

FUNDRAISING STRATEGIES OF NONPROFIT ORGANIZATIONS: MEASURING ROI AND SUCCESS IN A TIME OF ECONOMIC CRISIS

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Research Question

The question being explored through this research is whether or not there are particular, newly developed, strategies that have aided organizations in continuing to raise funds during difficult economic times. Particularly, the research focuses on the differing events organizations have used in their attempts to raise money. In addition, it explores the existence of connections between the strategies the organizations in different sectors of the industry use to raise money when the public does not have much to give.

Research Design

This study is one of a qualitative and exploratory nature, the basic design being a series of case studies. The case studies were conducted utilizing a specific set of questions that were administered to an individual from each organization in interview form. The interviews took approximately 1 to 1 ½ hours each.

The Sample

The sample for the study was drawn solely from Michigan Non Profit Organizations. Specifically, the foundations selected were ones from each of the following categories: educational, environmental and health. These particular categories have been documented as the three largest in the industry; therefore, they have the potential to provide the most substantial amount of information. The final organizations selected were, The Sparrow Foundation, The University of Michigan Alumni Association and The Sierra Club (southeast chapter).

Instrumentation

An individual from each organization was personally interviewed utilizing a standard list of questions. The list of questions were created with the aim of arriving at similar answers from every person interviewed, so that there was a good chance of drawing connections between the different non-profits.

The questions were divided into three different sections: description of the organization, economic crisis focus and return on investment. The section “Description of the Organization” was developed to elicit answers that provided a clear picture of the goals and mission of the different organizations, as well as explore their overall fundraising and event activity. The second section of questions, “Economic Crisis Focus,” was created so as to determine what ways the organizations had made changes throughout this difficult time. In addition, the hope was to find out which strategies had been most successful and received the best response. The last section, “Return on Investment,” explored the successes of the fundraising and events that the

organization had utilized. This section aimed to discover how the different strategies had, or had not, produced a high amount of return for the non-profit.

Expected Results

While the data of this study are still under analysis, there are a couple of preliminary results that can be discussed. To begin, there are a number of connections between the different strategies being used by the organizations. The most notable connection, and the one that holds the greatest implications for the event industry, is the fact that there is a developing trend of moving away from event planning in a significant way. Being that event planning and fundraising have historically been so tightly linked, this is potentially a major finding of the research. Additionally, preliminary exploration of the case studies, displays that significant changes have been made by each organization during the economic crisis. These strategies, when explored further, may be able to provide organizations with a framework for effective fundraising during difficult fiscal times. Again, these conclusions represent the beginning stages of the analysis, there is much more to be gained from the findings of each interview.

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