Community Foundations as Advocates: Social Change Discourse in the Philanthropic Sector.

David F Suárez

Evans School of Public Policy & Governance

University of Washington

Kelly Husted

Evans School of Public Policy & Governance

University of Washington

Andreu Casas

Center for Data Science

New York University

Abstract

Foundations are much more than disinterested philanthropic institutions that award grants to service-providing nonprofits. Foundations are political actors that seek to produce social change, not only by donating resources to nonprofits that promote causes but also by supporting policy reform in a more direct manner. We investigate engagement in advocacy among community foundations in the United States, which we define as the effort to influence public policy by proposing or endorsing ideas and by mobilizing stakeholders for social change. Drawing primarily on organizational sociology, we posit that the environmental context in which community foundations are situated and particular structural characteristics or operational features of community foundations (institutional logics, identity and embeddedness, and managerialism) will be associated with advocacy. We utilize machine learning techniques to establish an outcome measure of advocacy discourse on community foundation websites and ordinary least squares (OLS) regression to model that outcome with a cross-sectional dataset compiled from multiple sources. We find considerable support for our conceptual frame, and we conclude by offering an agenda for future research on foundations as interest groups.

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**Introduction**

Foundations are much more than disinterested philanthropic institutions that award grants to service-providing nonprofits. Foundations are political actors that seek to produce social change, not only by donating resources to nonprofits that promote causes but also by supporting policy reform in a more direct manner (Rich 2004; Reckhow 2013, 2016; Goss 2016). Extant studies of foundations acknowledge that philanthropic organizations engage in advocacy, yet much of this work suggests that the role of foundations has been limited in scope and conservative in strategy (Carson 2001; O’Connor 2010; Kohl Arenas 2015). Foundations usually support social movement organizations only after their causes have established legitimacy (bandwagon followers rather than leaders), for instance, and foundations tend to “channel” the organizations they support away from contentious or transgressive tactics (Jenkins 1986, 1998; Jenkins and Eckert 1986; Goss 2007). The Tax Reform Act of 1969 undoubtedly contributed to this pattern, as the regulatory reforms prohibited or severely restricted private foundation lobbying, establishing a formal constraint that conventional interest groups and citizen groups do not face (Walker 1991; Frumkin 1998; Berry 1999; Minkoff 2002).

Lobbying nevertheless is just one advocacy tactic, and as long as foundations avoid supporting or opposing legislation, they have considerable freedom to promote social change. Foundations can utilize public information campaigns, policy research, coalition building and a broad repertoire of additional strategies for spurring reform. Despite their historical reluctance to lead social initiatives and some limitations on the activities they can undertake, recent research indicates that foundations have started to embrace advocacy and become emboldened as policy entrepreneurs (Bartley 2007; Reckhow 2013; Quinn et al 2014). This important line of work reveals that some foundations are cooperating to leverage resources for social change and demonstrates that a few (usually very large) private foundations have become quite proactive in pursuing a policy agenda (Reckhow 2016; Tompkins-Stange 2016). Because the vast majority of this current research on foundation advocacy consists of case studies of single foundations or groups of foundations dedicated to particular issue areas like education, though, which philanthropic institutions are the most likely to utilize advocacy as an organizational strategy for achieving mission remains unclear (Mosley and Galaskiewicz 2015).

We address this gap in the literature by investigating engagement in advocacy among community foundations in the United States, which we define as the effort to influence public policy by proposing or endorsing ideas and by mobilizing stakeholders for social change (Berry and Arons 2003; Jenkins 2006; Reid 2006; Strolovich 2007; Leroux and Goerdel 2009; Guo and Saxton 2010; Mosley 2013). Drawing primarily on organizational sociology, we posit that the environmental context in which community foundations are situated and particular structural characteristics or operational features of community foundations (institutional logics, identity and embeddedness, and managerialism) will be associated with advocacy. In the following section, we present a brief overview of the history of foundations and their role in advocacy, and then we narrow our attention to community foundations for the elaboration of our hypotheses. We then discuss our data and the methods we utilize to test our argument, which includes machine learning techniques to establish an outcome measure of advocacy discourse on community foundation websites as well as ordinary least squares (OLS) regression to model that outcome with a cross-sectional dataset compiled from multiple sources. We subsequently present our results, which offer considerable support for our conceptual frame, and we conclude by offering an agenda for future research on foundations as interest groups.

**Foundations, Advocacy and the American Polity**

Foundations are central to the philanthropic landscape of the United States and core actors in the broader nonprofit sector (Anheier and Hammack 2010; Webb Farley et al 2018). Current data indicate that there are more than 86,000 foundations holding assets in excess of $865 billion, and they disburse approximately $60 billion in charitable grants on a yearly basis (Foundation Center 2017). Although grantmaking is a key feature or function that foundations share, there are several different types of philanthropic institutions: about 69 percent are independent or family foundations, 12 percent are operating foundations, 9 percent are corporate foundations, and 11 percent are community foundations (Foundation Center 2017). The primary distinction among foundations is whether they are private or public, a classification that is determined based on how an institution is supported financially. A private foundation is established with a large gift from a major donor that serves as an endowment, potentially enabling investments gains to sustain the organization in perpetuity. A community foundation is a grantmaking public charity that fundraises on an ongoing basis to benefit residents in a defined geographic area (Kasper et al 2014; Foundation Center 2017).

The role of all foundations often has come under intense scrutiny – particularly in relation to social change activity (Frumkin 1998; Roelofs 2003; Prewitt et al 2006; Reich et al 2017). At different periods in the history of the United States, foundations have been described as cultural imperialists that attempt to co-opt social movements to preserve the dominant social order and as financiers of revolution that face virtually no accountability as they work to undermine the dominant social order. Notwithstanding the spirited debates and legitimate concerns about the plutocratic voice of foundations in a democratic polity, foundations typically have had just a modest role in generating significant social change (Anderson 2008; O’Connor 2010; Goss 2016; Reich et al 2017). While foundations have contributed to the success of some social movements, they tend to be conservative “mirrors of public culture” rather than drivers of social reform (Prewitt 1999; Goss 2007). Indeed, extant studies of grantmaking for social change find that foundation support for that activity never exceeds 15 percent of grant outlays and tends to be far less than that (Jenkins 1989, 1998; Foundation Center 2010, 2011). From an historical perspective, then, available evidence indicates that foundations have been reluctant to engage in social change activity, either through grantmaking or by participating more directly in advocacy (Lowry 1999; Edwards 2008; O’Connor 2010).

This pattern stands in stark contrast to recent studies documenting active foundation engagement in advocacy – especially by private independent foundations (Rich 2004; Goss 2016; Reckhow 2013, 2016; Tompkins-Stange 2016; Webb Farley 2018). The emergence of activist “conservative philanthropy” provides at least a partial explanation for this change, as several studies demonstrate that ideologically conservative foundations have become persistent and increasingly assertive about funding think tanks that promote their worldview (Rich 2004; Brulle 2014; Hertel-Fernandez 2016). The rapid growth of the technology sector, which produced many young billionaires, is another likely driver. Applying the entrepreneurial spirit that made them successful in business, the foundations established by this new generation of philanthropists have been experimenting with novel business models (i.e. venture philanthropy, philanthrocapitalism) and approaches to influencing the regulatory environment (Reckhow 2013; Quinn et al 2014; Callahan 2017). Finally, this shift is consistent with broader institutional change in the nonprofit sector, characterized by increasing managerialism, marketization, and politicization (Eikenberry and Kluver 2004; Marwell 2004; Hwang and Powell 2009; LeRoux and Goerdel 2009; Mosley 2012; Fyall 2017). Whatever the causal force driving foundations to act more as interest groups, advocacy has become part of the strategic repertoire that foundations employ to achieve their missions.

Research in political science and other fields has offered compelling evidence of this institutional change in the philanthropic sector, yet which types of foundations in the sector actually employ advocacy as a strategy and which characteristics of foundations are linked to participation in advocacy have not received much attention. We contribute to scholarship on this topic by focusing on community foundation engagement in advocacy. We concentrate on community foundations because these organizations often act as local leaders that identify pressing civic problems and contribute to solving those problems, yet they are poorly understood players in the philanthropic landscape. As an example, the mission of the Seattle Foundation is to “ignite powerful, rewarding philanthropy to make Greater Seattle a stronger, more vibrant community for all.” The foundation holds nearly a billion dollars in assets and manages donor advised funds from individuals, families, and corporations. The foundation also plays a prominent role in the community by identifying local needs and developing initiatives to address them. The foundation’s current initiatives include: Communities of Opportunity, which strives to improve health, social, racial, and economic outcomes by focusing on policy and systems change; Vibrant Democracy, which aims to strengthen the voice of underrepresented groups through voter education; and Neighbor to Neighbor, which provides technical assistance to grassroots organizations serving marginalized populations in the South Seattle area (Seattle Foundation 2017).

Because most current studies on foundation advocacy focus on private institutions (independent, family, operating, and corporate foundations), social change initiatives by community foundations – like those of the Seattle Foundation – have received little attention (Lowry 1999; Reckhow 2016; Tompkins-Stange 2016). Unlike private foundations, moreover, community foundations can lobby and they are not required to distribute 5 percent of net investment income on a yearly basis. Continuing with our example, the Seattle Foundation lobbied for a county-wide levy in 2015 that would be used to fund programs for children, as well as for changes in federal laws regarding donor advised funds. Due to the less restrictive regulations they face, community foundations might be expected to engage in more advocacy than private foundations, but the lack of attention to community foundations limits comparisons. We draw on organizational sociology for our conceptual frame, proposing that community foundation engagement in advocacy will be influenced by environmental context and structural characteristics. As we elaborate below, the organizational features of community foundations that we expect to be most salient for engagement in advocacy are institutional logics, identity and embeddedness, and managerialism.

*Environmental Context*

Sociological institutionalism emphasizes the influence of the broad institutional environment of organizations, claiming that organizations are sensitive to cultural scripts or “rationalized myths” and hence all will share many similarities (Meyer and Rowan 1977; Drori et al 2006; Meyer and Bromley 2013; Bromley and Meyer 2015; Suárez and Esparza 2017). While the institutional environment can have a pervasive macro-level effect across fields and geographic locations, environmental context is relevant at lower levels as well (DiMaggio and Powell 1983). This argument is relevant for community foundations because these organizations are chartered to serve a local constituency and thus should be sensitive to the dynamics of their proximate operational environment (Guo and Brown 2006; Graddy and Wang 2008). If the environmental context of community foundations matters for engagement in advocacy, two aspects of the communities they serve that could be especially salient are wealth (economic and human capital) and political liberalism.

An extensive literature in political science on the determinants of individual participation in the political process – the resource model of political participation – finds persistent inequality along economic lines in the United States (i.e. class, socioeconomic status), leading to the conclusion that democracy is sustained by an “unheavenly chorus” of wealthy voices (Gilens 2012; Schlozman et al 2012). The determinants of behavior at the individual level do not necessarily translate or aggregate up to the organizational level, yet the notion that a relationship might exist between the wealth of a community and engagement in advocacy by community foundations is quite reasonable. Community foundations operating in areas characterized by lower levels of wealth and human capital might prioritize solving the pressing first order problems these community face and decide not to dedicate their efforts to political advocacy. However, organizations working in wealthier regions might take advantage of opportunities to spend time and resources thinking about the “big picture” and influence policy. All else equal, then, we expect higher advocacy engagement by community foundations in wealthier communities.

The political orientation of a community also could have independent effects on community foundation engagement in advocacy. Advocacy tactics for politically conservative causes have diversified over the last few decades, extending beyond lobbying to policy research by think tanks and to more grassroots approaches (i.e. by groups like Tea Parties) (Rich 2004; Brulle 2014; Hertel-Fernandez 2016; Mayer 2016). The tremendous growth of public interest associations and social movement activism that took place during the 1960s has been associated primarily with politically liberal causes (i.e. rights movements), however, and this historical legacy could produce a positive association between the political liberalism of a community and advocacy by community foundations (Berry 1999; Jenkins 1986, 1998; Minkoff 2002; Goss 2007).

*H1a: Greater wealth in a community will have a positive association with foundation advocacy.*

*H1b: Political liberalism will have a positive association with foundation advocacy.*

*Institutional Logics*

Building on the core insight from sociological institutionalism that organizations are shaped by their external environment, the institutional logics perspective suggests that contemporary societies have several primary institutional orders, each of which has distinctive principles that can align or conflict with the others (Friedland and Alford 1991; Thornton, Ocasio, and Lounsbury 2012). In the United States, some of the institutional orders with logics that shape organizations are the community (family), the state (democracy), the market (capitalism), the professions, and religion (Friedland and Alford 1991; Battilana and Dorado. 2010; Thornton, Ocasio, and Lounsbury 2012; Garrow and Grusky 2013). Since the historical legacy of community foundations indicates that these organizations are guided by two distinctive logics—market and community—the logic that predominates could be consequential for engagement in advocacy (Graddy and Morgan 2006; Grønbjerg 2006).

Some community foundations prioritize a market logic, emphasizing their role as efficient managers of endowments and aiming to solve social problems primarily through market-oriented means. By placing funds from trusts of various sizes under the control of financial experts, community foundations supposedly would reduce the costs associated with donors managing funds on their own while also growing the endowment by pooling resources and making sound investment decisions (Grønbjerg 2006; Hall 2006). Some community foundations pursue efficiency by serving as an alternative to direct individual support for nonprofits as well, enabling donors with limited resources to house their charitable funds with the community foundation and then direct those funds as desired at a later time, perhaps after drawing on the expertise of philanthropic advisors at the foundation.

Other community foundations however put more emphasis on solving social problems by building leadership and collaboration (Grønbjerg 2006; Guo and Brown 2006; Hammack and Anheier 2010). Although all community foundations might be expected to manifest a community logic because the concept is “baked into” the label that identifies them as organizations, some highlight that they aim to contribute to society by: participating, connecting, coordinating, convening, collaborating, partnering, networking, volunteering, promoting civic engagement, organizing, planning, developing leaders, and building social capital (Grønbjerg 2006; Graddy and Wang 2008). We would expect community foundations that exhibit this community logic in their self-descriptions (e.g. mission, purpose and activities, and program areas) to be more likely to engage in advocacy than community foundations that do not exhibit it: their approach to problem solving is to build an active citizenry and we expect them to promote social change by being politically engaged.

A complementary way to identify the institutional logics that guide an organization is through their funding model – how they derive their revenue. Rather than attributing an institutional logic to its discourse, the resource mix of a community foundation reveals the functional or operational logic. Community foundations have two primary sources of revenue, market income (from service fees and investments) and donative income (from charitable giving). Like the foundations that exhibit a community logic through their discourse, those with a greater percentage of donative revenue may engage in more advocacy.

*H2a: Foundations guided by a community logic will have a positive association with advocacy.*

*H2b: Foundations with a greater reliance on donative sources will have a positive association with advocacy.*

*Identity and Embeddedness*

Community foundations can pursue a social change agenda indirectly by acting as patrons, providing grants for nonprofits to advocate on behalf of causes that align with foundation mission. Community foundations also pursue their social change goals by engaging in advocacy directly, and both organizational identity and relational embeddedness could help to explain which community foundations will undertake this activity. While the identity of an organization is related to its mission, the manner in which organizations present themselves to the public varies even among organizations that provide similar goods and services (Gioia et al 2000; Brickson 2005). For some organizations, an identity can serve as a form of branding that is useful for marketing purposes, though organizational identities also are consequential for how organizations engage and interact with their stakeholders (Brickson 2005). For community foundations, an organizational identity can act as a signal to prospective grant applicants, and it also can serve to confer legitimacy onto organizations and causes with a similar identity (Prewitt 1999; Askartova 2003; Prewitt et al 2006; Barley 2007; Anheier and Hammack 2010). Since philanthropy in support of social movements is rather uncommon, community foundations with a social movement identity help to confer legitimacy onto the mission and activities of organizations that share that identity (Carson 2001; Suárez 2012; Jensen 2013). We anticipate that community foundations with a social movement identity also will “practice what they preach” and engage in advocacy.

Like organizational identities, the associational activity of community foundations may send a signal about their roles and priorities. Extensive research finds that social and relational embeddedness – ties among organizations and their stakeholders – matter for resource stability, learning and knowledge acquisition, and many performance outcomes (Small 2006; Galaskiewicz et al 2006). With respect to interest groups in particular, the literature indicates that advocacy organizations tend to be more successful in influencing policy when they build coalitions, and considerable evidence demonstrates that relational ties are important for recruiting and retaining members (Mahoney 2007; Kluver 2013; Minkoff 2016). Some community foundations are less connected or networked than others to communities of practice, opting not to be involved with affinity groups or membership associations that serve the broader nonprofit sector. If the tendency of community foundations to be “joiners” is an indicator of their willingness to engage with and shape their broader environment, we would expect a positive relationship between embeddedness and advocacy.

*H3a: Foundations with a social justice / social movement identity will have a positive association with advocacy.*

*H3b: Greater foundation social embeddedness will have a positive association with advocacy.*

*Managerialism (Rationalization and Professionalization)*

Managerialism describes ideologies that attune organizations to the technical or operational aspects of their work, often characterized as “business-like” activity. Managerialism can be broken down into two distinctive components, rationalization and professionalization, both of which could influence community foundation engagement in advocacy. Rationalization in the nonprofit sector refers to the construction of charities as formal, purposive organizations (Drori et al 2006, 2009; Hwang and Powell, 2009; Meyer and Bromley 2013). Service-providing nonprofits confront dynamic, sometimes conflicting accountability demands, and in their efforts to be responsive to their constituents, they frequently develop standard routines – for staffing, governance, fundraising, community relations, performance management and many other organizational dimensions (MacIndoe and Barman 2013; Marshall and Suárez 2014). Even though private foundations are insulated from typical pressures that charitable nonprofits face, as they are accountable primarily to their benefactors and do not face market competition, the emergence of venture philanthropy and “strategic philanthropy” have drawn attention to foundation management and grantmaking performance (Frumkin 2006, Fleishman 2007; Brest and Harvey 2008). Because advocacy is aligned with strategic philanthropy and can be viewed as an increasingly standardized tool that foundations utilize to accomplish their missions, greater rationalization might be associated with community foundation advocacy.

Like organizational rationalization, the professionalization of community foundations could have a positive association with advocacy. Professionalization refers to the increasing presence of specialized expertise in nonprofits and to shifts from volunteer labor to paid staff (Hwang and Powell 2009). The growth of nonprofit management programs and professional associations serves as a basic indicator of the turn toward academic certification and training in the sector (Frumkin 2005; Suárez 2010). More generally, the nonprofit sector has moved away from a volunteer, “amateur” workforce toward a staff-centered, paid workforce (Frumkin 2005; Hwang and Powell 2009). Foundations may appear to be just as shielded from professionalization as from rationalization, yet the Tax Reform Act of 1969 drove many foundations to employ highly trained and credentialed staff (Frumkin 1998; Stewart and Faulk 2014). Since many studies on service-providing nonprofits find that organizational capacity facilitates advocacy, professionalization may contribute to advocacy by community foundations (LeRoux and Goerdel 2009; Mosley 2012).

*H4a: Foundation rationalization will have a positive association with advocacy.*

*H4b: Foundation professionalization will have a positive association with advocacy.*

**Data and Methods**

The most comprehensive source of financial data on foundations in the United States is the National Center for Charitable Statistics (NCCS), which compiles Internal Revenue Service (IRS) Form 990 information on nonprofit organizations. Though we use NCCS “core files” as a primary source for building a fiscal year dataset, the IRS recently started releasing data directly to the public – which contains some indicators that are not available elsewhere – so we also draw on the IRS as a key source for data (IRS 2017). Community foundations are designated as 501c3 public charities, and since they do not have a comprehensive, unique identifier indicating that they are a community foundation in the IRS or NCCS data, we utilized directories maintained by the Council on Foundations (2017) and the Community Foundation Atlas (2017) to identify 965 organizations with employer ID codes. This initial number serves as a theoretical maximum for analysis, but only 876 community foundations had NCCS and IRS data for fiscal year 2013 or for an adjacent fiscal year, which we consider the operational population of community foundations. As useful and important as they are as sources of nonprofit financial data, we had to look beyond the IRS and the NCCS to establish a measure of community foundation engagement in advocacy.

The Foundation Center categorizes data on grantmaking by foundations, a viable option for identifying patronage related to advocacy. Foundation Center data capture more than 50 percent of all giving, however the grantmaking database is not systematic, and grantmaking data on community foundations is limited to approximately 100 organizations (Foundation Center 2017). Even if the grantmaking data were systematic, community foundations can engage in advocacy directly – not just through their giving. As a result, we decided that community foundation websites would serve as the best source for documenting engagement in advocacy. Though community foundations certainly may engage in advocacy without drawing attention to that activity on their organizational websites, websites are a critical tool for communicating with grantseekers and for sharing organizational values and goals with the public – websites thus serve as an excellent source for documenting community foundation commitment to achieving social change and contributing to the policy process (Powell et al 2016).

Although much of the research on interest groups in political science utilizes lobbying expenditures as a primary measure of advocacy, in this paper we consider advocacy discourse to be as much an indicator of advocacy as lobbying and other activities like community mobilization and public policy research. Some organizations may have advocacy discourse on their websites and not translate that discourse into more direct forms of action, but a growing body of research on interest groups and social movement organizations highlights the importance of discourse and issue framing in social change initiatives (Snow et al 1986; Snow 2004; Jones and Baumgartner 2005; Suddaby and Greenwood 2005; Lawrence and Suddaby 2006; Nickel and Eikenberry 2009; Hojnacki et al 2012; Lee et al 2018). Though lobbying and contentious tactics garner considerable scholarly attention, a distinctive contribution of the literature on discourse, rhetoric, and framing has been to show the significance of messaging and other forms of communication in establishing movement identities and cultural resonance with stakeholders. Much like policy-oriented press releases to the media, we view discourse on organizational websites as action – not just talk.

Dependent Variable

Building our outcome variable of community foundation engagement in advocacy using website discourse entailed three main steps. First, we developed a web-crawler that scraped the content of community foundation websites. Second, we extracted and parsed the text in the collected HTML files, and we trained and tested a machine learning algorithm that we then used to automatically classify which sentences were about advocacy. Third and finally, we calculated the proportion of advocacy sentences.

To collect the text, our web crawler scraped the HTML pages from the first two layers of each community foundation website. The content of the first layer of a website is the text a user sees when accessing the main page or root URL. The second layer is the content in all in-links (links directing to the same website) that can be accessed from the first layer. We focus on the first two layers since we were interested in detecting and explaining which organizations engage in advocacy. We believe that, compared to deeper layers, the first two levels are a conservative indicator of the preferences of an organization: we expect community foundations to include the content they deem relevant into the most visible parts of their website. We focused on immediately accessible content and ignored all in-links to non-HTML files, such as downloadable PDFs and Word documents. We were able to find a website for 815 community foundations, and we successfully scraped the content of 84% (N=684). For the other few websites the crawler failed to collect their content because the URL did not exist anymore, the crawler was unable to trace some redirects, and/or the hosting server blocked our automatic bot. A manual exploration of the URLs we were unable to crawl does not indicate any type of selection bias that could influence our analysis. A copy of the crawler we developed can be found in the paper’s *Replication Material*.

The second step in building our dependent variable was to extract the text from the collected HTML files and to parse it into sentences. We used sentences as the basic unit when creating the dependent variable to enable comparability across foundation websites. We extracted the text by removing all HTML tags and functions present in the files, obtaining a single big block of text per file.[[1]](#footnote-1) After collecting and parsing the text we had a data set of 1,444,226 sentences that needed to be labeled for whether they made any reference to advocacy. Given the size of the dataset, we decided to take advantage of supervised machine learning techniques to develop an automatic coding protocol. In a supervised machine learning framework, researchers first classify a random sample of documents (sentences in our case) manually and then use these labeled cases to train a machine learning classifier (Wilkerson and Casas 2017). A challenge with this approach in our case was that sentences on advocacy were rare. Having highly unbalanced categories means that to obtain a modest sample of a few hundred advocacy sentences one would need to manually label tens of thousands of cases, which was not feasible. We addressed the problem by sampling random sentences as well as those that were likely to be about advocacy.

As part of this second step, we created a dictionary of keywords we expected to be related to advocacy (see the list of keywords in *Appendix A*) and considered all sentences containing at least one of the terms as potential advocacy sentences (1.5%). We developed the dictionary of keywords by collecting relevant literature and survey instruments on advocacy and then discussing those materials with one another (key resources include: Jenkins 2006; Berry and Arons 2003; Strolovich 2007; Leroux and Goerdel 2009; Guo and Saxton 2010; Mosley 2013). We considered including many different keywords besides those listed in Appendix A, but we felt that we could achieve greater conceptual clarity by concentrating on a limited set of terms that align with policy advocacy. We then constructed two samples of 800 cases each, composed of 240 random sentences (30%) and 560 potential advocacy sentences (70%). About 15% of the 800 sentences (N=100) were common in both samples. Two human annotators coded the sentences in each list for whether they were about advocacy, generating a training set of 1,500 “gold” labels: 676 true positives (sentences about advocacy) and 824 true negatives (sentences not about advocacy).

The correlation between the annotators for the 100 cases they both coded was substantially high (.74), for a Krippendorff’s Alpha close to 0. By combining random sentences with potential advocacy sentences, we were able to inflate the number of advocacy-related statements and construct a balanced training set. The next step was to use this list of true positive and negative cases to train a machine learning classifier. To do so, we needed to decide the text features we would use during training as well as the particular machine learning algorithm to train. After cross-validating several options (see *Appendix B*), we decided to use an ensemble of algorithms (Support Vector Machine and Naive Bayes) with high levels of precision (87%) and recall (60%).[[2]](#footnote-2) We then used the trained model to predict which sentences contained advocacy-related language, and we built the dependent variable: the proportion of sentences in a community foundation website that discussed advocacy.

*Independent Variables*

We incorporate two independent variables for each component of our conceptual frame, and we also include two controls. Beginning with environmental context, we have indicators for community wealth and political orientation, both of which are drawn from the most recent U.S. Census Bureau’s USA Counties Data. The indicator for community wealth is a factor created from four variables using the principal factor method: per capita income, median household income, percentage of people in poverty, percentage of people with a Bachelor of Arts (BA) degree or higher. The data reduction method produced just one factor with an Eigenvalue greater than one (2.80), which we interpret as capturing the latent concept of community wealth. For the political orientation of a community, we include a measure of support for the Democratic candidate in the 2008 presidential election. As Table 1 indicates, approximately 51 percent of people in the counties represented by our dataset voted Democrat.

[Table 1 about here]

For institutional logics, we concentrated specifically on capturing a community logic with a measure for discourse and two alternative measures for the funding model. Data for the discourse measure come from Foundation Center organizational profiles, which were scraped using Visual PBD (Chasins et al. 2015; Foundation Center 2017a). To establish a common definition, three different coders first read and evaluated the text for the same 100 community foundations (the correlation among coders was between .68-.75). The coders then discussed differences among them and applied the finalized definition to the remaining organizational profiles. As an anonymized example, the following mission statement was coded as reflecting a community logic: “To promote civic pride and cohesiveness, acquire and preserve open space, improve beaches and parkland, raise and grant funds, and sponsor diverse cultural programs and community events in [location].” As a contrast to organizational discourse, we utilized donative revenue to represent a funding model with a community logic. We coded this indicator from IRS data in two ways, as a proportion of total revenue and as a primary revenue source (greater than 50 percent). As Table 1 indicates, 36 percent of community foundations exhibit a community logic based on discourse, the average proportion of donative revenue was .64, and 73 percent of community foundation derived more than half of their revenue from donations.

As with one of the indicators for community logic, our measures for community foundation identity and embeddedness are based on Foundation Center organizational profiles (Foundation Center 2017a). For the measure of social justice identity, we sought to identify community foundations that specifically referenced “social justice” or “social movement” in their organizational profiles, which not surprisingly was very rare (3 percent). As an anonymized example, the following mission statement was coded as reflecting a social justice identity: “The foundation seeks to fund and encourage activism among community-based organizations in underserved areas of [location]. The foundation supports groups challenging attitudes, policies, or institutions as they work to promote social, economic, and racial justice.” To capture community foundation embeddedness, we counted the number of memberships and affiliations that community foundations listed on their Foundation Center organizational profiles. The memberships that community foundations listed were a mix of local, regional, and national organizations. Unlike relationships that are bounded within the environmental context (which we delimit as the county level), embeddedness here refers to participation in intermediary organizations that constitute a broad “community of practice” for foundations. Though some community foundations did not list any memberships at all (95), the majority had at least one membership, with an overall average of about 2.5 per organization.

The fourth and final set of independent variables align with the conceptual frame for managerialism. We include one measure for professionalization and one indicator for rationalization. Following other research on the professionalization of foundations, our measure emphasizes overhead costs in the form of salaries (Stewart and Faulk 2014). We started by creating a sum for community foundation salaries using lines 5-10 of the IRS Form 990 (Part IV). We then defined professionalization as the proportion of community foundation expenditures that were dedicated to salary. As Table 1 demonstrates, the average level of professionalization in a community foundation is 13 percent, though the standard deviation of .11 indicates that some foundations spend very little on salary and some dedicate considerable resources to supporting professional staff. For our measure of rationalization, we focus on community foundation reliance on consultants. Whether or not organizations hire consultants has been a component of prior organizational rationalization measures, although those measures also tend to include a collection of other actions (Hwang and Powell 2009). We emphasize consultants because the IRS Form 990 (Lines 11a-g of Part IX) has information on seven different domains of consulting activity. We created an index based on the distinctive types of consultants a community foundation employed; the measure shows that community foundations hired in an average of three different domains.[[3]](#footnote-3)

The majority of firm-level research includes controls for organizational size and age, and we follow this convention. The age of a community foundation is based on the date of its incorporation with the IRS, and our data indicate that most are relatively young, with an average of approximately 27 years. For the size of community foundations, we considered two different measures drawn from IRS data, assets and expenditures. The correlation between the measures is very high and the model results do not differ depending on which we use; we opted for assets and the indicator is logged to reduce skewness (see Appendix C for a correlation table of all independent variables and controls). Since our dependent variable is continuous, we model the determinants of community foundation advocacy utilizing ordinary least squares regression, with standard errors clustered at the state level to reduce the likelihood of omitted variable bias (Washington, D.C. was included as a unique cluster).

**Results**

Table 2 presents the results from our five models, one for each of the lines of argument in our conceptual frame followed by the main, full model.[[4]](#footnote-4) The first model attends exclusively to the external environment for community foundations. As the model demonstrates, community wealth and political liberalism have positive and statistically significant effects. While the beta coefficients for the variables are rather small, in this model and in those we discuss subsequently, it is important to emphasize that the proportion of sentences that a community foundation dedicates to advocacy understandably is quite low. Since even the community foundations that engage in considerable advocacy discourse also utilize their websites for a host of other purposes (like soliciting donations, describing programs, presenting the biographies of staff and board, etc.), uncovering evidence of statistical significance for any single indicator is rather notable – regardless of its effect size.

[Table 2 about here]

The second model attends to the conceptual frame for institutional logics, and the model also includes controls for the community foundation size and age.[[5]](#footnote-5) In model 2a, the independent variables are community logic as discourse and donative revenue as a percentage of total revenue; in model 2b we once again include community logic as discourse, but we replace donative revenue as a percentage of total revenue with a dichotomous measure for donative dominance. As with the independent variables in the prior model, all of the measures for community logic in model 2 (a and b) are positive and statistically significant. Model 3 introduces the variables for identity and embeddedness, once again with controls for organizational size and age. Following the pattern established in the prior models, both independent variables are positive and statistically significant. Model 4 aligns with our conceptual frame for managerialism. Though professionalization has a strong positive effect on advocacy discourse, the indicator for rationalization is positive but not statistically significant.

Model 5 includes all of the independent variables from the prior models, along with the organizational controls. Following the convention established with our analysis of institutional logics, we present a full model with an indicator for donations as a percentage of total revenue (5a) and a full model using donative dependence as an alternative measure (5b). The results from earlier models generally are robust, and the full model explains 17 percent of the variance in the proportion of sentences on community foundation websites dedicated to advocacy. Looking at each aspect of the conceptual frame, the environmental context clearly matters for community foundation engagement in advocacy, with the indicator for wealth remaining statistically significant. The line of argument for institutional logics weakens the most in the full model, though the measure for community logic remains statistically significant at the p<.10 level and one measure for funding model (donative dependence) is statistically significant at the p<.05 level. The measures for identity and embeddedness are robust, as is the measure for professionalization.

To clarify the magnitude of the beta coefficients presented in Table 1 and to demonstrate the effects of the predictors using a common metric, Figure 1 shows the marginal effect sizes of the independent variables for the main models (5a and 5b). The plots in Figure 2 present the marginal effect of moving one standard deviation from the average value, with the percentage point effect shown in a 0-100 scale; a standardized coefficient of .4 thus translates to an increase in .4 percentage points. Since community foundations dedicate an average of 2 percent of sentences on their websites to advocacy, moving to 2.4 from an independent variable would be a rather large effect size and substantively meaningful because it implies a 20 percent increase. As the plots for Model 5 show, a standard deviation change in several indicators – wealth, donative dominance, memberships, social justice, and professionalization – produces at least a .1 percentage point change in advocacy sentences on community foundation websites. Taken together, all aspects of the conceptual frame appear to be meaningful for understanding community foundation engagement in advocacy, setting an agenda for additional research.

[Figure 1 about here]

**Discussion**

Research on the diverse roles of foundations as interest groups is beginning to gather considerable momentum. Studies on the role of foundations as patrons has the longest history, indicating that grants from philanthropic organizations can have a positive influence on social change, yet in the past these funds have tended to be modest and often weakened the commitment of recipients to grassroots organizing (Jenkins 1989, 1998; Goss 2007). A recent line of research indicates that the philanthropic sector is undergoing institutional change, sometimes described as the emergence of a “New Gilded Age” or a “New Golden Age,” and the growing willingness of foundations to influence the policy process is an important aspect of the transformation (Reckhow 2013, 2016; Quinn et al 2014; Goss 2016; Hertel-Fernandez 2016; Tompkins-Stange 2016; Callahan 2017). Because extant research on foundation involvement in advocacy has emphasized private foundations, we chose to provide a novel point of comparison for building theory by concentrating on community foundations, and we also contribute to research on foundations as interest groups by establishing a transparent and replicable definition of advocacy that can be contested or validated.

Beginning with our methodological contribution, establishing a consistent definition of advocacy has been a challenge for research on nonprofits (including foundations) and other types of interest groups. One solution, especially common in political science research, is to define the activity as lobbying and to define an interest group as an organization with lobbying expenditures (Walker 1991; Berry 1999; Mahoney 2007). This approach has the advantage of eliminating ambiguity about the activity being measured, yet lobbying is just one of many different activities that organizations undertake to produce social change (Berry and Arons 2003; Jenkins 2006; Reid 2006; Strolovich 2007; Leroux and Goerdel 2009; Guo and Saxton 2010; Mosley 2013). We develop a broad measure for policy advocacy and its prevalence on websites utilizing machine learning techniques (Wilkerson and Casas 2017). Some may dispute our definition as too narrow because we decided that some activities like promoting civic engagement do not constitute policy advocacy, and some may dispute our definition as too broad to be applicable for research on private foundations because, unlike the community foundations we study in this paper, those actors cannot lobby. We nevertheless contribute to the development of an inclusive measure that reflects the breadth of activities represented by the concept.

We also make a substantive contribution by extending and complementing extant theory on foundations as interest groups. The determinants of foundation strategy have received surprisingly little scholarly attention, and we establish a conceptual frame for explaining engagement in advocacy that emphasizes environmental context and organizational structure. The results from our analysis reveal that community wealth and features of community foundations such as relational embeddedness, identity, and professionalization have a positive effect on the use of organizational websites for advocacy. Though less robust, our results indicate that greater reliance on donations and the political liberalism of the community in which community foundations are located also may impel the use of websites for social change activity. Even though we have attempted to capture the primary drivers and determinants of community foundation engagement in advocacy, like our definition of advocacy, our conceptual frame is subject to revision. For instance, some studies have drawn attention to, and raised considerable concerns about, venture philanthropy and the growth of market-based forms of grantmaking (Eikenberry and Kluver 2004; Edwards 2008; Moody 2008; Nickel and Eikenberry 2009; Webb Farley et al 2018). We attempt to address this trend in our conceptual frame by attending to institutional logics, yet novel research could develop alternative measures or refine the conceptual frame to better capture how the prevalence of a market logic in philanthropy influences foundation engagement in advocacy.

In addition to building theory on community foundations as interest groups, we contribute by setting an agenda for research that contrasts community foundation advocacy with advocacy by other organizations in the philanthropic landscape. Public foundations are permitted to lobby as long as it is not a substantial part of their work, and this might drive some of our results; the determinants of private foundation engagement in advocacy might be quite unique since corporate, independent, family and operating foundations are not permitted to lobby. Because the regulatory frameworks for public and private foundations differ, in other words, we cannot generalize our findings beyond community foundations. At the same time, even though the nonprofit sector has become more politicized over time, considerable misunderstanding persists about which activities are restricted, and public charities are especially unlikely to lobby (Berry and Arons 2005; Bass et al 2007; Suárez and Hwang 2008; Mosley 2013). Whether the general willingness of foundations to engage in advocacy or the advocacy tactics they utilize differ markedly across institutional form (public versus private) or even among private foundations (corporate independent, family, and operating) remains an open question. With our conceptual frame, we establish a framework for comparative studies by identifying aspects of the external environment and organizational characteristics associated with community foundation engagement in advocacy.

While our study of advocacy discourse on community foundation websites emphasizes a broad conceptualization of the activity, the research also could be extended and refined in several directions. To begin with, our outcome measure – the proportion of sentences on a website dedicated to advocacy – does not distinguish among the tactics that these organizations mention on their websites. A distinction made in some of the literature on interest groups and advocacy organizations is participation in insider and outsider forms of advocacy (Dur and Mateo 2016). Some community foundations may focus exclusively on lobbying and other insider tactics that involve contact with legislators while others may limit involvement to outsider tactics like local organizing and grassroots mobilization. Besides attending to the distinction between insider and outsider tactics, future research could build on our work by exploring whether a foundation engages in advocacy directly or indirectly. Some foundations engage in advocacy directly, for instance by taking public positions on issues, and some community foundations advocate indirectly by providing grants for organizations to engage in the activity. Whether or not community foundations differ systematically with respect to tactics (insider/outsider) or approaches (direct/indirect) is unclear, and research on these topics is critical for developing a better understanding of foundations as interest groups. In conclusion, our conceptual frame and our methods for defining advocacy mark our primary contributions, but we also establish a viable agenda for future research.

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Table 1. Variables, Means, and Standard Deviations (N=590)

|  |  |  |
| --- | --- | --- |
|  | Mean | S.D. |
| Dependent Variable |  |  |
| Proportion of Sentences Containing Advocacy Language | .02 | .01 |
| Independent Variables |  |  |
| *Environmental Context* |  |  |
| Community Wealth | -.01 | .93 |
| Political Liberalism | 51.12 | 13.02 |
| *Institutional Logics* |  |  |
| Community | .36 | -- |
| Donative Revenue (percent) | .64 | .23 |
| Donative Dominance | .73 | -- |
| *Identity and Embeddedness* |  |  |
| Memberships | 2.54 | 3.19 |
| Social Justice | .03 | -- |
| *Managerialism* |  |  |
| Rationalization | 2.83 | 1.16 |
| Professionalization | .13 | .11 |
| *Controls* |  |  |
| Size (logged assets) | 16.88 | 1.78 |
| Age | 26.74 | 16.05 |

Sources: U.S. Census (2010), Community Foundation Atlas (2017), Community Foundation Websites (2017), Council on Foundations (2017), Foundation Center (2017), Internal Revenue Service (2017), National Center for Charitable Statistics (2017)

Table 2. Summary of Predictors of Community Foundation Website Advocacy, OLS Models (N=590)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| VARIABLES | 1 | 2a | 2b | 3 | 4 | 5a | 5b |
|  |  |  |  |  |  |  |  |
| *Environmental Context* | |  |  |  |  |  |  |
| Community Wealth | .0026\*\*\* |  |  |  |  | .0019\*\* | .0018\*\* |
|  | (.0006) |  |  |  |  | (.0006) | (.0006) |
| Political Liberalism | .0001\*\*\* |  |  |  |  | .0001**+** | .0001**+** |
|  | (.0023) |  |  |  |  | (.0000) | (.0000) |
| *Institutional Logics* |  |  |  |  |  |  |  |
| Community Logic |  | .0046\*\* | .0046\*\* |  |  | .0023**+** | .0023**+** |
|  |  | (.0014) | (.0014) |  |  | (.0011) | (.0012) |
| Donative Revenue |  | .0048\* |  |  |  | .0028 |  |
|  |  | (.0024) |  |  |  | (.0019) |  |
| Donative Dominance |  |  | .0035\*\* |  |  |  | .0026\* |
|  |  |  | (.0011) |  |  |  | (.0010) |
| *Identity / Embeddedness* |  |  |  |  |  |  |  |
| Memberships |  |  |  | .0011\*\*\* |  | .0007\*\* | .0001\*\* |
|  |  |  |  | (.0002) |  | (.0002) | (.0002) |
| Social Justice |  |  |  | .0098\* |  | .0082\* | .0082\* |
|  |  |  |  | (.0042) |  | (.0039) | (.0038) |
|  |  |  |  |  |  |  |  |
| *Managerialism* |  |  |  |  |  |  |  |
| Professionalization |  |  |  |  | .0188\*\*\* | .0133\*\* | .0137\*\* |
|  |  |  |  |  | (.0053) | (.0042) | (.0043) |
| Rationalization |  |  |  |  | .0010 | .0003 | .0003 |
|  |  |  |  |  | (.0006) | (.0006) | (.0006) |
|  |  |  |  |  |  |  |  |
| *Controls* |  |  |  |  |  |  |  |
| Age |  | .0001**+** | 0.0001**+** | .0001**+** | .0001 | .0001**+** | .0001\* |
|  |  | (.0000) | (0.0000) | (.0000) | (.0000) | (.0000) | (.0000) |
| Assets |  | -.0000 | -0.0001 | -.0010**+** | .0003 | -.0008 | -.0008 |
|  |  | (.0004) | (0.0004) | (.0005) | (.0005) | (.0005) | (.0005) |
| Constant | .0076\*\*\* | .0096 | .0111 | .0271\*\*\* | .0033 | .0164\* | .0166\* |
|  | (.0023) | (.0071) | (.0071) | (.0080) | (.0066) | (.0076) | (.0077) |
| *R-squared* | .08 | .05 | .06 | .11 | .04 | .17 | .17 |

Standard errors (clustered at state-level) in parentheses

\*\*\* p<0.001, \*\* p<0.01, \* p<0.05, **+**p<.10

Sources: U.S. Census (2010), Community Foundation Atlas (2017), Community Foundation Websites (2017), Council on Foundations (2017), Foundation Center (2017), Internal Revenue Service (2017), National Center for Charitable Statistics (2017).



Figure 1. Marginal Effect Sizes of Predictors of Community Foundation Website Advocacy, OLS Models (N=590)

Appendix A

We provide here the list of the terms we used to identify, among all 1,444,226 sentences, advocacy discourse. Note that in order to perform this task, these terms and all words in the complete corpus of sentences were stemmed using a Porter stemmer. As an example, the first stem “advoc” allowed us to find sentences that had the word advocacy but also the word advocate in them.

* advoc
* advocaci
* lobbi
* public educ
* public polici
* justic
* civil rights
* reform mobil
* protest
* ralli
* public opinion
* legisl
* congress
* judici
* grassroot

Appendix B

We report here the cross-validated accuracy of different pre-processing configurations and machine learning algorithms that motivated our final selections. We tested three different pre-processing configurations and four machine learning models.

Pre-Processing Configurations

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1 | 2 | 3 |
| Remove punctuation: delete punctuation signs. | YES | YES | YES |
| Remove numbers: delete numbers present in the text | YES | YES | YES |
| Remove stopwords: delete common words such “I” and “we” | YES | YES | YES |
| Make all text lowercase | Upper | Lower | Lower |
| Stemming: keep only the stem-root of words (Porter stemmer) | NO | NO | YES |

Machine Learning Models

1. NB (Naive Bayes).
2. SVM (Support Vector Machine).
3. ENSEMBLE: Logistic Regression using NB and SVM predicted probabilities as features.
4. DOC2VEC: Logistic Regression using document embeddings as features. Document embeddings of length 100 were predicted using a Doc2Vec model (Le and Mikolov 2014) trained (300 forward and backward propagation iterations) on our labels.

In Figure A1, we report precision and recall measures calculated using 100-fold cross-validation and a 70-30 train-test split. The three subfigures in the top row report the results for the NB model, the three subfigures in the second row report the results for the SVM model, the results for the Ensemble are in the third row and the ones for the Doc2Vec model are in the bottom row. The subfigures on the left contain results when using the 1st pre-processing configuration, the subfigures in the middle show the results when using the second configuration, and the subfigure on the right provide accuracy measures when using the third configuration. Independently of the pre-processing set up, all models were trained using unigram, bigram, and trigram features from the remaining text. We find that the model with the highest predictive accuracy is the Ensemble model trained with features coming from the second pre-processing configuration. We get very satisfactory results for that model and configuration, 83% precision and 70% recall. These precision and recall percentages are based on predictions made by a logistic regression using a 50% probability threshold: sentences with a predicted likelihood higher than 50% are classified as being about advocacy. As can be seen in Figure A2, by increasing this probability threshold from 50% to 60% during testing we reduced recall but we were able to increase the model precision to 87%. Since our main concern was to be as certain as possible about the predicted true positives, we opted for a 60% probability threshold during classification.

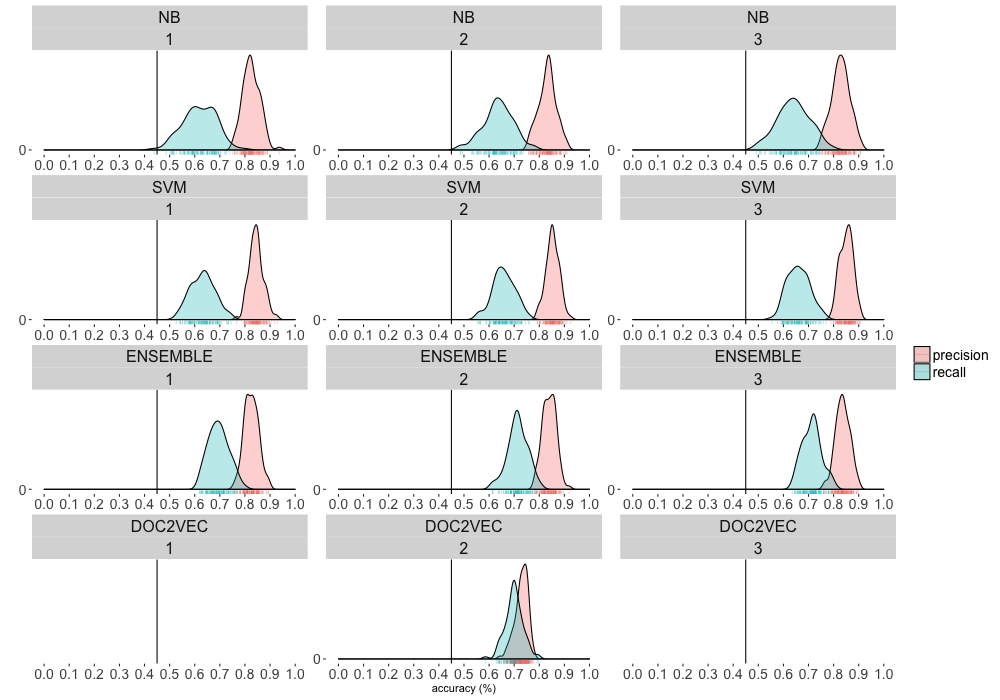


Figure A1. Precision and Recall for a Variety of Machine Learning Models Predicting Sentences about Advocacy

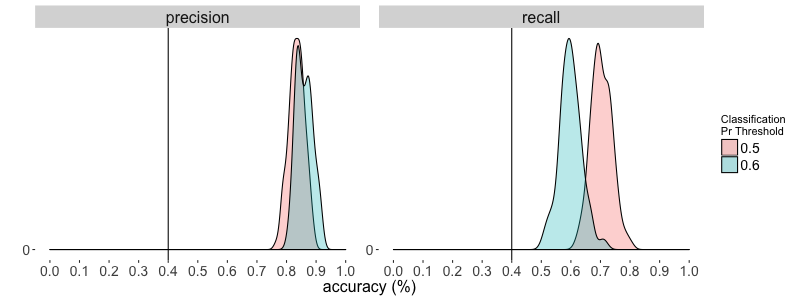


Figure A2. Precision and Recall Using a 50% vs. 60% Probability Classification Threshold (Ensemble Model)

Appendix C. Correlation Table

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Comm Wealth | Political Liberalism | Commun Logic | Donation | Donative Dom | Embedded | Social Justice | Profession | Rational | Age | Assets |
| Comm Wealth | 1 |  |  |  |  |  |  |  |  |  |  |
| Political Liberalism | .31 | 1 |  |  |  |  |  |  |  |  |  |
| Community Logic | .20 | .27 | 1 |  |  |  |  |  |  |  |  |
| Donations | .18 | .08 | .06 | 1 |  |  |  |  |  |  |  |
| Donative Dominance | .16 | .07 | .07 | .82 | 1 |  |  |  |  |  |  |
| Embeddedness | .21 | .37 | .33 | .08 | .11 | 1 |  |  |  |  |  |
| Social Justice | .14 | .22 | .18 | .02 | .05 | .49 | 1 |  |  |  |  |
| Professionalization | .03 | .02 | -.04 | -.12 | -.11 | -.02 | .09 | 1 |  |  |  |
| Rationalization | .17 | .23 | .23 | .04 | .07 | .39 | .13 | -.08 | 1 |  |  |
| Age | .04 | .10 | .17 | -.21 | -.15 | .25 | .06 | -.07 | .21 | 1 |  |
| Assets | .07 | .23 | .32 | -.06 | .02 | .57 | .22 | -.26 | .53 | .44 | 1 |
|  |  |  |  |  |  |  |  |  |  |  |  |

1. Since some sentences (such as titles) did not have a period at the end, we decided to use new line (“\n”), horizontal tab (“\t”), and carriage return (“\r”) markers as delimiters, in addition to periods. [↑](#footnote-ref-1)
2. The random baseline (the probability of correctly classifying a sentence at random) was 45%. Higher precision than recall meant that our classifier was conservative. [↑](#footnote-ref-2)
3. We have data on whether or not community foundations commissioned independent audits, another common indicator of rationalization. We did not include the indicator because it was not statistically significant in any of our models and was less informative than the index we created about consulting. [↑](#footnote-ref-3)
4. All models are Ordinary Least Squares (OLS) regressions. In order for these models to produce unbiased estimates, 6 main assumptions need to be met: 1) the outcome should be the function of additive parameters, 2) the observations used for estimation should be representative of the population of interest, 3) the predictive errors should have mean zero, 4) none of the predictive variables should be perfectly collinear, 5) the variance of the predictive errors should be constant (homoscedastic errors), 6) the predictive errors should be normally distributed. We believe that in our case these assumptions are met: a) we theoretically envision the covariates of interest to have an additive effect on the outcome, b) we collected data for a large and representative number of community foundations, c) the predictive errors have mean zero, d) none of the variables are collinear (we never include variables representing the same dimension in the same model --e.g. *Donative Revenue* and *Donative Dominance*--), e) the models generate homoscedastic errors, and f) the distribution of the predictive errors follow a quasi-normal distribution (for some of the models the distribution is slightly right skewed). [↑](#footnote-ref-4)
5. In addition to the controls presented in the table, in preliminary models we tested a variety of alternative and additional controls. Since none of them changed the main results or added meaningful explanatory power, we decided to present parsimonious models. [↑](#footnote-ref-5)