

Chapter 4

Chasing Soft Money for an Institution of Higher Education

Shalin Hai-Jew

 <https://orcid.org/0000-0002-8863-0175>

Hutchinson Community College, USA

ABSTRACT

“Soft money” refers to external funding sources for an organization, including grant funding, as compared to “hard money,” which is ongoing funding. For employees, it is preferable to be hired on a hard money budget because to be hired on a soft money one may mean job insecurity (temporariness), limited benefits, and other challenges. This work explores chasing soft money for a public two-year institution of higher education (IHE) entails in the particular time period (post-pandemic) and after a year of having trained the workforce to professional understandings of grant seeking. Along the way are further lessons learned, too, for the grant writer.

INTRODUCTION

At heart, an institution of higher education (IHE) has to exist in a competitive financial environment. While many imagine higher education as a high-minded endeavor, which should be “free,” that is not the on-ground reality. One researcher writes:

Higher education is a business: it produces and sells educational services to customers for a price and it buys inputs with which to make that product. Production is subject to technological constraints. Costs and revenues discipline

DOI: 10.4018/979-8-3373-0407-6.ch004

decisions and determine the long-run viability of a college or university. (Winston, 1999, p. 13)

The higher education space is a contested one. There are incursions by private industry, with for-profit entities working to reduce market share of the non-profit IHEs. There is fierce competition among the various private and public IHEs. Artificial intelligence (AI) itself is making inroads into the space. Government officials at the federal and state levels are proposing various types of defunding efforts, to push a greater share of the responsibility for funding from the public sphere into the private one and into the pocketbooks of the learners themselves (whether citizens or non-citizens).

Public IHEs attain revenues through various sources: mandatory grants, discretionary grants; tuition income; commercial revenue; fund-raising, and donative (donation-based) revenues. An IHE braids a number of different funding sources in order to function: government funding (federal, state, and local), tuition, fees, endowment funds, donations and gifts, revenue from on-campus housing, grants, partnerships, investment income, fundraising campaigns, hard earmarks, patronage, and others. [International grants relevant to the higher education space are rarer, especially for two-year IHEs, without research acumen. There are export restrictions, too, with data, so international entities' grant offerings need to be viewed with care.]

More regular and reliable funding sources provide so-called "hard money"; these can be counted on for regular funding and integrated into longer term planning. These come from federal block grants, in most cases, in terms of public higher education. Such funds are foundational to an institution of higher education's functioning. To be a line item on a hard money budget is much more secure for employees than if they are hired on soft money. More transient funding sources are known as "soft money." These cannot be counted on. These are episodic. These run for a time and often discontinue. Some soft monies are rolling grants, and many of these only provide for a small part of the total funding required for particular projects or programs. Some think of soft monies as supplementary to hard monies, but the truth is that both types are critical to the well-functioning of IHEs.

When grant funding finishes, programs have to move from soft grant funds to hard funds, or they have to sunset the program. The work of trying to preserve a program involves hard work. One work writes:

Changing institutional culture, building a strong advocacy group, and gaining the support of key administrators are essential to program continuance. (Everley & Smith, 1996, p. 209)

Often, busy administrators may not be aware of the various programs unless there is an event that highlights the program. The idea of program continuance or discontinuance may not come to mind. IHEs have been taking on more of a responsibility for the costs of providing higher education (Johnstone, 2006).

16 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/chasing-soft-money-for-an-institution-of-higher-education/386253

Related Content

Hard Money vs. Soft Money and the Battle for Higher Education's Future: How Universities Can Leverage Both to Survive and Thrive

Ujjwal Tyagi and Amit Kumar (2026). *Financial Survival in Higher Education* (pp. 181-210).

www.irma-international.org/chapter/hard-money-vs-soft-money-and-the-battle-for-higher-educations-future/386257

Exporting Activity at Turning Point: Continuity and Viability of Greek Manufacturing SMEs

Christos Lemonakis, Eleni Batzanakaki, Stylianos Steiakakis and Alexandros Garefalakis (2019). *International Journal of Corporate Finance and Accounting* (pp. 28-44).

www.irma-international.org/article/exporting-activity-at-turning-point/234336

Model and Model-Driven Methodology

(2014). *Post-Keynesian Empirical Research and the Debate on Financial Market Development* (pp. 115-157).

www.irma-international.org/chapter/model-and-model-driven-methodology/108152

The Relationship Between Foreign Direct Investment and Financial Development in OECD Countries

Metin Gürler and Funda Kara (2020). *Handbook of Research on Decision-Making Techniques in Financial Marketing* (pp. 206-226).

www.irma-international.org/chapter/the-relationship-between-foreign-direct-investment-and-financial-development-in-oecd-countries/241699

Has the Composition of the Greek Banking Sector Investment Portfolio Contributed to the Greek Economy Financial Crisis?

Nikolaos Eriotis, Konstantinos Kollias and Theodoros Kounadeas (2021). *International Journal of Corporate Finance and Accounting* (pp. 1-11).

www.irma-international.org/article/has-the-composition-of-the-greek-banking-sector-investment-portfolio-contributed-to-the-greek-economy-financial-crisis/285968