

The Correlation between For-profit Behavior and Endowment Income of Public Welfare Foundations

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Abstract

With the development of public welfare foundations, public welfare foundations no longer rely solely on the traditional way of social donations and grants, For-profit behavior gradually becomes an important means for public welfare foundations to obtain resources, and the relationship between For-profit behavior and foundation endowment income has been a hot issue of theoretical concern. The article empirically examines the impact of For-profit behavior on endowment income using the data published by public benefit foundations from 2013-2018 as the research sample. The results show that capital market investment and incidental For-profit have a negative impact on endowment income, and income from providing public services has a positive impact on endowment income. Further research shows that the impact of For-profit behavior on endowment income varies depending on the nature of the organization. The findings of the article enrich the research on For-profit behavior of public benefit foundations and have implications for further strengthening the governance of public benefit foundations.

Keywords

Public Benefit Foundation; For-profit Behavior; Donation Income.

1. Introduction

In 2020, a sudden epidemic plunged the country into a panic over the new coronavirus, halting work, production and schooling and seriously affecting people's normal order of life. As the nation rushed to Hubei and fought the war against the epidemic, the Wuhan Red Cross Society, the recipient of the donations, was thrust into the limelight because government officials were able to take scarce medical supplies from the Red Cross at will. The irregular distribution of donations by the Wuhan Red Cross once again raised concerns about public welfare foundations. However, with the gradual stabilization of the epidemic in China, public opinion has gradually calmed down. Behind the scandal are internal governance deficiencies and poor oversight by regulators, and the focus is once again on nonprofit organizations such as public interest foundations.

With the increase of social demand for public service, public interest foundations have been growing rapidly in recent years, but they are facing more and more challenges, the first of which is how to obtain public interest resources. Public welfare resources are the material resources, human resources and funds that civil organizations need to achieve their missions and provide public welfare services. However, most of China's public welfare foundations have a weak foundation and generally suffer from a lack of public welfare resources and a weak ability to survive. Because of the lack of resources, foundations are stretched to the limit and face many practical difficulties in carrying out their public service. One of the first problems to be solved is access to funds. Due to the "non-profit" and "public welfare" characteristics of public welfare foundations, the main source of income for foundations is social donations. However, the single source of income cannot guarantee the financial stability of the foundation. In order to reduce

the financial vulnerability of the foundation, the foundation tries to increase its income through some For-profit activities. However, For-profit behavior seems to be contrary to the nature and purpose of foundations, so it is of theoretical importance to investigate the impact of For-profit behavior on the income of foundations.

The possible contributions of this paper are (a) there are few studies on the For-profit behavior of nonprofit organizations such as public welfare foundations, which enriches the research in the field related to the For-profit behavior of public welfare foundations; (b) in the existing research literature on the For-profit behavior of nonprofit organizations are mostly normative studies, which explore basically the relevant theories, this paper uses the data of foundations from 2013-2018 to conduct empirical research, which enriches the research methodology; (iii) this paper divides public welfare foundations into public and non-public foundations according to their nature, and examines the impact of For-profit behavior of public and non-public foundations on the donation income of public welfare foundations respectively, which provides a reference for the differentiated management of foundations of different nature.

2. Literature Review and Hypothesis Formulation

In recent years, under the new situation of China's economic and social development, public welfare foundations are playing an increasingly important role in philanthropy and social assistance. Although public welfare foundation managers do not have the pressure of operating profits like Profit-making organizations, they also need sufficient funds to fulfill their charitable missions. However, many charitable foundations have encountered many difficulties in their growth due to single source of funding and low management level, and financial vulnerability is one of the key issues that hinder the advancement of organizations. In order to reduce the financial vulnerability and improve the financial stability of civil society organizations, more and more philanthropic foundations are trying to expand their income channels through For-profit ventures.

Second, according to resource dependency theory, public benefit foundations need endowment income from the social environment to sustain the organization's operations, and the organization depends on resources outside the organization for its survival. But dependence on any single source of income can greatly affect the structure and financial stability of a public benefit foundation, and a single source of endowment income does not guarantee the financial stability of the organization. If, for example, the economic situation deteriorates, leading to a decline in the volume of donations from the community, or if a donor is lost for some reason, a public benefit foundation may struggle with a lack of resources and experience difficulties in its daily operations and in achieving its charitable mission. Thus, Tuckman and Chang (1994) point out that organizations that are overly dependent on public donations are more vulnerable to the effects of income fluctuations than organizations that operate under *quid pro quo* conditions. Therefore, the fundraising environment is very unstable for philanthropic foundations, so they have a strong need to reduce their resource dependence and to obtain more ways to obtain revenue.

The profitability of public welfare foundations is mainly reflected in two aspects, one is to provide services to the society for a certain fee, for example, the government purchases the services of some ecological and environmental protection organizations to achieve the ecological and environmental monitoring and treatment through these organizations; on the other hand, the public welfare foundations make commercial investments without violating the relevant laws and regulations, such as participating in capital. On the other hand, it is the commercialization of investment by public welfare foundations without violating relevant laws and regulations. Han Zhenyan (2017), a domestic scholar, made a more comprehensive analysis of nonprofit organizations' use of commercial business models to carry out For-profit behaviors,

arguing that creating income through For-profit projects and broadening income channels have become the direction of revenue generation for public welfare foundations. Han Xinbao and Li Zhe (2010), drawing on the funding model of nonprofit organizations in the United States, suggest that public welfare foundations in China can broaden their funding channels by expanding their independent income generation, and can engage in For-profit behaviors such as service fees and commercial investments. So can the For-profit behavior of public welfare foundations increase the endowment income and reduce the financial vulnerability of public welfare foundations?

The existing literature is rich in studying the factors influencing endowment income, but there is less literature examining the impact of For-profit behavior on endowment income. In terms of external governance and endowment income, Li Minghui et al. (2019) argue that auditor quality has a significant contribution to endowment income after the Guo Mei Mei incident. Li, L. et al. (2012) argue that when foundations choose the top 100 firms to audit, they can effectively achieve the governance function of auditing and attract more donors to make donations; when foundations choose the winning firm from the Ministry of Civil Affairs to audit, they cannot effectively achieve the governance function of auditing and thus cannot significantly increase donation income. Some scholars have also studied the impact of financial transparency of public welfare foundations on endowment income, and the more general conclusion reached is that information transparency has a significant positive impact on endowment income (Liu Lilong et al., 2018; Cheng Xiewu et al., 2018). In terms of internal governance and endowment income, Guo Ce (2017) argues that foundation executive compensation has a positive impact on endowment income, and that this effect is more significant in public foundations. Yan Kegao (2017) argues that expanding board size and increasing political affiliation can have a positive impact on endowment income, and the high age of board members has a negative impact on endowment income. As can be seen, more scholars explore the impact on endowment income from the perspective of internal and external governance factors of public benefit foundations, but the existing literature on For-profit behavior and nonprofit organization income studies is relatively small and usually studies a specific industry. Domestic scholars Wenmin Li and Gang Yin (2016) concluded in a mixed-strategy Nash equilibrium analysis that when the higher the cost of regulation, the government will relax the regulation of private nonprofit hospitals, and private nonprofit hospitals will earn more revenue through some For-profit behaviors. This suggests that the Profit-making behavior of non-profit organizations is influenced by the government's regulation. In studying the impact of For-profit behaviors on organizational performance, Zhang Siqiang (2019) argues that For-profit behaviors such as investment income, fees for public service and other income of nonprofit organizations can negatively affect social giving. Although scholars have studied the For-profit behavior of public benefit foundations, the research results are relatively few. In this paper, we will empirically investigate the impact of For-profit behavior on endowment income by using data from 2013-2018 public benefit foundation meetings.

2.1. Investment Income and Social Donation Income

Many philanthropic foundations have surplus accumulated funds that provide working capital for philanthropic foundations in the event of unknown contingencies, which some scholars refer to as "rainy day" funds (Weisbrod and Asch, 2010). Like most businesses, a growing number of foundations are using their surplus funds to invest in capital markets to generate investment income to support their day-to-day operations and philanthropic activities, including interest, dividends, and capital gains (Bowma et al., 2007). The capital market investment of public welfare foundations is also a kind of Profit-making behavior, and this Profit-making behavior is both rewarding and risky, and the profit of investment will increase

the public welfare resources of public welfare foundations, while the loss of investment will reduce the public welfare resources to a certain extent. On the other hand, the purpose of a public benefit foundation is to achieve a specific public benefit mission, and the accumulation of public benefit resources may affect the achievement of the public benefit mission, which may be considered contrary to the non-profit purpose of the public benefit foundation, and therefore there is a risk that it is contrary to the purpose of the public benefit foundation. Donors may use this as a reason to reduce their donations, and pro bono income may decrease instead of increase. Therefore, based on the above analysis, the following hypothesis is proposed.

H1: A public foundation's investment income is negatively correlated with the organization's endowment income, i.e., the higher the investment income, the lower the endowment income.

2.2. Public Service Income and Social Donation Income

Public benefit foundation pro bono service income is the income earned by a public benefit foundation for services provided to those from whom it purchases services according to its charter and other provisions. U.S. nonprofits receive an important source of revenue from U.S. nonprofits by providing services to government and society and thus charging for those services (James and Young, 2007). For example, nonprofit organizations such as U.S. museums, sports bureaus, and nursing homes are based on an exchange basis by providing specific services and thus charging residents a certain amount of money. Other nonprofit organizations, such as AARP and the Farm Bureau, rely primarily on dues and donations, but they also provide public services to generate income and pay business income taxes (Tuckman and Chang, 2006). An increasing number of public benefit foundations in China are also generating income through the provision of services, thereby reducing the financial vulnerability resulting from a single source of income. By providing services to government agencies or social groups to increase revenue, public welfare foundations can send a positive signal to society that they are active and productive, and such commercialization can instill business management concepts into the organization, allowing it to operate more efficiently and achieve better results, thereby increasing the potential willingness of donors to give. Moreover, in the process of accepting the government's purchase of services, public welfare foundations establish a good relationship with the government, which helps nonprofit organizations to gain more revenue. According to Froelich (1999), in a heavily regulated nonprofit sector, where government affiliation may also influence a philanthropic foundation's access to service delivery, investment opportunities, and other revenue-generating activities, partnering with the government to provide social public services will likely help the foundation capture revenue. In addition, through the value creation process of partnering with government and the political networks that philanthropic foundations grow, managers can leverage the human and social capital of these political activities to increase endowment revenue. On the other hand, the process of service delivery by public benefit foundations will enhance good reputation and increase the social influence and credibility of public benefit foundations, which can lead to more social donation income. Therefore, based on the above analysis, the following hypotheses are proposed.

H2: There is a positive relationship between public service income and endowment income of public welfare foundations, i.e., the higher the public service income, the lower the endowment income.

2.3. Incidental Profit and Social Donation Income

Incidental profits are other income of private organizations. Incidental profits refer to income other than income from major business activities such as donations, service provision, government subsidies, and investment income, such as inventory surplus and net income from disposal of fixed assets. Incidental profits account for a relatively low proportion of a foundation's income, accounting for about 1% of the foundation's income, but they occur more frequently in the day-to-day operations of a foundation. Tinkelman (1999) argues that

investment income and other income have a crowding-out effect on endowment income, so there is a significant negative relationship between the two because when a foundation has more investment income and other income available to it investment income and other income are higher, the providers of capital to the foundation will believe that the organization is able to obtain income from other sources and will reduce their contributions to other income generating organizations. Moreover, given the current level of development of nonprofit organizations in China, the occasional Profit-making disposition of For-profit enterprises is contrary to the purpose of public benefit foundations, and donors may be less willing to give as a result. Therefore, given the current state of development of public benefit foundations in China, the following hypotheses are proposed.

H3: The contingent profit of a public foundation is negatively related to the organization's endowment income, i.e., the higher the contingent profit, the lower the endowment income.

3. Study Design

3.1. Data Sources

This paper selects foundations nationwide from 2013-2018 as a sample for analysis. The data in this paper were obtained from the charity information disclosure platform, the official website of the Ministry of Civil Affairs, and the foundation center website, and some data were collected manually. The data were processed as follows: (1) excluding data with incomplete information and abnormal data; (2) Winsorize 1% and 99% of relevant variables to reduce the tail. After the above processing, a sample containing 7239 observations was finally obtained.

3.2. Variable Description

3.2.1. Donation Income

The explanatory variable Don is the endowment income of public welfare foundations. This paper selects the endowment income of public welfare foundations published by Foundation Center Network for empirical study to test the impact of various For-profit approaches on endowment income separately, and the explanatory variables are measured by taking the natural logarithm of endowment income.

3.2.2. Profit Method

The explanatory variables include Inv, Sre, and Mis, which denote three types of profitability: capital investment, service income, and incidental income, with investment income, service income, and other income of the public benefit foundation as proxy variables, respectively.

3.2.3. Control Variables

Referring to the research results of scholars Fan Qingyun (2015), Zhang Siqiang (2018) and Chen Lihong et al. (2015), combined with the specific financial situation of nonprofit organizations, this paper selects reputation (Rate), year of establishment (Age), organization size (Size), foundation type (Area), asset and liability ratio (Lev), and service price (Price) as control variables. The specific variables of the research variables in this paper are shown in Table 1.

Table 1. Variable description table

Variable Type	Variable Name	Variable Symbols	Variable Description
Explained variables	Donation income	Don	Natural logarithm of the annual giving income of a public foundation

Explanatory variables	Investment income	Inv	Public welfare foundations earn investment income through capital market investment natural logarithm
	Public service charges	Sre	The natural logarithm of revenue earned by a public benefit foundation through the provision of services
	Incidental profitability	Mis	Logarithm of other income of public welfare foundations
Control variables	Reputation	Rate	Credit rating of public welfare foundations, lowest is 1A, highest is 5A
	Foundation Type	Area	A national PSF will take 1, a local PSF will take 0
	Organization size	Size	The assets of the public foundation are taken as a logarithm
	Year of Establishment	Age	Year of establishment of the public foundation to the sample year
	Gearing ratio	Lev	Ratio of liabilities to assets of the Public Welfare Foundation
	Service Price	Price	The ratio of operating activity costs to total expenses, measuring the cost of a dollar of additional charitable giving
	Industry	Ind	Take 1 for educational grants and 0 for non-educational grants

3.3. Model Setting

In order to verify the relationship between financial transparency on organizational performance, this paper proposes the following model to test the relationship between financial transparency and financial performance of nonprofit organizations.

$$Don_t = \beta_0 + \beta_1 Inv_t / Sre_t / Mis_t + \beta_2 Rate_t + \beta_3 Area_t + \beta_4 Size_t + \beta_5 Age_t + \beta_6 Lev_t + \beta_7 Price_t + \beta_8 Ind_t + \beta_9 Year + \epsilon$$

Don_t denotes the endowment income in year t , the $Inv_t / Sre_t / Mis_t$ denotes investment income, fees for public service, and contingent profit in year t . ϵ is the error term, and the other variables in the model are referred to Table 1.

4. Analysis of Empirical Results

4.1. Descriptive Statistics

This table lists the main statistical results of the variables. Endowment income, investment income, service income, and other income are all taken as logarithmic values. From the statistical results, we can see that the endowment income of China's foundations is relatively unbalanced, and the majority of public welfare foundations have a large endowment income; the scale of investment income is small, indicating that the number of foundations that obtain income from the capital market is small; the number of foundations that provide service income is small, indicating that only a very small number of foundations can provide services to. Although all public welfare foundations have occasional profits, the proportion of income is low;

the minimum foundation evaluation grade is 1 and the maximum is 5, with a mean value of 3.543, indicating that most foundations in China have a medium to high evaluation grade; the foundation type is taken as 1 for national and 0 for local, with a mean value of 0.16, indicating that the vast majority of foundations in China are local foundations; the foundation The size is taken as the logarithm of assets, the minimum value is taken as log 14.16, the maximum value is taken as log 20.7, and the mean log value is 16.62, indicating that the overall development of foundations is relatively uneven; the shortest time of foundation establishment in the statistical sample is 2 years, the longest is 64 years, and the mean is 14.04, indicating that the overall establishment of foundations in China is short.

Table 2. Descriptive statistics of main variables

stats	Obs	mean	p50	min	max	p25	p75
Don	7239	13.41	14.85	0	19.97	13.11	16.32
Inv	7239	4.923	0	0	17.09	0	12.60
Sre	7239	0.634	0	0	15.00	0	0
Mis	7239	10.13	10.93	-4.605	16.29	8.812	12.87
Rate	7239	3.543	4	1	5	3	4
Area	7239	0.160	0	0	1	0	0
Size	7239	16.62	16.41	14.16	20.70	15.55	17.51
Age	7239	14.04	11	2	64	8	16
Lev	7239	0.0405	0.000581	0	0.719	0	0.0157
Price	7239	0.919	0.955	0	1.027	0.915	0.984
Ind	7239	0.592	1	0	1	0	1

4.2. Analysis of Regression Results

Table 3. Impact of For-profit behavior on endowment income of public welfare foundations

	(1)	(2)	(3)
	Don	Don	Don
Inv	-0.0537*** (0.00876)		
Sre		0.0407** (0.0193)	
Mis			-0.0228 (0.0148)
Rate	1.251*** (0.0581)	(0.0193) (0.0582)	1.245*** (0.0583)
Area	2.064*** (0.168)	1.970*** (0.170)	2.030*** (0.168)
Size	0.822***	0.733***	0.755***

	(0.0477)	(0.0454)	(0.0483)
Age	0.00745	0.00507	0.00834
	(0.00686)	(0.00694)	(0.00693)
Lev	-1.251***	-1.161**	-1.187***
	(0.458)	(0.459)	(0.461)
Price	5.622***	5.650***	5.686***
	(0.351)	(0.352)	(0.353)
Ind	Control	Control	Control
Year	Control	Control	Control
_cons	-10.43***	-9.216***	-9.426***
	(0.776)	(0.750)	(0.769)
N	7239	7239	7239
R ²	0.239	0.236	0.235

Standard errors in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

The regression results show that investment income is significantly negatively correlated with endowment income, and endowment income decreases as investment income increases, indicating that investment activities have a crowding-out effect on endowment income, which verifies hypothesis 1. The coefficient of contingent profitability is consistent with The coefficient of contingent profitability is negative but insignificant, which may be caused by the small proportion of other income in the total income of the public benefit foundation, making the increase of contingent profitability will reduce the endowment income, but not significant enough.

4.3. Further Test: Nature of Organization, Profit-making Behavior and Donation Income

China's public welfare foundations are mainly divided into public and non-public foundations for management, the biggest difference between the two is whether they can raise funds from the public. Public foundations mainly collect funds from the public, and the main donors are mainly enterprises and some organizations, while government grants are another important source of income for public foundations. Public foundations play a more important role in projects that require more money for a wide range of relief, such as earthquakes, epidemics, and other sudden disasters. Non-public foundations do not raise funds from the public, but from donations from specific organizations and individuals, which is a single source. Non-public foundations mainly play a role in public service and promotion of social welfare, such as the construction of museums and the preservation of national cultural heritage. From the perspective of the nature of foundations, public foundations are more flexible and convenient than non-public foundations in obtaining income from donations. Therefore, compared to public foundations, non-public foundations are more sensitive to For-profit behavior. To further explore the impact of For-profit behavior on the donation income of different nature foundations, this paper further tests the model, and the regression results are shown in Table 4.

Table 4. Impact of For-profit behavior on endowment income of public and non-public foundations

	(1)	(2)	(3)	(4)	(5)	(6)
	Public Offerings	Non-public	Public Offerings	Non-public	Public Offerings	Non-public
Inv	-0.0127	-0.0969***				
	(0.0120)	(0.0128)				
Sre			0.0226	0.0606*		
			(0.0230)	(0.0346)		
Mis					-0.0473**	-0.00395
					(0.0219)	(0.0201)
Rate	1.260***	1.172***	1.257***	1.615***	1.263***	1.655***
	(0.0800)	(0.0849)	(0.0799)	(0.249)	(0.0799)	(0.249)
barea_1	1.260***	0.883***	2.194***	0.738***	2.262***	0.738***
	(0.0800)	(0.0641)	(0.239)	(0.0615)	(0.234)	(0.0651)
size_1	0.783***	0.883***	0.756***	0.738***	0.807***	0.738***
	(0.0756)	(0.0641)	(0.0713)	(0.0615)	(0.0751)	(0.0651)
age	0.00332	-0.0190	0.00257	-0.0296**	0.00553	-0.0264**
	(0.00912)	(0.0132)	(0.00916)	(0.0134)	(0.00918)	(0.0133)
adr_1	-0.0485	-3.185***	-0.0444	-2.943***	-0.184	-2.891***
	(0.579)	(0.737)	(0.579)	(0.742)	(0.582)	(0.743)
price_1	6.514***	4.876***	6.524***	4.920***	6.582***	4.926***
	(0.501)	(0.490)	(0.501)	(0.493)	(0.502)	(0.495)
Ind	Control	Control	Control	Control	Control	Control
Year	Control	Control	Control	Control	Control	Control
_cons	-10.93***	0.243	-10.56***	-8.228***	-11.01***	-8.211***
	(1.229)	(0.169)	(1.172)	(1.006)	(1.192)	(1.032)

Standard errors in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

From the statistical results, we can see that both public and private foundations have a negative relationship between investment income and endowment income, but the coefficient is not significant for public foundations and significant for non-public foundations, indicating that the impact of investment income on endowment income is lower for public foundations than for non-public foundations, which are more sensitive to the Profit-making behavior of earning income from investments. The regression results of fee-for-service regressions show that income generated from services provided has a positive relationship with endowment income, but it is not significant for public foundations, which may be due to the fact that public foundations provide fewer services and many of them cannot generate income through pro

bono services. The regression results of contingent profit and endowment income show that both contingent profit and endowment income have a negative relationship, but non-public foundations are not significant, which may be related to the fact that non-public foundations have less other income. From further analysis of the results, it can be seen that both public and non-public foundations have the same direction of influence of For-profit behavior on endowment income, but there are differences between public and non-public foundations themselves, which leads to differences in significance.

4.4. Robustness Test

Table 5. Robustness tests

	(1)	(2)	(3)
	Don	Don	Don
Inv	-0.0486***		
	(0.00814)		
Sre		0.0509***	
		(0.0179)	
Mis			-0.0153
			(0.0138)
Rate	1.149***	1.142***	1.141***
	(0.0541)	(0.0542)	(0.0542)
Area	1.672***	1.641***	1.568***
	(0.156)	(0.156)	(0.158)
Size	0.837***	0.772***	0.758***
	(0.0444)	(0.0449)	(0.0422)
Age	0.0153**	0.0158**	0.0125*
	(0.00638)	(0.00645)	(0.00645)
Adr	-1.224***	-1.153***	-1.153***
	(0.426)	(0.428)	(0.427)
Price	5.056***	5.105***	5.082***
	(0.327)	(0.328)	(0.327)
Ind	Control	Control	Control
year	Control	Control	Control
_cons	-9.188***	-8.216***	-8.102***
	(0.722)	(0.715)	(0.698)
N	7239	7239	7239
R ²	0.237	0.233	0.234

Standard errors in parentheses

* p < 0.1, ** p < 0.05, *** p < 0.01

Endowment income is the main income of public welfare foundations, and government grants are another important source of income for public welfare foundations. In order to make the

conclusions of this paper more robust, so this paper uses the sum of endowment income and government grants instead of endowment income for testing, and from the results of robustness testing, the regression coefficients of the main variables are consistent with expectations, and the results are shown in Table 5.

5. Research Conclusion

This study empirically examined the impact of For-profit behavior of foundations on endowment income using data from public benefit foundations from 2013-2018, and the findings indicate that investment income and incidental profitability have a negative impact on endowment income of public benefit foundations, and fees for public benefit services have a positive impact on endowment income of public benefit foundations. The results of this study show that the impact of For-profit behavior on endowment income is consistent in both public and non-public foundations, but the significance of the impact is different. Based on the results of the previous study, public foundations should further regulate the management of For-profit behavior.

First, Public welfare foundations should balance investment in the capital market and public welfare spending to avoid over-investment that violates the foundation's mission and affects the realization of the organization's mission. The Profit-making behavior of using idle funds to invest in the capital market for income can certainly reduce the concentration of income and improve the financial stability of the foundation, but the foundation also faces investment risks, and more importantly, it may affect the realization of the organization's mission. Therefore, foundations should be careful in their investment choices, grasp the "degree" of investment, take into account the rights and interests of relevant stakeholders, and maximize the public benefit of public welfare foundations.

Second, Public benefit foundations should continue to optimize the quality of their services and generate more public benefit service income. Through the research of this paper, we found that the public service income of public welfare foundations can have a positive impact on the endowment income. Therefore, foundations should continue to optimize the quality of their services and provide more services to generate more income. This will fulfill the mission of the foundation and complete the pro bono program, while at the same time attracting more donations and helping the foundation to move to a higher level.

Third, Strengthening the management of foundations. Whether investing in capital markets or providing public service, foundation managers are required to make decisions and execute daily arrangements. Therefore, the ability and quality of foundation managers should be improved to accurately grasp the decisions and arrangements of Profit-making behaviors and strive to make Profit-making behaviors bring maximum benefits to the foundation.

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