

## Organisational factors as recipes for success in gaining higher donations

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This article investigates whether certain combinations of factors from the economic model of giving can influence the capacity of a non-profit to obtain donations.

Does the presence or absence of organisational factors have a positive, negative or neutral influence on donation levels?

The study found that certain combinations of factors could increase donations. However, there was not one combination, or situation, that worked universally. Four situations (recipes) were identified as offering a non-profit the best chance to increase contributions. Age of non-profit was found to be an influencing factor in all recipes, resulting in recipes specifically for older or younger organisations. Level of programme spending, administrative spending and disclosure of the organisation were found to have the most significant influence on donations achieved.

[#Donations](#) [#Foundations](#) [#Giving](#) [#NonProfit](#)

### Background

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### Context



- **Achieving higher donation levels** is an issue facing many non-profit organisations. The **Economic Model of Giving** is a popular model applied to this area.
- This model suggests that **organisational factors** such as the price of giving (how much charitable outcomes cost), age of the organisation, fundraising, how efficiently money is used, and online disclosure of financial and performance information **influence the donation amount given**.
- **Previous studies** have looked at these factors as individual and unrelated, with each influencing the capacity of the organisation to obtain donations separately. This has resulted in **mixed findings** for each factor's influence.
- **This research applied the model in a new way, to see if factor combinations affect donations received.** The approach taken is to assess different combinations and see if certain situations result in greater donations. **The resulting situations are viewed as recipes**, with particular combinations of factors (ingredients) that create positive or adverse effects. How the ingredients are combined, more than the ingredients themselves influences a charity's capacity **to attract donations**.
- **The factors**, programme spending, fundraising, organisational age, administrative spending, and online disclosure, **are examined for their positive, negative or neutral effect in combination with the presence or absence of other factors**.

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## Take aways & Learnings



- A sample of 55 medium to large UK Charitable Foundations (CF) was used.
- This study showed that individual factors could sometimes contribute to higher and sometimes lower levels of donations, depending on the presence or absence of other factors in a given situation.
- It was found that there was **not one combination of factors that increased donations; instead, four situations (recipes)** were likely to influence the capacity of a non-profit to gain greater contributions.
- **Age was found to be an influencing factor in all situations.** Two situations were found to be suitable for older organisations and two for younger ones.
- Of the factors investigated, **programme spending, administrative spending, and disclosure were found to have the greatest influence.**
- **Further study** could be carried out to see if this approach, potentially along with additional factors, could be applied to **support other charity formats to develop their capacity to obtain donations** by utilising the factors found in their particular organisation.
- **Recipes that led to increased contributions for CF's are detailed below.**

| Older organisations                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                         | Younger organisations                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recipe one                                                                                                                                                                                                                                                                                | Recipe two                                                                                                                                                                                                                                                                                              | Recipe three                                                                                                                                                                                                                                                                                                 | Recipe four                                                                                                                                                                                                                                       |
| <ul style="list-style-type: none"><li>• <b>Factors present</b> (high level of): programme spending, fundraising</li><li>• <b>Factors absent</b> (low level of): Administrative expenses</li><li>• <b>Optional factors:</b> Disclosure (both online information and fundraising)</li></ul> | <ul style="list-style-type: none"><li>• <b>Factors present</b> (high level of): online disclosure, fundraising</li><li>• <b>Factors absent</b> (low level of): Administrative expenses</li><li>• <b>Optional factors:</b> Programme expenses (high or low levels have no effect on donations)</li></ul> | <ul style="list-style-type: none"><li>• <b>Factors present</b> (high level of): Programme spending and online disclosure</li><li>• <b>Factors absent</b> (low level of): administrative expenses</li><li>• <b>Optional factors:</b> Fundraising expenses (high or low have no effect on donations)</li></ul> | <ul style="list-style-type: none"><li>• <b>Factors present</b> (high level of): Programme spending, fundraising, online disclosure</li><li>• <b>Optional factors:</b> Administrative expenses (high or low have no effect on donations)</li></ul> |

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