

Fall 2006

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Featured Article

"Drowning in Data"

Stanford Social Innovation Review

Author: Paul C. Light

To read more, go to: [Stanford Social Innovation Review](http://www.ssireview.com/)

<http://www.ssireview.com/>

Did you know...?

- 48% of foundations are in the Midwest, and 28% of total giving to foundations is in the Midwest

(Source: The Foundation Center, 2006)

To read more: [click here](#)

- 56% of donors born after 1964 plan to give more in the future, and are currently contributing on average, \$791 annually...

(Source: AFP: "Boomers lead generation giving, but younger groups showing potential")

To read more: [click here](#)

- In a recent poll of Americans, 51% stated they had a fair amount of confidence in charitable organizations...

(Source: P. C. Light, "Donor, Heal Thyself")

To read more: [click here](#)

Doing Your Homework

Getting the most out of your communication efforts

A recent article "Research Rules" by R.C. Hershey and A. Posey in the *Stanford Social Innovation Review* outlines the experience of a cancer research organization that needed to find their identity and communicate their brand to the public in order to secure donors and set themselves apart from other similar organizations.

The question was: where to start? First they had to realize the reality that, as Hershey wrote; "While many [nonprofits] work toward a common good...they also compete for money and attention." Therefore, the first step is to find how best to communicate to your target audience, and the most effective way to do so is research.

Below you will find some valuable information based on our experiences with nonprofit clients and the article "Research Rules."

Finding #1:

"Strong communications are in the **best interests** of both organizations and the people they serve" states Hershey. It is important to know how well you are communicating your **impact**—what you do in the community, as well as your name and who you are.



Finding #2:

For the nonprofit world, **being visible** means being successful. Hershey states that organizations "have to know exactly whom they are trying to reach and how to grab their attention." Research can reveal who your current and potential donors are and how to communicate effectively and efficiently to them.

Finding #3:

Good research always **pays for itself**. By knowing your donors and how best to communicate with them, your nonprofit can make informed decisions regarding your

Useful Links

[Independent Sector](#)

Check out the recent giving and volunteer research that has been conducted

[Marketingprofs.com](#)

Find information related to marketing and market research

[National Center for Charitable Statistics](#)

A national clearinghouse of data on the nonprofit sector

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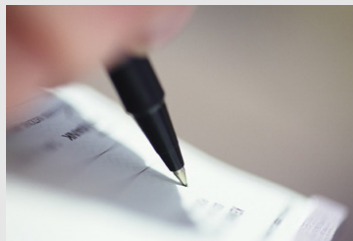
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campaign and general organizational decisions. This leads to better resource allocation and more donations coming in the door. As the article states, "...research can ultimately add to the bottom line, allowing nonprofits to get to do the work they actually do best."

Where the Money Goes:

Nonprofit management in a competitive market



It is hard to ignore statements like "with competition fierce, charities are finding that savvy marketing is a must" (Hempel, 2006), "competition is very real and very strong" (Cohen, 2006), and "nonprofits not only compete with other nonprofits,

but also with for-profit entities and with branches of government" (La Piana, Hayes, 2005).

Recent articles have addressed these issues of competition among nonprofits and donor competition; bringing valuable insights to executives and management in the nonprofit sector. This information can be used to move your organization to more effectively meet your goals, and efficiently use and gain resources in order to meet those goals.

Recent research points to the impact of donor retention and donor share of wallet. These two dynamic factors are some of the main forces behind the competitive donor market.

Knowing that "...donors may simply switch between charities without any increase in overall funding" (Thornton, 2006), the question becomes—how does a nonprofit increase or, at least, maintain their donor base and their contributions? Answer: communication is key—specifically and frequently communicating with your donors. As an article from Stanford University states, "donors will choose the nonprofit that most closely matches their own preferences" (Thornton, 2006). Based on this realization, nonprofit organizations need to be aware of donor preferences and needs, and even more importantly how they change. Since there have been dramatic changes in the US population related to interests, and habits with philanthropy and charitable giving, nonprofits that do not adapt will face more challenges than those who do adapt (Cohen, 2006).



At Perspectives, our experience has produced similar results. For example, in a recent Donor Experience Assessment for a local nonprofit organization, donors were asked about what they would like to have communicated to them about their contribution. The result was interesting with the sample evenly split—approximately 30% wanting to know either the **statistics about the results, information about trust**

and accountability, or stories about the impact the organization has on people's lives. With this and other research results, the organization was able to target their message, media, timing and frequency of communication with donors to better meet their needs and expectations.

Strong statements about competition in the nonprofit sector are hard to ignore. Information available in order to improve communication and relationships with donors also should not be ignored. To combat the forces of competition in donor markets, experts and consultants suggest, "nonprofits need to work harder to understand who their donors are, and to make their communications with donors more personal and targeted."

Perspectives Consulting Group, Inc. has provided information that makes the difference for nonprofit organizations, and can provide information about ways to further improve communication with donors.

Suggested Reading:

[Cohen, Todd. "Fundraising Challenges Outlined." *Philanthropy Journal* \(2006\).](#)

[Hempel, Jessi "Selling a Cause? Better Make it Pop." *Business Week* 13 Feb 2006: 75.](#)

[La Piana, David, and Michaela Hayes. "Competitive Strategy." *Leadership Excellence* 22\(2005\): 12.](#)

[Thornton, Jeremy. "Nonprofit Fund-Raising in Competitive Donor Markets." *Nonprofit and Voluntary Sector Quarterly* 35\(2006\): 204-224.](#)

Organization Selected!

*Kingman Museum recipient of
Research Assistance*



Kingman Museum will receive \$5,000 in market research services as the recipient of the 2006 Nonprofit Research Assistance Program offered by Perspectives Consulting Group, Inc. The program, in its second year, was designed to provide valuable information to a nonprofit organization positively impacting the community.



As a natural history museum and planetarium, Kingman Museum's mission is to promote an understanding and appreciation of our natural world, the universe and human cultures. The organization, a not-for-profit located in Battle Creek, re-opened its doors in 2003 and is recently featured the exhibit "It's Enormous! It's Colossal! It's Humongous!"

which ran through October 14, 2006.

Kingman Museum will be working with Perspectives Consulting Group, Inc. on research to better understand community awareness, to identify ways to further engage the community, and to maximize their resources to better allow them to contribute substantially to the quality of life in the Battle Creek community.

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