

SOCIAL MEDIA FUNDRAISING: FACEBOOK FRIEND OR FOE? A CASE STUDY  
OF OREGON NONPROFIT ORGANIZATIONS

by

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Title: SOCIAL MEDIA FUNDRAISING: FACEBOOK FRIEND OR FOE? A CASE  
STUDY OF OREGON NONPROFIT ORGANIZATIONS

Approved:



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Assistant Professor Laura Leete

Social networking websites like Facebook and Twitter have revolutionized how Americans communicate with businesses and organizations around the world. These sites are allowing nonprofit organizations throughout the nation to join a movement in “equal opportunity activism” by virtually accessing potential donors from even the youngest generations. Despite the recent obsession with Facebook causes and “Tweet” campaigns, most organizations have yet to see a financial return on their investments in these seemingly inexpensive fundraising methods. This case study of nonprofit organizations in Oregon examines the return on fundraising expenditure for social media sites being used as fundraising tools in comparison to more traditional methods of fundraising. I also answer underlying questions about whether social media fundraising may be more appropriate for organizations of a certain size. In the end, I will look at the planning

process for social media use and provide an evaluation of the future potential for these tools.

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## CHAPTER I

### INTRODUCTION

The processes of soliciting funds from various sources benefiting charitable organizations have been a closely studied subject since the creation of nonprofit status in the United States. Those studies and debates have included but are not limited to questions about the ethics of donation solicitation, government regulations and fundraising efficiency and effectiveness. However, the face of fundraising has changed greatly in the last decade. Nonprofit organizations must be prepared to face these changes in order to ensure their survival in an increasingly competitive market. This presents a unique challenge to organizations across the country to fulfill their missions on miniscule budgets in a discouraging economic climate. Development professionals must be creative and look at innovative fundraising strategies while maintaining awareness on the efficiency of the methods they choose.

In addition to the changing economy, we have entered in to a new era of technology and communication that can change the way organizations network with volunteers, board members, donors and other organizations. Society is becoming increasingly dependent on the world of social media and networking and social media has forever changed the way we communicate with one another and the way nonprofit organizations are able to create awareness about their causes. No longer are nonprofits

discussing online fundraising methods like email solicitation, blogging or “Donate Now” buttons. They are now looking at memberships on social networking sites like Facebook, MySpace and Twitter. For example, a recent study found that nearly 75 percent of 980 organizations were using Facebook which has more than 220 million users worldwide (Wasley, 2009). Furthermore, Facebook Causes, the most popular social networking application for nonprofit organizations, has over 24 million active monthly users that are able to “recruit their friends into that cause, keep everybody in the cause up-to-speed on issues and media related to the cause, and, most importantly, raise money directly through the cause for **any** U.S. registered 501(c) (3) nonprofit or Canadian registered charity” (Causes Exchange, 2010). To date, Causes has raised over 21 million dollars for a variety of charitable organizations since its creation in 2007.

Although usage rates on these websites have exploded over the last two years, there is a great deal of uncertainty that goes along with the purpose, efficiency and effectiveness of these tools (Wasley, 2009). One of the primary points of confusion over the use of social media sites by organizations is what these “active users” represent in terms of volunteers, advocates or donors. As organizational “fan pages” gain popularity (most likely in terms of having more “friends”), there is a gap in understanding what the purpose of those virtual friends represent to an organization. George Hood, the national community relations secretary at the Salvation Army, was quoted as wondering “what his group’s 11,000 Facebook fans add up to. ‘Are they our employees? Are they existing supporters? Are they brand new? If all we’re doing is attracting ourselves, we’re not being very effective.’” It has been difficult for organizations to establish the main cause

for their use of social media and this has prompted a variety of questions over the effectiveness of these websites for nonprofit use (Preston, 2009).

These questions have also led to a distinction between “friend raising” and fundraising. It is undeniable that building relationships through networking is essential for an organization’s survival. Yet, not all of those relationships are directly translatable to charitable gifts or donations. It is critical that the analysis of “friend raising” methods and marketing be kept separate from the use of social media sites as fundraising tools. The analysis of donation solicitation should focus on efficiency, in terms of the returns on fundraising investments (ROFIs), as well as effectiveness, or the completion of mission related activities. The primary goal of this research project is to look at how organizations have incorporated the use of social media in their fundraising strategy and the ROFIs that they have seen in comparison to the more traditional methods of soliciting funds that have been used for decades.

### Fundraising Overview

Similar to a business, charitable organizations must diversify their revenue sources to maintain a consistent stream of income. Karen A. Froelich discusses the diversification of revenue sources in nonprofit organizations:

Nonprofit organizations must rely on a variety of activities and resource providers to support their mission-related work. The classic image is that of traditional fundraising to attract charitable donations from individuals and corporations for socially valued programs. Another common revenue strategy is the pursuit of grants and contracts from foundation and government sources. A more controversial approach involves commercial activities, such as selling products to customers or charging fees for program services.



It is critical that organizations have an appropriate combination of the above listed resources in order to avoid potential income gaps that could cause program or personnel cuts that could be detrimental to the fulfillment of their mission (Froelich, 1999).

As noted by Froelich, attracting charitable donations from individuals and corporations for social programs is an essential part of any organizational strategic plan because not only does it increase revenue, it is also raises awareness throughout communities about the mission and purpose of an organization. Soliciting donations from individuals and corporations creates a network of financial support that can be accessed by nonprofits each year as they attempt to increase programs and further their mission. However, as previously determined, the number of organizations is constantly growing and the competition for donor dollars becomes more intense. The donation market is extremely fickle and is impacted by a variety of factors including the overall economic climate and tax policies. Development officials must be adequately equipped with innovative fundraising strategies to handle the constantly changing charitable gift market.

### *Social Networking Websites as Fundraising Tools*

Organizations are searching for an adequate alternative that will combine financial efficiency with fundraising effectiveness. Technology will inevitably play a pivotal role in fundraising in the coming years as our society becomes more virtually connected. As of 2007, 62% of households have internet access including 33.3% of individuals in the lowest income quintile (Census Bureau, 2007). One manifestation of this has been the explosion of social networking websites that allow millions of

subscribers to connect virtually with their families, friends and coworkers from around the world. The most popular websites: Facebook, Twitter, MySpace and LinkedIn provide users with the opportunity to share information and sentiments, chat and network with “friends” and “followers” in a virtual environment.

Each of these websites also allows businesses and organizations to create pages that provide potential customers, volunteers or donors with information about their cause or business. A unique opportunity is open to organizations to utilize these resources to access a multitude of new donors to fundraise in support of their cause. However, as this research project will further explore, the results thus far have been less than impressive.

#### *Facebook Fundraising*

Facebook, founded in 2004, is one of the most popular social networking websites in the world boasting over 400 million active users, 50% of which log on to the site on any given day. Facebook provides users with an opportunity to “help people communicate more efficiently with their friends, family and coworkers.” It is free to join and facilitates communication in a “trusted environment (Facebook, 2010).” This social networking tool has grown from a simple platform for social connectivity in to a revolution in networking and communication for individuals, businesses and organizations across the globe.

Clearly, this presents an undeniable opportunity for nonprofit organizations to raise awareness, network with potential volunteers and donors and potentially solicit funds from the huge population of Facebook users. Connecting to this size of a group can be daunting for any organization, therefore the Causes application was created

specifically for nonprofit organizations to access these users in order to fundraise, recruit volunteers and raise awareness all from one platform. Facebook Causes, a registered 501 (c) 3, was created in May 2007 and has since raised \$21 million for 390,000 causes through the efforts of over 100 million active users. Joe Green says the tool now processes \$30,000 to \$45,000 in donations every day – up from \$3,000 two years ago, with a median gift of \$25 (Wasley, 2009).

Causes' purpose is as follows:

Facebook Platform presents an unprecedented opportunity to engage our generation, most of who are on Facebook, in seizing the future and making a difference in the world around us. Our generation cares deeply, but the current system has alienated us. Causes provide the tools so that any Facebook user can leverage their network of real friends to effect positive change. The goal of all this is what we call "equal opportunity activism." We're trying to level the playing field by empowering individuals to change the world. Existing nonprofits must raise hundreds of millions of dollars and leverage massive direct marketing campaigns to attract members. We're democratizing activism by empowering activists with an arsenal of tools for users of Facebook who want to leverage their network on Facebook to effect positive change (Causes Exchange, 2010).

The most critical point Causes intends to promote is “equal opportunity activism” by providing the “Facebook generation,” a primarily young demographic, with access to a variety of nonprofit organizations in attempt to make substantial change (Causes Exchange, 2010). Traditionally, the majority of high level donors have belonged to the 55 and older demographic based on their available expendable incomes. However, nonprofits must continually grow new donors by reaching out to younger audiences and staying connected with them as they age and build wealth. The idea of “equal opportunity activism” is that any individual can make positive changes simply by virtually and financially supporting nonprofits through the Causes application. Yet, the question

remains whether this innovative perspective on philanthropy and revolution in virtual organizational support will create the next phase in fundraising. This research project seeks to establish whether organizations using the Causes application to solicit funds from users are seeing the returns they anticipated.

### *Twitter Fundraising*

Blogging has become a recent addition to many nonprofit websites as a way to keep website viewers informed about current events pertaining to their cause, upcoming events or fundraisers and anecdotes that might strengthen the connection readers may have to the mission and purpose of the organization. The newest trend in the blogosphere is “micro blogging” specifically through a popular website called Twitter. The concept behind Twitter and similar micro blogging websites is to be a “real time information network powered by people all around the world that lets users share and discover what’s happening now.” Members are able to obtain answers to the ever present question of “what’s happening” by “following” other members “tweets” (micro blogs of 145 words or less) that are frequently updated. Users can also comment or “retweet” on a member’s status. In terms of business and organizational use of micro blogging, it is a tool that allows organizations to stay connected with customers and share information quickly with interested parties, obtain feedback and build virtual relationships with potential supporters (Twitter, 2010).

From a nonprofit perspective, Twitter has the potential to give organizations an outlet to share important information that could help build support for their cause. Recently Twitter has become a new fundraising platform for many organizations through

the exchange of important information about the financial needs of their nonprofit and direct links for users to support their cause. A large portion of Twitter's mission is assisting organizations in the "open exchange of information that can have a positive global impact (Twitter, 2010)." Two key principles of fundraising are accessing invested populations to support the cause and providing them with the necessary amount of information to build enough interest to solicit gifts. Twitter satisfies both criteria virtually by providing access to members free of charge that could potentially be interested in an organization's purpose and allowing the organization to provide significant "real time information" that could assist their fundraising efforts.

#### *Other Social Media Fundraising Tools*

There are a variety of social media platforms to choose from, and while Facebook and Twitter are the most popular, other social networking websites and tools available should not be ignored because their potential in fundraising could be significant in the near future. For example, LinkedIn, a professional networking website that is gaining popularity focuses primarily on building professional relationships but has the potential to be used for the solicitation of funds.

Another significant development in fundraising is SMS or text message fundraising that was primarily debuted during President Barack Obama's presidential campaign and was a critical aspect in raising disaster relief funds after the recent earthquake in Haiti. However, this form of fundraising has yet to be used in a long-term capacity by an organization looking to raise operational or program funds. Therefore, text message fundraising will not be incorporated in to this research project. Yet, it is clear

that due to the volume of funds raised through text messaging for disaster relief it has the potential to become an important and effective fundraising method in the future.

### Research Overview

The following research will look at how nonprofit organizations are using Facebook and Twitter to solicit donations as well as at other social networks they are logging on to and how successful they have been in utilizing these new trends in fundraising. But are organizations “jumping in and doing it” too soon (Wasley, 2009)?

This study seeks to build on the growing body of research concerning the financial effectiveness of using social media fundraising. The survey portion of this study analyzes both the planning process for social media strategies and the perception of future success. This will provide information for a stronger understanding of whether the newest craze in social media use will be an effective and sustainable method of soliciting donations or if it is simply a social networking tool that allows organizations to create virtual relationships with *potential* donors and volunteers. The results will establish whether there is an appropriate use range where nonprofits could produce a better annual return for social media fundraising by investing less and gaining more. Finally, the separation of results by organization size category will provide a more complete understanding of whether social media fundraising is the most effective and efficient for organizations with certain amounts of available resources.

## CHAPTER II

### LITERATURE REVIEW

The overall impact of social media websites like Facebook and Twitter has only begun to be analyzed by researchers in marketing, corporate advertising and academia. Moreover, the potential of the social media revolution in terms of the solicitation of funds by nonprofit organizations is an even more recent topic. There are currently three significant studies published on the topic of social media fundraising in charities across America. These studies provide substantive findings in terms of how often and why nonprofits use social media but very little in regards to how much organization have raised thus far and what their returns on fundraising expenditures have been. This project seeks to fill that gap. Two out of three of the existing studies have been conducted by marketing research firms. Each of these studies will be examined in depth and a variety of aspects will be considered in order to better understand the place this research undertaking holds in comparison to the current research on the subject.

### Current Research

*Study #1: "Still Setting the Pace in Social Media: The First Longitudinal Study of Usage by the Largest US Charities" - University of Massachusetts Dartmouth Center for Marketing Research (Barnes & Mattson, 2009)*

This study was the first statistically significant, longitudinal study on the usage of social media by United States charities and surveyed the 2006 and 2007 Forbes Magazine list of the 200 largest US organizations. Thirty-eight percent (76) of the nonprofits participated and the purpose was to establish the "familiarity of the respondents with six prominent social media (blogging, podcasting, online video, social networking, wikis, and message boards)" and the actual usage of those six social media tools by the responding organizations (Barnes & Mattson, 2009). Their analysis looked at the fluctuations in both familiarity and usage from 2007 to 2008 and how drastically those are able to change in the span of one year.

#### *Familiarity*

In 2007, Barnes and Mattson found that blogging was the form of social media that the majority of respondents (62%) were most familiar with. Prior to the establishment of social networking websites, blogging was a popular method for organizations to share information about their purpose and general happenings because it provided more space than a website page and allowed for frequent updating. In 2008, seventy percent of respondents were the most familiar with social networking websites, up from 49% in 2007 (Barnes & Mattson, 2009). Development professionals must stay abreast of the ever changing methods of fundraising available to organizations. This study demonstrates how quickly the most familiar fundraising method can change and



combines this with an examination of the connection to the respondents reported usage of these methods.

### *Usage*

This study also looks at the actual usage of social media tools but does not define how the social media tools are being used as the coming study will seek to do. They found that seventy-nine percent of responding charities were using social networking and video blogging most often. They also saw a dramatic increase in the use of social networking sites and blogging from year 2007 to 2008.

### *Analysis*

In 2007, familiarity and usage were not directly related. However, in 2008, the tools most organizations were most familiar with were the tools they were in fact using most often. Overall, this “longitudinal look at social media usage among the nonprofit sector reveals that social media has become an incredibly important part of the communication strategy for US charities (Barnes & Mattson, 2009).” This study is primarily qualitative and uses little quantitative data to establish the validity of its discoveries. The authors’ measures of effectiveness were based on blog attendance, subscriptions and future plans for expansion of use. Although important characteristics to look at, it is also necessary to look at the financial gains that organizations have and could see through their use of social media which the following research seeks to establish.

*Study #2: "New Media Users Eager to Support Causes...Just Not With Their Wallets" – Cone Marketing, 2009*

The 2009 Cone Consumer New Media study, a three part study, analyzes "new media users' interactions with brands, their support of social and environmental issues and their engagement with corporate responsibility practices (Cone Marketing, 2009)." In comparison to the Dartmouth study, Cone interviewed 587 "new media users" about how they interact with nonprofit organizations technologically. Cone's conclusions examine the factors that influence Americans to use new media to support causes or those things that prevent them from doing so. The majority of respondents (79%) who actively use new media tools believe that nonprofit organizations should use these resources to "raise money and awareness for causes." They define new media as the "dialogue among individuals or groups by way of technology facilitated channels such as social networks, blogs, micro blogs, online games, mobile devices, message boards, and in some instances websites and email (Cone Marketing, 2009)."

Sixty percent of new media users have supported a cause through some of the previously listed channels at some point. However, 27% of respondents have given a financial gift through a social network and only 4% have supported a cause using a micro blog site like Twitter. The majority of Americans are not using social networking websites to demonstrate their financial support of nonprofit organizations despite the fact that 34% of respondents are using new media sites and tools two or more times per week (Cone Marketing, 2009).

The Cone New Media study also looks at the factors that incentivize or discourage Americans from supporting causes using new media. The motivators this

particular study found most relevant are: the opportunity to choose which issue is supported, emotionally compelling causes, the tools are quick and easy to use, there are incentives for involvement, it has demonstrated results and there are also offline opportunities for involvement. The majority of respondents in this survey reported that there are far more factors motivating them to support a cause through new media versus preventing them.

Nonetheless, there are factors that thirty-nine percent of respondents stated are preventing them from virtually supporting organizations. A third of participants didn't trust their effort would actually go to help the intended cause. There is a lack of connection between the organization and donor and in many cases organizations are accessing donors that are outside of their local network which cause them to express caution over submitting financial support electronically. Another important factor that prevents 22% of respondents from supporting a cause using new media is feeling "overwhelmed by the number of causes on new media (Cone Marketing, 2009)." This factor is being considered more frequently by researchers because on Facebook Causes alone there are over 390,000 causes represented that donors could potentially support (Causes Exchange, 2010).

This study makes important conclusions on the relationship between those Americans that say they would support a cause through new media but are not actually opening their wallets and making contributions. Only eighteen percent of respondents have made a donation to an organization through the use of a website, mobile device or social media network. Two percent less participants have been motivated to volunteer as

a result of an organization's new media marketing campaign. These results focus on individual donor reactions to the use of new media rather than organizational efforts. Alison DaSilva, Cone's Executive Vice President of Cause Branding, says that "Americans are actively engaged with causes on new media, but they're lacking a degree of trust that takes them to the next level of engagement (Cone Marketing, 2009)." She recommends that organizations focus on engaging individuals to the point where they become long term donors rather than simply making them aware of a purpose.

*Study #3: "Social Networking and Mid-Size Nonprofits: What's the Use?" – Philanthropy Action (Ogden & Starita, 2009)*

Philanthropy Action, a donor-driven publication that focuses primarily on alleviating global poverty, published a survey on social networking use that studied 1,200 nonprofit organizations with annual revenues ranging between one and five million dollars (mid-size). The purpose of this study was to establish the level of effectiveness in using social technologies to attract both donors and volunteers while pointing out the particular struggle of mid-size organizations that "lack resources to commit to an unproven, and surprisingly expensive strategy, but fear they will be hopelessly 'left behind'" in the recent revolution of virtual cause marketing and fundraising (Ogden & Starita, 2009).

The returns from social media use in terms of engaging potential donors and volunteers have been less than impressive over the last four to five years. Fifty-one percent of respondents reported that 1 to 5 hours per week of staff time was devoted to updating and using social media. Although many organizations are attracted by the offer

of “free” memberships to social networking sites, Ogden and Starita fervently point out that what is truly meant by “free” is that “the distribution costs are low-to-nonexistent compared to traditional alternatives like direct mail....And there is no doubt that social technologies enable us to do things....at very low cost.” However, the “internally-developed content” that is necessary to fuel micro blogs and social networking participation by users has a significant time cost. Allan Benamer of socialmarkets and the Non-Profit Tech Blog estimate that running just a blog with all costs included will cost an organization approximately \$10,000 in the first year (Ogden & Starita, 2009). This thesis will explore both the costs of social media and the returns that organizations of all sizes while also looking at the comparative efficiency of those more traditional methods of fundraising.

### Conclusion

Each of these studies presents a unique perspective on the use of social technologies in nonprofit organizations and the potential returns that can be seen in both donors and volunteers. Yet, the results of the Dartmouth, Cone and Philanthropy Action studies prove that there is still a considerable gap in knowledge around the financial returns on social media fundraising expenditures.

## CHAPTER III

### METHODOLOGY

#### Survey Methods

The following research project will examine a cross-section of organizations throughout the state of Oregon with annual revenues varying from under one million dollars to over \$176 million. One purpose of this study is to establish differences in the impact of social media between different size organizations and so organizations of varying sizes were selected for participation. The population of organizations studied was limited to those that were founded prior to 2005, have a valid email address and are not categorized as a religious organization (the large number of religious organizations would have greatly skewed the results of this survey). The Guidestar database was used to identify appropriate organizations to survey. Of the population of 11,574 nonprofit organizations registered in Oregon and listed in the Guidestar database, 8,673 organizations meet the criteria listed above. From these, I selected a random sample of 329 organizations to survey, stratified by annual revenue into the following categories: small organizations (annual revenue under \$1 million), medium organizations (annual revenue between \$1 and 5 million) and large organizations (annual revenue above \$5 million).

Data from the National Center for Charitable Statistics indicates that 69.4% of Oregon nonprofit organizations would be categorized as “small” by these criteria used here (NCCS, 2010). In order to reflect the increased amount of small organizations, organizations with revenues under \$1 million were sampled at a higher rate. Small organizations represented 47% of the 329 organizations in the sample (155), 33% were medium organizations (108), and 20% were large organizations (66).

The 329 selected organizations received an online survey created through Survey Monkey via email in early April. They were invited to participate and had approximately three weeks to fill it out electronically. One hundred and five organizations completed the survey for a 32% total response rate. The response rates for each size category are summarized in Table 1.

<b>Table 1. Response Rates per Size Category</b>				
<b>Size Category</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Total</b>
<b>Response Rate (%)</b>	32.0%	34.3%	28.7%	32.0%
<b>Number of Respondents</b>	49	37	19	105
<b>Average Annual Revenue</b>	\$383,967	\$2,199,091	\$30,199,322	-

Each size respondent pools varied in annual revenues, missions and intentions in their use of social media. Although not analyzed for their statistical representativeness, these pools appear to be representative of the diversity of nonprofit organizations in Oregon.

### *Measures*

In order to obtain “real time information” about the use of social media in nonprofit organizations, the online survey tool examined the use of traditional methods and social media websites focusing primarily on Facebook, Twitter and LinkedIn.

Organizations were asked their reasons for using social media, the planning they have done in anticipation of and/or expansion of use, as well as the engagement levels of each site in terms of friends, followers and “tweets” obtained. Also, recipients rated the usefulness and success of each social media site which will be important in understanding the potential of each new media site. Finally, the survey looked at future use of social media to fundraise through questions surrounding organizational anticipation of use over the next five years. See Appendix A for complete online survey tool that was distributed to each organization. These measures can be divided in to the following analysis categories: the fundraising planning process and the effectiveness of social media fundraising and a comparison of return on fundraising expenditures. Finally, a supplementary interview was conducted with the Nature Conservancy that provides a comparison point for the results of the survey.

#### *The Fundraising Planning Process*

The variables examined for the planning process focus on the strategic planning process that organizations go through to establish short and long term goals for mission-related activities, program areas and in some cases fundraising. The strategic planning process is critical for all organizations but particularly for those with limited resources. Strategic plans assist in focusing the available funds and other resources on the most critical mission-related activities. By incorporating fundraising in to this planning process, organizations are aligning their program and fundraising needs.

The first set of survey questions (2-4) inquire about whether organizations have a strategic plan and if fundraising has been incorporated in to that plan. Recipients were



also asked whether they have a Board/staff committee dedicated to the creation of fundraising strategies. Specifically for social media fundraising (question 19), those organizations that responded subscribing to social networking sites, “social media users,” were further inquired as to whether they have also included their use of these tools in their strategic plans. These variables examine how well organizations of all sizes are planning for the use of social media versus the ones that are simply “jumping in and doing it” (Wasley, 2009).

#### *The Effectiveness of Social Media Fundraising*

The next level of qualitative examination is observing the overall usage rates for each size category and each site (questions 9 and 12-15). In order to examine the effectiveness of social media fundraising explicitly, the survey inquired as to recipients’ purposes for using social media (question 10). These purposes include: raising awareness, marketing, fundraising, and volunteer recruitment.

The analysis is then broken down by each social networking site: Facebook, Twitter, LinkedIn and any other being used to look at the effectiveness of each using the following measures. The survey examined how many organizations are using Facebook and Twitter to actively solicit funds (questions 18 and 40) as well as their perception of usefulness and success for each. Finally, the uses and gains for LinkedIn and other social media sites were analyzed (questions 48-50). Social media is an ever-changing entity with new sites being created frequently. Therefore, it is essential to assess the other social media sites organizations are using and the gains they have obtained thus far.

*Comparison of Return on Fundraising Expenditures*

The independent variables for this measure are the use of social media sites (e.g., Facebook.com and Twitter.com) as fundraising tools in organizations across Oregon. The dependent variables are the return on fundraising expenditures for both social media and “traditional” method fundraising. The equation for the return on fundraising expenditures for the purposes of this study is:

$$\text{Return on Fundraising Expenditure} = \frac{(\text{Fundraising Revenue} - \text{Fundraising Expenditures})}{\text{Fundraising Expenditures}}$$

This data was collected from the 2006 IRS Form 990s and the organizations’ responses to the survey tool. See Appendix B for a blank 2006 IRS Form 990. The total expenditures include staff/volunteer hours per week used for fundraising and any overhead costs incurred (line 15 on Form 990). Total annual fundraising revenues include direct donations received per year, per method of fundraising. In order to separate fundraising revenue from other revenue sources, lines 1e and 9c were used for this calculation (total contributions and gross special event revenue).

A distinction was made for the purposes of this study between operational fundraising versus fundraising for special events, emergency and disaster relief or political campaigns. Operational fundraising provides for the day to day happenings and is the most difficult for organizations to sustain in the long run. Finally, volunteer hours were assessed at minimum wage because it is critical that organizations assess the financial impact of volunteer input. There is debate over the hourly monetary value of volunteer time but for the purposes of this study, the average hourly compensation rate

was used (Brown, 1999). In 2008, the average hourly wage for the state of Oregon was assessed at \$16.69 (EDCO, 2008).

The percentages for each size category were then averaged and compared to one another to establish the average annual ROFE for large, medium and small organizations. It is difficult to assess the most current ROFE based on the time delay in available financial information; the most current Form 990s available are for 2008.

The different traditional methods of fundraising used by each organization were analyzed to compare the fundraising strategies by each size category organization. The overall expenditures in fundraising for traditional fundraising methods were calculated for the 2006 fiscal year. From there, the ROFE for traditional method and social media fundraising were calculated. These percentages were averaged and compared to establish the overall impact of social media fundraising on total annual revenues.

#### *Supplementary Interview with the Nature Conservancy*

As a supplement to the online survey tool, an interview was conducted with Amy Ganderson, the Digital Marketing Manager for the Nature Conservancy. As noted previously, the Nature Conservancy has been considered the “gold standard” in social media fundraising. Ms. Ganderson was asked about the Nature Conservancy’s current social media fundraising strategies, the financial returns they have seen thus far as well as their recommendations for other organizations looking to begin using or expand their current use of social media. This interview provides important reference information to analyze the results of this study.

## CHAPTER IV

### RESULTS

#### Small Organization Results (Under \$1 Million Annual Revenue)

As noted, 49 small organizations that received the survey tool responded. Indicative of their level of interest in the subject, along with the responses received 11% of respondents emailed the researcher directly indicating a particular interest in the results and provided further information on their use.

#### *The Planning Process*

Thirty-nine respondents (80%) reported having a strategic plan. This is representative of the fact that a majority of these organizations are in the youngest stages of organizational maturity and their available funding and staff resources are extremely limited (Donovan & Simon, 2001). Eleven percent of responding organizations depend solely on one paid staff person and volunteer participation. Taking the planning process one step further, more than nine out of ten respondents have integrated their fundraising strategies in to their strategic plan as a way to align their program needs with their fundraising goals.

A slight majority (53%) reported having created a Board/staff committee dedicated to creating fundraising strategies. However, almost half of the organizations added that they do not have a fundraising committee which could be due to their lack of

expendable resources available to dedicate to this level of planning. Only three of the 16 current social media fundraisers (19%) reported that they have included this process in to their strategic plan. A local human services organization refers to Facebook in their strategic plan as both a media outlet in their communication strategy as well as a fundraising tool in their development plan.

### *Social Media Use for Fundraising*

Consistent with the overall popularity of social media in today's society, 36 small organizations are current subscribers to some social networking site (73%); they will be further discussed as "social media users." Twenty-seven percent of respondents have yet to subscribe to any social media sites. However, every reported "non-user" intends to begin using social media over the next five years. A small medical services organization that is not currently using social media but plans on doing so in the next five years states that they "are gathering lots of information and are a few months away from beginning with Facebook and perhaps Twitter. We wish we had more resources to move more quickly." This nonprofit's comment is representative of the overall sentiment of "non-users" with a lack of available resources, a primary hindrance keeping this size category from signing on to the social media craze.

In order to examine social media fundraising explicitly, this survey inquired as to organizations' primary purpose for using social media. The majority of social media users stated that their main purpose was to "raise awareness." Social media users were

inquired as to the other purposes for subscribing to social networking websites. The following table is a summary of the responses.

Raising Awareness	92%
Marketing	67%
Fundraising	36%
Volunteer Recruitment	39%
Other	14%

Twenty-four of the 36 respondents that are using social media reported that social media has been useful for the purposes they indicated that are summarized in Table 2. The remaining 36% of social media users believe that social media may be useful at some point in the future although it has not been particularly useful to them thus far. Small organizations in general see a significant benefit in their presence on various social networking websites. Most respondents noted that this form of web presence is necessary but have yet to see its full potential.

Twenty-nine of the 37 respondents, both using and not using social media, see Facebook as having the most potential to become a successful fundraising tool for small nonprofit organizations. Table 3 is a synopsis of the respondents' perception of the social media sites with the most potential.

<b>Website</b>	<b>Percent Response</b>
<b>Facebook</b>	76.3%
<b>Twitter</b>	5.3%
<b>LinkedIn</b>	5.3%
<b>Other</b>	13.2%

### *Facebook Fundraising*

Facebook use amongst individuals, businesses and nonprofits has exploded over the last four years and it is by far the most popular social networking website amongst small organizations. Only six percent of small social media users have not yet created memberships on Facebook. Of those organizations subscribing, almost half (47%) are actively using it to fundraise. Although this is less than a majority, it is still a significant percentage considering how recent the ability to fundraise through Facebook was created. Table 4 is a breakdown of when Facebook subscribers began using the website to illustrate how quickly this trend has spread throughout nonprofit organizations.

January 2006 - January 2007	11.8%
February 2007 - January 2008	2.9%
February 2008 - January 2009	26.5%
February 2009 - January 2010	44.1%
February 2010 – Present	8.8%

The majority of small Facebook members have been using it for just over a year. Many respondents expressed having a lack of knowledge on the functions of Facebook and are actively seeking assistance in expanding their understanding so that they can more effectively use this site.

In addition to whether or not small organizations are using Facebook to fundraise, recipients were asked how they are fundraising and how useful and successful the site has been for their organizations. As discussed previously, Facebook Causes and Fan pages are two common fundraising applications. Fan pages are more popular amongst social media users than the Causes application. Twenty-five of the current Facebook fundraisers

have fan pages whereas only nine of those organizations are currently using the Causes application. On average, small organizations' fan pages have engaged 420 "friends." However, most organizations reported that this awareness has not translated to engagement.

When asked about the usefulness and success of Facebook use, 22 of the 34 small Facebook subscribers find the site useful for them and 24% reported that it has not been useful for their organizations for a variety of reasons. One organization expressed that they "need more knowledge on maximizing its use for outreach, marketing and development." They also see a need to "increase their fan base which would take a larger investment of resources." In terms of success, organizations were asked to rate their success on Facebook on the following scale.

<b>Table 5. Facebook Success Rating</b>				
1 = Very Successful	2 = Somewhat Successful	3 = Don't Know	4 = Somewhat Unsuccessful	5 = Very Unsuccessful

The average rating for small Facebook fundraisers was 3.07 or "Don't Know" which is telling in the current state of social media fundraising in small organizations.

Respondents believe that there is potential benefit in using tools like Facebook but are unsure if this tool is going to be successful for operational fundraising in the long term. Furthermore, 26 small organizations using social media plan (36) on increasing their investment in Facebook over the next five years.

### *Twitter Fundraising*

Over the last year 17 small social media users signed on to the newest trend in rapid social communication and are looking to maximize its fundraising capabilities.



Thirty-five percent of those Twitter subscribers have already begun to use the site for fundraising. Similar to Facebook, small organizations were asked to assess how successful Twitter fundraising has been for them from “very successful” to “very unsuccessful.” Table 6 illustrates the results.

<b>Table 6. Twitter Fundraising Success Rating - Small Organizations (n = 17)</b>				
<b>Very Successful</b>	<b>Somewhat Successful</b>	<b>Somewhat Unsuccessful</b>	<b>Very Unsuccessful</b>	<b>Don't Know</b>
0%	25%	13%	19%	31%

Most organizations stipulated that they believe Twitter is far more useful for their organization in terms of communicating awareness-related information to interested parties. Despite the lack of perceived success of Twitter fundraising for small organizations, 6 out of ten Twitter subscribers find the site useful. Therefore, 40% plan on increasing their investment in Twitter fundraising over the next five years and/or when the resources are available to do so.

#### *Other Social Media Site Use*

As noted previously, there are a variety of other social media websites available for use by nonprofit organizations. LinkedIn is a new media tool that 7 of 36 small social media users reported actively using. The LinkedIn subscribers commented that they have seen measurable success in their ability to collect information on individuals and potential donors that may have had a connection to their organization previously. Two respondents that are subscribing have seen a marked increase in visibility and traffic to their main website. Another organization says that the site has been “great for creating and developing connections and researching contacts.” Other websites small organizations are subscribing to include: Vimeo, NING, WordPress, Forest Connect,

Myspace, Youtube, BigTent, Oregon Media, and Yelp. Most of these websites are used by the organizations to exchange mission-related information about upcoming events, current news and trends rather than for fundraising purposes.

### *Comparisons of Returns on Fundraising Expenditures*

This survey also inquired about organizational use of more traditional fundraising methods like direct mail, telephone solicitation, major and corporate gifts, planned giving, foundation grants and government grants and contracts. On average, small organizations are obtaining \$260,000 annually from traditional methods of fundraising. Of these traditional methods, organizations were asked to list which method has been the most successful and/or profitable for them over the last five years, Table 7 summarizes the results.

Comparatively, the average revenue collected thus far (approximately one year) from social media fundraising is approximately \$180 for small organizations. The maximum amount raised by a responding organization was \$1,055 while the majority reported that no money had been raised. In 2006, the average ROFE for traditional methods of fundraising was 3,712% calculated from the Form 990s with the equation listed in the methods section. This is far better than the average social media ROFE which from the responses is -85%. This study is dependent on the reported revenue from those social networking subscribers actively using these sites to fundraise.

Foundation Grants	30.20%
Direct Mail	18.60%
Government Grants and Contracts	13.95%
Memberships	9.30%
Other	9.30%
Major Gifts	9.30%
Corporate Gifts	2.33%
Special Events	2.33%
Planned Giving	2.33%
Telephone Solicitation	2.33%

A variety of factors prevent this measure from being generalizable across all organizations but it is clear from the data collected that small nonprofit organizations are spending far more resources in terms of staff time than they are gaining from the use of these tools. On average, small organizations are spending \$2,618.03 annually on using social media based on the amount of staff time and the average wages per hour they pay. The average per hour wage including volunteer hours for this size category is \$16.64 per hour. Social media users reported spending an average of 2.86 hours per week on updating their social networking accounts. Almost 10% of organizations did not know how much time they were using per week. For the annual revenue category, an annual expenditure of over \$2,000 is a significant amount and should be considered as such. However, many organizations do not realize the financial impact of their social media use because of the general assumption that these tools are “free.” A weekly average expenditure of \$42.30 is not free.

### Medium Organization Results (\$1 – 5 Million Annual Revenue)

Thirty-seven mid-size organizations responded to the online survey tool. The following results contain significant differences from small organizations in terms of planning, social media fundraising and ROFEs.

#### *The Planning Process*

Thirty-five medium organizations currently have a strategic plan. Of those that reported having a strategic plan, 77% have integrated their development strategies in to it. The same percentage of organizations reported having a committee solely dedicated to creating resource development strategies. This is, again, indicative of their level of engagement and evaluation of these approaches for efficiency and effectiveness.

Despite the large number of mid-size organizations with strategic plans, only 38% of the 22 reported social media users (9) in this size category have incorporated social media fundraising into their strategic plan. Fourteen of the 22 social media users have yet to include these recent trends in resource development in to their planning process. However, each organization that has not strategically planned for social media fundraising plans to increase their investment in these tools over the next five years. One organization that is not yet planning for social media stated that they plan to increase their use because “it’s what’s next. There is no way that organizations will be able to ignore this. If we ignore it (social media), we will get left behind and have a hard time catching up.”

### *Social Media Use for Fundraising*

Twenty-two of the 37 medium survey respondents are actively using social media at this time. Of those users, 55% are using social networking websites like Facebook and Twitter to fundraise. The table below illustrates the breakdown of reasons medium organizations are using social media. It is necessary in connection with the planning process that organizations have a clear understanding of their purpose in using these “trendy” tools.

<b>Table 8. Purpose of Social Media Use Among Medium Organizations (n=22)</b>	
Raising Awareness	95%
Marketing	73%
Fundraising	55%
Volunteer Recruitment	36%
Other	14%

Besides raising awareness, marketing, fundraising and volunteer recruitment organizations are using social media as a platform to inform potential donors of special events which has markedly increased their attendance and income.

Seventeen out of 22 social media users believe that these new media tools are useful for the purposes listed above, only 5% stated that these resources have not been useful for their organization. An animal services organization said that they have a lack of knowledge and “a lack of any evidence that it could be useful which makes it seem like a waste of time to use Facebook or Twitter. Especially since we do not know how to use it effectively.” Thirty-two of the 37 medium respondents see Facebook as having the most potential to become the most successful for medium size nonprofits.

### *Facebook Fundraising*

Medium organizations, as seen in the previous studies that have been examined, are enthusiastically using Facebook for a variety of reasons. This is demonstrated by the 90% of social media users (20) that are currently members of Facebook. Only one of ten mid-size nonprofits are not subscribers to this site. A large majority of these subscribers have been using the network since 2009, a small percentage signed on in 2008. Only four out of ten subscribers report that they are actively using the site as a fundraising tool. Consistent with small organizations, more mid-size Facebook subscribers are using fan pages to fundraise versus the Causes application. Each fan page for this size category has an average of 428 friends per page.

There are significant concerns amongst this size category about Facebook fundraising and they are apparent throughout the responses to this survey. Facebook members were asked about their perception of the usefulness and success they have seen thus far. On average, using the rating scale in Table 5, medium organizations rated their Facebook fundraising attempts as “somewhat unsuccessful.” All the responses are summarized in Table 9. Not a single organization reported this site being successful for their resource development processes.

<b>Table 9. Facebook Fundraising Success Rating - Medium Organizations (n = 19)</b>				
<b>Very Successful</b>	<b>Somewhat Successful</b>	<b>Somewhat Unsuccessful</b>	<b>Very Unsuccessful</b>	<b>Don't Know</b>
0.00%	0.00%	62.50%	25.00%	12.50%

In addition, seventy of the twenty Facebook subscribers believe that Facebook is not useful for their organization. A children’s organization stated that the site is “not useful for direct fundraising because people in the main donor base do not tend to be Facebook

users due to their age.” They continued by saying that it is also “not very useful for increasing the number of youth served because Facebook is not one of the top places a parent would search for kids after school programs.”

### *Twitter Fundraising*

Mid-size nonprofit organizations began using Twitter in late 2008 and since then 10 of 20 social media users have subscribed. These subscribers are “tweeting” an average of 2.5 times per week. The maximum number of “tweets” per week was 14 times with the minimum being those organizations that have subscribed but have yet to being posting regularly. The primary content of their “tweets” includes: special event news, policy matters, fundraising and current news in their field. The majority of medium organizations are “tweeting” less than the recommended amount of 3 to 5 times per day. Yet, only 3 of those 10 users are using the site as a fundraising tool.

When asked to rate the success and assess the usefulness of Twitter, the results were discouraging. Two of the three Twitter fundraisers say that they don’t know whether their use of this tool has been at all useful for their resource development approach. Only 2 of 10 Twitter users see this micro blogging trend as useful in terms of soliciting funds. A local humane society expressed this inconsistent response by noting that Twitter “is a great way to spread information quickly to a large amount of people. Unfortunately it’s somewhat random in that it depends on who is ‘listening’ at the moment that tweet goes out.” The success of Twitter fundraising is difficult to evaluate however, Table 10 demonstrates the responses to this survey question.

<b>Very Successful</b>	<b>Somewhat Successful</b>	<b>Somewhat Unsuccessful</b>	<b>Very Unsuccessful</b>	<b>Don't Know</b>
0.00%	0.00%	55.56%	22.22%	22.22%

Despite the inconsistency of responses and the lack of demonstrated success, all the responding organizations plan on increasing their investment in Twitter fundraising over the next five years.

#### *Other Social Media Site Use*

A quarter of medium social media users are subscribing to other social media websites. These include LinkedIn, Youtube, Myspace, Wordpress, and Yelp. One organization commented on their use of LinkedIn: “Our organization is new to the development field as most of our funds originally came from government contracts. This year we are focusing on building capacity and the foundation for our development department. While social media may not have a direct financial return, we feel that it has helped to get our name out.” Mid-size organizations report that Youtube and Myspace has been successful in gaining visibility and they plan on exploring the other functions of these sites.

#### *Comparisons of Returns on Fundraising Expenditures*

In 2006, the responding mid-size nonprofit organizations obtained an average ROFE of 2,046%. With this calculation, the small organizations were more financially effective in their fundraising strategies at this point in time. In order to evaluate the ROFEs, it is necessary to evaluate the popularity and effectiveness of both traditional



methods of fundraising in comparison to social media. Table 11 illustrates the success rating of the traditional methods of fundraising.

<b>Table 11. Success Rating for Traditional Methods of Fundraising</b>	
<b>Most Successful</b>	Government Grants and Contracts
<b>2</b>	Foundation Grants
<b>3</b>	Special Events
<b>4</b>	Major Gifts
<b>5</b>	Corporate Gifts
<b>6</b>	Direct Mail
<b>7</b>	Memberships
<b>Least Successful</b>	Telephone Solicitation

On average, medium sized organizations have raised a little over \$280 annually to support their cause. This is a particularly insignificant amount considering the average annual revenue for traditional methods of fundraising for this size group is \$215,967 per method. The maximum amount of funds raised from Facebook and Twitter within this category was reported at \$1,300. The disappointing financial results of social media for mid-size nonprofits is only further reinforced by the annual investments these organizations have and will make. The average hourly wage of staff and volunteers in conjunction with the number of hours each group is dedicating to the use of social media can be calculated so that this size category is spending an average of \$1,700 annually. Some organizations are spending upwards of \$6,000 in staff resources each year on social media use.

### Large Organization Results (+\$5 Million Annual Revenue)

This size category received the lowest response rate of 28.7% of survey recipients. Due to the low response rate, it will be difficult to generalize the findings of this survey to nonprofit organizations overall.

#### *The Planning Process*

Large organizations are strategically planning for their long term goals in both program related activities as well as fundraising. Sixteen of the 19 respondents have a strategic plan and of those organizations, 74% have incorporated their fundraising approaches and have a committee dedicated to the creation of these strategies. In terms of social media use however, the planning results of this survey indicated that only three large organizations have integrated social media use in to their strategic plans. Those that have made this inclusion find it necessary to emphasize “e-philanthropy” in their plans while linking the success of these tools with their overall online fundraising efforts. Although organizations of this size are not actively planning for their social media use, they are optimistic about its potential benefit. A large majority (79%) of respondents plan on increasing their investment in social media over the next five years. Overall, large organizations reportedly believe that it is an important way to raise awareness and communicate with people invested in their missions.

### *Social Media Use for Fundraising*

More than nine out of ten large nonprofit organizations are currently subscribing to social media websites. The following table summarizes the purposes large organizations reported for using social media for fundraising. All the respondents stated that social media has been useful thus far or that it will be useful at some point in the future.

Raising Awareness	86.70%
Marketing	93.30%
Fundraising	53.30%
Volunteer Recruitment	46.70%
Other	6.60%

#### *Facebook Fundraising*

Consistent with the other size categories, Facebook is by far the most popular website in terms of organization subscriptions. Fourteen of the 15 large social media users are members of the social networking site (93%). Not surprisingly, due to the size and founding dates of the surveyed organizations, many respondents began using Facebook prior to the smaller nonprofits. Many subscribed to the site between late 2007 and early 2008. Seven of the 14 members are actively fundraising with Facebook, demonstrating a consistency across size categories. Although the average Facebook success rating was between “somewhat unsuccessful” and “very unsuccessful,” 61.5% of users believe that this site is useful for them. A selection of organizations commented that it is yet another way to share information about events, drive people to their main website and raise awareness amongst a demographic that has been traditionally difficult to reach.

### *Twitter Fundraising*

Large organizations have the highest rate of use for Twitter and they see significant potential in the benefit of micro blogging particularly for public relations and fundraising appeals. Thirty-three percent of respondents are “tweeting” an average of 4.25 times per week about upcoming special events, the most out of any size category. Because Twitter is so expansively used across large organizations, Table 13 is a look at the various topics that users are “tweeting” about on a regular basis.

<b>Table 13. Most Popular "Tweet" Content for Large Organizations (n = 10)</b>	
<b>Topic</b>	<b>Percentage "Tweeting"</b>
Upcoming Special Events	35%
Mission/Program Related Activities	30%
Personal Stories and Accomplishments	24%
Fundraising	11%

When asked which social media site has the most potential to become a successful fundraising tool, 7 of the 19 large organizations responded with Twitter. Out of all the size categories, they were the only ones who did not select Facebook first. In addition, of those current Twitter fundraisers, 57% plan on increasing their investment in this process over the next five years.

### *Other Social Media Site Use*

A larger percentage of large organizations report subscribing to LinkedIn (26.7%) compared to small and medium sized organizations. They believe it is useful to their organizations for the following reasons: raising awareness, volunteer recruitment and gaining visibility with business leaders. The only other social media website respondents reported using was Youtube which is consistent with the other size categories. Large

organizations are using it as a way to engage potential donors and volunteers through video blogs and video documentations of events and current news.

### *Comparisons of Returns on Fundraising Expenditures*

Due to the low response rates in this size category, it is difficult to get an accurate depiction of the current ROFEs in order to adequately compare them to the 2006 average ROFE of 2515%. Nonetheless it should be noted that the average annual fundraising revenue from traditional methods reported for this size group is \$803,141 and major gifts is believed to be the most successful fundraising method. The revenue results from social media fundraising that were reported the average was \$134.38 however the majority of organizations reported that they didn't know how much they had directly raised from social media.

Nonetheless, large organizations are investing a great deal in the use of social media tools. On average, respondents reported spending \$5,705 per year in staff resources and other investments. A percentage of organizations are spending between \$15,000 and \$30,000 annually on using social media. One organization commented that one of the primary reasons they have yet to invest heavily in these websites is because it "costs a lot to implement and as a nonprofit we don't have the FTEs or sophistication to explore and learn. We also don't have the data base to track constituents to the extent necessary to make social marketing really useful."

## Comparative Findings

### *Basic Revenue Comparisons*

To sufficiently compare the impacts of various fundraising methods across different size organizations it is critical to look at the respondent pool demographics in terms of average current annual revenue. Each respondent pool had a wide range of revenues within the constraints provided. For example, the annual revenues for small organizations based on their most current IRS Form 990 ranged between -\$371,301 and \$962,566.

Recipients in each size category were asked to state the average annual revenue per traditional fundraising method to be compared to the income they have seen from their use of social media to solicit funds. Because the 990 form does not provide a breakdown of fundraising methods, this question examines how much each size organization is raising on average per method using the traditional methods of direct mail, telephone solicitation, major gifts, corporate gifts, planned giving, foundation grants, government grants and contracts, and memberships. The following table is a comparative look across size categories of the average annual revenue per method respondents report raising with the above listed methods.

<b>Table 14. Average Annual Revenue per Traditional Method - Size Comparison</b>			
<b>Organization Size Category</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>
<b>Average Annual Revenue/Method</b>	\$50,458	\$215,967	\$803,14

Social media has yet to come close to grossing the annual revenues listed above and it probably never will. A small organization illustrated this point perfectly by commenting that social media sites “may be appropriate for some organizations. Our

experiences do not demonstrate a good return on investment. Where we compete for funding with other organizations for funds or services, it has proven useful for visibility, but not for revenue.” The closest traditional method comparison to social media fundraising based on response rates and average revenue would be telephone solicitation which receives a significant percentage more income annually than social media has yet to produce across all sizes.

### *Virtual Engagement of Potential Donors*

Across small, medium and large organizations it is clear that organizations are actively using social media tools and that a significant percentage of those social media users are soliciting funds through these sites as well as attempting to raise awareness and market themselves. A measure of virtual engagement for social networking sites is the number of friends, fans and followers each organization’s page solicits. In addition, engagement is illustrated on Twitter by measuring how many “tweets” per week an organization receives. There is a marked increase in the amount of demonstrated interest from small to large organizations illustrated by these measures. Table 15 summarizes these findings.

<b>Table 15. Virtual Engagement - Size Cross Comparison</b>			
<b>Organization Size</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>
<b>Average Number of Fans/Friends/Followers</b>	759	705	1,861

Based on the average number of fans, friends and followers each respondent reported having at this point in time, the engagement levels are the highest for large organizations.

A percentage of large organizations reported having up to 8,000 total friends distributed across their social networking pages.

### *Future Use of Social Media for Fundraising Purposes*

Almost unanimously across the size categories, Oregon nonprofit respondents plan on increasing their investment in social media over the next five years. The majority of organizations stated that they believe that continuing to develop their virtual social networks is essential to future growth. A medium health awareness organization quoted that “as far as our organization is concerned, communication is fundraising. Social media, a tool for communication, is a great way for other to know about you and eventually become a donor. Creating opportunity for people to hear about your organization in a place where they are already (Facebook), makes it easier for you to engage with potential donors.”

However, the plans to expand the use of social media in the future and explore the various functions it may serve do not come without significant and potentially debilitating drawbacks. The majority of small organizations that reported being unsure about an increase in future social networking or fundraising also commented that this was due to a lack of expendable resources and a concern about spending too much time attempting to learn about and develop these tools. Medium organizations noted an uncertainty about whether the majority of their donor audience was using social media tools which largely hinders the success of their social networking efforts. For large organizations, the primary reported hesitation in rapidly and widely expanding their use



of social media is a lack of measurable results in terms of both fundraising potential and effective communication. Many of the organizations also report having significant concerns about the apparent information overload that plagues social networking sites like Facebook and Twitter.

#### Supplementary Interview – the Nature Conservancy

There are a few organizations that have been successful in raising a significant amount of money through the platform. The prime example of this fundraising method has been The Nature Conservancy, an environmental organization that has raised \$345,185 to date using Causes and has 211,279 “friends.” Although, these numbers seem impressive from a marketing perspective, only 570 out of these 211,000 members (.20%) have actually donated through the website and only 330 members (.15%) have told their friends about the mission of The Nature Conservancy (Facebook, 2010).

In analyzing the impact of these percentages, it is critical that organizations understand that a substantial portion of the Nature Conservancy’s donations were “raised through a game called Lil Green Patch on Facebook. The game’s developer agreed to donate a portion of his advertising revenue every time someone uses the application (Preston, 2009).” Therefore, the donations are not being directly solicited through Facebook, but rather through third party collaboration where users are seemingly unaware that their use of the game is assisting an organization. As the preceding example demonstrates, Facebook fundraising success stories must be analyzed in terms of how the donations are solicited, how many users out of the total are donating and how much is

being donated per user. For The Nature Conservancy, approximately \$1.70 is being raised per member (Facebook, 2010). A supplementary interview with Amy Ganderson, the Nature Conservancy's Digital Marketing Manager, was conducted to look further at their strategies as well as what they recommend for other organizations who are entering the world of social media. She also provided her perception of the future of social media in nonprofit organizations which will be analyzed in the Results section.

Ms. Ganderson manages all digital marketing for the organization including the social media fundraising campaigns. She is responsible for formulating the social media use strategies and creating a schedule for updates. The Nature Conservancy's current social media strategy uses Facebook, Twitter and Youtube primarily. Each of these sites are updated on a daily, weekly and monthly basis with fundraising updates, special events, current environmental news and other updates.

Ms. Ganderson pointed out that Facebook has been used primarily for fundraising purposes whereas their use of Twitter and Youtube is for raising awareness and marketing. She reported that Youtube has been very successful for their marketing campaigns because they are able to post video documentation of their events so that interested parties all over the world can tune in to their channel. They also post video blogs and clips of current events. The Nature Conservancy's strategy evolved over time, they started with Facebook and then expanded their social media use from there.

Ms. Ganderson believes that Twitter has been the most useful website and has the most potential to become successful for nonprofit organizations because it allows charities to "check the pulse of individuals that are talking about our organization." The

Nature Conservancy is an advocate for organizations having an adequate web presence in order to create “buzz” about their happenings. When asked about recommendations for organizations looking at using or expanding their social media use Ms. Ganderson focused primarily on the planning process. She stated that organizations,

Need to think about it strategically. A lot of people just say they need to build a Facebook account. Think about what you want to achieve from it. Organizations should ask themselves the following questions: What do we want to get out of this? How are we going to promote our goals? How will we measure this goal? How many fans are we seeking? Are we focusing on a particular issue?

She also notes that organizations need to consider their investment in social media similar to a business venture and plan accordingly. She emphasizes that strategic planning is the most critical part of social media fundraising.

As for the future of social media use in nonprofit organizations, Ms. Ganderson believes that it will get more efficient over the next five years but it has yet to replace direct mail. She quotes that “social media is where the people are right now. We, as organizations, need to be where the people are.” Overall, Ms. Ganderson believes that the success the Nature Conservancy has seen is translatable to other organizations if planned for and used properly. This interview provides a necessary comparison point to an organization that has been successful in social media fundraising.

## CHAPTER V

### DISCUSSION

The following section is a discussion of the major findings of this social media study. There are a variety of conclusions that can be drawn for each size category as well as comparatively.

#### Social Media Use for Fundraising

In discussing social media fundraising in nonprofit organizations, the results demonstrate that all sizes are using social media for a variety of reasons but in terms of fundraising, all size categories have yet to see the financial returns they anticipated. The following discussion looks at organizational use of Facebook, Twitter and other sites for operational fundraising and draws necessary conclusions from the results of the survey.

#### *Small Organizations*

The results of the survey clarify that the majority of small organizations are indeed using social media however, they also illustrate that this size category is not primarily using these new media tools for fundraising but for raising awareness. Between Facebook and Twitter, more small organizations are fundraising through Facebook, but the majority has yet to fundraise through either site. Neither option have seen significant

financial return, only 8 organizations reported obtaining any donations, the highest amount being \$1,055 in a little over a year. This is consistent with the Cone Marketing Study's findings that Americans in general are using social media tools to demonstrate their support of organizations but are not engaged to the point of opening their wallets and making a donation (Cone Marketing, 2009).

### *Facebook Fundraising*

There are significant and noted concerns amongst this size category about the future success of Facebook fundraising. An organization responded that they "have serious concerns about the privacy and ownership of content that Facebook entails" and they "are hesitant to invest any further resources in to it." Quite clearly, there are contradicting view points on the potentially positive impact of Facebook fundraising on small organizations with extremely limited resources to allocate to developing their social media use.

Positively, the functions of Facebook are developing to be more useful for nonprofit fundraising. For example, the Causes application is the first and only social media function that allows for the direct solicitation of funds without taking donors to a third party website. However, as has been discovered in recent studies, it is difficult to fully understand and anticipate the financial impact of this fundraising tool and the challenges are numerous. Holly Ross, an executive director of the Nonprofit Technology Network, discusses a particular challenge by saying "if you think about traditional direct mail, or even traditional e-mail, you're having one conversation with a thousand people. Now you are trying to have a thousand conversations with a thousand people. This takes

a lot of time (Wasley, 2009).” This could be one reason that the majority of small nonprofit respondents plan on continuing to explore Facebook fundraising in the coming years and see the site as having the most potential as a resource development tool.

### *Twitter Fundraising*

Similarly to Facebook fundraising, some organizations have seen significant success using Twitter as a fundraising tool. In 2009, the Bob Woodruff Foundation created the “TweetToRemind” campaign that raised \$45,000 through Twitter alone as a part of their effort to raise money for wounded military personnel. A partner of the Bob Woodruff Foundation and CMO of Porter Novelli, Marian Salzman was quoted in an interview as saying that Twitter is “an awesome way to get the impulsive donor and the repeat small donor. It’s also a terrific tool for education and message reinforcement. But we didn’t get some of our folks on Twitter just because of demographics – they were too young (teens) and too old (boomers).” Although this campaign faced significant challenges in terms of it being both a public awareness initiative and a fundraising effort, the Bob Woodruff Foundation saw significant success (Parpis, 2009).

Salzman’s comment demonstrates a variety of the intrinsic difficulties in utilizing micro blogging platforms like Twitter as fundraising tools. In an interview from the same article with JWT CEO Bob Jeffrey, he states that the campaign “wasn’t only a humanitarian effort, but a learning experience about how to use social media to get responses from consumers, especially younger ones (Parpis, 2009).” One of the primary challenges that Twitter fundraisers face is capturing the attention of their followers frequently enough to solicit a donation. With the mass of information that users are

bombarded with each time they log on to the site, it is difficult to make one organization's "tweets" stand out over the rest. Another significant challenge is determining what information is important to "tweet" to followers and what posts could cause them to lose interest. A key aspect of this research project will be to further the understanding of how organizations are using websites like Twitter to solicit funds and how organizations can be more efficient in their use.

One of the biggest challenge facing nonprofit Twitter subscribers is the lack of flexibility in the function of the website. Organizations are limited to "tweets" under 140 characters in which they are expected to convey the necessary information to engage a donor to make a donation through a third party website. Along with the "tweet" length limitations, another significant challenge facing nonprofit "tweeters" is the ability to captivate potential donors when they are overloaded with information from other organizations or individuals they may be "following." The number of "tweets" per day necessary to capture the attention of "followers" is fervently debated.

As Twitter becomes more popular, more posts occur each day and the more virtual static each nonprofit must compete with for donor attention. Nonprofit Technology Network recommends 3 to 5 "tweets" per day in order to captivate their goal audience. Small Twitter subscribers are "tweeting" an average of four times each week, less than one time per day. There could be a variety of reasons for this including a lack of knowledge about the uses of Twitter, a lack of expendable resources available to update the page multiple times per day, or difficulty in establishing what content is appropriate to post on their organization's page.

### *Medium Organizations*

There was a 19% increase in the amount of organizations that report engaging in social media fundraising from small to mid-size nonprofits. Despite this marked increase, only three survey respondents reported raising any funds through Facebook or Twitter. These results are consistent with those of the Philanthropy Action study that found that organizations of this size are investing in social media heavily but “more than 70% of respondents indicated that they had raised less than \$100 or did not know whether they had raised any money (Ogden & Starita, 2009).”

#### *Facebook Fundraising*

The interesting results from the survey in terms of engagement are that the average number of friends on Facebook for medium organizations is almost identical to that of small organizations. These results demonstrate that Facebook is a less effective approach for organizations of this size and the platform may not be conducive to their needs. In addition to the fan pages, only half of the organizations fundraising through this network are using the Causes application to do so. Despite the fact that the application is user-friendly and tracks the donations raised, the survey responses show that medium nonprofits are not taking advantage of the benefits of this aspect of Facebook. Despite the underwhelming amount of donations raised and the lack of engagement in terms of friends, fans and followers, unanimously mid-size respondents plan on increasing their Facebook fundraising over the next five years.



### *Twitter Fundraising*

Mid-size nonprofits are looking critically at how Twitter will grow and expand in the coming years to make this micro blogging application more user friendly and are prepared to dedicate more resources to its use. Only 30% of respondents are currently fundraising with Twitter and there were no reported donations solicited as of yet. However, medium organizations believe Twitter's value lies in its ability to generate traffic to their main website, advertise special events and raise awareness about current trends in their field. Ms. Ganderson's responses reflect the value of Twitter in the sense that it gives organizations the opportunity to "check the pulse" about who's talking about them and measuring the impact of their web presence.

### *Large Organizations*

The Dartmouth study found that social media usage throughout this size category rapidly increased from 2007 to 2008. The results reinforce that large nonprofits are using social media at impressive rates however; the income from these tools has been very small thus far. In comparison to smaller organizations though, the reasons behind the decreased financial impact may be due to the fact that organizations of this size are utilizing social media primarily for brand awareness and have yet to fully develop its fundraising capacity. The comments present a cycle of insignificant revenues from social media prompting a lack of motivation to explore further use for fundraising in combination with an inability to appropriately track the overall impact of these tools.

### *Facebook Fundraising*

The results reinforce the fact that large organizations' main purpose for using Facebook is not to fundraise and the lack of funds they have been able to solicit only solidifies this assumption. The responding organizations were more interested in the exposure and web presence Facebook provides them versus the financial return that could be developed with a further injection of resources. Those that did not find Facebook useful commented that it as a high maintenance tool that has been jeopardizing available resources unnecessarily and that the returns both in terms of marketing and fundraising have been less than anticipated.

### *Twitter Fundraising*

It is also clear from the results that fundraising is not the main motivation for Twitter use either. Special events are one of the most effective methods of fundraising for this category so using Twitter to market in that way could have an indirect financial impact on these organizations. One of the most telling results for mid-size organizations is that 70% of respondents don't know how useful Twitter has been for their organization and the majority is not directly tracking gains from the site. However, almost unanimously these organizations plan on increasing their use of Twitter over the next five years. Per Ms. Ganderson's recommendations, mid-size organizations should evaluate their use of Twitter and establish what their main purpose is for subscribing to the site before investing any future resources. From the results of the survey, Twitter has not been financially effective or efficient for large nonprofits.

Across size categories, Facebook has been a far more effective tool in terms of fundraising than Twitter. However, organizations continue to see value in micro blogging to raise awareness and market special events or fundraisers. One of the primary difficulties that survey respondents commented with Twitter is the need for “followers” to go to a third party website to make a donation or get more information whereas Facebook is all encompassing. In terms of virtual engagement through social media, large organizations have been able to captivate the most fans, friends and followers. Surprisingly, as illustrated in Table 15, the engagement rates were almost identical for small and medium organizations. Does this mean that Facebook and Twitter are more effective for large organizations? Not necessarily. There are a variety of other factors beyond size that establish the reasons for individuals to be virtually engaged with a cause such as, having previously donated or volunteered for the cause.

However, these results do allude to the fact that large organizations that have more expendable resources may be better able to captivate virtual audiences based on their increased web presence. Also, based on the respondents’ responses in this section, small and mid-size organizations have reported a great deal of difficulty in communicating effectively and frequently through social media because of their limited resources. It is hard for smaller organizations to dedicate sufficient time to these tools when they are dependent on one to two staff members and volunteer participation. In the end, social media fundraising has yet to show substantial financial return but in terms of engagement and raising awareness it holds value for all size categories.

### Comparison of Return on Fundraising Expenditures (ROFEs)

The ROFE of social media fundraising across all size categories has been far less than many anticipated considering the number of individuals organizations can access with the click of a button. The Nature Conservancy, as noted previously, has raised a significant amount on Facebook but in terms of the dollar amount per donor, the results are less than what a direct mail campaign could have solicited on average. The results of this thesis reflect a similar situation: Organizations of all sizes are investing heavily in the use of social media but few have raised much and not a single organization that responded has broken even.

#### *Small Organizations*

Small organizations already encounter a variety of challenges based on their lack of expendable resources. The findings of this study prove that small organizations are spending far more on social media fundraising than they are gaining financially from these tools. Overall, these social media tools do have potential to be resource beneficial for organizations of this size and the majority of respondents do plan on increasing their use over the next five years. These disappointing financial results are consistent with the current literature on the topic and could be a symptom of both a lack of knowledge about social media functions that were frequently commented throughout the survey responses. Based on Ms. Ganderson's recommendations and the fact that the majority of small organizations are currently investing in social media use, although currently unsuccessful

in terms of fundraising, this size category should continue to plan for and use these tools for raising awareness and marketing.

### *Medium Organizations*

The lack of consistency in responses in terms of the ROFEs of social media fundraising for this category are telling of the current state of fundraising overall, organizations may be stretched to thin and as the literature notes, the traditional methods are far less effective and efficient while these new trends in technology have yet to demonstrate any measurable impact for this size category. However, one outstanding result of this category was the financial success mid-size organizations are currently seeing with special events comparative to both small and large organizations. Special events take a significant overhead investment in order to achieve an appropriate return and therefore, the increase of expendable income makes this method far more feasible for mid-size organizations. Per the results of this study, mid-size organizations have yet to capitalize on the potential fundraising success of social media in terms of ROFE. However, they have found sustainable success through special event fundraising.

### *Large Organizations*

The lack of viable responses in this category makes it difficult to adequately discuss the impact of social media fundraising for large organizations. However, the data collected for this size category demonstrates that large organizations are investing the most out of all size categories in social media; some organizations have invested up to

\$5,000 annually in staff resources. Although they are investing heavily in social media, their primary purpose for use as noted previously is not fundraising. Therefore, it is difficult to establish what the ROFE of social media for large organizations is because in most cases the motivation behind their use is marketing or raising awareness meaning that revenues are not likely being tracked. This is reflected in the fact that on average organizations have raised under \$140 annually since subscribing to Facebook and Twitter.

#### Final Discussion

In general, the results of this study show that although usage rates are up in all size categories, there is no consistency regarding the main purposes for use and the financial results have been far less than anticipated. However, there is significant optimism about the potential these sites hold based on the survey responses and the interview with Ms. Ganderson. In the end, social media will continue to grow and expand but based on the supplementary recommendations, organizations of all sizes should proceed with caution, carefully plan out their social media decisions with a clear understanding of their purpose, and proactively track both their expenditures and revenues from these new media tools.

## CHAPTER VI

### CONCLUSION AND RECOMMENDATIONS

#### Conclusion

This research project sought to answer the following questions: What is the primary use for social media amongst small, medium and large organizations and are they actively using these tools for fundraising?; Is the return on fundraising expenditure for social media fundraising the same or better than that of more traditional fundraising methods?; Does this ROFE differ based on the size of an organization?; and Have organizations overall established a plan for the use of social media and does it differ based on the size of an organization?

Overall, the findings of this study are consistent with the three existing studies, the basic information being that usage of social media is expanding but very few organizations have secured sufficient donations to make it worth a significant increase in use. However, this study adds to that in the sense that far more organizations of all sizes are subscribing to Facebook while fewer are finding the micro blogging world of Twitter as effective for their purpose. The results of the survey have also increased our understanding as to the primary reasons organizations are using social media and the gains they hope to receive. In the end, the results as to which size organization social media is most effective for point to large organizations with the most available

expendable staff resources but only in terms of raising awareness. Small organizations, in regards to the use of social media for fundraising, have been the most successful thus far. Overall, in regards to the planning process, all size organizations must be more diligent about strategically thinking about their social media use as to not waste resources on an inefficient and ineffective tool.

It is clear that small, medium and large organizations are actively using social media to fundraise although the financial returns have been less than impressive. It can also be established from the results that for the most part organizations still need to establish comprehensive plans for the use of these social networking sites. However, it can be understood that due to the overall lack of knowledge and tracking of the financial returns for the use of these tools for fundraising the true ROFE cannot be calculated. Future research should be done in this area to further explore a usable donation tracking system for organizations to link measurable benefits directly to the use of social media.

It is apparent that social media has been useful for each size organization for different reasons. Small organizations have achieved a higher financial return than others whereas medium organizations see the most success in their ability to communicate with members. Finally, large organizations feel as though Facebook and Twitter have been the most effective in raising awareness and increasing the visibility of their causes throughout the community.

Social media can be useful for all organizations that understand how to maximize the benefits without maximizing expenditures. Nonprofit organizations should continue to make well-planned investments in these tools as their functions in terms of fundraising



continue to develop. As a Chronicle of Philanthropy article stated, development professionals are stuck “between a rock and a hard place” in terms of soliciting funds (Wasley, 2009). The traditional methods are costly and the new methods have yet to fully develop to the point of effectiveness. So where do organizations go from here? Fundraisers should get creative, use social media to increase visibility but focus primarily on more effective fundraising tools that are likely to gross higher annual revenues. In the end, social networking is both Facebook friend and foe.

#### Future Research

Although this research is a case study of Oregon nonprofit organizations, the results are valuable for organizations everywhere. Fundraising is possible through the connections organizations make with donors which means communication is key. In order to solicit funds effectively, development professionals must be creative and stay current on the tools available to connect with potential donors and volunteers. Therefore, it was inevitable that nonprofit organizations would join the social media frenzy in order to raise funds through Facebook and “tweet” for donations. These sites provide instant access to thousands of individuals at a seemingly low cost compared to more traditional methods. A presence on social networking sites has become essential for nonprofit survival.

It is necessary however, for organizations to consider the opportunity cost of investing valuable staff and volunteer time in to the constant and necessary updates required to maintain this presence. It is clear through the results of this survey that these

expenditures are significant especially for those organizations with limited resources.

Success in social media isn't always measurable and is anything but guaranteed. Yet, it is necessary to capture and engage these populations as membership rates continue to rise drastically. An increase in success rates can be achieved through careful planning and constant evaluation by all sizes of nonprofit organizations.

Future research will be necessary in order to establish the true success of social media fundraising over the next five years as the results of this survey were not definitive. Once social media fundraising becomes more universal and the platforms are adjusted to make soliciting donations more feasible, it will be necessary to reevaluate the use of these tools.

## APPENDIX A

## SOCIAL MEDIA FUNDRAISING SURVEY TOOL

**Social Media Fundraising Thesis Survey****1. General Information**

The following questions are intended to gather general information about your organization and its fundraising strategies.

**\* 1. Please enter the following contact information for your organization.**

Name of Organization: \_\_\_\_\_

Name of Respondent \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**\* 2. Does your organization have a strategic plan?**

Yes

No

**2. General Information (Continued)****\* 3. Does your organization's strategic plan include a fundraising strategy?**

Yes

No

**\* 4. Does your organization have a committee dedicated to creating fundraising strategies?**

Yes

No

**3. Traditional Methods of Fundraising**

The following questions look at your organization's use of more traditional methods of fundraising.

### Social Media Fundraising Thesis Survey

**\* 5. In the last five years, which of the following methods of fundraising has your organization used? (Please select all that apply) If any methods are not listed, please select other and input the method in the text box.**

- Direct Mail (e-mail included)
- Telephone Solicitation
- Special Events
- Planned Giving
- Major Gifts
- Corporate Gifts
- Foundation Grants
- Government Grants & Contracts
- Memberships
- Other (please specify)



**\* 6. Does your organization track the donations you have solicited for each of the above methods listed specifically? (For example, in your budget, does your organization list direct mail donations as a revenue line-item?)**

- Yes
- No

**7. For the following fundraising methods please input your organization's average annual revenue per fundraising effort. If your organization has not used a method listed put N/A.**

Direct Mail (e-mail included)	
Telephone Solicitation	
Special Events	
Planned Giving	
Major Gifts	
Corporate Gifts	
Foundation Grants	
Government Grants & Contracts	
Memberships	

## Social Media Fundraising Thesis Survey

**\* 8. What do you think is your most successful fundraising method in terms of dollars raised per dollar invested?**

### 4. Social Media Fundraising

The following questions pertain to your organization's use of social media tools for fundraising.

**9. Does your organization currently subscribe to any social media websites? (i.e., Facebook.com or Twitter.com)**

- Yes  
 No

### 5. Social Media Fundraising (Continued)

**10. What is your organization's primary purpose in subscribing to social media websites? (Please select all that apply)**

- Raising Awareness  
 Fundraising  
 Volunteer Recruitment  
 Marketing  
 Other (please specify)

-|

-|

**\* 11. Do you feel as though social media websites are useful tools for the purposes you selected above?**

- Yes  
 Maybe at some point in the future.  
 No

**\* 12. Does your organization subscribe to Facebook.com?**

- Yes  
 No

### 6. Twitter Use

### Social Media Fundraising Thesis Survey

**\* 13. Does your organization subscribe to Twitter.com?**

- Yes  
 No

### 7. LinkedIn Use (start page)

**\* 14. Does your organization subscribe to LinkedIn?**

- Yes  
 No

### 8. Other Social Media Use (start page)

**\* 15. Does your organization subscribe to any other social media websites? If so, please specify which ones in the comment box.**

- No  
 Yes (please specify) \_\_\_\_\_

### 9. Facebook Fundraising

**16. When did your organization begin using Facebook?**

MM DD YYYY  
 Facebook Membership Start Date  
 |/ |/

**17. On average, how many hours of staff/volunteer time does your organization dedicate to updating/using Facebook each week?**

|

**18. Does your organization use Facebook to solicit donations/fundraise?**

- Yes  
 No

### 10. Facebook Fundraising 2

### Social Media Fundraising Thesis Survey

**19. Is fundraising on Facebook part of your strategic plan? If so, please describe your strategy in the comments section.**

Yes

No

If so, please describe your strategy.

---

**20. Does your organization actively track donations raised on Facebook? (If not, please say why.)**

Yes

No

If not, why:

---

**21. What is the total amount of donations your organization has raised using Facebook?**

Amount Raised

**22. How many donors have given to your organization on Facebook?**

### 11. Final Facebook Fundraising Questions

**23. Has your organization made any other investments in Facebook fundraising other than staff/volunteer time? (If so, please list the total amount in the comments section)**

Yes

No

If so, please list total amount of investment(s)

---

**24. Does your organization use the Facebook Causes application to solicit donations?**

Yes

No

## Social Media Fundraising Thesis Survey

**25. How successful do you feel fundraising on Facebook has been for your organization?**

Very Successful      Somewhat Successful      Don't Know      Somewhat Unsuccessful      Very Unsuccessful

Facebook Fundraising Success Rating                             

**26. Does your organization plan on increasing its Facebook use for fundraising over the next five years?**

- Yes  
 No

Please Comment

\_\_\_\_\_

**27. Do you know your organization's current return on fundraising expenditures for Facebook? (Return on Fundraising Expenditure = Fundraising Revenue from Facebook Fundraising / Total Fundraising Expenditures) If so, what is it?**

- Yes  
 No

If so, what is your current ROI?

## 12. Facebook Causes and Fan Pages

**28. Does your organization have a fan page on Facebook?**

- Yes  
 No

**29. How many fans/friends does your organization have on Facebook?**

\_\_\_\_\_

## 13. Facebook Invitations 1

**30. Do you actively send out invitations for people to join your Facebook group?**

- Yes  
 No



## Social Media Fundraising Thesis Survey

### 14. Facebook Invitations 2

31. How many invitations per week do you send out on Facebook?

32. How many of those invitations are accepted?

### 15. Final Facebook

33. Do you find Facebook useful for your organization? If no, why not?

Yes

No

### 16. Twitter General Information

34. When did your organization begin using Twitter?

MM DD YYYY  
 Twitter Membership Start Date  
 | / | /

35. How many times do you update your organization's Twitter page per week?

36. What does the content of your organization's posts on Twitter usually pertain to? (For example, are most of your organizations posts on fundraising?)

37. How many followers do you have on Twitter?

38. How many people does your organization "follow" on Twitter?

39. On average, how many "tweets" does your organization get per week?

## Social Media Fundraising Thesis Survey

**40. Does your organization use Twitter as a fundraising tool?**

Yes

No

If no, why not?



## 17. Twitter Non-Fundraising

**41. Does your organization anticipate using Twitter for fundraising at some point in the next five years?**

Yes

No

Please Comment



## 18. Twitter Fundraising 1

**42. Please briefly describe your fundraising efforts using Twitter.**



**43. How much has your organization raised total using Twitter?**

**44. How many donors have donated to your organization via Twitter?**

**45. Does your organization actively track Twitter fundraising revenue specifically?**

Yes

No

If no, why not?

## Social Media Fundraising Thesis Survey

**46. How successful do you feel fundraising with Twitter has been for your organization?**

	Very Successful	Somewhat Successful	Don't Know	Somewhat Unsuccessful	Very Unsuccessful
Twitter Fundraising Success Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**47. Do you feel as though Twitter is a useful tool for your organization?**

- Yes
- No

Please Comment

## 19. LinkedIn

The following questions discuss your organization's use of LinkedIn.

**48. What has your organization gained from having a LinkedIn page?**

**49. Do you believe that LinkedIn has been a useful tool for your organization?**

- Yes
- No

Please Comment

## 20. Other Social Media Use

The following questions pertain to the use of other social media sites.

**50. Please describe your use and successes/failures with the other social media websites you have listed.**

## 21. Total Social Media Staff Investment

## Social Media Fundraising Thesis Survey

\* 51. On average, how many hours per week do staff/volunteers spend updating/using all your organization's social media pages?

|

\* 52. What is the average per hour wage for staff members responsible for updating social media websites for your organization?

|

## 22. General Social Media Questions

\* 53. Does your organization plan on increasing its investment in social media fundraising over the next five years? If so, why?

Yes

No

If so, why?

\* 54. In your opinion, which of the following social media sites has the most potential to become a successful fundraising tool for nonprofits of your size?

Facebook

Twitter

LinkedIn

Other (please specify)

|

55. Please include any other information about social media fundraising you wish to add that pertains to your organizations use or successes/failures.

Thank you.

APPENDIX B

IRS FORM 990 – BLANK

Form **990** **Return of Organization Exempt From Income Tax** OMB No. 1545-0047  
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)  
 Department of the Treasury Internal Revenue Service

**2006**  
**Open to Public Inspection**

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2006 calendar year, or tax year beginning \_\_\_\_\_, 2006, and ending \_\_\_\_\_, 20\_\_

**B** Check if applicable:  Address change  Name change  Initial return  Final return  Amended return  Application pending

**C** Name of organization \_\_\_\_\_  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite \_\_\_\_\_  
 City or town, state or country, and ZIP + 4 \_\_\_\_\_

**D** Employer identification number \_\_\_\_\_

**E** Telephone number (\_\_\_\_) \_\_\_\_\_

**F** Accounting method:  Cash  Accrual  Other (specify) \_\_\_\_\_

**G** Website: \_\_\_\_\_

**H** and I are not applicable to section 527 organizations.  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates \_\_\_\_\_  
**H(c)** Are all affiliates included?  Yes  No (If "No," attach a list. See instructions.)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Group Exemption Number \_\_\_\_\_

**J** Organization type (check only one)  501(c) ( ) (insert no.)  4947(a)(1) or  527

**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 \_\_\_\_\_

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Contributions to donor advised funds	1a		
	b	Direct public support (not included on line 1a)	1b		
	c	Indirect public support (not included on line 1a)	1c		
	d	Government contributions (grants) (not included on line 1a)	1d		
	e	Total (add lines 1a through 1d) (cash \$ _____ noncash \$ _____)			1e
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2
	3	Membership dues and assessments			3
	4	Interest on savings and temporary cash investments			4
	5	Dividends and interest from securities			5
	6a	Gross rents	6a		
	b	Less: rental expenses	6b		
c	Net rental income or (loss). Subtract line 6b from line 6a			6c	
7	Other investment income (describe _____)			7	
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
	b	Less: cost or other basis and sales expenses	8a	8b	
	c	Gain or (loss) (attach schedule)	8c		
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)			8d
Revenue	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
	a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a		
	b	Less: direct expenses other than fundraising expenses	9b		
c	Net income or (loss) from special events. Subtract line 9b from line 9a			9c	
Revenue	10a	Gross sales of inventory, less returns and allowances	10a		
	b	Less: cost of goods sold	10b		
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a			10c
	11	Other revenue (from Part VII, line 103)			11
	12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12
Expenses	13	Program services (from line 44, column (B))			13
	14	Management and general (from line 44, column (C))			14
	15	Fundraising (from line 44, column (D))			15
	16	Payments to affiliates (attach schedule)			16
	17	Total expenses. Add lines 13 and 14, column (A)			17
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12			18
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19
	20	Other changes in net assets or fund balances (attach explanation)			20
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20			21

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