities. We follow the conventions of past research that observes the existence of elite social clubs in communities as a measure of elite organization (Marquis et al., 2013; Ostrower, 1997). In his influential mid-century research on elites in the United States, Domhoff (1967), identified 40 social clubs that served as meeting grounds of the elite and contributed to class stability and maintenance. Several prior studies have used this list to proxy for the level of elite cohesion in US cities (e.g., Kono, Palmer, Friedland, & Zafonte, 1998; Marquis, 2003).

Working-class Social Capital

To measure social capital among the working class, we collected measures of the level of *union penetration* at the state level. Although city-level union data were only systematically collected starting in 1983, state-level estimates were available for years from 1964 to 1997. For years preceding 1964, data were collected for the years 1939, 1953, and 1960 from the Union Sourcebook (Troy & Sheflin, 1985), and linearly interpolated to estimate missing values. In order to account for measurement differences between the two data sources (see Hirsch, Macpherson, & Vroman, 2001), a multiplier was calculated for each state based on the difference in estimates of union penetration in 1964. The resulting adjustments to pre-1964 values averaged an increase of 12%.

Corporate Density

We measured the density of corporations as the count of publicly listed companies headquartered in each community. We began by collecting the full population of companies listed in the Compustat North American Fundamentals database, which covers companies trading on the New York Stock Exchange, American Stock Exchange, NASDAQ, and wholly owned subsidiaries of companies filing with the Securities and Exchange Commission, and which were covered by disclosure in each year during our window of observation. We then calculated the measure *corporate density* by counting the number of corporations located in each of the Core Based Statistical Areas (CBSAs) contained in our dataset. Our approach is consistent with the frequent use of density measures in organizational research to account for the magnitude of an organizational population (Carroll & Hannan, 1989).

Control Variables

To control for the level of wealth available for philanthropy, we include in our models the *per capita income* of residents of the state in which each city is located. We also include the *total population* of each CBSA. Population data are captured from the decennial US Census and linearly interpolated to fill in missing values. To control for the possible effects of prior coordination and learning among participants in organized philanthropy, we also controlled for the age of the United Way in each community. We identified the first instance of United Way or Community Chest activity in each community, including all observations, some of which preceded the observation window of our study. In some cases, this was as early as 1917. *Age of United Way in community* was then calculated as the number of years since this first appearance of a city in the data. Finally, all models included year fixed effects to account for any temporal trends unrelated to the community-level processes we analyze.

Finally, we control for the intensity of local religious practice. Although some have argued that religious organizing does not constitute social capital (Putnam, 1993), others suggest that religious traditions teach and reinforce obligations to the community welfare; for instance, a 2000 survey found that 91% of individuals participating in religious services once or more per week gave to charity, compared to 66% of individuals with no or minimal religious participation (Brooks, 2003). To proxy for the intensity of religious practice, we measured the number of *churches per capita* in the primary county in which each city is located. Counts of churches were obtained from the National Council of Churches 1952 census of religious organization in the United States (Whitman & Trimble, 1956). We would ideally measure changes in the number of churches over our period, but were limited by the absence of comparable data over time, in part because the US Census stopped collecting specific religious membership data in 1936 due to heightened concerns about government monitoring of religious activity (Finke & Stark, 2005). However, past research has found that the concentration of religious organization in communities is highly stable over time (Newman & Halvorson, 1984), suggesting that this is a dependable indicator of relative religious activity across communities during our observation period.

Statistical Models

To test the above hypotheses, we evaluated multiple possible modeling approaches. Because our dependent variable included many cities over time, we narrowed our choices to panel regression models, and opted to include indicator variables for every year in our sample in order to control for possible temporal effects that were not captured by our controls. Our dependent variable and most of our independent variables are continuous and permit year-over-year variations; we therefore chose to include random effects on cities in our panel regression model, using the STATA command *xtreg* with the random effects option.[3] To account for potential between-city differences in error terms, we calculated robust standard errors based on clustering of observations at the city-level.

RESULTS

Table 1 provides the descriptive statistics and correlations for the variables included in our analyses which shows that the main effects variables included in our models are relatively uncorrelated.

Table 2 presents the results of our statistical models of organized community philanthropy.

Direct Corporate Contributions to Community Philanthropy

Model 1 includes only control variables and provides a baseline for our subsequent models. Model 2 tests *H1* regarding the effect of the presence of corporations on community philanthropy, finding a positive and significant effect that supports *H1*.[4] According to the parameter estimates in Model 2, an increase in one company results in a 2% increase in predicted community philanthropy.

Social Capital and Contributions to Community Philanthropy

Model 3 tests *H2a* by estimating the effect of elite social capital on contributions to community philanthropy. The model shows that this effect is positive and significant, supporting *H2a*. According to Model 3, the presence of an elite, upper-class club increases predicted contributions to community philanthropy by 88%. Model 4 tests *H2b*, finding a positive and significant effect of working-class social capital on contributions to community philanthropy. According to Model 4, an increase of 10% in union penetration increases predicted contributions to community philanthropy by 25%.

Table 1. Descriptive Statistics.

		Mean	SD	1	2	3	4	5	6	7	8
1	Total organized community philanthropy (logged)	16.2	1.1								
2	Large corporation density (logged)	2.00	1.45	0.55							
3	Elite social capital	0.17	0.37	0.29	0.24						
4	Working-class social capital	22.6	10.80	0.05	−0.10	0.03					
5	Fraternal Order of Eagles	7.5	9.85	0.32	0.50	0.10	0.39				
6	Per capita income (in 2001 dollars)	19.8	6.33	0.25	0.48	0.07	−0.20	0.12			
7	City population (in millions)	1.72	2.96	0.23	0.67	−0.02	0.14	0.59	0.26		
8	Percentage church members	0.46	0.13	0.01	0.13	0.23	0.16	0.13	0.11	0.18	
9	Age of United Way in community	45.69	16.03	0.39	0.36	0.06	−0.29	0.01	0.77	0.05	0.00

Table 2. Total United Way Giving by Community, in 2001 Dollars (Logged).

		Organized Community Philanthropy (Random Effects Models with Year Fixed Effects)							
		Main Analysis						Supplemental	
		1	2	3	4	5	6	7	8
H1	Largecorporation density		0.149***			0.161***	0.225***		0.207***
			(0.0396)			(0.048)	(0.049)		(0.046)
H2a	Elite social capital			0.882***		0.991***			
				(0.174)		(0.218)			
H2b	Working-class social capital				0.025***		0.029***		
					(0.004)		(0.004)		
H3a	Elite social capital X					−0.103*			
	Large corporation density					(0.063)			
H3b	Working-class social capital X						−0.005**		
	Large corporation density						(0.002)		
	Fraternal Order of Eagles							0.009 +	0.037***
								(0.006)	(0.007)
	Fraternal Order of Eagles X								−0.010***
	Large corporation density								(0.002)
	Per capita income	−0.018	−0.017	−0.018	−0.033*	−0.014	−0.036*	−0.013	−0.015
	(in 2001 dollars)	(0.017)	(0.016)	(0.017)	(0.015)	(0.016)	(0.015)	(0.017)	(0.016)
	City population	0.186***	0.118**	0.183***	0.177***	0.120**	0.090**	0.180***	0.149***
	(in millions)	(0.043)	(0.041)	(0.041)	(0.038)	(0.041)	(0.035)	(0.041)	(0.041)
	Percentage church members	−0.566	−0.499	−1.065 +	−0.795	−0.988 +	−0.429	−0.699	−0.670
		(0.596)	(0.555)	(0.629)	(0.618)	(0.590)	(0.554)	(0.607)	(0.576)

Table 2. (*Continued*)

	Organized Community Philanthropy (Random Effects Models with Year Fixed Effects)							
	Main Analysis						Supplemental	
	1	2	3	4	5	6	7	8
Age of United Way in community	0.084***	0.081***	0.079***	0.078***	0.077***	0.073***	0.084***	0.081***
	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)
Constant	10.82***	10.66***	11.28***	11.41***	10.92***	11.29***	10.65***	10.37***
	(1.065)	(1.045)	(1.070)	(1.048)	(1.049)	(1.025)	(1.047)	(1.039)
R-squared	0.488	0.494	0.487	0.534	0.500	0.547	0.493	0.521
Chi-squared	1744.6	1732.4	1928.1	1820.3	1990.2	1905.6	1898.9	1893.1
Number of city-years = 4,461								
Number of cities = 136								

Notes: Robust standard errors in parentheses.
***$p < 0.001$; **$p < 0.01$; *$p < 0.05$; $+p < 0.1$.
Significance tests are one-tailed for hypothesized effects, two-tailed for controls.
All models include random effects and year indicator variables.
All models report clustered standard errors on each city.

Indirect Effects of Corporations

Model 5 estimates the influence of corporate density on the efficacy of elite social capital and finds a significant negative effect, providing support for *H3a*. As Fig. 2 indicates, contributions to community philanthropy increase with both elite social capital and corporate density. Comparing estimates at higher levels of elite social capital (1 SD above the mean), taking into account both the direct and indirect effects of corporations, higher corporate density is associated with higher contributions to community philanthropy, despite the slight negative effect of corporations on the efficacy of elite social capital.

Model 6 tests the effects of corporations on the influence of working-class social capital and finds that in communities where large organizations are present, the effects of working-class social capital on community philanthropy are weaker, supporting *H3b*. Fig. 3 shows that when working social capital is relatively low (1 SD below the mean), higher levels of corporate density are associated with higher contributions to community philanthropy. However, when working-class social capital is relatively high (1 SD above the mean), higher levels of corporate density are associated with lower net contributions to community philanthropy, as the cumulative direct and indirect effects of corporations are negative. In other words, the net effect of corporations depends on the extent of working-class social capital in a community: when working-class social capital is low, the net effect of corporations on contributions is positive despite its negative indirect effects. However, when working-class social capital is high, the effect of corporations on community philanthropy decreases and may even become negative.

Robustness checks. In addition to our main analyses, we conducted additional analyses to test the robustness of our findings to specification choices and potential sources of estimation error. First, we ran supplemental models containing city fixed effects for all hypotheses that did not require time-invariant

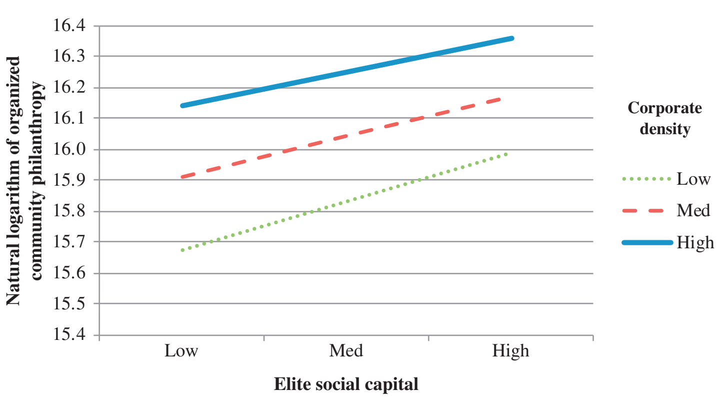

Fig. 2. Effects of Elite Social Capital on Contributions to Community Philanthropy and Interactions with Corporate Density (Medium = Mean; Low = Mean − 1 SD (0 for Elite); High = Mean + 1 SD (2 × Mean for Elite).

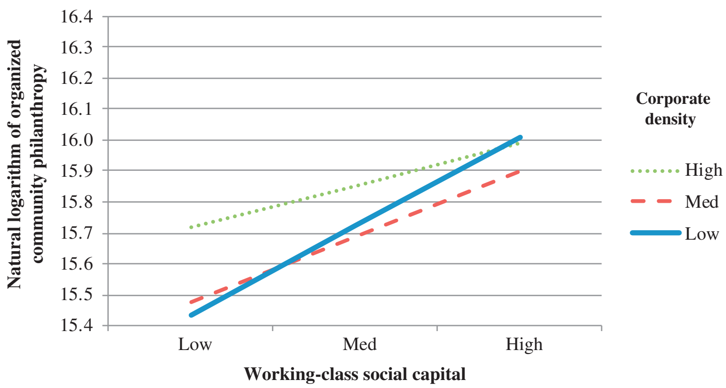

Fig. 3. Effects of Working-class Social Capital on Contributions to Community Philanthropy and Interactions with Corporate Density (Medium = Mean; Low = Mean − 1 SD; High = Mean + 1 SD).

independent variables. The results, shown in Table 3, are consistent with the findings in our main analysis. We also noted high correlations between two of our control variables, *per capita income* and *age of United Way in community*. Such high correlations can result in multicollinearity and unstable estimates. In order to ensure that this was not affecting our results, we ran our main analysis, excluding these two variables. The results were again consistent with the findings in our main analysis.

Additional Analysis of Large Corporation Influences

As our models provided only marginal support for *H3a*, we conducted additional analyses to understand this relationship, and in particular, to investigate whether the relationship between corporations and elite social capital might be dynamic and changing over time. To test this idea, we calculated the tenure of each company in the Compustat database as the number of years since its first appearance in the database in the present CBSA. From these data, we constructed two count variables for each city-year representing the number of companies in two groups: companies present in the community for more than 10 years ("established corporation density") and the companies present in the community for 10 years or less ("new corporation density"). We measured these two variables as the logged count of companies for each community-year. For these analyses, we truncated our sample to 1961−1997, since our corporate data began in 1950 and thus we could only identify companies as having been established for more than 10 years starting in 1961. These results are presented in Table 4.

We find a significant, positive effect on new corporations on community philanthropy but no significant effect of established corporations, suggesting that

Table 3. Total United Way Giving by Community, in 2001 Dollars (Logged) (Models with City Fixed Effects).

	Organized Community Philanthropy (Fixed Effects Models with Year Fixed Effects)						
		Main Analysis				Supplemental	
		9	10	11	12	13	14
H1	Large corporation density		0.123**		0.154**		*0.189****
			(0.0396)		(0.052)		*(0.047)*
H2b	Working-class social capital			0.024***	0.026***		
				(0.004)	(0.004)		
H3b	Working-class social capital X				−0.002		
	Large corporation density				(0.002)		
	Fraternal Order of Eagles					*0.015**	*−0.011****
						(0.007)	*(0.002)*
	Fraternal Order of Eagles X						*−0.006*
	Large corporation density						*(0.015)*
	Per capita income	−0.015	−0.013	−0.028*	−0.028 +	−0.007	−0.006
	(in 2001 dollars)	(0.016)	(0.015)	(0.014)	(0.015)	(0.015)	(0.015)
	City population	0.260***	0.214***	0.247***	0.180***	0.274***	0.273***
	(in millions)	(0.056)	(0.056)	(0.049)	(0.045)	(0.051)	(0.050)
	Age of United Way in community	0.021	0.025*	0.040**	0.044***	0.015	0.019
		(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)
	Constant	14.775***	14.207***	13.515***	12.978***	14.807***	14.047***
		(0.575)	(0.624)	(0.628)	(0.660)	(0.581)	(0.624)
	R-squared	0.483	0.493	0.524	0.534	0.492	0.526
	F-statistic	39.799	40.381	42.853	43.981	42.111	41.626
	Number of city-years = 4,461						
	Number of cities = 136						

Notes: Robust standard errors in parentheses.
***$p < 0.001$; **$p < 0.01$; *$p < 0.05$; $+p < 0.1$.
Significance tests are one-tailed for hypothesized effects, two-tailed for controls.
All models include city fixed effects and year indicator variables.
All models report clustered standard errors on each city.

the effect described in *H1* is largely attributable to new corporations (see Table 4, Models 16 and 17). We further find a marginally significant and negative effect of both new and established corporations on the efficacy of elite social capital (see Table 4, Models 18 and 19). However, the effect of both established corporations and new corporations on the efficacy of working-class social capital was negative and strongly significant (Models 20 and 21), an effect replicated in our analysis using data from the Fraternal Order of Eagles (Models 22 and 23), an alternative measure of working-class social capital which we describe in the section that follows.

Table 4. Total United Way Giving by Community, in 2001 Dollars (Logged).

	Organized Community Philanthropy (Random Effects Models with Year Fixed Effects)								
	15	16	17	18	19	20	21	22	23
New corporation density		0.089**		0.097**		0.170***		0.146***	
(last five years)		(0.030)		(0.032)		(0.043)		(0.033)	
Established corporation density			0.026		0.040 +		0.116**		0.078**
			(0.023)		(0.027)		(0.039)		(0.028)
Elite social capital				0.955***	0.923***				
				(0.201)	(0.190)				
Working-class social capital						0.027***	0.023***		
						(0.004)	(0.004)		
Fraternal Order of Eagles								0.024***	0.015**
Elite social capital*				−0.080 +					
New corporation density				(0.055)					
Elite social capital*					−0.052 +				
Established corporation density					(0.037)				
Working-class social capital*						−0.004**			
New corporation density						(0.002)			
Working-class social capital*							−0.004**		
Established corporation density							(0.001)		
Fraternal Order of Eagles*								−0.007***	
New corporation density								(0.002)	
Fraternal Order of Eagles*									−0.004***
Established corporation density									(0.001)

Per capita income	−0.012	−0.013	−0.012	−0.011	−0.011	−0.030*	−0.028*	−0.011	−0.011
(in 2001 dollars)	(0.016)	(0.016)	(0.016)	(0.016)	(0.016)	(0.015)	(0.015)	(0.015)	(0.015)
City population	0.222***	0.171***	0.197***	0.177***	0.197***	0.133***	0.165***	0.181***	0.194***
(in millions)	(0.041)	(0.040)	(0.043)	(0.039)	(0.042)	(0.035)	(0.038)	(0.039)	(0.042)
Percentage church members	−0.644	−0.529	−0.563	−1.058*	−1.094*	−1.078 +	−0.406	−0.600	−0.642
	(0.612)	(0.574)	(0.587)	(0.617)	(0.631)	(0.616)	(0.561)	(0.580)	(0.587)
Age of United Way in community	0.086***	0.083***	0.084***	0.080***	0.080***	0.079***	0.073***	0.083***	0.084***
	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)
Constant	10.529***	10.558***	10.618***	10.827***	10.963***	11.032***	11.634***	10.395***	10.480***
	(1.057)	(1.039)	(1.046)	(1.049)	(1.055)	(1.056)	(1.017)	(1.034)	(1.036)
R-squared	0.504	0.507	0.502	0.511	0.505	0.503	0.543	0.523	0.513
Chi-squared	1415.423	1502.816	1369.344	1741.280	1601.457	1772.179	1802.218	1555.584	1368.830
Number of city-years = 4,178									
Number of cities = 136									

Notes: Robust standard errors in parentheses.
$^{***}p < 0.001$; $^{**}p < 0.01$; $^{*}p < 0.05$; $+\ p < 0.1$.
Significance tests are one-tailed for hypothesized effects, two-tailed for controls.
All models include city-level random effects and year fixed effects.
All models report clustered standard errors on each city.

Additional Analysis of Working-class Social Capital

As unions represented a particular type of working-class social capital, we sought to test the generality of these findings with alternative measures. One important form of working-class organizing in twentieth century America was civic associations, which typically had missions related to the advancement of community welfare. As an additional analysis, we constructed a novel dataset containing information on the prevalence of the Fraternal Order of Eagles (FOE), one of the most prominent civic associations of the era (Skocpol, 1997).[5] Using data provided directly to us by the national office of the FOE, we constructed a variable at the level of the city-year containing the count of local FOE organizations in each CBSA, in each year. During the period of our study, local FOE organizations were present in over 80% of the communities in our sample. Substituting this variable in our models in place of unions, we found similar effects, including support for both *H2b* and *H3b* (see Table 2, Models 7 and 8). The results of this additional analysis suggest that these patterns are not unique to unions, but apply across different measures of working-class social capital.

DISCUSSION

Recent research on how corporations affect societal well-being have typically focused on links between these companies' strategic CSR policies, such as corporate initiatives that address social issues and corporate philanthropy to local causes. Most empirical research on the relationship between companies and social welfare programs thus associates social welfare with direct outputs of individual firms; a smaller number of studies considers the positive spillovers of corporations on charitable organizations through activities such as philanthropy (Marquis et al., 2013). In this study, we theorized and tested a two-part model for how corporations influence contributions to community philanthropy: (1) direct contributions to community philanthropy by corporations and (2) corporate influence on the efficacy of social capital beyond the corporation that enables contributions to community philanthropy. We argue that in addition to their direct contributions, corporations compete with outside social capital for resources, thus decreasing the efficacy of outside social capital to make contributions to community philanthropy.

We tested our hypotheses on a 46-year, longitudinal dataset on community philanthropy in US communities stretching from the mid to late twentieth century. As expected, we found evidence that corporations in a community are indeed associated directly with contributions to community philanthropy. However, we also found evidence consistent with indirect corporate influence on community philanthropy through effects on the community's social capital. Consistent with previous research showing corporate demands for time and affiliation weaken community member attachments to external social capital the corporations in our study appear to weaken the effects of both elite social capital and working-class social capital in the communities in which they are embedded.

Further analysis revealed additional insight into differences in how corporations affect elite and working-class social capital.

Our supplementary analysis revealed that while the effect of established corporations is negative with respect to both elite and working-class social capital, corporate influence on existing social structure is a dynamic process: in the short term, growth in corporate density temporarily increases community philanthropy; however, negative effects of large corporations on social capital continue as companies become established. Such factors may indicate benefits received by new companies from community philanthropy that do not pertain to established companies; for instance, new companies face particular challenges in building relationships with local stakeholders (McWilliams & Siegel, 2001) that community philanthropy may help to address.

In advancing theory about how corporations affect contributions to community welfare, we advance a more holistic understanding of the role of corporations in society that includes their interactions with the social capital of the communities in which they are embedded. As we theorize, the efficacy of social capital to contribute to community philanthropy depends on the degree to which community members' attention and financial resources are available to be exercised through community-level structures. These multiple pathways present a more complex story of corporate social responsibility, showing direct contributions but also deleterious effects realized through the intervention of corporate power (Banerjee, 2008; Kazmi, Leca, & Naccache, 2016). The advent of corporations competed for attention and affiliation of community members, thus decreasing the efficacy community social capital outside the corporation.

By considering how corporations influence social practices outside their formal boundaries, our study attempts to answer the call made by several scholars (Bartunek, 2002; Clegg, 2002; Hinings & Greenwood, 2002; Stern & Barley, 1996) to reconsider organizational theory's "neglected mandate" to study how organizations affect the broader social systems in which they are embedded (Stern & Barley, 1996). Our study of the effects of organization structure on the cohesion of broader social structures thus responds to calls to study the "compatibility of the institutional patterns under which the organization operates with those of other organizations and social units, as related to the integrative exigencies of the society as a whole" (Parsons, 1956). We thus view both corporations and external social capital as interrelated components of a single action field that collectively supports local welfare (Barman, 2016). Along these lines, future research might further consider in more detail how such corporations interact with local nonprofit organizations that ultimately deliver many of the social services supported by community philanthropy (Marquis et al., 2013). In addition, while the contemporary rise of alternative business forms – which tend to be less centralized and more dependent on contingent work arrangements (Davis, 2016) – is likely to impact community social capital, there has been few studies of their influence on broader social welfare. If contemporary organization theory will truly be able to fulfill its "neglected mandate," examining the implications of corporations and changing work relationships on society is essential.

Finally, our study joins other recent work that highlights the importance of the geographic community as a social unit that profoundly influences organizational processes (Marquis & Battilana, 2009). While for decades, research focused on how globalization and broader institutional processes have affected organizations (Scott, 2008), recent phenomena such as Brexit and the presidency of Donald Trump suggest that societies may be again looking inward. Organization theory provides a unique toolkit to examine how a return to more local environments, and resistance to global trends affects social and economic phenomenon within geographic boundaries (Marquis & Lounsbury, 2007). Studying the United Way – a quintessential community-level organization – enables us to understand better how organized community philanthropy varies according to aspects of community context (McElroy & Siegfried, 1986), an approach that research on CSR has traditionally lacked (Guthrie & Durand, 2008; Miller & Guthrie, 2011). In so doing, our findings suggest that corporations play an important role in the efficacy of social capital, a community feature to which a range of community outcomes may be attributed (Adler & Kwon, 2002; Putnam, 2000). Indeed, corporate accountability is frequently constructed and negotiated at the community level (Lounsbury, 2007), creating important opportunities for further research (Dorobantu & Odziemkowska, 2017).

Building on these insights, future research might examine how corporations indirectly affect contributions to community philanthropy outside of organized community philanthropy. Although the United Way is perhaps the gold standard in systematic contributions to community philanthropy, the results we present here are limited to such arrangements. Similar studies on corporations and social capital on other community outcomes might yield related insights about the role of corporations, whether as primary entrepreneurs in the construction of shared meanings and resources (Howard-Grenville, Metzger, & Meyer, 2013), or as secondary actors (Heinze, Soderstrom, & Heinze, 2016). Voter mobilization, maintenance of public spaces, and disaster recovery are all examples of processes of community voluntarism and resilience that would be expected to depend simultaneously on corporations and external social capital. Furthermore, whereas we have investigated how corporations influence the efficacy of existing social capital, future research might also investigate the role of corporations in processes by which social capital itself is constructed, transformed, and destroyed over time.

Our study has a number of limitations that bear noting. First, our study builds on previous literatures that describe elite social capital and working-class social capital, which were the most salient and commonly discussed in our review of the literature. Yet it is important to acknowledge the possibility of alternative class structures; the two-class model of class structure we adopt is therefore a central boundary condition of our study necessitated by data availability. Future research might produce new insights by considering the influence of corporations on more narrowly defined types of social capital. Second, our measure of organized community philanthropy was constrained by the unavailability of data regarding the specific breakdown of gifts associated with particular corporations and individuals as well as how these resources were allocated to specific activities related to community philanthropy. Case studies of specific communities have shed some light on these types of differences (see, e.g., Brilliant, 1990; Seeley, 1989), but studying the differential effects of corporations on specific subtypes of contributions to community philanthropy, and on contributions realized through corporations versus individuals, remains an important task for future research.

A final set of limitations relates to the nature of the communities and social capital under study. Our study focused on the largest US cities, and our findings should be interpreted as specific to this sample. Future research might consider the role of corporations in smaller cities, which may experience the effects of corporations differently as a result of having more specialized economies, or a focus in particular industries. We further recognize the limitations of our study in accounting for the full range of types of social capital. Although we collect and test our model using specific measures of community social capital, data on the full range of civic organizations in twentieth century US remain limited, despite efforts to compile it (Skocpol, 2003). Collection of more detailed data on historical periods remains a challenge and poses a key limitation to historical studies of social capital and civil society, including this one, but will be a critical foundation for future research.

Ongoing study of the business-society nexus yields an increasingly nuanced and complex understanding of these linkages. Future progress in this arena will come in part from illuminating the consequences of corporate embeddedness in modern communities as well as the ways that corporations strategically manage these consequences. If we are indeed to fulfill our mandate of "understanding the consequences of organizations" (Hinings & Greenwood, 2002), we will benefit from a holistic view as we further theorize and examine the mechanisms by which corporations influence social concerns.

NOTES

1. We focus on the social capital present in communities beyond organizational boundaries, which is distinct from uses of social capital terminology to describe relationships within organizations (Nahapiet & Ghoshal, 1998).

2. Accounts suggest that working-class participation in local civic organizations was frequent, but had limited power due to a lack of financial resources. As of 1968, the AFL-CIO claimed that 75,000 union members were on the boards of civic and welfare agencies, up from just 10,000 in 1950. Yet one study of civic organizations from the 1950s noted that labor leaders were frequently perceived by civic leaders as less influential than professionals and businesspeople in community affairs (Hudson, 1965, cited in Bok & Dunlop, 1970).

3. We elect to use random effects rather than fixed effects models for our main models because some of our independent variables are time-invariant, excluding the possibility of including city fixed effects. In Table 2, we present the results of these same models using city fixed effects. The findings are unchanged with this specification.

4. We considered the possibility that direct corporate contributions to community philanthropy might be interdependent; that is, corporations in a dense corporate environment might experience competitive pressure to escalate their contributions, or alternatively, might experience reduced pressure due to the presence of substitutes. Either

of these would have implications for the functional form of our model underlying *H1*. To test this possibility, we ran an additional model including a variable calculated as the square of the corporate density, consistent with commonly used approaches in organizational ecology (see, e.g., Carroll & Hannan, 1989). We found no significant effect on this quadratic term.

5. In addition to the Fraternal Order of Eagles, we contacted several other prominent civic associations active during our period of study, including the Lions, Kiwanis, Rotary, Moose, and Elks, but these organizations were unable to provide historical location-specific data. This experience is consistent with the accounts of other studies attempting to compile historical data on civic associations (see, e.g., Skocpol, 2003, pp. 26–30).

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