



SCIENCE OF
PHILANTHROPY
INITIATIVE

EVIDENCE-BASED RESEARCH ON CHARITABLE GIVING

Nonprofit Fundraising Study— An Examination of the Understanding and Use of Scientific Research Methods in Fundraising Campaigns

The Science of Philanthropy Initiative
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Special thanks to:



THE UNIVERSITY OF
CHICAGO

In 2014, the Science of Philanthropy Initiative (SPI) partnered with the Nonprofit Research Collaborative (NRC) with the goal of trying to better understand how to make scientific research findings more useful to nonprofits and others involved in fundraising. A new section was added to the NRC's Mid-Year Nonprofit Fundraising Study to examine how nonprofits are using scientific research in their organizations. The semi-annual survey included questions that were designed to ascertain organizations' understanding of the scientific method and their ability to evaluate the scientific rigor of studies. Additionally the questions enable us to look at the extent to which organizations are incorporating such studies into their fundraising strategies. Finally we are able to show how many nonprofits are formally testing their fundraising methods to see which approaches work best. Survey invitations were sent out in July and August 2014 through several distinct groups: prior NRC survey participants, members of the Association of Fundraising Professionals, organizations on the mailing list of Campbell Rinker, and members of the SPI mailing list. Additionally, the *Chronicle of Philanthropy* generously sent out invitations to members of its mailing list. In total, there were 1,180 survey respondents from nonprofits throughout the United States and Canada.

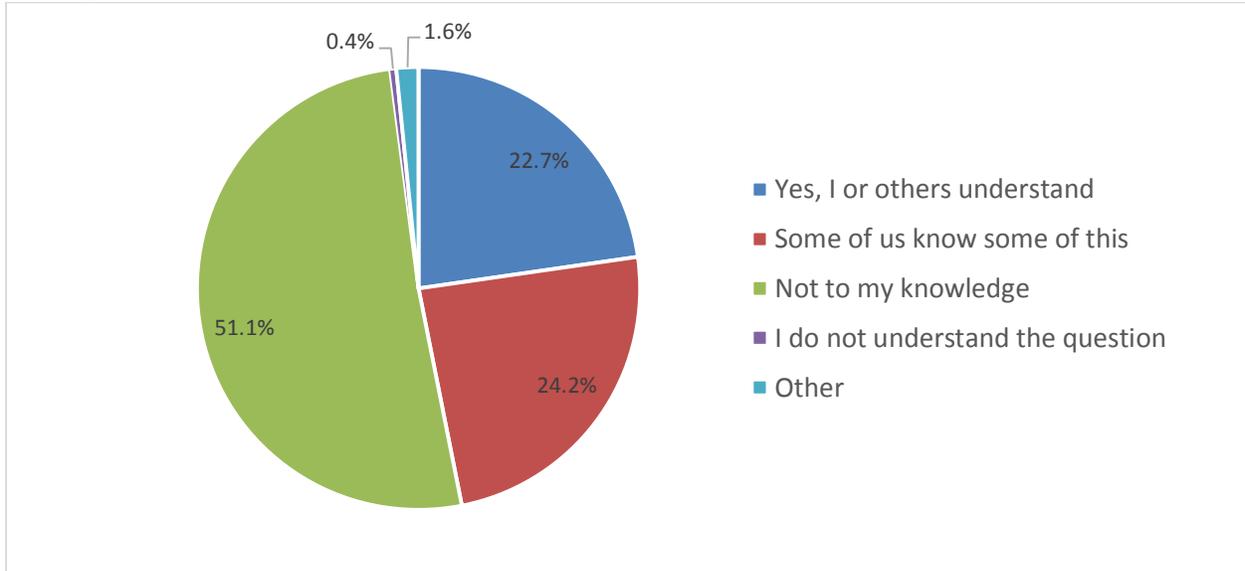
This report focuses solely on the subset of questions related to the use of scientific research in designing fundraising campaigns. The report detailing the results of the remainder of the survey can found at http://www.npresearch.org/images/2014-reports/NRC_S2014_Report.10.6.14.pdf.

The first section of this report examines the respondents' knowledge of scientific research methods and their abilities to evaluate the scientific rigor of a research study examining the effectiveness of fundraising strategies. In addition to looking at the responses overall, we look at the responses by the budget size of the organizations. This allows us see if different sized organizations tend to have more or less knowledge of scientific research methods. Finally we look at the responses by whether the organizations reported having an increase, decrease or no change in fundraising dollars raised between January - June 2014 and that same time period in 2013. This data enables us to see if the knowledge of scientific methods at organizations reporting an increase in dollars raised differs from those at organizations reporting no change or decreases in dollars raised. The next section of this report examines how frequently respondents evaluate their fundraising methods. The third section of the report looks at the organizations' use of scientific research studies for information regarding effective fundraising methods when designing their campaigns. Additionally this section details the most common sources for accessing the scientific research studies. The final section of the report provides details on whether organizations have utilized scientific research methods to test new fundraising strategies during the past year as well as the past five years. Similar to the first section, the results of each section are reported by budget size and change in fundraising dollars raised.

Knowledge of Scientific Research Methods

Respondents were asked about their knowledge of scientific research methods. As shown in Figure 1, 51% of organizations do not have staff that have formally studied or taken coursework about scientific research methods. Nearly 23% of responding organizations have someone who understands the scientific method, while 24% of organizations have some employees who understand some parts of the scientific method.

Figure 1. Percentage of respondents whose fundraising team has formally studied or taken coursework about scientific research methods, such as the use of controls, randomization, and appropriate sample sizes for drawing conclusions



The responses were then examined by the budget size of the responding organizations. As shown in Figure 2, the percentage of organizations with staff who formally studied scientific research methods increases with the size of the organization’s budget. More than half of the organizations with budgets of less than \$1 million do not have any staff members who understand at least some of the scientific method. The responses were then pooled to compare organizations with staff that have either formally studied scientific research methods or have at least some knowledge of them with those who do not. The results are shown in Table 1. The results indicate that organizations with budgets of less than \$250,000 were less likely to have someone in the organization with at least some knowledge of the scientific method than organizations with larger budgets. This result is significant at the 5% level. Additionally, organizations with budgets of less than \$1 million were less likely to have an employee with at least some knowledge of the scientific method than organizations with budgets between \$1 million and \$10 million. This result is significant at the 5% level.

Table 1. Differences in the share of organizations by budget size who have formally studied or has some understanding of scientific research methods

	\$250,000 - \$999,999	\$1 million to \$2.99 million	\$3 million to \$9.99 million	\$10 million or more
<\$250,000	*	*	*	*
	\$250,000 - \$999,999	*	*	--
		\$1 million to \$2.99 million	--	--
			\$3 million to \$9.99 million	--

Asterisk(s) indicate that difference is statistically significant. * = p <.05; ** = p <.01. Dashes indicate no significance.

Figure 2. Percentage of respondents whose fundraising team has formally studied or taken coursework about scientific research methods, such as the use of controls, randomization, and appropriate sample sizes for drawing conclusions by the organization’s budget size

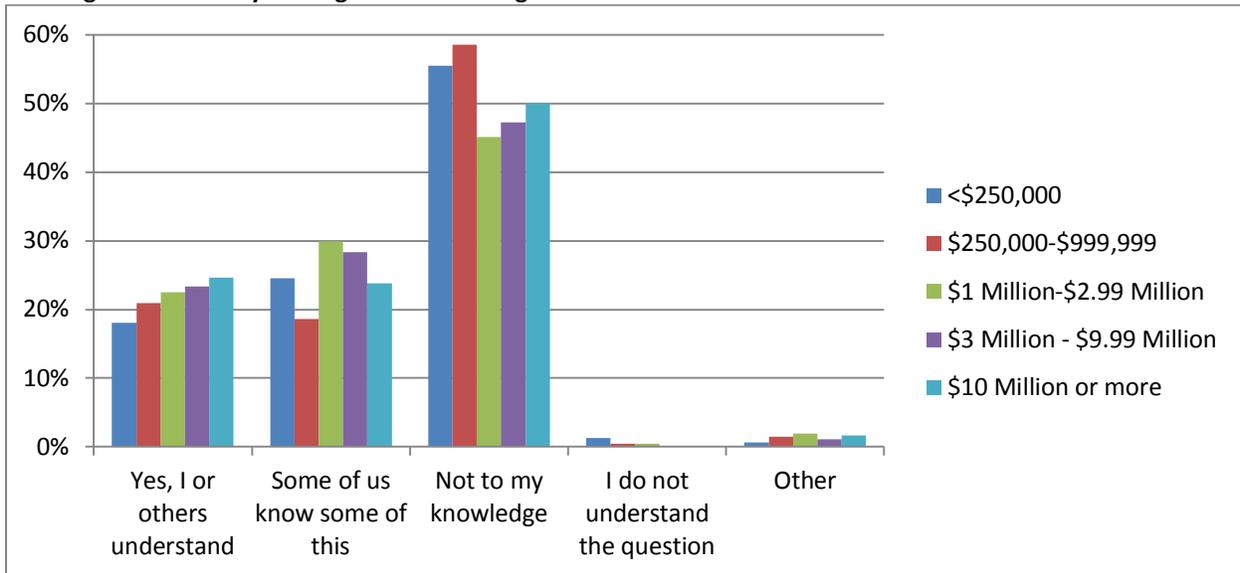
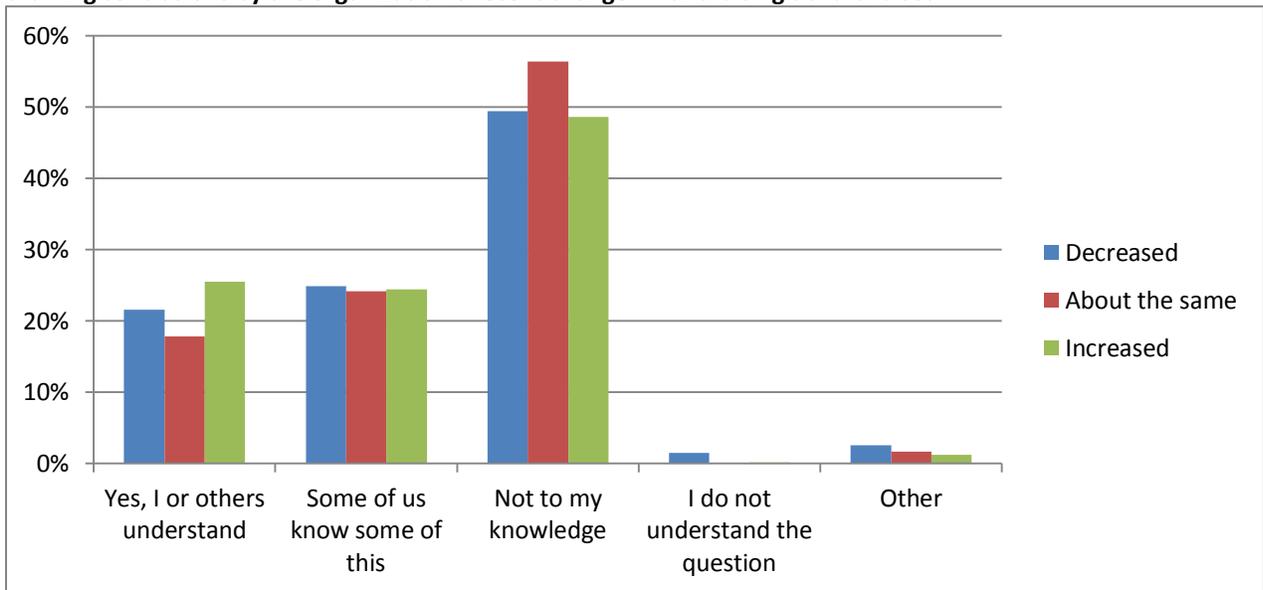


Figure 3. Percentage of respondents whose fundraising team has formally studied or taken coursework about scientific research methods, such as the use of controls, randomization, and appropriate sample sizes for drawing conclusions by the organization’s recent change in fundraising dollars raised

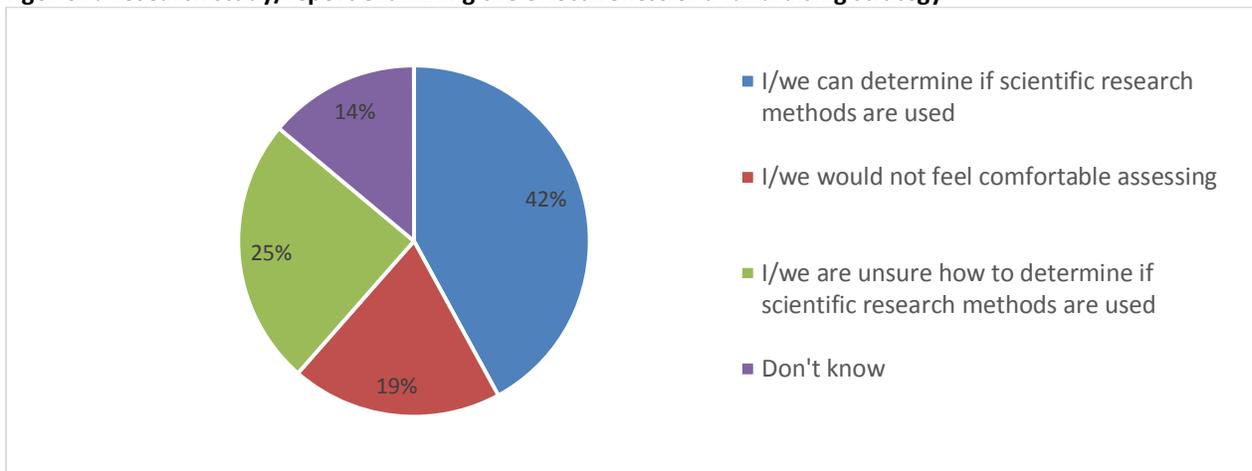


In addition to examining the responses by budget size, the responses were also analyzed based on the success of the organization’s most recent year of fundraising. Figure 3 shows the percentage of organizations with staff who formally studied scientific research methods separated by whether the organization’s gross philanthropic dollars raised in January through June 2014 increased, decreased or stayed the same as the dollars raised during the same period in 2013. The figure shows that organizations showing an increase in dollars raised were more likely to have a staff member who formally studied the scientific method than those organizations who saw no change or a decrease in

dollars raised. The responses were pooled to compare organizations with staff that have either formally studied scientific research methods or have at least some knowledge of them with those who do not. The results show that organizations reporting an increase in dollars raised from 2013 to 2014 were more likely to have an employee with at least some knowledge of scientific research methods than organizations reporting no change or a decrease in funds raised, which could indicate that hiring staff with knowledge of the scientific method could lead to a more successful fundraising campaign. This result was significant at the 1% level.

Respondents were also asked to describe their fundraising team’s ability to evaluate the scientific rigor of a research study/report examining the effectiveness of a fundraising strategy. The results show that 42% of respondents are confident in their ability to determine if scientific methods are used. In contrast, 19% of respondents would not feel comfortable assessing the scientific rigor of a study, 25% are unsure how to determine if scientific methods are used and 14% of respondents do not know.

Figure 4. Percentage of responding organizations with fundraising teams who are able to evaluate the scientific rigor of a research study/report examining the effectiveness of a fundraising strategy



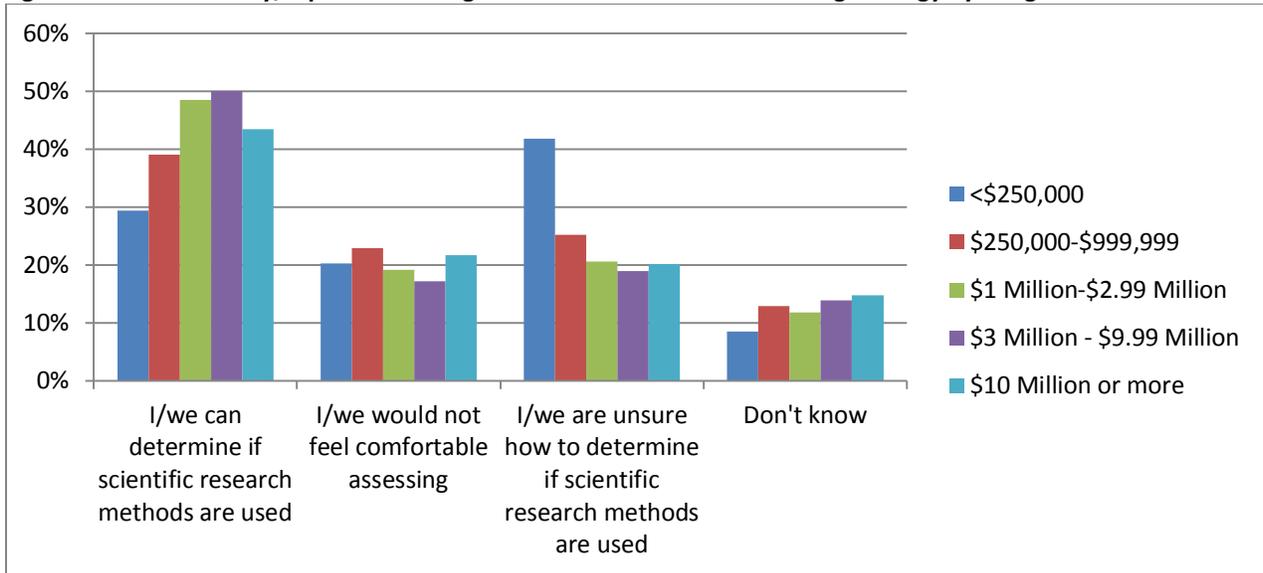
The responses were then examined by the budget size of the responding organizations. Figure 5 shows that more than 70% of organizations with budgets of less than \$250,000 are uncomfortable with or unable to assess the scientific rigor of a fundraising study. Alternatively, nearly half of organizations with budgets between \$1 million and \$10 million are able to evaluate the scientific rigor of a fundraising study. The responses were then pooled to compare organizations with fundraising teams who are able to evaluate the scientific rigor of a fundraising study with those whose staff members are uncomfortable or unable to do so. The results are shown in Table 2. The results indicate that organizations with budgets of less than \$1 million were less likely to have the ability to assess the scientific rigor of a study examining the effectiveness of a fundraising strategy than organizations with larger budgets. This result is significant at the 1% level.

Table 2. Differences in the share of organizations by budget size who have the ability to assess the scientific rigor of a fundraising strategy

	\$250,000 - \$999,999	\$1 million to \$2.99 million	\$3 million to \$9.99 million	\$10 million or more
<\$250,000	--	**	**	**
	\$250,000 - \$999,999	**	**	**
		\$1 million to \$2.99 million	--	--
			\$3 million to \$9.99 million	--

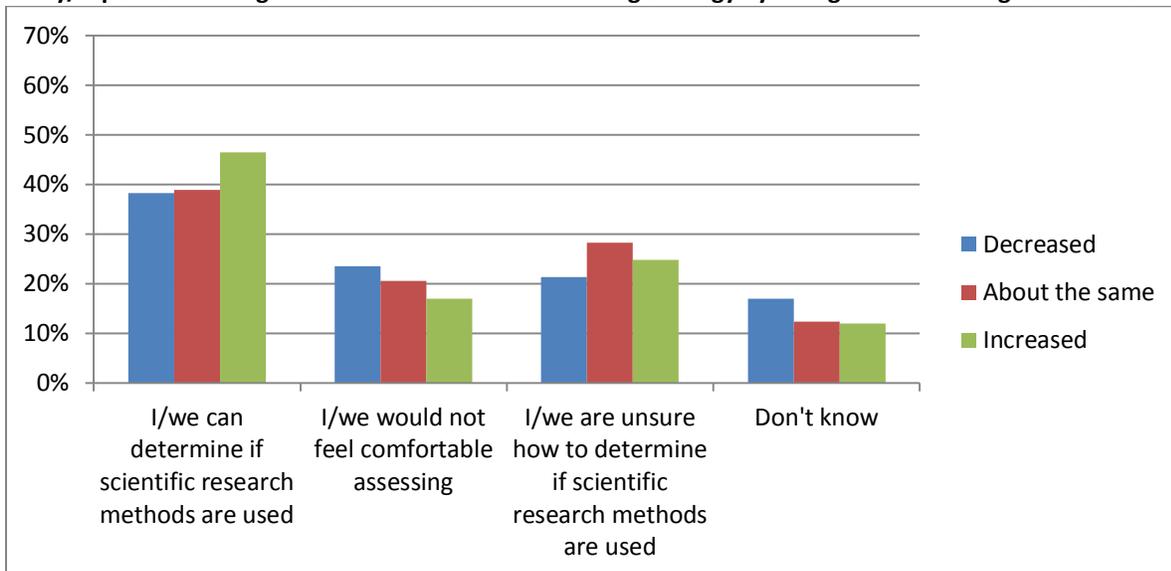
Asterisk(s) indicate that difference is statistically significant. * = p <.05; ** = p <.01. Dashes indicate no significance.

Figure 5. Percentage of responding organizations with fundraising teams who are able to evaluate the scientific rigor of a research study/report examining the effectiveness of a fundraising strategy by budget size



In addition to examining the responses by budget size, the responses were also analyzed based on the success of the organization's most recent year of fundraising. Figure 6 shows the percentage of organizations with staff who can evaluate the scientific rigor of a fundraising study separated by whether the organization's gross philanthropic dollars raised in January through June 2014 increased, decreased or stayed the same as the dollars raised during the same period in 2013. The figure shows that organizations showing an increase in dollars raised were more likely to have a staff member who could evaluate the scientific rigor of a fundraising study than those organizations whose saw no change or a decrease in dollars raised. This result was significant at the 1% level.

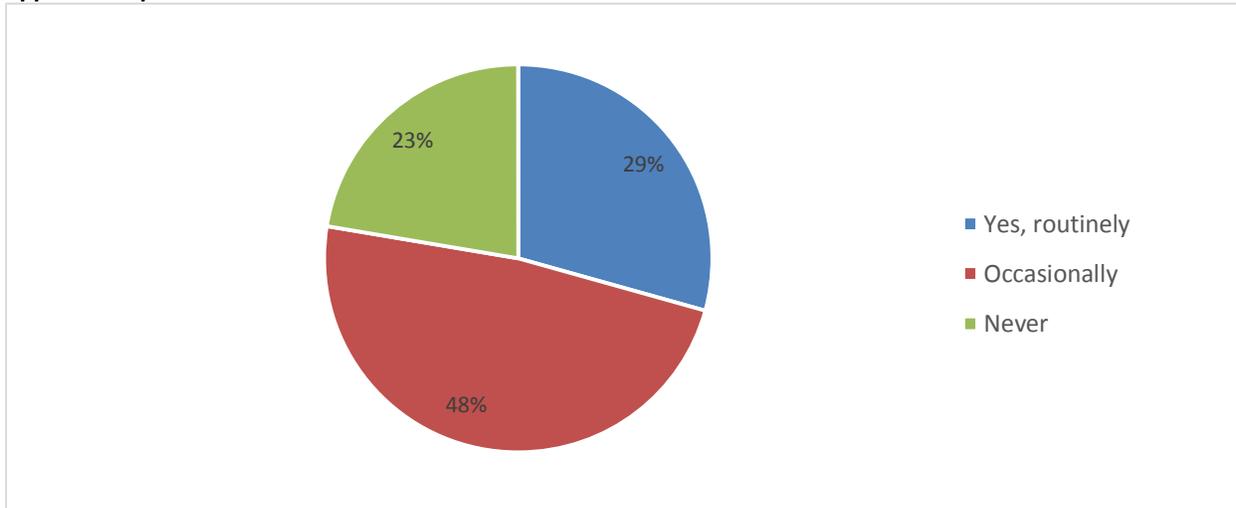
Figure 6. Percentage of responding organizations that are able to evaluate the scientific rigor of a research study/report examining the effectiveness of a fundraising strategy by change in fundraising dollars raised



Evaluation of Fundraising Methods

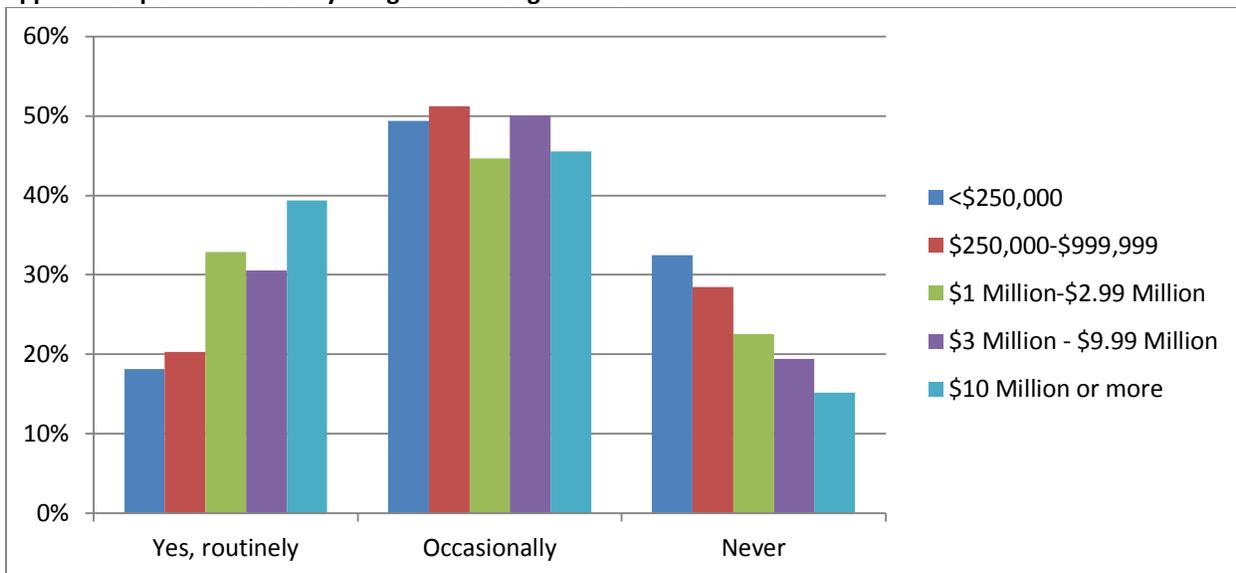
Respondents were asked how often their organizations formally evaluate fundraising methods to see if various approaches perform better. Figure 7 shows that 29% of organizations routinely evaluate their methods, 48% occasionally do, and 23% never do.

Figure 7. Percentage of respondents' organizations that formally evaluate fundraising methods to see if various approaches perform better



The responses were then examined by the budget size of the responding organizations. Figure 8 shows that organizations with larger budgets are more likely to routinely evaluate their fundraising methods than those with smaller budgets. Alternatively, organizations with smaller budgets are more likely to never formally evaluate their fundraising methods.

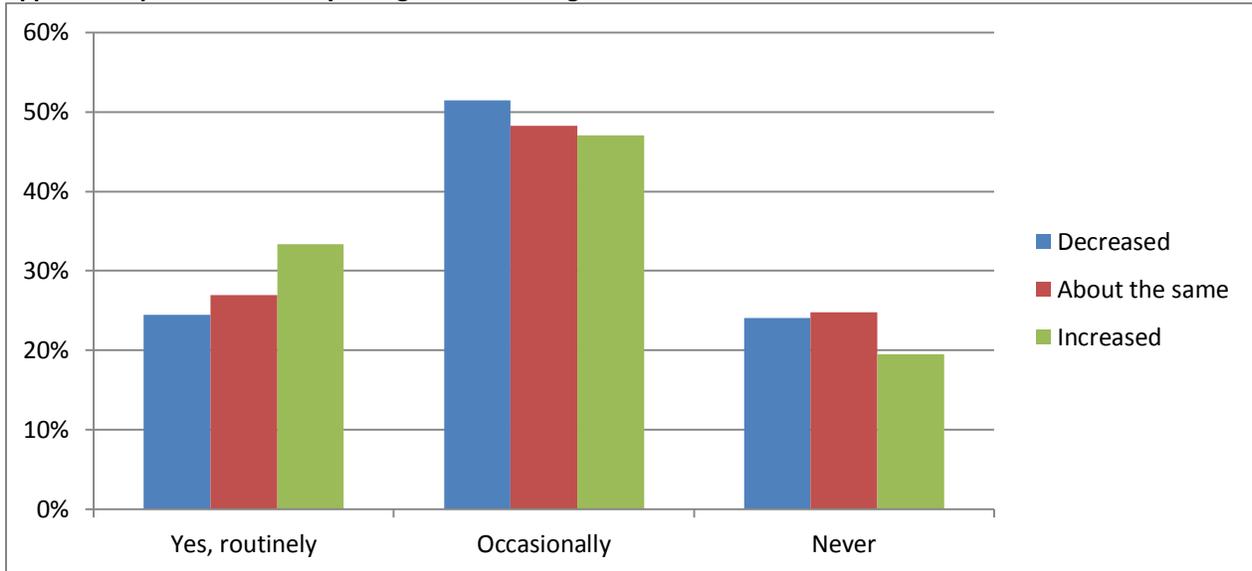
Figure 8. Percentage of respondents' organizations that formally evaluate fundraising methods to see if various approaches perform better by budget size of organization



In addition to examining the responses by budget size, the responses were also analyzed based on the success of the organization's most recent year of fundraising. Figure 9 shows how often an organization

formally evaluates fundraising methods to find the best approach separated by whether the organization’s gross philanthropic dollars raised in January through June 2014 increased, decreased or stayed the same as compared to the dollars raised during the same period in 2013. The figure shows that organizations showing an increase in dollars raised were more likely to routinely evaluate their fundraising methods than those showing a decrease or no change in fundraising dollars raised.

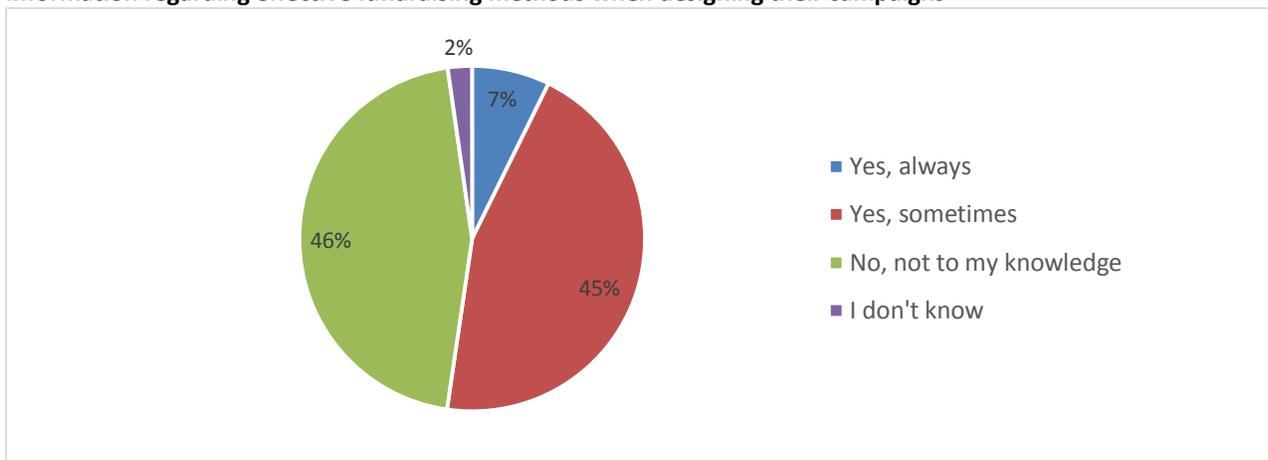
Figure 9. Percentage of respondents’ organizations that formally evaluate fundraising methods to see if various approaches perform better by change in fundraising dollars raised



Use of Scientific Studies

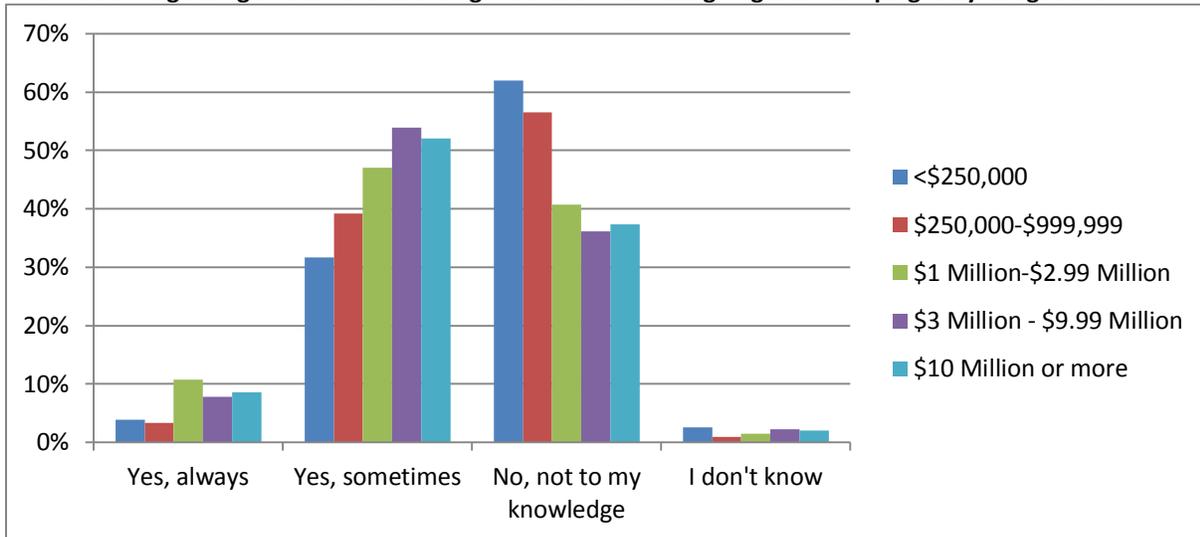
Respondents were asked if their organizations deliberately seek out scientific research studies on the effectiveness of various fundraising methods when designing new campaigns. The results indicate that 7% of organizations always consult scientific studies and 45% sometimes do. 46% of responding organizations do not consult scientific studies when designing their campaigns.

Figure 10. Percentage of responding organizations who deliberately seek out scientific research studies for information regarding effective fundraising methods when designing their campaigns



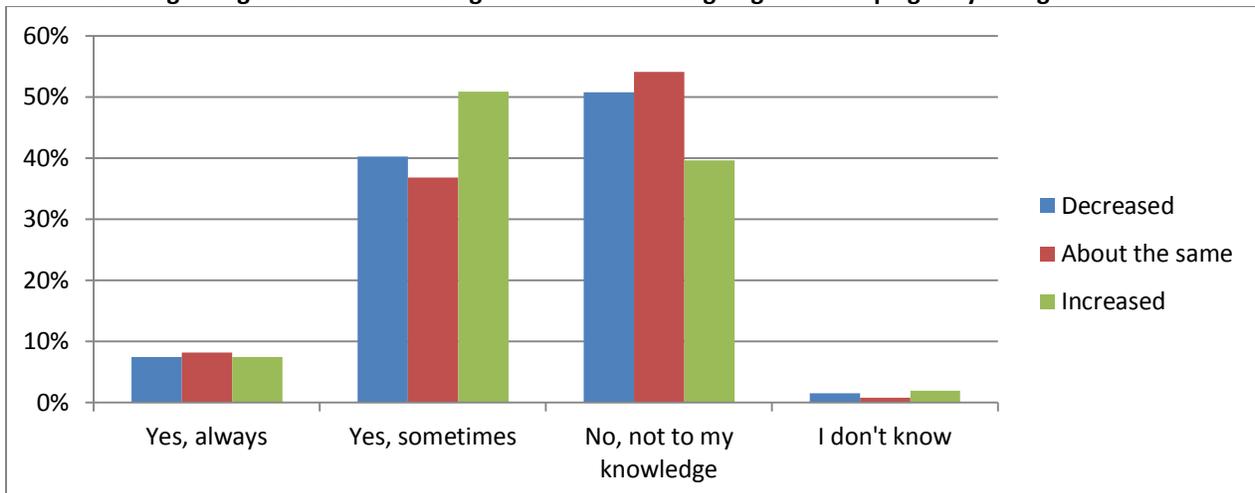
The responses were then examined by the budget size of the responding organizations. Figure 11 shows that organizations with larger budgets are more likely to consult scientific studies when designing their fundraising campaigns. Alternatively, organizations with smaller budgets are more likely to never consult scientific research studies.

Figure 11. Percentage of responding organizations who deliberately seek out scientific research studies for information regarding effective fundraising methods when designing their campaigns by budget size



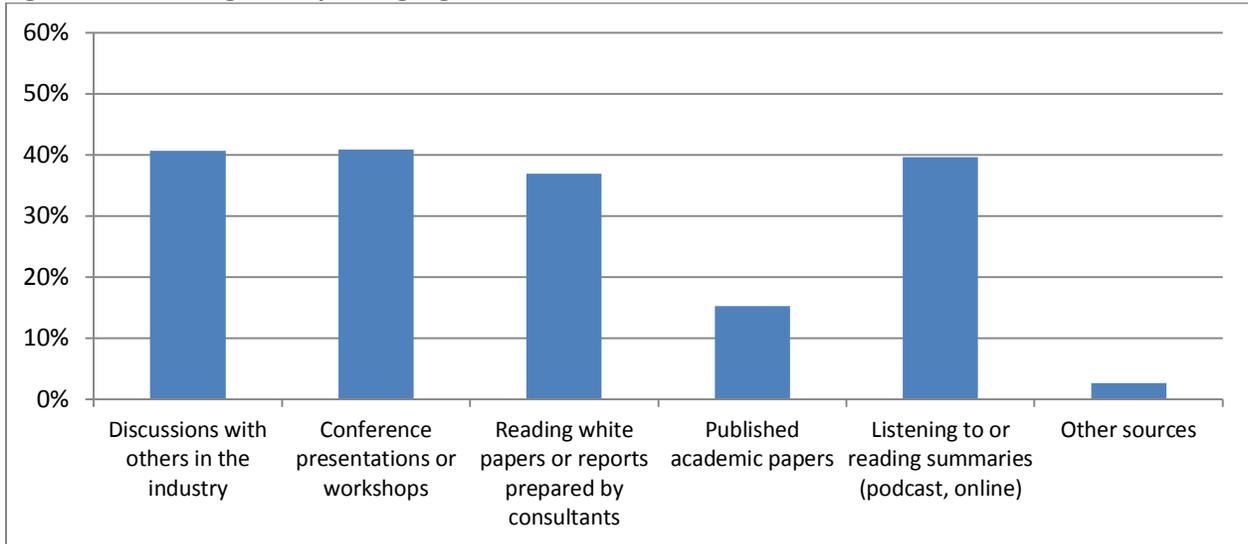
In addition to examining the responses by budget size, the responses were also analyzed based on the success of the organization’s most recent year of fundraising. Figure 12 shows how organizations seek out scientific studies when designing their fundraising campaigns separated by whether the organization’s gross philanthropic dollars raised in January through June 2014 increased, decreased or stayed the same as compared to the dollars raised during the same period in 2013. Organizations showing an increase in dollars raised were more likely to sometimes use scientific research studies than those who did not show an increase in fundraising dollars raised. More than half of organizations with no increase in dollars raised reported they did not use scientific studies when designing their campaigns.

Figure 12. Percentage of responding organizations who deliberately seek out scientific research studies for information regarding effective fundraising methods when designing their campaigns by change in dollars raised



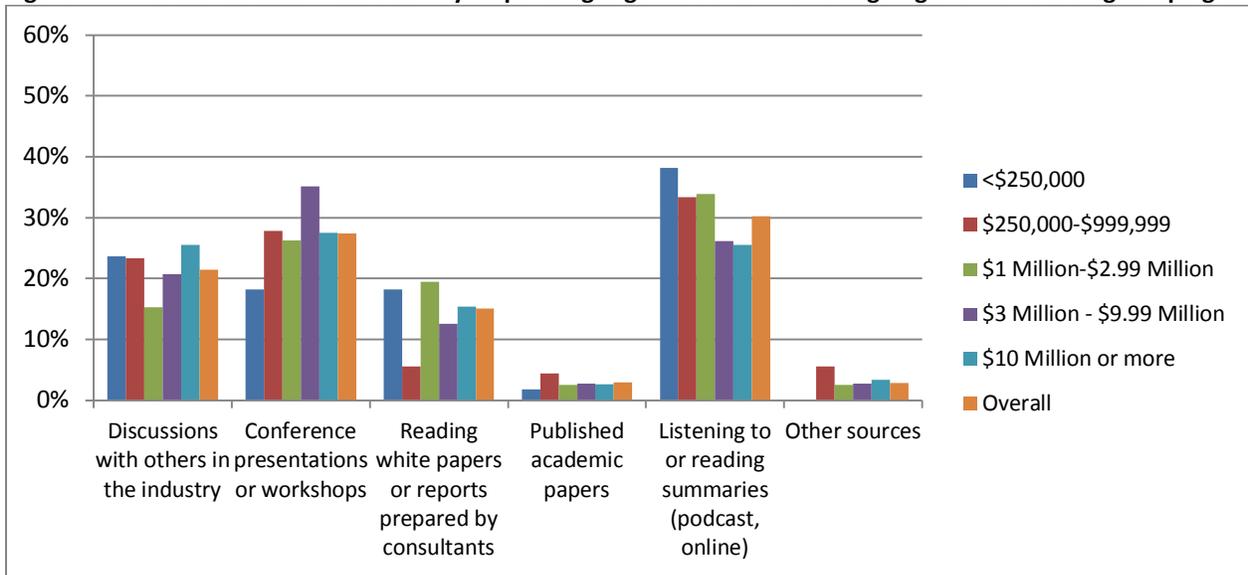
Respondents were asked about the most common sources for learning about scientific research studies. As Figure 13 shows, organizations are most likely to get their information through discussions with others in the industry, attending conference presentations or workshops, listening to podcasts and reading summaries online, or reading white papers or consultants' reports. Organizations are least likely to use published academic papers as a source.

Figure 13. Percentage of responding organizations that use each source to obtain access to studies



Respondents were then asked about the source they used the most often. This was examined by the budget size of the responding organizations. Figure 14 shows that overall, organizations are most likely to use podcasts or online summaries as their primary source, with attending conferences following close behind. Organizations with budgets less than \$250,000 are much less likely to attend conferences and more likely to consult podcasts or online summaries than all other size organizations.

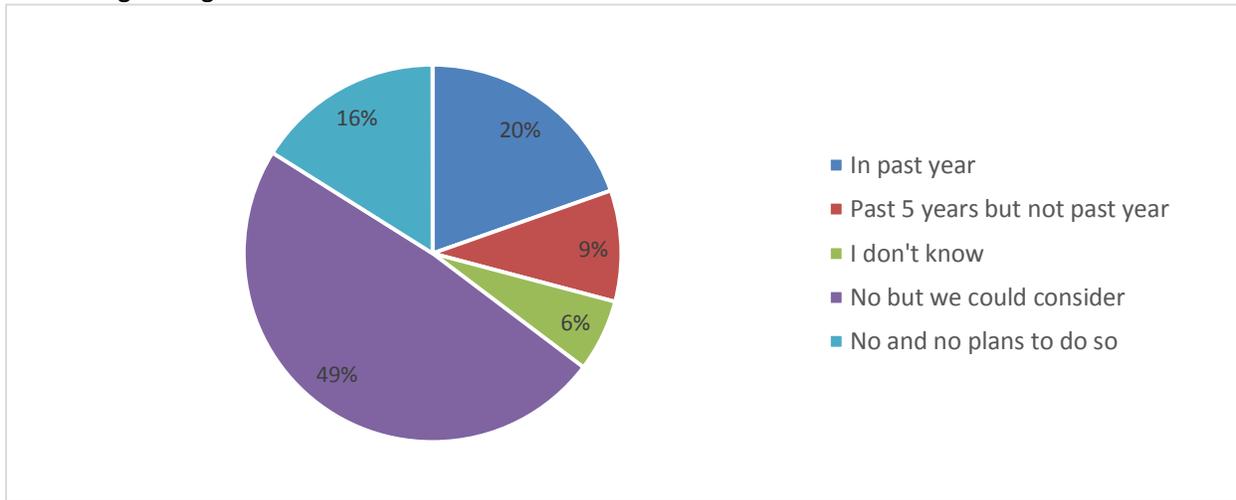
Figure 14. The source used most often by responding organizations when designing their fundraising campaigns



Testing New Fundraising Strategies

Respondents were asked about their organization’s use of scientific research methods to test new fundraising strategies. Figure 15 shows that only 20% of organizations have utilized scientific research methods in the past year, with an additional 9% doing so in the past 5 years. While these are not very high percentages, an encouraging note is that 49% of organizations would consider using scientific research methods to test new fundraising strategies in the future.

Figure 15. Percentage of respondents whose organizations utilized scientific research methods to test new fundraising strategies



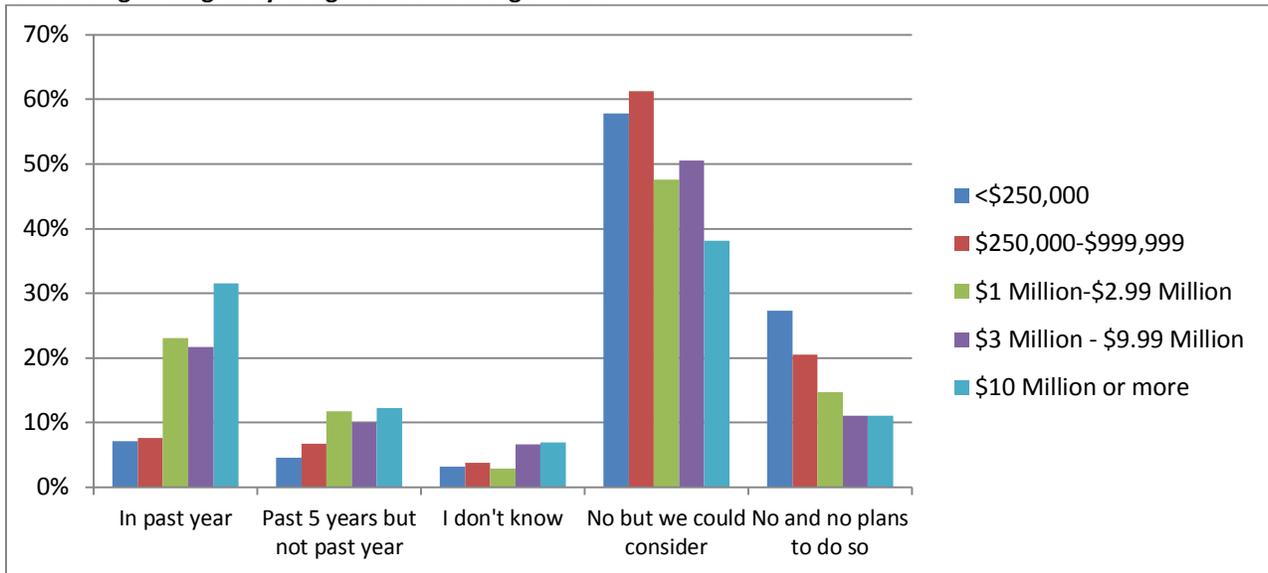
The responses were then examined by the budget size of the responding organizations. Figure 16 shows that organizations with budgets of less than \$1 million were unlikely to have ever used the scientific method to test new fundraising strategies. Organizations with budgets greater than \$10 million were most likely to have scientifically tested new fundraising strategies. More than half of organizations with budgets of less than \$1 million would consider using scientific methods to test new fundraising strategies in the future. The responses were then pooled to compare organizations that have used science to formally test a fundraising strategy sometime in the past 5 years with those who have never done so. The results are shown in Table 3. The results indicate that organizations with budgets of less than \$1 million were less likely to use science to formally test new fundraising strategies than organizations with larger budgets. This result is significant at the 1% level. Additionally, organizations with budgets greater than \$10 million were significantly more likely to scientifically test new fundraising strategies than any other size organization.

Table 3. Differences in the share of organizations by budget size who have used science to formally test new fundraising strategies in the past 5 years

	\$250,000 - \$999,999	\$1 million to \$2.99 million	\$3 million to \$9.99 million	\$10 million or more
<\$250,000	--	**	**	**
	\$250,000 - \$999,999	**	**	**
		\$1 million to \$2.99 million	--	*
			\$3 million to \$9.99 million	**

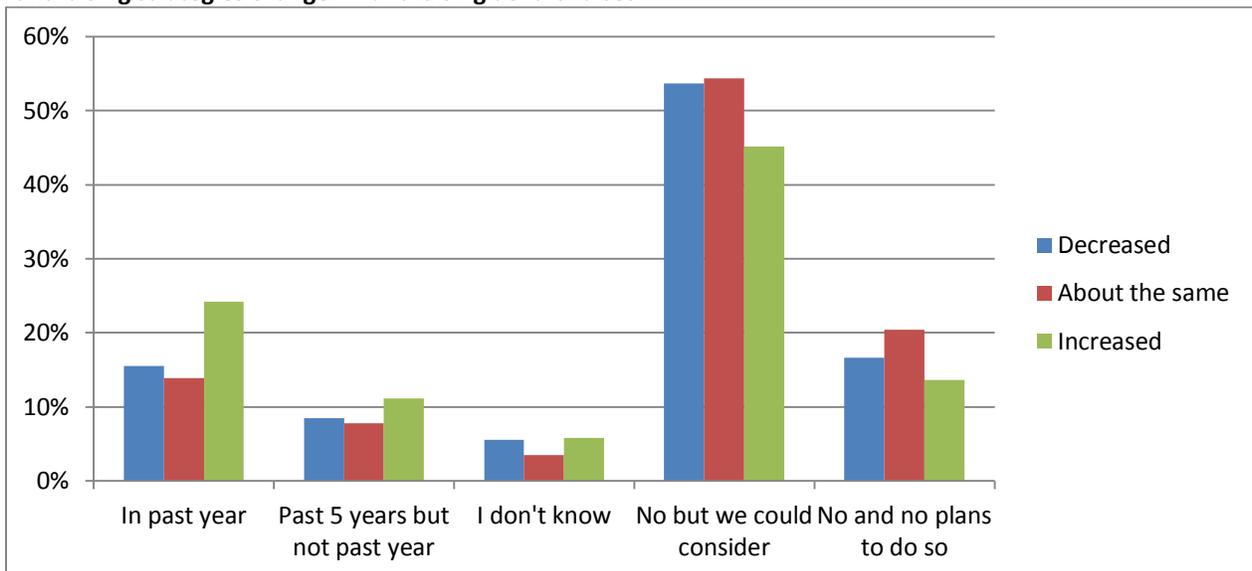
Asterisk(s) indicate that difference is statistically significant. * = p <.05; ** = p <.01. Dashes indicate no significance.

Figure 16. Percentage of respondents whose organizations utilized scientific research methods to test new fundraising strategies by budget size of the organization



In addition to examining the responses by budget size, the responses were also analyzed based on the success of the organization’s most recent year of fundraising. Figure 17 shows what percentage of organizations used scientific research methods to formally test a new fundraising strategy separated by whether the organization’s gross philanthropic dollars raised in January through June 2014 increased, decreased or stayed the same as the dollars raised during the same period in 2013. The figure shows that organizations showing an increase in dollars raised were more likely to have used scientific research methods to test new fundraising strategies within the past year and past 5 years. This result is significant at the 1% level. Additionally, those organizations reporting a decrease or no change in dollars raised over the past year are more willing to consider testing strategies in the future.

Figure 17. Percentage of respondents whose organizations utilized scientific research methods to test new fundraising strategies change in fundraising dollars raised



Conclusion

A goal of SPI is to educate nonprofit organizations on the benefits of using science to design their charitable campaigns. There are several important takeaways from this study that can help shape our future outreach efforts.

- In regards to knowledge of scientific research methodologies, less than half of all organizations have staff who have formally studied this subject and who are able to evaluate the scientific rigor of fundraising studies. Smaller organizations in particular are in need of this education.
- More than 70% of organizations are at least occasionally evaluating their fundraising methods to find the most effective approach. However, only 52% of organizations consult scientific research studies to determine the most effective fundraising methods in designing their campaigns. Of those, only 7% always consult scientific studies, while the remaining 45% sometimes seek out studies.
- Attending conferences and listening to podcasts/reading online summaries are the most common sources for accessing scientific research studies on fundraising. To reach the greatest audience, we should focus on disseminating our educational materials and scientific findings through these types of sources.
- Only 29% of organizations utilized scientific research methods to test new fundraising strategies in the past 5 years. While this number is low, it is encouraging to note that nearly half of all respondents are interested in conducting such tests in the future.

This report shows that while some organizations are using the scientific method in designing their fundraising plans, many others are not. SPI and organizations like it need to continue to reach out to nonprofits to educate them on how and why using scientific research methods in the design of their fundraising campaigns will lead to increased donations. We also need to work with nonprofits to determine the roadblocks to using science in designing fundraising campaigns. For instance, less than 10 percent of organizations with budgets of less than \$1 million have utilized scientific methods to test new fundraising strategies, but more than half of them would consider doing so in the future. This could indicate that more organizations would like to use science but do not currently have the resources to do so.