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# Building Vietnamese Community Philanthropy: Understanding the Experiences and Expectations of Donors to the LIN Center for Community Development

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*Keywords: Community philanthropy, Vietnam, nonprofit partnerships, community development, community-led development, building local capacity, philanthropy*

## Introduction

The LIN Center for Community Development (LIN) was established in Vietnam in 2009 to facilitate and support community philanthropy — the mobilization of local people and local resources to solve local problems. Specifically, LIN set out to provide support services that would help local nonprofit organizations, skilled volunteers, and donors to mobilize local resources and fulfill their potential as vehicles for sustainable development in Vietnam. By 2016, LIN formed partnerships with over 200 local nonprofit organizations, connected thousands of skilled professionals to pro bono service opportunities, and assisted hundreds of individual and institutional donors to identify or support investments.

To stay true to the foundation's cause, the founding members of LIN sought to attract and sustain local support for a significant proportion of its programs and operations. Because LIN's programs and services were unique among nonprofits and development organizations operating in Vietnam, the team recognized the need for proper research and evidence of impact if it hoped to attract local partners and supporters. For this reason, the license for LIN to operate in Vietnam included research as a core activity, in addition to training, grantmaking, consulting, and volunteer matching. The bulk of research produced by LIN during its first six years has focused on the needs and capacities of Vietnamese nonprofit organizations as well as their feedback on LIN's programs and services (LIN Center for Community Development, 2015, 2016). Although the team has

## Key Points

- Vietnam's steady economic growth over the past two decades interacted with existing patterns of inequity, social exclusion, and geographic disparities to widen the gap between those who can and cannot obtain quality education, a stable income, and access to quality basic services. Meanwhile, after the World Bank classified Vietnam as a lower middle-income country in 2010, several international and bilateral donors announced plans to gradually decrease their development assistance.
- It was under these circumstances that Vietnam's first community foundation, the LIN Center for Community Development, was established in Ho Chi Minh City in 2009. Its mission is to build a stronger community by providing support services to local philanthropists, including nonprofits, donors, and skilled volunteers, to help local people address local challenges.
- This article shares the experience of the institutions, companies, and individuals that have contributed, directly or indirectly, to LIN's objectives. It looks at factors that led to donor decisions to invest in LIN or other local organizations; donor satisfaction and perceptions of the impact of LIN's work; benefits of and challenges inherent in partnering with local organizations; and the potential for future partnerships with local nonprofits. It aims to serve as a case study of the development of community philanthropy in a large urban center within a socialist market economy.

conducted or supported some research to understand the donor and volunteer communities in Vietnam (LIN, 2009; Nguyen & Doan, 2015), the team never formally requested feedback from its donors about their level of satisfaction with LIN's work, perception of its impact, or reasons for making a contribution to LIN.

Meanwhile, by the end of 2015, it became critical for the LIN team to explore opportunities for expanding and enhancing relationships with local donors. Over the previous two years, the value of foreign contributions to LIN increased significantly compared to the value of local contributions, even though the number of donations from Vietnamese people and companies exceeded the number of donations from foreign sources. The imbalance in the origin of LIN's revenues generated two concerns. First, the allocation of resources to meet foreign funder requirements — specifically, reporting requirements — could negatively impact LIN's ability to meet local priorities. If more time and resources were allocated to making foreign donors happy, it followed that fewer resources would be allocated to keeping local donors happy. Second, the requirement that the Vietnamese government approve all foreign contributions to nonprofit organizations operating in the country was consuming considerable resources and the waiting time to receive an official approval was steadily increasing — to as long as 12 months.<sup>1</sup> These delays presented a high-risk scenario for management, which is why the LIN team sought to study its existing donor relationships and the potential for increasing revenues from local sources.

In 2016, with financial support from the Global Fund for Community Foundations, LIN implemented a study of its donors' experiences with and perceptions of the organization: the reasons donors contributed, their level of satisfaction, and the challenges and unmet expectations

*[T]he research was intended to serve as a case study on the relationships between one community philanthropy organization and the donors supporting its work to build local capacity, connect local resources, and promote trust in local nonprofit organizations.*

encountered by donors to a local organization. One objective was to assess the potential and methods for increasing local support. Moreover, because LIN is an umbrella organization for hundreds of registered and unregistered civil-society organizations operating in southern Vietnam, the research was intended to serve as a case study on the relationships between one community philanthropy organization and the donors supporting its work to build local capacity, connect local resources, and promote trust in local nonprofit organizations.

### Executive Summary

From August 2009 to March 2016, LIN sought to attract cash and in-kind resources to provide support services to local people and local organizations actively engaged in designing and implementing solutions to local problems. By 2016, LIN had received contributions from more than 560 unique donors, of whom two-thirds were Vietnamese. More than half of those contributions were valued at less than \$25, and roughly 85 percent of all donations made to LIN during this time were designated for its small-grants program, the Narrow the Gap Community Fund.<sup>2</sup>

<sup>1</sup>Vietnam's Decree 93/2009/ND-CP on the Management and Use of Foreign Non-Governmental Aid states that an appraisal shall be completed within no more than 20 days following the receipt of a full and valid dossier. In LIN's experience, however, appraisals took much longer — in some cases, up to 18 months.

<sup>2</sup>The Narrow the Gap Community Fund pools contributions from multiple sources to allocate several small grants, three times a year, to local nonprofit organizations addressing issues deemed important to local people. Grant recipients are selected by local people through an evaluation process undertaken by volunteers. Once a year, the selection process includes an online and offline vote.

**FIGURE 1** Pooling Local Funds to Support Locally Led Initiatives



To address the decline in production of traditional herbal medicines in Vietnam, especially in Long Xuyen, An Giang Province, the Herb Garden Group (Vườn Thuốc Nam) and the Mỹ Thành Southern Herbal Clinic received a grant in 2016 from LIN's Narrow the Gap Community Fund to build an herb garden and equipment for drying herbs. The project sought to ensure that low-income patients had access to herbal medicines and to build a conservation area to preserve and protect rare medicinal herbs.

**FIGURE 2** Engaging Local Stakeholders in Program Design and Evaluation



The Huynh Tan Phat Foundation was one of 12 nonprofits to join LIN's 2016 Community Partnerships Initiative, which focused on building strategic-planning and leadership skills with pro bono support from local professionals. Through the initiative, the foundation learned how to conduct a better beneficiary survey, which helped it determine why fewer students were attending computer classes and how it could better meet the needs of the students it supports.

In April 2016, all current and past donors for whom LIN retained an email address were invited to respond to an online survey; 102 donors completed the survey by the April 22 deadline. Over the following three months, two team members conducted one-on-one interviews with 20 past donors and one major potential donor that had expressed interest in giving to LIN. Each respondent received a transcript of the interview for review and prior to finalization and analysis.

The research produced several noteworthy findings:

1. Donors saw LIN making an impact with nonprofit capacity building and, to a lesser extent, building connections with, and capacity for, local philanthropists. Nevertheless, donors said they would like to know more about the indirect impact of LIN's work — specifically, how support services to donors, nonprofits, and volunteers benefit marginalized communities.
2. Donors were drawn to LIN's mission or approach to development, but donor satisfaction and peer referrals were far more instrumental in attracting contributions and expanding LIN's support network.
3. While project funds were the most common resource contributed to LIN and other local nonprofits, donors appeared to be willing and able to provide other types of support, including leveraging their social capital and offering unrestricted funds, if they were made aware or convinced of the need and value. This finding was particularly notable because most civil-society organizations in Vietnam have assumed otherwise.
4. Donors indicated that investment in improved external communications would help LIN to increase contributions from existing donors and make it easier for those donors to explain the importance of

*While LIN donors are regularly asked to provide feedback on events and activities in which they participate, the online survey and in-depth interviews conducted in 2016 represent LIN's first formal effort to request feedback from its donors about their reasons for giving and their perceptions of LIN's work.*

community philanthropy to other donor prospects.

5. To enhance donor relations, LIN will need to invest in its own capacity to improve communications, impact reports, and donor stewardship — and identify donors that are willing to support this investment.

While LIN donors are regularly asked to provide feedback on events and activities in which they participate,<sup>3</sup> the online survey and in-depth interviews conducted in 2016 represent LIN's first formal effort to request feedback from its donors about their reasons for giving and their perceptions of LIN's work.

### **Methodology and Demographics**

In April 2016, an online survey was emailed to 562 past donors to the LIN Center for Community Development. The survey looked at factors that led to a donor's decision to support LIN and at perceptions of LIN's working style and results. Respondents were invited to complete the online survey anonymously, or if they wished to receive a copy of their responses and

<sup>3</sup>LIN has collected feedback from its nonprofit partner organizations every year since 2013, and its NPO partner survey reports from 2015 and 2016 are available online (LIN, 2015, 2016).

*The selection of donors to interview was explicitly designed to best represent the variety of experiences and actual demographics of LIN's donors, with a focus on donors based in Vietnam.*

a chance to win a voucher from a local restaurant, to provide an email address. In total, 102 donors (an 18 percent response rate) responded to the online survey by the April 22 deadline and 34 percent provided an email address. Given that the survey population included donors that contributed at least one time between 2009 and March 2016, numerous email addresses in LIN's database were no longer valid.

An initial request to donors was emailed on April 8 and, in an effort to increase the survey response rate, three reminder emails were sent — on April 18, April 21, and on the survey's deadline, April 22. For two reasons, no other channels were used to contact past donors. First, until 2015 the LIN team requested only a donor's name and email address for ongoing communication. Second, unique links to the online survey were sent to donors in batches, according to the value of their contribution. This made it possible to identify differences in responses based on contribution size, if any might exist, without having to ask the donor to recall the size of the donation. Given the constraints, and upon consultation with a survey expert, LIN targeted a 15 percent response rate and was therefore satisfied with the actual rate of 18 percent.

For the second phase of the study, the LIN team conducted in-depth interviews with 20 donors in Vietnam, all of whom donated to LIN at least once prior to the research, and conducted one additional interview with an interested major donor.<sup>4</sup> The interviews sought answers to three questions: (1) Which factors led donors to invest in LIN or other local nonprofit organizations? (2) What were the benefits of and challenges and limitations involved in partnering with LIN or other local nonprofits? (3) How will donors continue to support LIN or other local nonprofit organizations?

The selection of donors to interview was explicitly designed to best represent the variety of experiences and actual demographics of LIN's donors, with a focus on donors based in Vietnam. The research team sought to interview donors who could provide constructive feedback — positive and negative — about LIN's work based on the depth of the donors' experience with nonprofit organizations operating in Vietnam. Interviews were conducted by one of two LIN representatives, in Vietnamese or in English. Most interviews were conducted in person, but one was conducted by telephone and two by Skype. Each interviewee received a soft copy of their interview transcripts via email, and was asked to verify the content prior to analysis.

Two-thirds of survey respondents (and 80 percent of interview respondents) were female and based in Vietnam. More than half contributed to LIN more than once; 42 percent reported being first-time donors. More than three quarters of survey and interview respondents were between the ages of 30 and 59. Thirty percent of donors completing the online survey contributed less than \$20 to LIN, and 12 percent contributed at least \$5,000. Forty-two percent of survey respondents reported working in the private sector; 40 percent reported working in

<sup>4</sup>In addition to a donor who wished to remain anonymous, the interviewees were or represented Intel Vietnam, Irish Aid — the Embassy of Ireland in Vietnam; the Justice Initiative Facilitation Fund; MM Software Business & IT Consulting, Dang Thi Ngoc Dung, Dang Thi Thanh Van, Do Quang Vu, Do Thi Bich Thuy, Ha Thi Thu Ngan, Lam Quynh Anh, Nguyen Thu Thuy, Nguyen Khanh Dung, Nguyen Thi Ngoc Lan, Ton Nu Thi Ninh, Truong Khoi, Vu Thi Quynh Giao, the Research Center for Management and Sustainable Development, SIT World Learning Vietnam, the Asia Foundation, and USAID Vietnam. Three of the donor institutions participating in this research provided more than one contact for the in-depth interview. As a result, LIN spoke directly with 25 individuals representing 21 unique donors. USAID Vietnam had never made a grant to LIN, but was interviewed for this research because of its stated interest in building community philanthropy in Vietnam.

either the local or international nonprofit sector. Nearly half of the interview respondents represented individual donors, while the remaining respondents represented a mix of international NGOs, local nonprofits, international aid agencies, and companies.

## Report Findings

### *Connection to LIN*

Donors were asked how they first came to know about LIN: 65 percent of survey respondents said they did so through at least one peer or donor recommendation. When asked whether they, or someone else, was responsible for making the decision to support LIN, 68 percent said they alone made the decision to contribute to LIN, 22 percent reported that at least one other person was involved in funding decisions, and 10 percent said someone else in their organization made the decision to donate to LIN.

In an optional, open-ended question, LIN asked survey respondents to summarize why they decided to donate to LIN. Two-thirds responded to this question, and the answers were sorted into categories. The most common explanation (58 percent) for supporting LIN was a belief in its mission or vision; others cited an interest in LIN's approach (25 percent), confidence in the capacity of its staff (24 percent), and trust in LIN as an organization (16 percent). Among the respondents' remarks: "LIN is doing very important work to support the development of Vietnam's nonprofit sector and [building a] culture of philanthropy"; "I was impressed with the work they are able to do with such little funding"; and "LIN is an ethical organization with a focused mission to make a positive change."

The survey asked respondents how often they engage with LIN or participate in its programs. The most popular form of engagement by donors was reading LIN emails. Other, less common forms of donor engagement were talking with LIN staff, attending events, volunteering, or accessing LIN's website or social media channels.

Younger donors volunteered with LIN and visited its Facebook page more often than did older

*Despite the low number of donors who had contributed core funding to nonprofits in the past, the majority said they would be willing to contribute to operational costs.*

donors; older donors read emails from LIN more frequently than did younger donors. Meanwhile, volunteers were more likely to attend LIN events, more frequently visited its Facebook page, and talked more often with LIN staff.

### *Resources Contributed*

LIN asked interview respondents about the resources they contributed to local nonprofit organizations (NPOs). Nineteen of 21 respondents provided project funds and more than half contributed professional skills, such as advice or training, toward building organizational or staff capacity. Just over a third contributed personal or professional time to legal work, graphic and website design, management, and other professional services. Several institutional donors supported capacity building of grantees by engaging experts, conducting site visits, organizing peer-sharing events, or supporting reviews of existing or draft laws and policies affecting nonprofits.

### *Core Funding*

LIN wanted to know how donors feel about contributing to operating costs: salaries, rent, utilities, equipment, and day-to-day expenses that are part of operating an effective nonprofit. In the follow-up interviews, donors were asked whether they had contributed or would be willing to donate to a nonprofit's operational costs. Only two had previously contributed core funding to LIN, and two others said they contributed core funding to at least one other nonprofit. Despite the low number of donors who had contributed core funding to nonprofits in the past, the

majority said they would be willing to contribute to operational costs. One respondent observed:

Our society still prioritizes donating directly to the disadvantaged; few have thought about contributing to a philanthropic organization to keep it running. We need a natural way of communication to raise awareness and create consensus for this legitimate need. It will be difficult to persuade the average person. ... Vietnamese people often think that we are the disadvantaged group and that foreign aid will help Vietnamese nonprofits and charitable organizations. This way of thinking is a hindrance to the progress of building a self-sufficient social system.

Among donors open to core funding, one third said the nonprofit organization would need to prove it is transparent, accountable, and effective. The required proof ranged from a demonstration of program impact to a detailed budget that outlined operational and program costs. One respondent remarked:

I believe that a charity has to have operation costs, but I want the costs to be clear. ... LIN should ask donors to contribute a percentage to overhead costs for contributions to any project. I don't mind that approach. ... It is just important that the NPO mentions — very clearly — what amount is going

towards operation costs and how much is going towards program costs. Or, another way to do this ..., LIN can say, "We need USD \$50,000 to operate LIN; who wants to donate?" I am happy to do that.

It is a positive sign that donors appear willing to invest in the operating costs of a nonprofit when given information about the purpose of those funds. Nevertheless, due to misinformation or insufficient communication between donors and nonprofit organizations there remains significant misunderstanding about operating costs. During interviews, the LIN team was able to explain the purpose of unrestricted funds and how contributions towards LIN's infrastructure allow for better research, planning, communications, and reporting.

### *Social Capital*

In the context of LIN's work, social capital refers to the building up of local contacts and networks of people and organizations able to help an organization achieve its goal. Many nonprofits are at a disadvantage when it comes to building their social networks; they may be inexperienced at networking or building coalitions, or they may lack opportunities to connect with different communities or socioeconomic groups. For this reason, LIN organizes a variety of networking and

## Matching Funds Helped LIN Build Social Capital

- In 2014, a Hong Kong-based donor interested in learning about local nonprofits committed to triple all funds donated locally to LIN's Narrow the Gap Community Fund. This matching commitment helped LIN raise funds while exposing the donor to 30 local nonprofits.
- The Global Fund for Community Foundations gave LIN its first matching grant in 2012. Although the cash contributions raised locally did not reach the original goal, the value and number of in-kind contributions exceeded expectations and helped reduce program costs while increasing the number of new supporters to LIN. The donor's response was that in-kind contributions are just as valuable as cash contributions and, together, LIN exceeded the target number of value of local contributions.
- As part of a grant to LIN in 2014, Irish Aid — the Embassy of Ireland in Vietnam contributed matching funds for the Narrow the Gap fund. It was mutually agreed that it would be better to cap the amount Irish Aid contributes to ensure that LIN continues to sustain and attract new sources of local support for the fund. It was also a conscious effort by LIN to avoid becoming too dependent on one donor.

matchmaking events as well as awareness-raising campaigns, which are designed to help its nonprofit partners build their social capital. In the online survey, 65 percent of donors said they came to know about LIN by way of a peer or donor introduction. And most interview respondents said a key reason for their contribution was that a friend or peer recommended LIN. This result is one tangible indication of the value of social capital for LIN and local nonprofits.

During one-on-one interviews, donors were asked if they leverage their contacts to support local nonprofits to, for example, attract funds, recruit volunteers, connect with strategic partners, or identify appropriate government contacts. More than half of donors interviewed said they helped build social capital for LIN or another nonprofit. Many said they bring friends to events, encourage friends to attend events, share LIN's online campaigns, and encourage friends to engage. However, while a handful of donors said they help nonprofits to build social capital intentionally — to attract other donors or volunteers, others said they did it unconsciously or only when asked to do so. One donor replied:

Normally, when I bring up NPOs, it is in the context of networking, talking with friends. I would introduce the topic, as it is a hobby of mine, something that I like to do in my free time. It is not a conscious decision on my part to spread the word [on behalf of that NPO].

A couple of donors said they contributed funds toward projects or activities that were designed to build social capital. Several institutional donors said they host annual meetings of grantees, often with other stakeholders, with one of the objectives being to help nonprofits build social capital.

### *LIN Donor Satisfaction*

Eighty-eight percent of donors surveyed were satisfied with LIN. Just two donors expressed dissatisfaction, and 10 percent were neutral. (See

## *More than half of donors interviewed said they helped build social capital for LIN or another nonprofit.*

Figure 3.) Meanwhile, LIN's Net Promoter Score (NPS) — a metric used by organizations to assess customer loyalty — was 67 (scores of 50 or higher are considered excellent).<sup>5</sup> The NPS was derived from answers to the question, "How likely are you to recommend LIN to a friend or peer?"<sup>6</sup> (See Figure 4.)

Responses to satisfaction and NPS questions were compared by gender, age, location, number of contributions, and language used to respond to the online survey. Two correlations were revealed: Donors contributing more frequently to LIN were more likely to recommend LIN (correlation coefficient = 0.225), and older donors reported higher satisfaction.

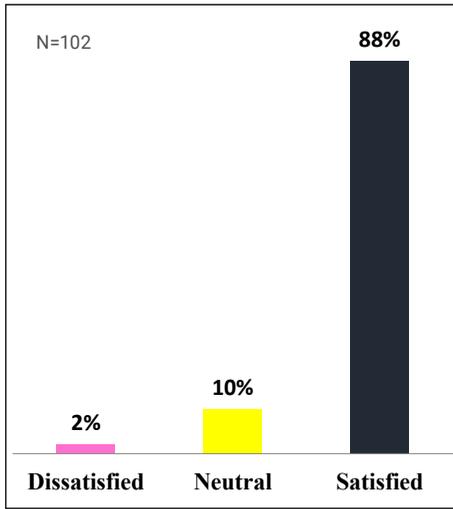
Survey respondents evaluated LIN on nine aspects relating to its actions and communications. Average scores ranged from 4.3 to 4.7 on a scale of one to five (with five as the highest score). During face-to-face interviews, LIN asked donors to describe factors that went into their decision to support LIN. Two most commonly cited were a shared belief in LIN's approach and trust in LIN or its team. More than half of interviewees said they contributed to LIN because they liked its vision, mission, or services. A representative response:

"LIN has a clear philosophy and principle of building local capacity. ... You seem to have established effective, positive working relationships with local counterparts of different kinds. ... This idea of empowering, trying to build capacity, is what is needed."

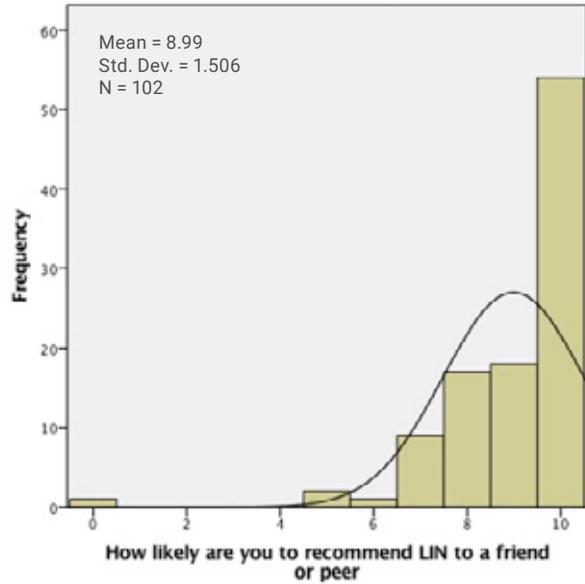
<sup>5</sup>NPS is calculated by subtracting the combined percentage of scores of 9 and 10 from the combined percentage of scores of 6 and below (scores of 7 and 8 are not counted). NPS scores range from -100 to 100. The score is used to measure overall satisfaction with an organization's product or service and/or loyalty to the organization (Reisenwitz, 2017).

<sup>6</sup>Possible responses ranged from zero – "not at all likely to recommend" to 10 – "definitely would recommend."

**FIGURE 3** Satisfaction With LIN Team



**FIGURE 4** Net Promoter Score Question Results



Reflective Practice

Half of the interview respondents mentioned trust as another key reason for donating. LIN earned trust through a referral from a friend or colleague; a relationship with a LIN team member; or a direct, personal experience working with LIN as a volunteer, advisor, or event participant. One respondent reported:

I heard about LIN for a few years, but I got the opportunity to really learn about LIN when I worked on a project to strengthen civil-society organizations [CSOs] in Vietnam. ... I started to study about CSOs in Vietnam that were involved in supporting community-based organizations in fundraising, and CSOs involved in community fundraising. Also, I talked with other CSOs and they referred to LIN as an organization I could trust.

*Importance and Impact of LIN Services*

Survey and interview respondents identified nonprofit capacity building as the most important and impactful among LIN’s seven core services.<sup>7</sup> During follow-up interviews, donors indicated whether and to what extent LIN made an impact on 10 stated objectives. Aligned with

results from the online survey, most interviewed donors recognized that LIN is successfully building nonprofit capacity. Several said they received favorable reports directly from local nonprofits. Donors who felt LIN’s impact was moderate or small said more could be done to build nonprofit capacity (e.g., more coaching or mentoring).

Donors participating in this study perceived LIN to be improving relations and building connections between nonprofits and philanthropists in Vietnam, citing firsthand experience or feedback from other nonprofits. One institutional donor said LIN played a key role in improving the culture and practices of giving and volunteering in Vietnam. While the LIN team believes that its work helps to advance the field of philanthropy in Vietnam, it has not yet conceived of an approach to measuring the direct impact of its programs and services on donor and volunteer behaviors. Another respondent said that while the relationship between philanthropists and donors is improving, she doubts whether the two groups would continue to work together effectively

<sup>7</sup>All of LIN’s core services were rated “important”; mean scores were 2.5 to 3.2 on a scale from zero (“not important”) to four (“extremely important”). Nonprofit capacity building, however, was rated notably higher than LIN’s other core services: small grants, pro bono volunteer matching, directory of nonprofits, donor advisory services, networking, and donor education.

without LIN's support. Comments on the sustainability of its approach forced deep reflection by the LIN team and merit further research.

Donors also recognized that LIN builds community assets, trust, and resources, though some believe that its reach is limited and its impacts may be short-lived. Interestingly, a couple of donors said it appeared to them that LIN receives little local support — although most LIN donors are, in fact, of local origin. Many donors suggested that improved marketing and communication could increase local support. Dang Thi Thanh Van, a respondent who is both a skilled volunteer and a donor to LIN, said she believed that its impact on volunteers is important and underreported:

I met many people who started out volunteering with LIN and then moved on to support another nonprofit or do something on their own. After volunteering with LIN, they had a clearer idea about what is effective giving versus short-term giving.

When it came to advocacy, raising awareness about community philanthropy, and improving policies, many donors felt LIN could be doing more. Some donors saw LIN's network as limited in terms of numbers and reach; others suggested it produce more or improved reports, case studies, or articles.

By supporting nonprofits, donors, and volunteers, LIN seeks to make a positive impact on the marginalized communities they support. Donors, however, found it difficult to observe this indirect effect on marginalized communities. Some suggested ways to better approach this support, such as conducting outreach activities to vulnerable communities.

Donor feedback on LIN's services and impact aligns with prevailing concerns of LIN staff. Although the organization's mission emphasizes building capacity and engagement among local nonprofits, donors, and volunteers, insufficient resources and capacity limit the team's ability to support the latter two. And, since 2009, most funding to LIN has been restricted to nonprofit capacity-building activities. The team cited two

*Donor feedback on LIN's services and impact aligns with prevailing concerns of LIN staff. Although the organization's mission emphasizes building capacity and engagement among local nonprofits, donors, and volunteers, insufficient resources and capacity limit the team's ability to support the latter two.*

key reasons for this situation: it was easier to find donors willing to support nonprofit capacity building, and LIN did not allocate sufficient unrestricted resources toward research and communications activities that might have helped to build a stronger case and community of support for its proposed donor and volunteer services.

#### *Unmet Expectations*

LIN asked interview respondents about unmet expectations and suggestions for improvement. The most common response involved more or improved communications.

In one case, a donor reported a confusing appeal for support and collaboration:

[W]ho is the person who connects with the companies to raise funds for LIN? I am not sure if this person is really good. When you shared different opportunities for collaboration, it was neither relevant nor close to [our company's] priorities. What I think the fundraising manager should do is to meet offline and share one another's plans. That way, the nonprofit and company can stay in close touch to identify future opportunities for a "win-win" collaboration.

*While is it always more difficult to measure indirect impact than direct impact, the bigger challenge is whether LIN can do it in an environment where nonprofits are limited to activities that are within an approved scope. LIN's current strategy is to build the capacity of local nonprofits so they can better measure and report publicly on the impact of their own programs.*

The interviewer in this case was able to clarify that LIN never had a fundraising manager, let alone a fundraising officer, due to insufficient general operating support. At the same time, this feedback helped LIN recognize that reliance on pro bono volunteers affects its ability to build productive relationships with donors and donor prospects.

In another case, the donor posed this comment as a question during the interview:

Normally, when a donor organizes a capacity-building program or sharing session it is both the right and responsibility of grantees to participate, because we pay for staff [salaries]. I remember when LIN was asked to attend training; we negotiated a reimbursement for that staff to attend the training. No [other grantee] ever asked us to pay for his or her staff's time and expenses to attend one of our trainings.

LIN had the opportunity to explain that the team struggled with the donor's budget template, particularly in estimating the cost of staff time. LIN calculated the number of staff hours required for the project and calculated the hourly rate for each staff member, based on salaries.

During and after project implementation, the donor "invited" a member of LIN's management team to attend or present at meetings with other stakeholders, which took place outside of Ho Chi Minh City. LIN's participation in these events was not anticipated and therefore unaccounted for in the project budget for staff time and travel expenses. This was why LIN asked the donor to cover the costs for staff to participate and why the team was surprised when the donor expressed disappointment with LIN for making this request. The interviewer then asked, "How else could LIN cover these expenses?"

Donors also advised LIN to share more information about its work and that of local nonprofits, as well as on the impact of LIN and nonprofits on marginalized communities. By publishing more stories, case studies, and lessons learned, LIN might help people think more deeply about these issues and further their understanding of the role and importance of community philanthropy and volunteerism.

Donors also expressed an interest in seeing evidence or examples of how LIN's work, specifically its nonprofit capacity-building activities, helps local people and marginalized groups to improve their lives. While donors understood this to be LIN's goal, they said they could not be sure that it had been achieved. One respondent advised:

LIN has to show people how their donations help the communities. There were reports, but they didn't catch the donors' attention. These reports need to be improved or more frequent so people can see that the contribution of an intermediary, like LIN, can make a positive indirect impact on the community.

The LIN team is exploring ways to measure indirect impacts, specifically the benefit to local people and communities who receive support from nonprofits, donors, and volunteers. While is it always more difficult to measure indirect impact than direct impact, the bigger challenge is whether LIN can do it in an environment where nonprofits are limited to activities that are within an approved scope. LIN's current strategy is to build the capacity of local nonprofits so they can

better measure and report publicly on the impact of their own programs.

Donors suggested other areas for improvement as well: offering donors more ways to get involved and give to LIN (e.g., online), strengthening financial reporting, enhancing the grantee selection process, engaging in policy advocacy, collaborating more with government and companies, and conducting additional research on community needs.

### *Donor Intentions and Challenges*

Interview respondents were asked to share future giving priorities and perceived challenges. In terms of approaches to giving, suggestions ranged from detailed strategies for sustainable community development to allowing donors to specify the cause or nonprofit they plan to support. Encouragingly, over half the respondents listed priorities that resonate deeply with community philanthropy, such as investing in local capacity to solve local problems and supporting an ecosystem for local philanthropists to give effectively. These respondents mentioned the need to move beyond traditional philanthropy, a desire to improve communications by nonprofits with philanthropists and government, and the need to form strategic partnerships to achieve greater impact.

Donors were asked if they would continue to support local nonprofits and whether there is a difference in how they support them as compared with international nonprofits. The nonprofit, institutional donors had a clear intention to focus more, if not entirely, on locally led initiatives. For other donors, preference for local versus foreign nonprofits depended on cause alignment or the donors' impression of need and/or the quality of the proposed solution. Many interview respondents said that despite challenges and reservations involved with partnering with local nonprofits, they would continue supporting LIN or one of its programs.

When asked about challenges donors face when giving, various frustrations were shared: limited space for civil society to operate or innovate in Vietnam, a lack of infrastructure (e.g.,

*When asked about challenges donors face when giving, various frustrations were shared: limited space for civil society to operate or innovate in Vietnam, a lack of infrastructure (e.g., crowdsourcing) for giving in Vietnam, confusion about scalability and measuring impact.*

crowdsourcing) for giving in Vietnam, confusion about scalability and measuring impact. One respondent observed:

We don't yet have — or we have very few — mechanisms that are known to people and trusted by people to invest in, especially a mechanism to make a monthly (or regular) donation. I used to think about this. ... But we need a trusted mechanism and an organization that will do what it says it will do with the funds.

Another said:

[Our organization] is challenged by whether or not there is a need for our partners to scale up their programs. Should they strive to be able to offer their programs nationally or should they focus on creating a solution that is truly local, which cannot be replicated elsewhere? We, like our partners, are also challenged by the requirement to demonstrate impact. We are supposed to aggregate results from different partners working in different ways, which can be very difficult. But we all recognize the need and we all want to be accountable for the money that we spend in Vietnam.

### **Conclusion**

Despite a long history of philanthropy in Vietnam, historical examples of community members coming together to address local needs, and well-known proverbs touting philanthropy,

such as “the healthy leaf covers the torn,” many people questioned the willingness and capacity of Vietnamese people and institutions to contribute to civil-society initiatives. Nevertheless, this donor research reveals a willingness to support locally led development and ideas for growing that support.

One key finding from this research was the significance of social capital in attracting local resources. LIN’s experience proves that it is possible to gain the trust of a prospective donor through referrals, which suggests the importance of networking, communications, and donor stewardship. Although LIN had limited resources to allocate to these activities, the approaches it did employ — a contact database, monthly e-newsletter, annual report, well-networked board, and customer service-oriented team — proved sufficient in the early years.

Another key finding was that donors appear willing to leverage their own social capital and contribute unrestricted funds, provided they are first asked and then convinced of the need or the value. If LIN continued to trust the widespread belief that Vietnamese donors would not support infrastructure costs, it would not have tried to organize a November 2016 fundraiser — which collected more than \$17,000 toward its 2017 operating costs.

To act on donor suggestions and ideas for improvement, the LIN team understands that it will need to adjust its business model, investing more resources in its own capacity as it simultaneously works to build the capacity of other local nonprofits, donors, and volunteers. LIN’s most recent strategic plan features several new objectives involving strengthening the team’s ability to communicate effectively with key stakeholders and share stories about the direct and indirect impact of LIN’s work.

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