



e-Philanthropy v2.001

**From
Entrepreneurial Adventure
to an
Online Community**

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The e-philanthropy space is constantly changing, and we anticipate ongoing changes will be needed. Even though we attempted to verify all links prior to publication, by the time you are reading this, changes may have taken place. Sites may have moved to another location, not be operating any longer, or there will be new sites that need to be added.

Feel free to copy and distribute this report. Our objective is broad dissemination leading to better understanding of the e-philanthropy landscape.

Updates, corrections, new sites, and comments about the report can be sent to:

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Introduction

Purpose:

This report continues the work begun by the W.K. Kellogg Foundation early in 2000 with its first public document on the phenomenon of interactive online services for philanthropy and volunteerism.

[Note: *e-Philanthropy, Volunteerism, and Social Changemaking: A New Landscape of Resources, Issues and Opportunities* is available on the WKKF Web site. Readers may find it beneficial to download and scan this first report.

<http://www.wkkf.org/Documents/PhilVol/e-phil.pdf>]

The purpose of this 2001 update is to identify, describe, and anticipate the changing and maturing structure of Internet-facilitated information and services that support the various dimensions of the social sector. This report is not steeped in the principles of pure academic research. It should not be viewed as “absolute truth” about e-philanthropy. Rather it is an attempt to synthesize and broadly share observations, concerns, enthusiasm, and the feedback we received from the first report of early 2000, along with our ongoing monitoring and tracking. Readers told us they appreciated our attempts to categorize the various “types” of e-philanthropy sites and activities, even though the categories were rough, first-time attempts. Thus, we are continuing with that approach in the spirit of trying to help us all make better sense of this fast-paced, changing world.

Terminology:

Hundreds of online and traditional media outlets have now covered the story of “e-philanthropy,” using the word to cover a multitude of concepts – e-giving; e-fundraising; e-advocacy, etc. The word e-philanthropy is now widely accepted as an umbrella term for nonprofit and philanthropy activity online. It is accepted as a kind of universal word that can be used to describe the general buzz of Internet activity that relates to and affects the many dimensions of nonprofit and social change work. In this report the term “e-philanthropy” is used in this universal way.

Scope and Methodology:

Reports about the Internet – like this one – are essential tools for helping those trying to find their way in this fast-changing medium; and at the same time, such reports are somewhat inadequate since the information is likely to

be outdated by the time it is printed, published, and/or transmitted. This report is no exception. Researchers and fact-checkers worked up to the final minute to verify the functionality and accuracy of the sites and addresses. But sites come and go, or change their business strategies within days. The fast-paced evolution of the Internet space is reality and any static depiction of it is difficult. However, if the report is accepted for what it is – a snapshot of e-philanthropy at a specific moment in time – then it has legitimate value.

The report covers a finite picture, and there are certainly sites and services that the research team did not find. Such omissions are not a comment on the quality or visibility of a site, but only on our limited ability to capture a single, comprehensive picture. In addition, there is now a growing number of resources that include reports and Web-based monitoring sites that are helping to better describe and track this e-philanthropy landscape. All the monitoring sites and Internet reports that we have found are included in the resource section at the end of this report.

More surprising – and somewhat troubling – is the slow and inconsistent acceptance by online entrepreneurs of the values of “transparency” and full disclosure of details related to the ownership, management, and effectiveness of sites. In general, nonprofit sites (.orgs) are more transparent about owners/organizers and financial backing than the for-profit sites (.coms). At least half of the sites mentioned in this report were contacted for detailed information, but they were unable (for lack of data) or unwilling to openly share information about their effectiveness (numbers of users, numbers of effective interactions that resulted in donations, volunteer activity, etc.). As a result, the scope of this report is somewhat narrower than was envisioned when the research began. More importantly, this unavailability of basic consumer information about the performance of sites – especially those promising fundraising, advocacy, or service results – undermines the abilities of users/consumers to interact with trust and confidence online.

The methodology for gathering the information for this report was simple and straightforward.

- First, a team of research assistants reviewed the 140 sites listed in the first report (February, 2000) and checked for currency and activity.
- Next, new sites were added that readers and others have forwarded to WKKF since last year's report.
- The research assistants then tackled the work of mining for new sites – including news services.

- Next, e-mails were sent or phone calls made to approximately half of all the active sites to search for deeper information on levels of site activity and impact. Unfortunately, the researchers received a relatively low response rate from the deeper inquiries.
- Finally, to gain some insight from the users' point of view, the research team created a brief questionnaire for nonprofit organizations to provide some indication about their level of Web readiness and to give feedback about their experience with online service providers, especially in the area of fundraising. Over 400 responses were received and analyzed by the time the report was written.

Structure and Value:

Regardless of the limitations of data availability or research methodology, this report offers an aggregation of data and observations that we hope is of value. The report attempts to synthesize and interpret what is happening online and provides an appendix of resources and references along with an e-mail address for readers to offer updates and changes. We have also begun to address the challenge of the changing nature of the e-philanthropy landscape by developing a searchable database of sites (www.actknowledgeworks.net/ephil).

The report has five sections beyond this introduction:

- I. e-Philanthropy v2.001 – an opening essay that attempts to interpret and make sense of the changes within e-philanthropy over the past year. Organized by “headlines,” this section attempts to capture the big issues dominating e-philanthropy.
- II. The Emerging Structure and an Overview of the Sites – proposes a new structural guide for quickly absorbing the diverse categories of e-philanthropy and for finding specialized sites in sub-categories. This section also offers a series of matrix diagrams that compare selected sites from each category in order to convey the array of options available to users.
- III. The Dynamics of Supply and Demand – perspectives and experiences from nonprofits as consumers of many of these sites.
- IV. Challenges and Opportunities – provides some insights into the future developments of e-philanthropy.
- V. Tools and Resources – a series of publications, broad resources, and key informational sites, plus access to the database offering descriptive and profile information about sites.

In summary, the value and purpose of last year's report was to identify and heighten awareness of the explosive phenomenon of nonprofits and philanthropy going live on the Internet. This year's report chronicles the shift of e-philanthropy from being the transfer of existing information into simple Internet sites to its current and near-future evolution of a potentially transforming force for social change and the evolution of our social institutions. A year ago nearly all sites were lone ventures operating individually and testing the limits of the marketplace. This year the sites are visible through news and monitoring services and in dialogue with each other and their users. This online space is quickly emerging as a community of interest poised to become a self-organizing community of practice.

Part I

e-Philanthropy v2.001 – Interpreting the Phenomenon of Going Live and Staying Alive Online

Overview:

Just 18 months ago, the online world for nonprofits and philanthropy was like a highway with no signs, interchanges, service centers, or welcome bureaus. Within just months in 1999, a classic Internet explosion began with dozens of interactive and service-oriented Web sites going live. Initiated by both nonprofit and for-profit institutions, these new online entities were not just organizational Web sites offering “brochureware” about the host organization. In fact, they were mostly new enterprises introducing new ways to give and volunteer. There also were innovative online tools for increasing organizational effectiveness, as well as finding information and people. By early 2000, nearly 200 sites were documented through at least three formal reports and online directories. Yet it was difficult for individual users to find many of the sites without an exact address. Few were marketed with any visibility. They were not linked with each other and many – especially the fundraising sites – were confusing to potential donors and customers.

Now, in early 2001, the e-philanthropy world is a very different place. Promotions, news, directories, links, and services have sprung up. There are many sites offering extensive aggregated information with generous links to

many related sites. There are numerous news services covering both philanthropy and nonprofit news, as well as online innovations. And there is an emerging, open technology standard (Open Philanthropy Exchange – OPX) set for release this spring which will greatly facilitate sharing of data among nonprofits.

The full-service portals and Applications Service Providers (ASPs) that were emerging just a year ago have not all survived. For example, *Charitableway.com*, which was one of the best-financed of online services, closed its doors in March 2001. But AOL's *helping.org* has steadily improved and now is one of the most comprehensive and user-friendly sources available for giving and volunteering. In other cases, sites that began with a single service (like volunteering only) now offer multiple services to their visitors. Often a visit to a single site provides opportunities to make a financial contribution, volunteer time, sign a petition, or log an opinion. In fact, multiple-service options appear to be one of the most pervasive style and design trends affecting the formation of organizational Web sites.

Last year, the lines between commercial and nonprofit sites seemed quite blurred. It was questionable whether visitors even recognized the difference between online nonprofits and the commercial enterprises offering online business services to nonprofits. While this blur is still true of many sites, the lines are becoming more distinct and certain areas of e-philanthropy are becoming specialized as either for-profit or nonprofit. Almost all the fundraising service sites are now “.coms” organized by for-profit firms with products and services to sell to nonprofits. Conversely, most of the advocacy and virtually all of the volunteerism sites are “.orgs” organized by nonprofits with philanthropic and charitable contributions to assist other nonprofits and an engaged citizenry. Both .coms and .orgs seem to be sharing the space for donor services, organizational effectiveness, and informational services.

Like their e-commerce counterparts, the e-philanthropy sites have not fully decoded the sustainability challenge. Business plans that looked promising a year ago are not working for many of the for-profit philanthropy sites. *Culturefinder.com*, for example, has reorganized and changed its for-profit status to nonprofit in the hopes of minimizing costs and keeping the service alive. And *GreaterGood.com* lost its connection with the UN's Hungersite when it was unable to meet its promised financial payout to its nonprofit partner, the United Nations Food Program. (The Hungersite continues to operate independent of its original partnership with *GreaterGood.com*.)

Although counterintuitive to startup practice in e-commerce, it appears that highly capitalized e-philanthropy sites have failed because the nonprofit market could not respond quickly enough to the opportunities being offered for commercial investments to be recouped into profitability. As customers, nonprofits are slower to change services or load up on new services since they do not usually have large or flexible budgets for such. Many nonprofits must plan a year or two in advance of changing or adding major service providers, especially if such a change requires upgrading both hardware and software. Those sites that have taken a slower and more incremental approach to their own growth seem to be faring better in the social sector marketplace online. For example, *e-grants.org* was self-financed by its parent organization, The Tides Center, for its first two years of development. It then gradually raised philanthropic support from corporate partners and private foundations.

Yet, despite the volatility of growth, changes, reorganizations, and failures of the past year, the e-philanthropy world is a more exciting, creative, and challenging place than it was a year ago. New ideas that are possible only because of technology are providing new, innovative approaches to philanthropy and service. Sites like *giveness.com* and *e-bay.com* make it possible to create a personal site for family and friends to give to their favorite charity. Click-and-give sites make it possible for anyone – even children – to “raise” money and *volunteermatch.org* helps people of all ages to activate their civic aspirations. Virtual volunteers can literally serve online as they help organizations to develop databases, monitor bulletin boards, send out e-mailings, and design or maintain Web sites, or they can help individual people through online tutoring, mentoring, and conversation. Issue-oriented and affinity sites provide due diligence and find high-performing nonprofits, then look to individual donors aligned with the particular issue to fund them.

On any given day, the news, motion, and commotion online look and feel like chaos, but there are emerging consistent stories and themes. We would suggest they could be distilled into five major headlines that capture the metamorphosis of e-philanthropy. These are:

- Market Yin and Yang – Shakeout, Growth, and Search for Sustainability
- Here Comes e-zPhilanthropy – Is it for Real?
- Web-Delivered Services – Everything Old is New Again
- e-Philanthropy is its Own Headline – With Emerging Monitoring and Practice Standards
- The “Killer App” for e-Philanthropy is Still Lurking in the Shadows

Headline #1: Market Yin and Yang – Shakeout, Growth, and Search for Sustainability

The growth of the Internet is no illusion and its implications will cause volatility in both the nonprofit and commercial marketplaces for years to come.

Although the Internet statistics keepers do not track users and sites by their nonprofit, for-profit, or personal designations, the accelerating numbers of overall Web sites and users argue for an assumption that the nonprofit sector is increasing its presence online and its usage of online services. For example, in the survey of nonprofits done as part of this report, 87 percent said they currently have, are launching, or are upgrading their Web sites. At the same time, nonprofit and commercial entrepreneurs have doubled the numbers of online businesses and services aimed at the nonprofit sector. In 2000, the W.K. Kellogg Foundation report, *e-Philanthropy, Volunteerism, and Social Changemaking* documented 140 live sites providing interactive online services. By contrast, this 2001 report includes 315 and we suspect that hundreds more are available through links from these 315 sites. Of the 140 sites listed in last year's report, 130 are surviving and are listed again in this year's report. Three of the sites no longer listed did not actually shut down, but merged with other sites. This is in stark contrast with recent media-generated buzz about how a large-scale shakeout and meltdown is happening in e-philanthropy.

Many sites also are reporting increasing numbers of visitors and activity. For example, in the area of fundraising and donor services, *helping.org* reported accepting more than \$1.6 million in donations and matching nearly 50,000 site visitors with volunteer opportunities in 2000 compared to approximately \$300,000 in donations in 1999.

A *Wall Street Journal* article headline on March 12, 2001, declared, "As the economy slows and dot-coms crash; dot-orgs are paradigms of stability." The article concludes that some of the volatility in e-commerce has been in sharp contrast to nonprofit-based e-philanthropy, where sites are growing more slowly but with more stability. Some of the dot-com crashes also are being recycled into dot-orgs in the hope that a nonprofit model of smaller scale development and growth will keep important sites alive and available to the public. For example, e-Nature, a for-profit site providing online guidebooks about plants and wildlife, was bought by the National Wildlife Federation for \$4 million. DNet (DemocracyNet), a political site backed by the nonpartisan

League of Women Voters sold itself to the for-profit *Grassroots.com* early in 2000. But when *Grassroots.com* ran into financial trouble recently, it returned DNet back to its nonprofit status and the League of Women Voters.

These examples generate questions about the different scales of operation for profit and nonprofit entities. Was the “.com” running on an inflated budget? Or will the “.org” offer fewer services? At what scale and in what commercial market for staff and salaries will online services operate? Will there eventually be a market mix of a relatively small number of large enterprise-driven sites along with a large number of “mom and pop” sites that are running on the passion and volunteerism of their founders? Could they both be sustainable models? These are the questions being faced by nearly every site and its investors, sponsors, and funders.

Besides the “flips” from for-profit to nonprofit status, the world of e-philanthropy also has absorbed some total losses. Over the last six months of operation *nonprofitmatrix.com*, which monitors online fundraising, has listed eight sites in its “tombstone” section. One of the most visible and shocking shutdowns has been that of *charitableway.com* with financing of \$43 million, top talent from the commercial Internet sector, and solid customers from the top tiers of the nonprofit and commercial sectors.

The demise of some sites and the survival struggles of others have their roots in inadequate investment capital, too much capital that cannot generate proportionately large business returns, small-scale philanthropic support, or insufficient earned income from users. Business plans for many sites have proved to be off the mark requiring too many retooling resources, and the scale of spending to operate and market nonprofit and/or community services is still guesswork at best.

There are two characteristics of sites emerging as successful models of both service and sustainability:

- The site offers multiple services (e.g., it isn't *just* shopping, but also offers volunteer matching, information services, donation options, etc.). Sites that are set up exclusively for shopping – the so-called charity malls – are not proving to be successful. Their limited purpose and the lack of marketing and knowledge resources for users don't pack enough value punch.
- The site is built on a robust offline network and support base of members, constituents, supporters, and name recognition/brand – effectively an enhancement or an extension of existing and popular services.

Headline #2: Here Comes e-zPhilanthropy – Is it for Real?

An exciting promise of the Internet has been that giving money can be fast, easy, and available to everyone online while also being smart, strategic, and well-informed. And typical of the paradoxical realities that the Web sometimes represents, there exists the online phenomenon of giving without giving. There are four major forms of “e-zPhilanthropy:”

- Click-and-Give
- Shopping to Give
- Vetting Portals
- B2B Online Fundraising

Click-and-Give:

The most explosive growth in visibility and availability has occurred on the click-and-give sites. The structure of most click-and-give sites is consistent: commercial sponsors promise to give cash to designated organizations when individuals visit the site, confirm that they have seen the site (and noticed the sponsors), and are interested in the issue. The visitor’s “click” triggers the sponsor’s “give.” In effect, the sponsors, nonprofits, and users form a marketing and awareness alliance that builds support for causes and companies simultaneously. The longest-running click site is The Hunger Site. Formerly operated by *GreaterGood.com* to benefit the United Nations Food Program, the site is now independent. Greater Good has estimated that, in 2000, \$3.5 million was raised for The Hunger Site.

Most sites let users give once a day. Sometimes organizations are able to make click-and-give deals with sponsors for a finite period of time, thus using click-and-give as a temporary promotional opportunity or campaign rather than as a permanent giving site. Some examples of the good deeds possible for your click include:

- *endcancer.com* to help pay for cancer research through the American Cancer Society.
- *Bigcats.care2.com* is a partnership between the Wildlife Conservation Society’s Big Cat habitat protection programs for tigers, jaguars, and snow leopards and *Care2.com*’s commercial sponsors.
- *Freetocharity.com* enables users to donate new and usable items by logging their available items via e-mail. *Donateacar.com* provides a similar matching service, but specializes only in car donations.

Shopping to Give:

When the needs get tough, caring people...go shopping! For some people, a fun and carefree way to give is to go shopping with the knowledge that some portion of the profit on the purchased items will be transferred to charity. This is not a new idea. American Express was one of the pioneers in experimenting on a massive scale when it first promoted donations based on credit card usage. The shopping for charity concept has been easily transferred to the Web where it is offered through simple partnerships with individual vendors; and it has emerged in more complex forms, as well, with entire online “malls” being formed where groups of stores agree to participate. Some malls also have been tailored so that organizations can designate an “entrance” for their donors and supporters, and all shopping done by a designated person goes to the cause identified with that person’s entry point. The ease with which virtual alliances can be made online enables fundraisers and sponsors to be very creative in using shopping as a device for giving. Some examples include: *4charity.com* (where visitors can also donate and volunteer), *4mycommunity.com*, and *greatergood.com* – all of which host many stores and offer the shopper access to many nonprofits.

Vetting Portals:

Advocates for specific issues have designed sites where donors and organizations can be more transparent to each other, and giving can be facilitated through aggregating reputable organizations working on specific causes of interest to the donors. Such “portal” services help the donor by vetting the charities according to criteria for mission and constituency. Examples include *hmr.org*, a site sponsored by Health and Medical Research Charities of America that screens organizations for donor consideration; *Reliefnet.org* which guides donors to organizations offering emergency and disaster-relief services; and *egrants.org* and *giveforchange.com*, where donors can easily find progressive organizations.

B2B Online Fundraising:

By far, the biggest presence in online fundraising are the business-to-business services available through consulting and technical companies. The B2Bs offer nonprofits services in Web site development, back-office services for “donate-now” buttons on Web sites, employee giving services, donor tracking software, and general consulting assistance in using all aspects of the Internet for fundraising. Some of the online services are available from firms already

well known in the nonprofit fundraising world for their reputation in “offline” fundraising techniques like direct mail, endowment campaigns, etc. Craver, Matthews, Smith and Company, for example, is now active and visible online both for marketing its services and for sharing its experiences through research papers and data. Other online services are new companies emerging out of technology and software companies.

Is This for Real?

When it is all said and done, the question is: Do nonprofits actually raise enough money online to make it worthwhile?

General economic data about U.S. computer owners and Web users paint an emerging picture of wealthy, smart, caring adults who are ready and willing to trust themselves and their money to e-philanthropy. Some of the latest statistics show that there are about 130 million people in the U.S. with Internet access. Over 50 million people per week log on to the Web. In late 1999, 3.5 million Americans over 18 said they had given to a charity and six million said they would give during 2000 (compared to 20 million who said they would buy goods and services online during 2000).

As 2001 unfolds, the online fundraising picture is mixed: some organizations see proof of online potential for philanthropy while others express far less optimism. A December 2000 survey as part of the Philanthropic Giving Index by The Center on Philanthropy at Indiana University reported that fundraisers’ use of the Internet continues to grow, but fewer fundraisers than in July 2000 see the Internet as being successful for fundraising (down to 10 percent from 16 percent in July 2000).

However, other fundraisers like those at Harvard University are optimistic about Web-based fundraising and are planning to invest more resources in it. To test alumni receptivity to e-mail, Harvard sent a series of e-mail messages in 2000 to more than 59,000 alumni of six undergraduate classes. Of that total, only two percent replied that they didn’t want to receive e-mail from Harvard. Another test e-mail message from Harvard solicited funds from 4,000 alumni, with 200 alums replying and contributions totaling \$38,000. One person sent a \$10,000 gift and asked to be contacted only by e-mail in the future. Although Harvard’s e-mail gifts are smaller – on average – than those from its other direct mail appeals, there also are fewer costs involved.

Research compiled in 2000 by *hitdonate.net* showed that about 20 of the largest global charities experienced increasing numbers of online donations in late 1999 and early 2000. However, most of the increases came from their capability to facilitate online donations from their own Web sites, while only small numbers of donations came from charity portals such as *helping.org* and *justgive.org*.

Headline #3: Web Delivered Services – Everything Old is New Again

Social changemakers are discovering that the Web is not merely a networking or fundraising device. They are also experimenting with and discovering how to work online to deliver their mission-related services. As in fundraising, there are some activities done in the off-line world that can be merely transferred online (i.e., grant applications, conference registrations, etc.), but there are other activities, like volunteerism and organizing for advocacy, that are significantly improved or expanded by online technology.

Some of these areas of mission-related service include:

- Advocacy and Action
- Improving Organizational Effectiveness – tools and coaching
- Volunteer Matching and Management
- Virtual Volunteering – providing human and social services online
- Children's/Youth Services
- e-Education

Advocacy and Action:

The fastest growing area of direct online services is “Advocacy and Action.” New sites are forming constantly to focus primarily on social action issues ranging from environmentalism to saving Tibet. Nonprofit organizations also are adding advocacy activities to the array of services on their Web sites. Some sites offer a particular service such as setting up petitions or facilitating letter writing, and the user chooses his or her own cause. A recent check of *gopetition.com* and *Webpetitions.com* showed that citizen organizers are busy working on both the profound and the ridiculous. Petitioners can attempt to

save various television shows (especially *The Titans*); get Genesis into the Rock and Roll Hall of Fame; and accelerate the development of the game, Star Siege 2. There also are virtual organizers trying to reform Rhode Island's adoption law, ban commercial whaling, end domestic violence, and rescue China's bears.

On other sites, the user is attracted to the issue or cause first – the environment, health, peace, etc. – and then chooses various actions offered on the site: getting information, signing petitions or letters, giving a financial contribution, volunteering, etc.

Improving Organizational Effectiveness:

The Web is the biggest “how-to” resource imaginable. Build a house, plan your retirement, design your own health care, or hike Antarctica...no problem – just get on the Web. But as recently as a year ago, the information basics of starting a nonprofit and doing strategic planning, board, or enterprise development were few and far between online. And they were difficult to find. In the past year, Web-based information, tools, and guidance for nonprofits, philanthropies, and donors have increased and improved, revealing a trendline of more and more sophisticated site development for the future. On the other hand, organizational effectiveness sites are complex to develop as they must include information, as well as self-help tools and access to hands-on mentoring, to enhance the Web-based self-help. The current innovators are trailblazing new ideas and models for how online services can be offered and how the self-help services available online can be supported with in-person “high-touch” back-up.

One online provider building incrementally to offer planning and evaluation services is Innonet, which offers online tools for creating strategic program maps for a project or organization, evaluation plans, program budgets, fundraising action plans, and translation of plans to 11 standard grant application formats. Innonet offers one free review of plans to its online users. Users, if they wish, can then arrange for more in-depth, fee-based assistance from Innonet staff and consultants.

AOI's *helping.org* offers easy links to many informational and organizational development resources. For example, a link called “Enhance the Way You Work Online” opens up a list of site links and information sources. Impact Online offers its self-help tool “Internet 101” to help organizations determine if they are ready to go online. Technology planning has become a growing area of organizational development and there are many online resources – some accessible through *helping.org* and others available through *NPower.org*

or *Techsoup.org*. *Nonprofitabout.com* offers an extensive set of interrelated services to nonprofits: information on how to start a nonprofit; links to other studies; and tools that will help a nonprofit to choose appropriate fundraising tools, particularly online tools, and job searching.

Foundations and nonprofits alike are using the Web to improve basic administrative and informational services: grant applications, conference and membership registrations, technical assistance services, and knowledge diffusion. This last arena – knowledge management – looms large on the social impact horizon.

Volunteer Matching and Management:

We are perhaps becoming a civic culture where people are often more connected to each other through their workplace than their community and where their computer provides more of a link to others than a bowling league. While there is a downside to this scenario, the upside is that the Web, with better and better search engines, is an excellent place for individuals to look for volunteer opportunities and for organizations to look for ideal volunteers.

The largest matching services in operation are Impact Online's *volunteer-match.org*, which also powers the volunteer service dimension of AOL's *helping.org*, and *Servenet.org* which focuses on youth service and also keeps its volunteers alert to news and advocacy opportunities that affect their issues. Another site, *idealist.org*, facilitates international leadership opportunities. *Citycares.org* links volunteers to city-based care groups throughout the U.S.

A new dimension of volunteer sites that has emerged this year is the availability of management and recruitment models, and good practice/lessons learned for organizations to improve their work with volunteers. For example, *nick.com* (Nickelodeon) offers The Big Help Toolkit to help young people build a volunteer program. And *project.org*, powered by Project America, offers "Volunteer Management 101" with information about forming committees, conflict management, and basic dos and don'ts.

Virtual Volunteering:

Virtual volunteering differs from the electronic "match" process that links a person to an on-site volunteer opportunity in the community of his or her choice. It is about volunteering online. Some virtual volunteers facilitate planning, financial advice, and board development, or provide one-to-one mentoring through online dialogue and online transmission of tools.

The Virtual Volunteering Project (VVP) created in 1996, and now part of the RGK Center for Philanthropy and Community Service at the University of Texas (*serviceleader.org*), lists 500 groups who have or are involving volunteers via Internet. VVP organizes its database of online volunteering into four categories:

- Seniors volunteering and those helping seniors
- Youth and those helping youth
- Disabled people and those helping disabled people
- Mentoring

For example, the pen pal concept has been transferred online. Pen pal volunteers are matched with lonely senior citizens or sick and/or special needs children (Pen Pals for Kids at *about.com*; *freepals.com*; *writeseniors.com*). The *writeseniors.com* site – one of the few intergenerational projects we have found – was created by two teenagers out of their own volunteer experiences with seniors in their community. In one category of virtual volunteering – mentoring – *Serviceleader.org* lists more than 100 sites organized by types of mentoring: Hospitals, computer skills, arts, legal services, and information.

Children's/Youth Services:

The educational and recreational entertainment of youth – once the domain of Boy Scouts, Girl Scouts, the Y, Children's Television Workshop, Sesame Street, and Public Television – is now a major force on the Web. Dominated by commercial offerings, the Web is an enormous marketplace for youth learning, information, activity, entertainment, and service opportunities for young people. Some of the search engines that lead youth and their parents to science, math, reading, social studies, games, and entertainment sites include The Benton Foundation's *ConnectforKids.org*, *dizzyduckling.com*, *AskJeeves-kids*, *AOL NetFind*, *Yahooligans.com/school*, *Childrennow.org*, and *Kidsdomain.com*.

e-Education:

Is it possible to log-on for a degree? Or for skills-certification? Self-improvement? There are experiments large and small underway to discover how education and training can be delivered online. Large corporations have been among the first to experiment, with the creation of company-based virtual

universities now estimated to number about 500. Global Education Network (capitalized by entrepreneur Herb Allen) is preparing to go online to offer higher education degrees and Ars Digita University plans to use open source concepts online in expanding its advanced computer and technology education. Critics of online education say that it is like “trying to eat dinner on the Internet.” You can convey information about the meal...but you can’t deliver the meal. Nevertheless, programs are expanding as educational models in all sectors.

Headline #4: e-Philanthropy is its Own Headline

One of the most marketable news stories of 2000 was the emergence of new economy philanthropists and their interest in technology and Web-related services for nonprofit organizations. From *Time* to *Vanity Fair*, and from *Worth* to *Wired*, the media covered the story, helping to shape perceptions about major shifts and growth within philanthropy and the nonprofit world. The newsworthiness of changes in the sector and the compelling stories about individual generosity – paired with the persistence of crushing human needs – has created more demand for information, and ultimately improved performance and accountability.

Most of the major e-philanthropy portals carry news headlines and links to news stories. On any given day, for example, *helping.org* can link its users to national and international stories about humanitarian issues (e.g., in January 2001, the India earthquake; the eco disaster in the Galapagos) and to organizations involved in the events. Clicking on *helping.org*’s nonprofit news section will take the reader to links with the Chronicle on Philanthropy, NonProfitxpress, the Philanthropy News Network, Philanthropy News Digest, and more – depending on current news and coverage of nonprofit issues.

The *ePhilanthropyFoundation.org* is a new organization devoted to fostering secure, private, and ethical online philanthropy – one of the first “infrastructure support” organizations of this emerging industry. They have developed a code of ethical online philanthropic practices, are addressing the challenge of nonprofits trying to engage in e-philanthropy (“ten rules of e-Philanthropy every nonprofit must know”), and are capturing and sharing good practice and knowledge resources related to e-philanthropy in general. This is the first of, hopefully, more organizations tackling the challenge of monitoring and setting e-philanthropy practice standards.

Headline #5: The “Killer App” for e-Philanthropy is Still Lurking in the Shadows

Despite the useful, clever, and ingenious aspects of online services for non-profits, the sector is still awaiting “the big one.” Somewhere out there are the great leaps that – through a combination of human innovation and artificial intelligence – will unleash the efficiency, deep knowledge, and strategic coordination that is latent in the civic sector, yet still eludes the sector’s day-to-day work.

The Web does not yet have a powerful, searchable database that unifies information about philanthropy, service, and social change. Although a nonprofit organization can be found through Guidestar, there is not enough information available about the knowledge, experience, and impact represented by the organization. Foundations can be found through the Council on Foundations or the Foundation Center. Yet while funders are demanding a higher standard of effectiveness from nonprofits, there is still little unified knowledge captured in a retrievable database that can be used in planning and decision making. Innovative social doers also want a networked system to help them benchmark their practice, share resources, and form partnerships when appropriate.

Fortunately, there are some next-generation, Web-based services currently under construction that might prove to be pieces of the transformative leap forward in making the Web a marketplace of knowledge, rather than a somewhat chaotic series of innovative data pools.

One of these is AidMatrix (www.aidmatrix.org), the first nonprofit electronic service dedicated to applying supply chain software to social needs. Aidmatrix is dedicated to improving the end-to-end process of delivering humanitarian emergency and development aid items such as food, clothing, and building supplies. AidMatrix has a vision for hundreds of partners to be working with humanitarian aid nonprofits to create an efficient supply chain system in the nonprofit sector. Nonprofit partners in the early stages of AidMatrix’s development include America’s Second Harvest, CARE, First Book, and the American Red Cross (local chapters). Modeled on systems developed by its sponsor company, i2 Technology, and its already successful TradeMatrix, the nonprofit AidMatrix will be the beneficiary of tremendous technology expertise and experience. New partners joining AidMatrix can dedicate excess or obsolete inventories, donate technology, financially contribute to the endowment, dedicate teams of technology or consulting experts, or choose to be a media sponsor.

Another marketplace concept is SeaChange (www.sea-change.org). Envisioned to be a virtual marketplace where social entrepreneurs and social investors/funders can find each other for partnerships, SeaChange already has registered 40,000 social entrepreneurs, social investors, and business leaders in its data base. It has negotiated technology, management, and program support agreements with an extensive list of strategic partners: National Venture Capital Alliance, McKinsey & Company, Business for Social Responsibility, *Garage.com*, Social Venture Partners, The Philanthropic Initiative, and Young Entrepreneurs Organization. If SeaChange can successfully build the marketplace it envisions, it will push nonprofits and their investor/funders into new models of organizational fundraising and sustainability. It also will open up a knowledge base about nonprofits, their practices, and acquired knowledge that does not currently exist anywhere in the sector.

The Stargazer Foundation (www.stargazerfoundation.org) is creating another shared-space concept with its Dot.commons. The founders, Arthur and Kathy Bushkin, say that Dot.Commons will provide not only a physical meeting place, but also a virtual space where nonprofit organizations can gather to chat, conduct research, use new tools, share ideas, and create innovative approaches to delivering services.

The “killer app” – the big breakthrough still needed for the online marketplace – is the creation of an integrated space. The innovators who are likely to help lead us there are those who are attempting to weave together diverse services and to unify numerous needs and opportunities in one accessible place – in effect an “eco-system” for the sector with give-and-take dynamics in action for all the users. There are early-stage collaborative discussions among some of the large Internet industry players and philanthropies. These discussions are focused on building a nonprofit, enterprise-driven technology platform serving the knowledge, practice, and giving needs of individuals and the nonprofit sector in general. This platform could help integrate the early innovators in the e-philanthropy arena into a community of practice – the next natural step in this evolving industry. While this is an exciting vision, it is still just that and will need exemplary leadership to make this kind of collaboration happen.

Part II

The Emerging Structure of e-Philanthropy and an Overview of the Sites

A mental image of the e-philanthropy space might be clarified by seeing three major domains of action:

- Giving Time and Money – sites that give or sell services to assist individuals and institutions in the decisions, direct-giving processes, and administration of philanthropy and/or volunteerism.
- Knowledge and Capacity Building – sites that provide data about the sector, e-philanthropy, good practice, lessons learned, organizational development, and effectiveness information and services.
- Direct Online Services – where the charitable, educational, and humanitarian services characteristic of the nonprofit or civil society is done online, including advocacy, youth development, healthcare intervention, and education.

In addition, it is important to understand that many of the larger sites have a primary identity – then offer numerous services and links so that visitors/members can easily explore an initial interest in a single task or issue, along with other interrelated activities and ideas. A person who visits *oneworld.net*, known primarily for its international news about human service issues (and therefore in the Knowledge domain) will also discover opportunities on the site to shop for charity, volunteer for a cause, or search for a job in the human and social service sector.

Following are 11 matrices that analyze some of the most highly populated categories of online sites. All of the sites mentioned in these diagrams are also included in the database that accompanies this report. The matrices show how sites are moving toward multiple-service functions, and they indicate some of the distinguishing features and services on the sites. The sites listed in the matrices are examples and are not the result of a thorough ratings system. However, each site included in these matrices was chosen because it represents overall excellence or one or more of its outstanding features make it a “good find.” For each matrix and category of service there are many, many more sites in the database. For those readers who are using this report to get a sense of the size and scale of e-philanthropy or for those readers who are using the report as a way to learn about and shop for services or online partners, we encourage you to peruse the full database.

DOMAIN: Giving Time and Money

Fundraising Services – this matrix shows an array of services “for sharing and for sale.” The services range from “back-office” processing services to consulting services that enable nonprofits to select the appropriate software and/or services for their online fundraising needs. Nonprofit institutions are the targeted customers for these sites.

Fundraising Services

Site Name	Site Audience							Things to Do on Site						
	Nonprofit Organizations	Donors	Companies	Free General Fundraising Resources	Online Services	Make a Monetary Donation	General Fundraising Consulting	Internet/Technology Consulting	Purchase Software	Products NP Can Sell for Income	Online Planned Giving	Donor Recognition Services	Organizational Status	
www.dononet.com	●	●	●	●	●	●	●	●	●	●			For Profit	
www.wecaretoo.com	●	●		●	●	●	●	●					For Profit	
www.3rdsector.net	●			●	●	●	●	●	●				For Profit	
www.efundraising.com	●								●				For Profit	
www.donorware.com	●			●		●	●	●	●				For Profit	
www.fund-raising.com	●	●		●					●				For Profit	
www.giftlegacy.com	●			●						●			For Profit	
www.honorwalls.com	●			●							●		For Profit	
www.econtributor.com	●			●		●	●	●					For Profit	
www.makeadonation.com	●	●			●		●					●	For Profit	
www.fundraisinginfo.com	●			●	●		●						For Profit	
www.onlinegiving.com	●	●			●	●	●	●					For Profit	
www.entango.com	●					●	●	●			●		For Profit	
www.charitywave.com	●			●	●	●	●	●					For Profit	

Donor Services – these sites emphasize the role of and services to the donor. While some of them also offer some “back-office” services like processing donations for nonprofit organizations, these sites are organized and marketed to appeal to donors.

Donor Services

Site Name	Site Audience						Services for Donors						Services for Nonprofits		
	Donors	Nonprofit Organizations	Companies	Make a Monetary Donation	Research Organizations	Research a Cause	Donate an Item to Charity	Click to Donate Site	Shopping	Create a Foundation	List Your Organization	Donation Processing Service	Employee Giving Program Services	Partnership/Sponsorship	Organizational Status
www.justgive.org	●	●		●	●	●	●	●		●	●				Nonprofit
www.thehungersite.com	●						●	●					●		Nonprofit
www.philanthropycenter.org	●	●			●	●				●					Nonprofit
www.newtithing.org	●				●	●									Nonprofit
www.giveonline.org	●			●	●	●				●	●				Nonprofit
www.givedirect.org	●		●	●	●			●				●			Nonprofit
www.egrants.org	●	●	●	●	●	●				●	●		●		Nonprofit
www.4charity.com	●	●		●	●	●		●		●	●		●		For Profit
www.freedonation.com	●		●		●	●		●					●		For Profit



Shopping and Profit Sharing – shopping online in a partnership for charity is available through individual businesses and special online mall structures. An individual donor can choose a favorite online store or mall and patronize it for the sake of “buying to give.” Organizations can also set up affinity agreements with malls that enable their members to have special buying-giving privileges when entering a mall or store through a designated “entrance.”

Shopping/Profit Sharing

Site Name	Site Focus						Site Effectiveness					
	Shopping	Portal Service	Direct Giving	Click to Give	Auction	Affinity	Secure	Navigable	Searchable	Transparency	% Commission	Organizational Status
www.4charity.com			●				●	Med	●	●	0%	For Profit
www.4mycommunity.com/online/							●	High	●		7%	For Profit
www.greatergood.com	●			●			●	High	●	●	≤ 15%	For Profit
www.helpnetworks.com	●						●	Med		●	≤ 25%	For Profit
www.iGive.com	●						●	Low		●	≤ 15%	For Profit
www.missionfish.com	●	●			●		●	High	●	●	?	For Profit
www.schoolcash.com	●				●	●	●	Low			≤ 20%	For Profit
www.Schoolpop.com	●					●	●	High			?	For Profit

Auctions/Events – similar to online shopping, the auction sites offer online fundraising opportunities to organizations who then promote the auctions/events among their members. Once online, the auctions/events usually are accessible to the general public.

Auctions/Events

Site Name	Site Focus								Site Effectiveness	
	Charity Auctions	Accepts Donations	Event Planning	Online Registration Services	Donations/Dues Collection	Secure Transactions	Solid History	User Feedback Available	Transparency	Organizational Status
www.seeUthere.com		●	●	●	●	●	●			For Profit
www.webcharity.com	●	●				●	●	●	●	?
www.planetgiving.com	●					●	●		●	For Profit
www.causelink.com	●		●			●	●	●	●	For Profit
www.allstarcharity.com	●					●	●	●	●	Nonprofit
www.eBay.com	●					●	●	●	●	For Profit



Giving Time/Volunteering – these sites help individual volunteers to connect to real-life as well as virtual volunteering opportunities. Some sites also offer volunteer management information and services.

Volunteering

Site Name	Site Focus							Site Effectiveness		
	Matching	Virtual Volunteering	Recruitment	Volunteer Management	Promotion	Interactive	Easily Navigable	Custom Search Capability	Transparency	Organizational Status
www.idealist.org	●		●		●	●	●	●	●	Nonprofit
www.serviceleader.org	Links to	Links to	Links to	●	Links to		●			Nonprofit
www.citycares.org	●		●				●		●	Nonprofit
www.servenet.org	●		●		●	●	●	●	●	Nonprofit
www.4laborsoflove.org	●		●		●	●	●	●	●	Nonprofit
www.guidestar.org	●		●		●	●	●		●	Nonprofit
www.volunteermatch.org	●		●		●	●	●	●	●	Nonprofit
www.volunteersolutions.org	●		●		●	●	●	●	●	Nonprofit
www.compumentor.org	●	●	●	●		●	●		●	Nonprofit
www.cybervpm.com	●			●	●	●	●		●	Nonprofit

DOMAIN: Knowledge and Capacity Building

Capacity Building – interactive technical assistance and self-help organizational services are available online. These services often are a first step in an organization’s attempt to solve a particular problem; i.e., evaluation, strategic planning, project planning.

Capacity Building

Site Name	Online Tools and Services							Search Function	Transparency	Free Service	Membership Dues	Organizational Status
	Skill-Building	Job/Volunteer Links	Links to Resources	Nonprofit Info	Consulting Services	Navigable						
www.innonet.org	●		●	●	●	High	●	●			Nonprofit	
www.npower.org	●	●	●	●	●	High	●	●	●	●	Nonprofit	
www.techsoup.org	●		●	●	●	High	●	●	●		Nonprofit	
www.compasspoint.org	●		●	●	●	Med	●	●			Nonprofit	

Knowledge About the Social Sector – some of these sites offer wide-ranging coverage about social issues relevant to the work of nonprofits. Others offer in-depth information about the creation and sustainability of nonprofit organizations.

Knowledge About Social Sector

Site Name	Links Resources	How-To Info	General News and Info	Join or Give	Registration or Subscription Required	Organizational Status	Information Specialty
www.benton.org	●	●	●			Nonprofit	Media
www.changemaker.org	●	●	●			Nonprofit	Social Entrepreneurs
www.nonprofitresearch.org	●		●			Nonprofit	Nonprofit Research and Studies
www.nonprofit.about.com	●	●	●			For Profit	Creating Nonprofits
www.hitdonate.net	●	●				Nonprofit	Online Fundraising
www.women-philanthropy.umich.edu	●		●			Nonprofit	Women's Philanthropy
www.nonprofits.org	●		●	●		Nonprofit	Funding and Management

News and Monitoring – with the growing complexity of e-philanthropy, news and monitoring services are emerging. These services distill news and views about technology as well as trends in methods and approaches to improving the scale and sustainability of social sector work.

News and Monitoring

Site Name	Organization Name	Sector News	Links	Job/Volunteer Links	Navigable	Search	Transparency	Registration or Subscription Required	Organizational Status
www.npxpress.com	Nonprofit Xpress	●	●		High	●	●	●	For Profit
www.pnnonline.org	Philanthropy News Network	●	●	●	Med	●	●		Nonprofit
www.fdncenter.org/pnd	Philanthropy News Digest	●	●	●	High	●	●		Nonprofit
www.philanthropy.com	Chronicle of Philanthropy	●	●	●	High	●	●	●	For Profit
www.ephilanthropyfoundation.org	ePhilanthropy Foundation	●	●		High		●		Nonprofit
www.oneworld.net	oneworld.net	●	●	●	High	●	●		Nonprofit

DOMAIN: Direct Online Services

Advocacy – organizing civic opinion and action via the Internet is increasingly popular and available for nonprofit organizations. The ubiquitous and democratic qualities of the Web enable organizations – large and small – to find a larger cross-section of constituents and supporters regardless of geographic boundaries.

Advocacy

Site Name	Site Audience						Online Advocacy Things To Do						Organizational Status
	Individuals	Organizations	Research a Cause	Create a Petition	Sign a Petition	Concerned Citizens Chatrooms	Connect to Elected Officials	Volunteer Time	Free Grassroots Organizing Resources	Make a Monetary Donation	Research Organizations	E-Advocacy Consulting Service	
www.wlo.org	●		●		●	●	●		●				Nonprofit
www.gopetition.com	●	●	●	●	●				●	●			For Profit
www.globalresponse.org	●		●					●					Nonprofit
www.netaid.org	●		●				●		●	●			Nonprofit
www.e-advocacy.com	●	●									●		For Profit
www.webpetitions.com	●			●	●								For Profit
www.connectforkids.org	●	●	●			●		●	●	●			Nonprofit
www.afj.org	●	●				●		●					Nonprofit

Direct Online Services – organizations are beginning to experiment with how services formerly delivered only in real-life can now be delivered virtually. Although actual food, shelter, or healthcare cannot be delivered online, there are many social services that can be delivered virtually (at least in part): economic development and loan services; collaborative knowledge-building; education; mentoring and counseling; “infotainment” for children; etc.

Direct Online Services

Site Name	Main Service	Links to Volunteer				Fee	Navigable	Transparency	Links to Resources	Organizational Status
		Links to Volunteer	Donate	Fee	Fee					
www.count-me-in.org	Women's Small Business	●	●		High	●	●		Nonprofit	
www.edventures.com	Online School for Children	●	●	●	Med	●	●		For Profit	
www.teachernet.com	Online Resources for Teachers	●	●	●	High	●	●		For Profit	
www.amnestyusa.org/stoptorture/fast	Urgent Action Against Torture	●	●	●	High	●	●		Nonprofit	



ALL DOMAINS

Some sites are so diverse and comprehensive in what they offer that they have been designated as “full-service” portals. By entering these sites, the user can find/link to thousands of organizations and other services.

Full-Service Portals

Site Name	Site Focus							Site Effectiveness				
	Shopping/Products	Fundraising	Volunteering	Information	Jobs	Affinity	Secure	Navigable	Search	Transparency	% of Purchase to Charity	Organizational Status
www.4charity.com	●	●	●	●			●	Med	●	●	Med	For Profit
www.createhope.com	●	●		●			●	High	●		High	?
www.guidestar.org		●		●			●	High	●		High	For Profit
www.justgive.org	●	●	●	●			●	Med	●	●	Med	For Profit
www.oneworld.org		●	●	●		●	●	Low			Low	For Profit
www.helping.org	●	●	●	●			●	High	●	●	High	For Profit
www.idealist.org			●	●	●			Low		●	≤ 20%	For Profit

Part III

The Dynamics of Supply and Demand: Perspectives from the Nonprofit Marketplace

Forces driving the formation of e-philanthropy include:

- Nonprofit organizations developing their own Web presence via organizational Web sites in order to be part of the Internet revolution and to be easily accessible to their constituents, stakeholders, and donors;
- Nonprofit entrepreneurs developing Web-based services to assist nonprofit institutions and donors to be more effective online; and
- For-profit entrepreneurs developing commercial Web-based services to sell to or share (via third-party advertising) with a growing number of nonprofits and their constituents, stakeholders, and donors.

In the shakeout of the past year, dot-coms and dot-orgs alike are learning more about the nonprofit sector and how ready it is to use Internet-based services. The discoveries are mixed as some online service providers struggle to keep up with demand and others fail from the lack of response.

In March 2001 Professor James Austin of Harvard's Initiative on Social Enterprise wrote, "...make no mistake: The e-philanthropy revolution is here to stay, and it will transform charitable giving in as profound a way as technology is changing the commercial world. Charities that have dismissed e-philanthropy as a fad, or run from it in confusion, will, sooner or later, need to become reconciled to it. If they don't, they risk losing touch with donors and imperiling the vitality of their work."

For this report, we went directly to nonprofits to ask about their readiness to use Web services and their online experiences to date. We used an e-mail survey in January 2001 to contact nonprofit organizations in North Carolina, Minnesota, Connecticut, Delaware, New Jersey, and Georgia – all members of their statewide association of nonprofit organizations and all affiliated with the National Council of Nonprofit Associations. We asked 18 questions designed to understand the extent of their online presence, the types of Internet services (and sites) being used, and the quality of Internet services experienced by nonprofits. A total of 418 organizations responded.

Because we used e-mail to conduct the survey, we intentionally were dealing with those organizations already wired for, or with access (via library or shared resources) to, basic Internet communications like e-mail. In fact, only 12 percent of the respondents lacked Web sites. Another 13 percent are working on creating sites and 75 percent reported that their sites are up and functioning.

With 87 percent of the organizations on the Web or in the process of getting there, this survey indicates a growth pattern in Web presence when compared to a July 2000 survey reported by The Chronicle of Philanthropy. According to that report, only 66 percent of the nonprofits surveyed had Web sites.

In our January 2001 survey, 32 percent of the organizations said that their Web sites are dynamic, going beyond brochureware and actively involving their donors and members in the mission and work of the organization. Of these dynamic Web sites (approximately 135):

- 44 percent have the capacity to solicit and receive donations
- 54 percent have the capacity to recruit and match volunteers
- 63 percent have the capacity to link visitors to the knowledge base (materials, information, resources, etc.) of the organization

Over 40 percent said they were participating in some sort of online fundraising, but only 15 percent (62) of the respondents said they are buying any online fundraising services. Among these 62 who are buying services, the experiences are so varied that it is difficult to identify a clear pattern or trend. Most of them said they had not yet raised any money through their online ventures. About seven organizations reported raising \$5,000 or more online; and one reported online contributions of more than \$100,000. We asked the respondents to comment on the quality of services they received online. More than half of those using online services complained that the value of the services was lower than expected. Some frequently mentioned complaints included: the customer service was poor; the provider went out of business; and the money (revenue or shared profit) was not delivered on time.

Volunteer recruitment experiences seemed more positive, with more than half of the respondents reporting that they had successfully recruited new volunteers or members online. Many said they had recruited 50 or more members/volunteers.

The survey also asked the organizations to describe the organizational services they have received online. Fifteen percent said they have used Internet-based

services to improve their organizations. More than half of these said they went online looking for:

- advice and/or downloadable tools for board development
- strategic planning assistance
- organizational structure options and information
- staff and/or volunteer-development tools

The array of services desired by the organizations also included evaluation, team-building tools, and legal compliance information. Since most of the organizations went online seeking multiple services, we would infer that multiple-service sites, or sites offering tightly linked services in a one-stop shopping model are preferred by the users. Overall, the experience of at least half of the survey respondents with online collaborations and services boiled down to four consistent complaints:

- frustrating site design and navigation
- membership and/or user fees too expensive or cumbersome
- a hyped-up home page or site name with inadequate information or services behind the home page
- information and tools that are too shallow; too much pitched at beginners

There were three strong suggestions for improvements:

- better links to other related services
- easier navigation within sites
- easier access to high-touch services to supplement the technology-based services

The nonprofits in this survey revealed themselves to be eager for online interaction and services. Most are spending human and financial resources to upgrade their technological capability, yet there is an alarming organizational “digital divide” in the nonprofit sector. For most of these organizations, technology is still an add-on and most are in “catch-up mode.” Technology and Internet-based services are far from being integrated into the day-to-day life of managing the organization and delivering the organization’s services.

These overall impressions echo those found in a 2000 Pew Charitable Trusts study, “Coming of Age in the Information Age.” The Pew researchers found that most nonprofit leaders perceived new technologies as positive, powerful

additions to their organizational operations. Many nonprofit leaders in the Pew study shared anecdotal stories of increased efficiency, better communications, and more sophisticated relationship management. Across the board, the nonprofit leaders expressed the belief that the Internet will continue to make their organizations stronger and more effective. However, these same leaders also admitted that they log onto the Internet only a few times a week and some said they do not use the Internet during regular business hours. They only use it at night, after work hours. Either way, they were revealing that the Internet is not yet built into their work routines.

Part IV

Challenges and Opportunities

Despite the current meltdown in commercial Internet enterprises, the online services for nonprofits are surviving the market tumult, growing, and steadily proving to their nonprofit users that they represent effective services and are here to stay. Shakeout is likely to continue as both for-profit and nonprofit entrepreneurs experiment with how to best serve the social sector. But the overall future trend will be growth in the expanse and variety of options of online activity, increased depth in the sophistication and complexity of services, and multiplication of links that enable many bases of information and people to be easily accessible.

This continuing growth of online activity comes with a variety of challenges – and therefore opportunities – for the sector. Out of the dozens of challenges/opportunities that could be articulated, we have chosen five (in no order of importance) and include them here to spark additional dialogue and creative thinking.

- The growing commercialization of online fundraising makes it complicated for nonprofits to shop for the best B2B services. The performance quality of such service providers and the public availability of performance data will affect the trust of nonprofits and donors in online fundraising. Nonprofit leaders need more tools on how to be good consumers of B2B services.
- The financial and time constraints in most nonprofits are barriers to fully engaging in the promise of technology for greater quality and effectiveness of social change work. Nonprofits need more core investments in capacity building. Like all corporations, government entities, and nonprofits, we need to find pragmatic but powerful means and incentives to take the time and invest the resources to capture and leverage our knowledge.

- Incentives for aggregating information for knowledge management are unclear. While there is a lot of innovation out there, much is still fragmented. The “ownership” of donor/volunteer data and intellectual property will remain significant constraints to achieving an integrated knowledge marketplace. First steps will be to develop and articulate policies for sharing data and intellectual property in the online, nonprofit sector.
- Building trusted brands is what commerce and exchange are all about. It is not surprising that organizational Web sites are raising more money than the portals. Users trust the Web sites because they have known and supported the organization – the Web is just one more way in which members/constituents can give. How the portals will build trust is a challenge. Some receive plentiful and positive publicity and this helps to build a trustworthy image for supporters. Others are building support through linking strategies that connect them to membership-based Web sites. Those portals and fundraising sites with neither visibility nor natural constituencies will have a hard time surviving.
- We must continue democratizing online space with users of all races and classes and from all over the world. Our objective should be that “everyone” is within reach for communicating and organizing. Our vision should be e-philanthropy playing a leveraged role in facilitating diverse and robust solutions for the seemingly intractable problems of society.

So what does all this mean? First, given the collaborative nature of the Internet and the scale of these challenges, the situation prescribes collaborative action and solutions. Second, without the necessary human leadership, technology will remain underutilized particularly as an integrating set of tools for enriching knowledge and practice. And, finally, we must explicitly determine the distinctive and shared roles and responsibilities of nonprofits, individuals, and foundations.

Part V

The Sites, Resources, and References

The Database:

The constant expansion and change within and among Internet sites require that any useful report be available as a “live” resource rather than being available only in print or in a static form. As a result, this report was created with a database that will be changed and updated as new information becomes available.

To reach the accompanying database, go to www.actknowledgeworks.net/ephil. The database is housed within the Alliance for Community Technology at the University of Michigan. Corrections, changes, and updates to sites can be submitted by e-mailing: ereport@wkkf.org.

As of the publication date of this report (April 2001), the database contains 315 entries. The sites are classified according to their primary and secondary areas of focus. The classification categories include:

- Fundraising Services
- Donor Services
- Shopping and Profit Sharing
- Auctions/Events
- Giving Time/Volunteering
- Knowledge and Capacity Building
- Advocacy
- Full-Service Portals

The primary classification of a database site is identifiable by three stars. Its secondary and tertiary classifications are represented by two stars and one star, respectively.

For the most part, these sites are set up specifically to offer services to multiple organizational users and to the public. As a rule, individual organizational Web sites are NOT included in this database.

In the database, all sites are live links so that the user can move easily from the database to individual Web sites for deeper exploration of that site's information and services.

Resources and References

There is increasing news coverage about e-philanthropy; and more articles and books are being written to help nonprofits, as well as institutional and individual donors, to find their way through the growing complexity of e-philanthropy space.

In this section, we have included a selection of recent articles that capture current trends and changes in e-philanthropy, along with books and specific Web sites that are essential references.

This is not intended as a complete literature review, and does not include all the articles and publications read by the researchers and writers in the preparation of this report.

Online Monitoring and Reporting Resources

This is an exploding area of online activity serving the social sector. The following are only a few of the main services that track nonprofit ideas, institutions, and people. These sites are distinguished from some others in that they function as regular news services, issued on weekly or bi-weekly schedules. Some are updated daily. For additional sites offering general information and resources, refer to Part II of this paper.

Chronicle on Philanthropy www.philanthropy.com — this may be one of the most essential news sites available to leaders in all sectors who are interested in news and trends that affect all institutions and stakeholders in the social sector.

www.ePhilanthropyFoundation.org — monitors the ethics of online behavior for nonprofits and those sites serving the sector. It also serves as a link to other resources about online fundraising and services.

www.npxpress.com — is a weekly news digest culled from many publications about social sector policies, donors, leaders, and trends.

www.oneworld.net — is a global site that monitors current events for their impact on nonprofit institutions, their services, and stakeholders.

Philanthropy News Digest www.fdncenter.org — is a news service from The Foundation Center that highlights foundation-based grantmaking news.

www.pnnonline.org — monitors nonprofit policies and fundraising news.

The Internet and Its Impact on the Nonprofit Sector and Society

Austin, James E. "The E-Philanthropy Revolution Is Here To Stay," *The Chronicle of Philanthropy*, March 8, 2001.

<http://philanthropy.com/premium/articles/v13/i10/10007201.htm>

Dugery, Jacqueline and Hamner, Carole. "Coming of Age in the Information Age," *University of Richmond 2000*. http://www.pew-partnership.org/pubs/coming_of_age/printable.html

Online Policy Issues

Kingsley, Elizabeth; Harmon, Gail; Pomeranz, John; and Guinane, Kay. "E-Advocacy for Nonprofits: The Law of Lobbying and Election-Related Activity on the Net," *The Alliance for Justice*. <http://www.afj.org/eadvocacy/index.htm>

Moore, Jennifer and Williams, Grant. "Internet Appeals and the Law," *The Chronicle of Philanthropy*, September 7, 2000.

The Charleston Principles, National Association of State Charity Officials.
<http://www.nasconet.org>

Giving Time and Money

Online fundraising has grown so much and so fast in the past 18 months that there are several books already on the market, as well as informational Web sites, to guide organizations through their deliberations and choices about how to incorporate the Web into their overall fundraising plans. Most of the online fundraising sites are, in effect, marketing sites for commercial firms looking for nonprofit customers. Therefore, nonprofits need to learn to be good consumers capable of picking and choosing the right array of services. In addition to services for sale, there are other sites (especially shopping sites) that register nonprofits with no fee (the income derives from advertising and/or registration fees collected from the commercial partners) and offer the nonprofit organization contributions from a percentage of sales.

Some of the best how-to and informational references about online fundraising include:

Books:

Corson-Finnerty, Adam and Blanchard, Laura. *Fundraising and Friend-Raising on the Web*, offers a series of essays on the changing online fundraising scene plus teaching materials from their classes and presentations.

Grobman, Gary. *The Nonprofit Organization's Guide to E-Commerce*. Offers detailed guidance for selling products online, adding an e-commerce component to an organizational Web site, and setting up online shopping or auction options for members.

Grobman, Gary and Grant, Gary B. *The Wilder Nonprofit Field Guide to Fundraising on the Internet* and *The Wilder Nonprofit Field Guide to Getting Started on the Internet*. The Amherst H. Wilder Foundation <http://www.wilder.org>

Johnston, Michael. *Direct Response Fund Raising: Mastering New Trends for Results*, John Wiley & Sons.

Johnston, Michael. *The Fundraiser's Guide to the Internet and The Nonprofit Guide to the Internet: How to Survive and Thrive*. Offers useful overviews of the environment for e-philanthropy, the tech-readiness needed by nonprofits to participate in online fundraising, and the numerous online options for buying fundraising services.

Stein, Michael; Allen, Nick; and Warwick, Mal. *Fundraising on the Internet: Recruiting and Renewing Donors Online*. Strathmoor Press, 1997. This was the first book to look at the intersection of nonprofit fundraising and the Internet. www.michaelstein.net

Articles and Reports:

Hall, Holly. "A Brave New World of Giving: Rapid Rise of Online 'Portals' Raises Big Questions for Charities," *The Chronicle of Philanthropy*, June 15, 2000.

<http://philanthropy.com/free/articles/v12/i17/17000101.htm>

Hodges, Michael. "Clicking for Charity: New Web Sites Let Visitors Donate Money Without Opening Their Wallets," *The Detroit News*, February 12, 2001.

<http://web.lexis-nexis.com/more/pri/12035/6897970/14>

Schwein, Allison. "The Charity Mall Report," April 2000. www.internet-fundraising.com/charitymalls/overview.html

Stein, Michael. "Big Brothers Big Sisters on the Internet" is written as an interview with Jonathan Stein, the development associate and information technology coordinator of BBBS-San Francisco and the Peninsula. The interview provides a practical and insightful case study for how one organization found its way through the numerous online options, and describes which online services have and have not been successful. The article is available online: www.benton.org/Practice/Lessons/bbbs.html.

Stein, Michael. "A Primer on Online Fundraising for Nonprofits," September 2000. www.michaelstein.net

"Technology Planning for Arts Organizations" (part of the National Endowment for the Arts publication *Lessons Learned: A Planning Toolsite*) offers helpful advice, resources, and links for organizations contemplating technology planning. www.arts.gov/pub/lessons/lessons/matuzak.html

"NPower's Consumer Guide to Web-Based Donor Relationships Management Tools," Npower, February 2001. This report offers the results of an in-depth survey analyzing six donor-management service providers. The questions and answers cover site ownership, disclosure of results, array of services, and more. www.NPower.org

"NPower's Guide to Online Donations Engines," NPower, February 2001. This report transcribes the results of an extensive survey of 15 fundraising service providers. The questions and answers describe site ownership, disclosure of results, and financial fees for services. www.NPower.org

Articles about Web turbulence:

Carlton, Jim. "As Economy Slows, Dot-Coms Crash, Dot-Orgs are Paradigms of Stability," *The Wall Street Journal*, March 12, 2001.
<http://www.msnbc.com/news/542814.asp?cpl=1>

Perkins, Anthony. "When We're Down on the Internet, Up Pops the Evernet," *Red Herring*, January 16, 2001.

Wallace, Nicole. "Financial Turbulence Hits Charity Sites," *The Chronicle of Philanthropy*, January 11, 2001.
http://philanthropy.com/search97cgi/s97_cgi?action+View&VdkVgwKey=%2fdata%2Fhtdocs

Wallace, Nicole. "Online-Giving Company to Cease Operations," March 8, 2001. http://philanthropy.com/search97cgi/s97_cgi?action=View&VdkVgwKey+%2Fdata%2Fhtdocs%

Sites:

www.fund-online.com links the user to nearly 100 sites that offer design, technology, and strategy advice for developing an effective fundraising site.

www.nonprofitmatrix.com is a comprehensive guide to ASP and portal providers for the nonprofit sector, including all the online fundraising services. Frequently updated, nonprofitmatrix links its users to more than 50 related sites and also alerts its users when sites go down.

www.nonprofits.org offers a comprehensive list of Internet resources related to fundraising.

www.michaelstein.net monitors and posts new developments in e-philanthropy and fundraising, and links to Stein's numerous articles about the Internet and online fundraising.

www.craveronline.com is a consulting firm that publishes studies about its online fundraising experience.

www.hitdonate.net is a United Kingdom-based site that offers design recommendations for fundraising sites, along with links to other current information and resources.

Virtual Volunteerism

Wallace, Nicole. "A Virtual Army of Volunteers: Charities Find New Ways to Let People Do Good Works Online," *The Chronicle on Philanthropy*, February 22, 2001.

Workman, Bill. "Volunteers in the Virtual World: Silicon Valley Dot-Commers Do Charity Work on the Web," *The San Francisco Chronicle*, March 2, 2001. <http://www.sfgate.com/cgi-bin/article.cgi?file=chronicle/archive/2001/03/02/MNS184211.DTL>



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