TRENDS IN CORPORATE PHILANTHROPY AND HOW NONPROFITS CAN BETTER POSITION THEMSELVES: A CASE STUDY OF YMCA ORGANIZATIONS

by

AUTUMN R. PRULL

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Approved: Beth Hjelm

Beth Hjelm

This thesis aims to provide a better understanding of current trends in corporate philanthropy and the effects they have on the nonprofit sector. Secondary research indicates corporate philanthropic spending in the United States has increased, becoming more focused and aligned with corporate missions and objectives, ultimately reducing the total number of beneficiaries. Given this consolidation, certain nonprofits are often receiving larger amounts of philanthropic monies. Secondary research also shows that corporations are becoming increasingly focused on measuring the societal impact of their philanthropic efforts.

To clearly identify the impact of these trends, a case study involving Young Men's Christian Association (YMCA) organizations (hereafter referred to as 'the Y' or 'Y organizations') along the West Coast of the United States was conducted. The Y's mission is to support and facilitate youth development, healthy living and social responsibility throughout communities across the country. The fundamental goal of this case study was to answer the following questions: Are Y organizations taking advantage of this new corporate funding opportunity? If not, given the Y's potential to secure

corporate funding based on mission alignment with various corporations, how can they better position themselves to secure corporate funds?

The case study responses indicate that these Y organizations currently rely little, if any, on corporate funds as a key source of operating revenue. Despite this, they also reported they do in fact wish to acquire more corporate support. To further address the issue and determine the capabilities needed to acquire more corporate support, this thesis takes a deeper look into the staff resources and expertise, management structure and current funding mix of these Y organizations.

Acknowledgements

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Introduction

There are more than one million legally recognized nonprofit organizations in the United States formed to serve various community needs (Ott, 24). Some nonprofits are small, while others are large, but most are supported in some form by donations as a major source of public operating revenue. Structurally, nonprofits are organized like most for-profit companies. However, the missions of nonprofits, whose goal is generally to benefit a community need, can differ greatly from those that drive for-profit organizations whose primary fiduciary goal is to make a profit for shareholders. But how much do they really need to differ? In fact, is there really that much of a difference anymore?

Recent trends show this philosophical gap between sectors is beginning to decrease, becoming less black and white, as for-profit organizations have taken strategic moves toward sustainability and broader stakeholder management that lead them to increasingly intertwine with the cause focused goals of nonprofits. For example, in 2012, the Committee Encouraging Corporate Philanthropy (CECP) reported:

> "Several companies indicated that their giving programs became more focused… resulting in cuts to program areas that do not align with the company's mission. However, as companies build new relationships in their more focused program area, giving is expected to increase in the future" (CECP, 13).

In addition to the fact corporations have begun to channel their philanthropic funds towards nonprofits, with which they share a common cause, they have also begun to more frequently measure the societal impact of those funds. For example, at the CECP's 2013 Summit:

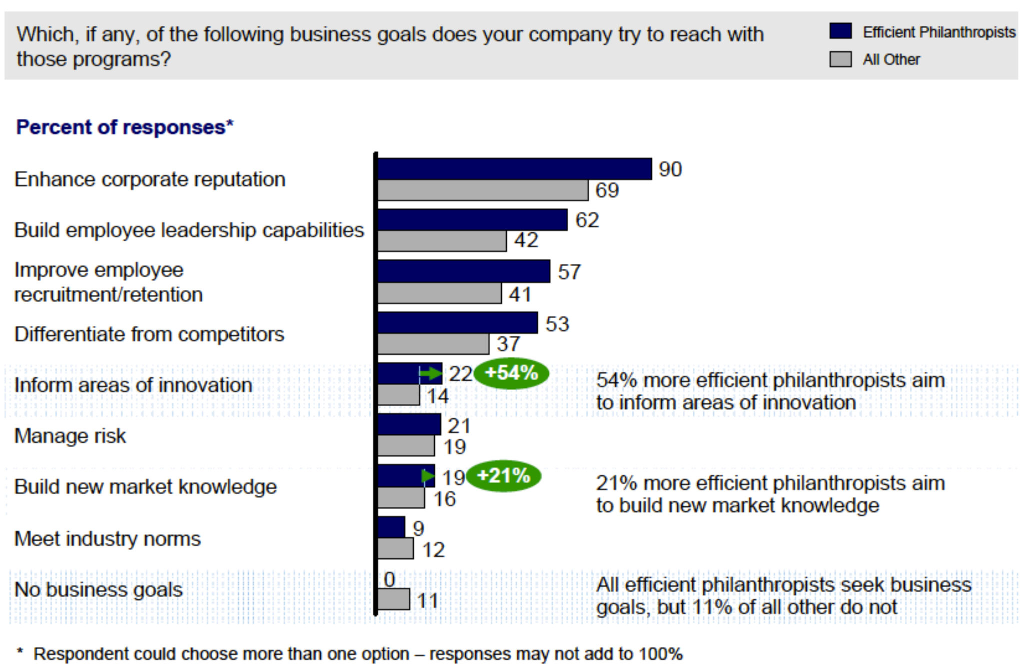
> "63% of responding giving officers confirmed that their companies are measuring the societal impact of their grant making, while 35% of

companies aspire to begin impact measurement in the future" (CECP, 13).

With more corporations measuring and aspiring to measure the societal impact of their philanthropic efforts, nonprofits need to be prepared to efficiently use corporate funds to yield the largest potential societal impact, one that they can document and report back to their corporate funders.

Corporate Social Responsibility (CSR) is often expressed through philanthropy and acts as a way through which corporations have begun to enhance their image and reputation. By carefully defining and heavily leveraging their CSR, corporations can develop a sustainable competitive advantage when it comes to achieving their business goals, the most important of which are highlighted in Figure 1, below. It is apparent that enhancing corporate reputation is the main goal sought through corporate philanthropic efforts.

Figure 1: Business Goals Sought Through Corporate Philanthropy (CECP, 22)



The above changes in corporate philanthropic efforts are important to note when analyzing the nonprofit sector, as their processes may need to be altered to maintain sustainability in relation to persistence, organizational health and viability in the future. In response to corporate philanthropic efforts becoming more focused and mission aligned, it is vital that nonprofits recognize this trend and reposition themselves if they wish to acquire and maintain corporate funding in the future. With its core mission serving multiple needs within a community, the impact of these trends should be seen in one nonprofit organization, the Young Men's Christian Association (hereafter referred to as "the Y")[1]. The Y is one of the largest nonprofit organizations in the United States, engaging 10,000 neighborhoods across the nation through its different branches (The Y). These individual Ys are organized within the YMCA of the USA (hereafter referred to as Y-USA) and are committed to supporting healthy living and social responsibility for adults, families and children (The Y). The programs available at the Y range from:

- Youth: sports, swim team, swim lessons, gymnastics, dance, camps, development programs (preschool, pre-K, afterschool)
- Adult: yoga, strength training, personal training, nutrition services, diabetes prevention

Given the variety in programs and services Y organizations provide, they could have a wide range of potential corporate donors with whom they share a common mission and potentially business objectives. The goal of this thesis is to answer the following questions: Are Y organizations taking advantage of new trends in corporate philanthropy? If not, given the Y's potential to secure corporate funding based on

[1] The Youth Men's Christian Society, previously known as "the YMCA" is now referred to as "the Y" since their rebranding started in 2010 (The Y).

mission alignment with various corporations, how can they better position themselves to secure corporate funds?

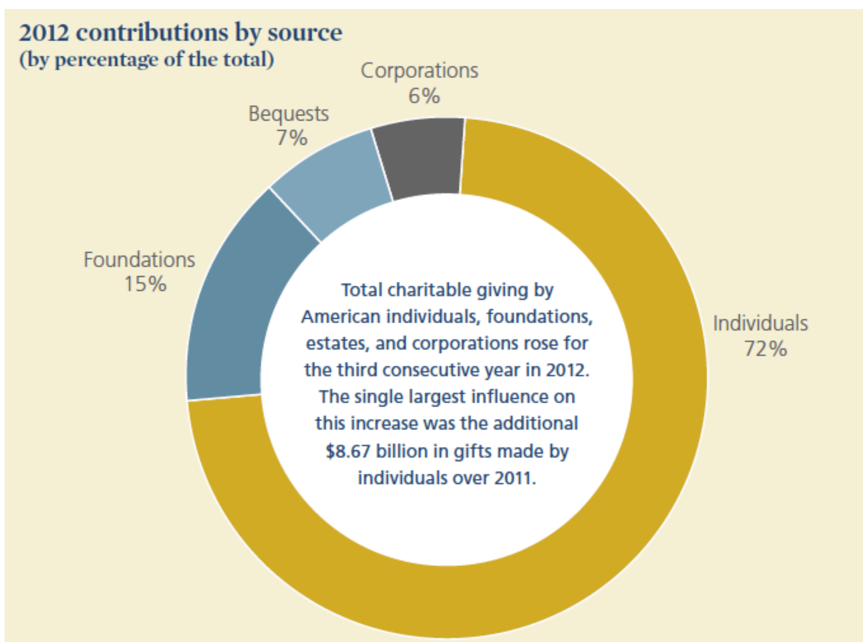
In this thesis, Y organizations along the West Coast of the United States will be evaluated to conduct a case study through which trends, including those mentioned above, in corporate philanthropy can be analyzed. The analysis will consider the following factors that influence the vitality of corporate funding at each Y: organization size, management structure, staff resources and expertise, current funding mix and criteria upon which funds are awarded. The research goals are: First to determine if Y organizations have developed processes to acquire and grow corporate donations; second to identify if the Y's revenue sources have become more diversified to include corporate donations since companies are already aligning their philanthropy with nonprofits with whom they share a social cause; third to identify if corporate philanthropic decisions are becoming influenced and more heavily weighted by measuring and comparing nonprofit efficiency and program effectiveness.

The general structure of this thesis is to first provide a current overview of corporate philanthropy, the standard purposes of for-profits and nonprofits, and the relationship between these two sectors in relation to corporate philanthropy. Second, it will present the primary research scope in relation to the Y as a case study and the methods used to determine and obtain necessary primary data. Third, it will discuss and analyze the previously mentioned trends in corporate philanthropy in relation to the Y, its areas for improvement and future areas for research.

Context

The majority of nonprofits depend on fundraising efforts to satisfy their operating budgets. No matter the importance of their social mission towards society, nonprofits depend on outside funding to meet their goals. According to Giving USA 2013, in 2012 only 6 percent of all charitable (philanthropic) giving was represented by corporate gifts, as shown in Figure 2 below. Despite this low percentage, corporate gifts are estimated to have increased 12.2 percent since the previous year (The Giving Institution, 1). This is the largest estimated increase, given that individual gifts are only estimated to have increased by 3.9 percent and foundation gifts by 4.4 percent (The Giving Institution, 1).

Figure 2: Total 2012 Contributions – $316.23 billion (The Giving Institution, 1)



According to the Nonprofit Research Collaborative, the majority of nonprofits currently count on about 5 to 9 percent of funding to come from corporations to satisfy their operating budget (Nonprofit Research Collaborative, 14). Given that 5 to 9 percent is a relatively small portion of their operating revenue, it will be interesting to determine if nonprofit organizations, such as the Y, would like to increase this aspect of their revenue sources. Understanding how corporations give money is essential if nonprofit organizations would like to continue to receive those funds, although not all nonprofits may be interested in corporate support. Before diving into the case study, it is important to outline the entities involved and some trends for comparison.

For-Profit Corporations and CSR

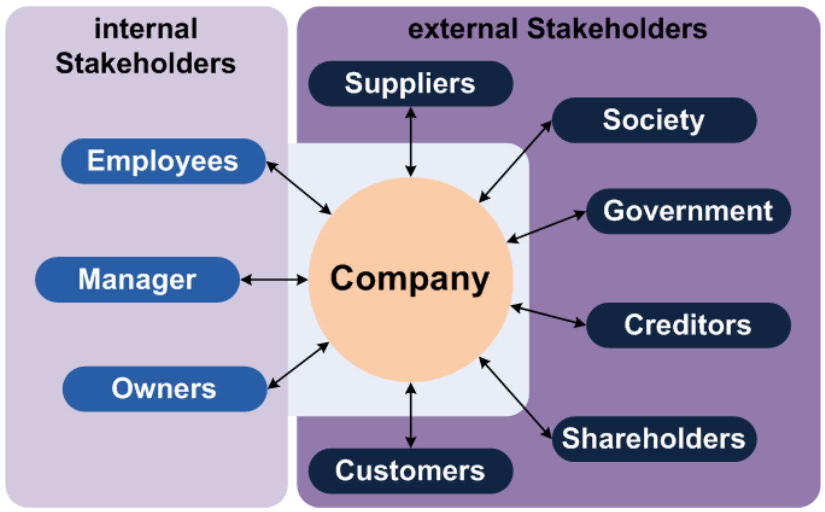
For-profit business corporations are primarily focused on returning a profit to owners. Depending on the jurisdiction a for-profit corporation can be operated as a stock corporation or as a non-stock corporation. If registered as a stock corporation, the shares of stock express the ownership of the corporation. This differs from being registered as a non-stock corporation in which members instead of stockholders hold ownership and retain the rights to vote and make corporate decisions.

The management strategies regarding for-profit corporations seem to be constantly evolving and changing. They also depend somewhat on the segment of the business world that any given corporation works in. Abundant changes can be seen since the 1980s, when corporations began to become more “future-oriented” in their thinking and planning regarding both their internal and external environment (Ott, 108). This meant they were becoming more focused on long-term goals in contrast to short-term goals, for example employee benefits and working conditions in addition to consumer perception, in hopes of increasing sustainability. Corporations began to focus more on long-term goals because they discovered that many corporations had competing interests and must therefore pay attention to more than just profits in order to be successful in the increasingly competitive market (Ott, 108). At this time corporations also began to focus more on social pressures of their internal and external environments, some of which include benefits, working conditions, reputation, government regulations, the interests of their employees and the power of mass media.

Ongoing controversy has emerged over the last 50 years regarding the purpose of for-profit business corporations. The controversy has largely surrounded whether for-profit corporations hold a strict duty to stockholders alone, as economic philosopher Milton Friedman suggests, or if they have a larger duty. Friedman suggests that the “true and only social responsibilities of business organizations are to make profits and obey the law”(Goodpaster, 141). This is supported by his invisible hand philosophy: that a competitive and free marketplace, on its own, will “moralize” corporate behavior without attempts to expand or alter decisions towards moral projects (Goodpaster, 141). It is the morality, responsibility, and conscience that reside in the invisible hand of the free marketplace – not in the hands of organizations within the market or the managers of those organizations (Goodpaster, 142). Friedman is not against philanthropy, however, he simply believes that corporate executives have a duty to maximize revenue streams and return a profit for stockholders who, in turn, can invest in social causes as they see fit.

Since Friedman’s economic debut in the early 1960s, American society has evolved and the definition of corporate responsibility has further developed and ultimately broadened. Other philosophers, including Edward Freeman, present the stakeholder theory, which encompasses not only shareholders, but consumers, sponsors and ultimately society as a whole. The stakeholder theory stresses the purpose of business corporations should be more than solely maximizing profits for shareholders. As exemplified in Figure 3 below, the stakeholder theory encompasses a wide array of beneficiaries – essentially anyone affected by the corporation's decisions.

Figure 3: Stakeholder Theory Model (Stakeholder Theory)

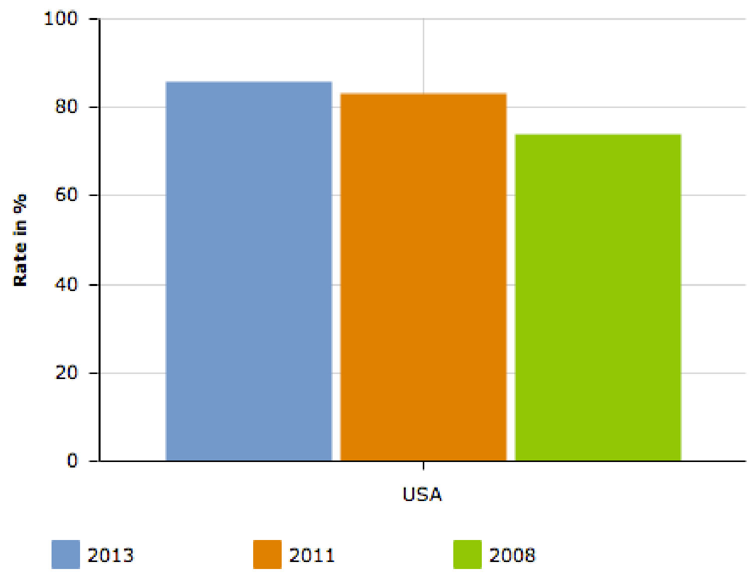


Today, CSR has taken the principles of stakeholder management and translated them into a form of corporate self-regulation that is itself integrated into a business model. Companies who adopt CSR incorporate its principles as a self-regulating mechanism whereby the business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The guiding norms behind CSR are related to the ten sustainability mega forces, as exemplified in Figure 4 below, and can include anything from the fight against child labor in one case to environmental protection in another (RobecoSAM, 10).

Figure 4: Ten Sustainability Megaforces

In the United States, the number of corporations that publicly display their CSR efforts is steadily increasing. This trend is exemplified in Figure 5 below, which represents the Global Reporting Initiative (GRI) and indicates the rate of corporate responsibility reporting from 2008 to 2013 (The KPMG Survey of Corporate Responsibility Reporting 2013). From 2008 to 2013, the rate of corporate responsibility reporting increased from 74 to 86 percent. Making this information public will likely positively influence the public relations, stock investments, employee morale, etc. of these corporations.

Figure 5: KPMG Survey of Corporate Responsibility Reporting 2013



Given corporations are becoming focused on CSR and sustainability, a new business sector has begun to form. Benefit Corporations, commonly referred to as "B Corps", are organizations that have a commitment to a social purpose and a reliance on earned income, essentially a combination of the for-profit and nonprofit models (Sabeti, 100). B Corps have an embedded purpose and fiduciary duty that is tied to that focus. B Corps generate most of their income from the sales of goods and services, and limitations on investment returns protect their ability to achieve its mission in the process. Furthermore, B Corps are also committed to transparency and therefore their social, environmental and financial performance and impact are fully and accurately assessed and reported (Sabeti, 102). As of now, in the United States, there are over 500 registered B Corps in various industries (B Corporation). This new and emerging business sector reinforces the importance of CSR and shows that nonprofit and for-profit missions may not have to differ in order to succeed.

Nonprofit Organizations

If for-profit corporations are increasingly integrating CSR considerations and values into their business models, what does that mean for nonprofits that are typically thought of as leading the way in addressing societal issues? Nonprofit organizations continue to play a large role in American society. The sector is broken down into member-serving and public-serving organizations. Member-serving nonprofits account for 10 percent of the sector (Ott, 24). Although they have a public purpose, member-focusing nonprofits focus on providing benefits to the members of the organization compared to the public as a whole. Some examples of member-serving nonprofits include the United States Olympic Committee, Rotary Foundation of Rotary International and Lions Clubs International Foundation. The other 90 percent of the sector are public-serving nonprofits that focus on primarily serving the public at large (Ott, 24). Some examples of public-serving nonprofits include public universities, The Y, United Way, American Red Cross and local food banks.

To be qualified as a public-serving nonprofit, an organization must function only for religious, charitable, scientific, literary or educational purposes; primarily those nonprofit organizations that promote general welfare such as cultural, social service, advocacy, self-help, health, environmental, civil rights, child welfare, in addition to aid for the poor and other related organizations (Ott, 24).

Importance of Corporate Philanthropy for Nonprofits

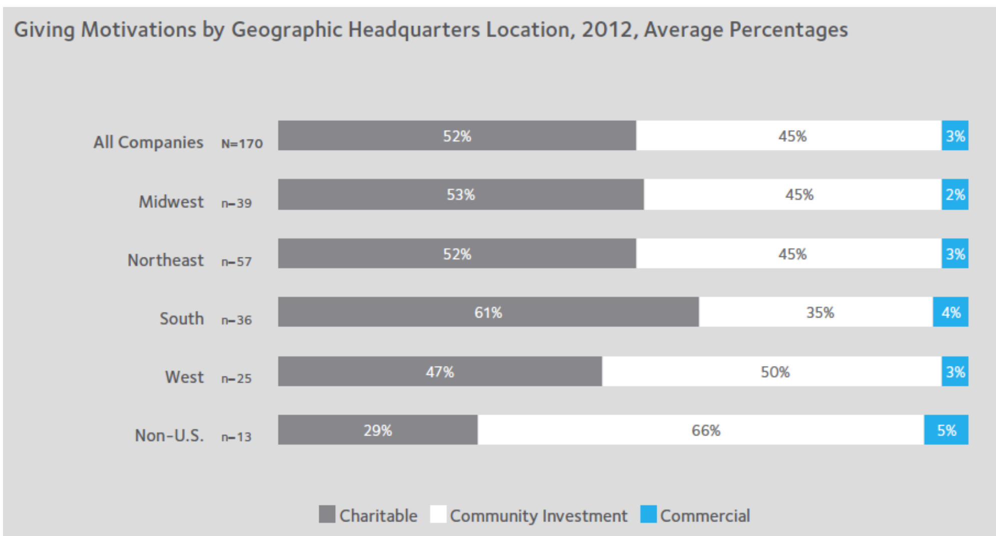
American corporate philanthropy has developed from and been influenced by three main factors. The first factor, introduced by business titan and philosopher

Andrew Carnegie, is personal giving. Carnegie believed that “philanthropic giving was a social obligation, akin to the Protestant patrician tradition, rather than a religious obligation”(Ott, 103). The second factor, presented by philanthropist John D. Rockefeller, was the religious doctrine of giving. Rockefeller’s religious doctrine of giving contradicted Carnegie in that philanthropy was viewed as a religious instruction instead of a social obligation. In some ways the religious doctrine espoused by Rockefeller contradicted Carnegie who believed it was not a religious obligation. But together, both Rockefeller and Carnegie paved the way for substantial, organized corporate giving. The third influencing factor was the development of tax deductions and tax credits that led to corporate incentives to help financially support tax-exempt nonprofit organizations (Ott, 104). According to federal tax law, both member-serving and public-serving organizations that are registered as 501 (c)(3) organizations are tax-exempt and eligible to receive tax-deductible gifts from individuals and various corporations (Ott, 25). This means the corporations that support these nonprofits are able to deduct the amount given from their taxable income, giving them an economic incentive for philanthropy, not just a values or mission-driven incentive (Ott, 104).

Corporate philanthropy can take multiple forms, not just cash donations. A recent study found corporations with efficient philanthropic efforts in place used a variety of mechanisms. Taking into account that respondents could select more than one answer, on average about 82 percent corporations used traditional cash donations, 77 percent used and encouraged employee volunteering, 41 percent matched any personal employee contributions, 37 percent provided in-kind or product donations, and 38 percent donated spare capacity or leveraged other corporate assets (CECP, 13).

Furthermore, as seen in Figure 6 below, when asked about their giving motivations, 52 percent of corporations reported their motivation was charitable, 45 percent reported their motivation was community investment and 3 percent reported they were commercially motivated. Given this breakdown, Y organizations can potentially tap into 97 percent of the corporate funds available, despite those with limitations and or qualifications in place, since they fit into both the charitable and community investment categories.

Figure 6: Giving Motivations, 2012 (CECP, 23)



Nonprofit Benchmarking and Philanthropic Demands

"Some nonprofits may be inefficient, doing little to justify their existence but surviving because of subsidies. Others may be highly efficient providers of services that meet important social needs" that are not efficiently provided by for-profit corporations and government agencies (Ott, 405). Given this wide range within the nonprofit sector, there is no commonly shared or mutually perceived market measure of performance for nonprofit organizations (Raymond, 106). In many cases, nonprofits evaluate their performance in terms of their own organizational goals (number of grants made, number of species saved, number of soup bowls filled), rather than in relation to general business standards such as profit margins, balanced score cards, etc. (Raymond, 106). Because of this, nonprofit benchmarking consists of comparing its current performance to previous performance or budgeted targets, not to other nonprofits who serve some of the same goals or to a wider population of nonprofits in the area. Although this can, in many cases, be an effective method of ensuring that the nonprofit meets the targets set out by its board or its members, typically this kind of performance measurement rewards incrementalism in programs and structural changes (Raymond, 108). It can prove an ineffective way of benchmarking when benchmarks are needed to motivate management to look outside of the organization for new ideas or to set more challenging goals. Despite this, there are some nonprofits in the same "business" as for-profits, making their benchmarks clearer and applied more often, including government-owned entities such as publically owned ski resorts, academic facilities, etc.

Another major aspect that influences performance is managerial compensation. Compensation has been proven to affect performance in all sectors of business, and it is important to consider given it can affect senior management decisions and in effect organizational behavior as a whole (Ott, 406). Numerous studies have found lower wages in the nonprofit sector compared to for-profit and government sectors. Despite the potential negative effect one might assume this could have on nonprofit organizations, some workers appear willing to work for less when the organization is focused on serving the public and having a clear social mission (Ott, 406). While the connection to a social mission can provide intrinsic motivation for a nonprofit's personnel, as it relates to improving corporate philanthropy as a source of revenue, it may be even more important that nonprofit executives have a solid understanding of, and even experience working in, corporate organizations. With a better understanding of and hands on experience in the for-profit world, nonprofit management could better assess the process by which they secure corporate funds in relation to corporate philanthropic objectives. Thus the lower compensation offered by nonprofits, which inevitably lowers their chances of hiring an executive with pristine experience in the for-profit world, could be impacting an organization's ability to improve its corporate philanthropy, a topic that will be discussed later in this thesis.

Advantages of Corporate Philanthropy

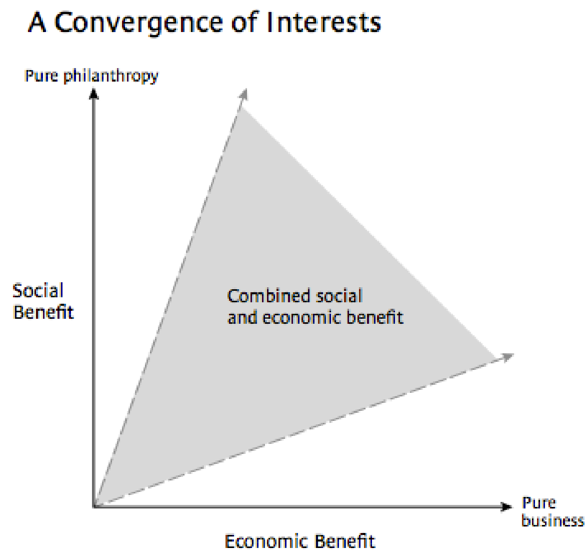
Despite Milton Friedman's views on the role social responsibility plays in a corporation, there are numerous examples of corporations today who are attempting to enhance their competitive advantage by tailoring their philanthropic efforts to be consistent with the company's overall strategy. I refer to this as context-focused philanthropy. Context-focused means the donation is in some way related to the purpose and subject matter of the company from which the donation came. There are many ways in which context-focused giving can pay back to the donor in the long run. For example, improving education is generally seen as a social issue, but when funding helps improve the education of future employees it will affect a local company's potential competitiveness. A few real life examples of this show the power of context-focused philanthropy:

- Chevron, in 2011, donated $100,000 to the RichmondBUILD program, a job-training program that aims to prepare young local adults for “green collar” jobs in the clean and renewable technology industries. This supports Chevron’s strategy as oil becomes null and renewable technology begins to replace it. Through this philanthropic effort, Chevron is essentially able to train potential employees who will be able to help Chevron adapt to this change and increase their sustainability in the long run (Rogers).
- Cisco Systems’ Networking Academy is another prime example. Cisco, through their philanthropic efforts, donated equipment and volunteered engineers to train teachers how to build, design and maintain computer networks. A Web-based distance-learning curriculum to train and certify secondary and post-secondary students in network administration was then created, resulting in a program with a broader social and economic impact than the donation itself (Porter, 12).
- Pfizer provides another example. Pfizer developed and donated a cost-effective treatment to prevent trachoma, the leading cause of blindness in developing countries. They worked with other foundations to create the infrastructure needed to prescribe and distribute to populations with little access to health care. Through this context-focused philanthropic effort by Pfizer, they were able to not only provide a social benefit but enhance their long-term business prospects by helping establish the infrastructure required to expand its markets (Porter, 4).

These examples suggest companies can increase their profitability and stability in the long run if they intertwine social and economic goals. When companies use context-focused philanthropy they are not only able to give financial support but also leverage their capabilities and relationships as a whole to support the cause.

These examples demonstrate that corporations should be strategic in their philanthropic efforts. When corporate expenditures produce simultaneous economic and social gains, corporate philanthropy and shareholder interests meet. In fact, through philanthropy, a company may improve its competitive advantage in the most cost-efficient way by leveraging the success and infrastructure of nonprofits and other organizations (Porter, 35). This is shown in Figure 7 below, “A Convergence of Interests”, from Porter’s article "The Competitive Advantage of Corporate Philanthropy" in the *Harvard Business Review*. The figure is a notional chart of the relationship between social and economic benefits for corporate philanthropy. The shaded area shows where corporate philanthropy has an important influence on a company’s competitive context, signifying where philanthropy is truly strategic (Porter, 33). The clear implication of these ideas is that companies need to get smarter and more strategic not only about what they give via their philanthropic efforts, but how they give and how they measure the overall effectiveness of their gifts. If for-profit firms are incorporating these ideas into the guiding principles of corporate philanthropy, nonprofits that are attempting to secure this funding and support should be aware of these trends and adjust their own approaches as they see fit.

Figure 7: A Convergence of Interests – showing the potential benefits of combining social and economic philanthropic efforts (Porter, 7)



Potential Pitfalls of Corporate Philanthropy

The driving motives behind corporate philanthropy can vary, but overall companies generally hope to gain some positive customer, public relations, community, and employee or stakeholder relationships via these financial outlays. They may also be motivated to obtain tax credits. However, as Milton Friedman correctly identified, many of these donations and outlays typically do have some value component to them, and thus they can result in some controversy and criticism as well.

A recent example of this can be seen at Nike, the Oregon-based global firm. In 2013, Nike announced the company and its executives had donated $280,000 in effort to pass a same-sex marriage initiative in Oregon (Mapes). The company had set up a new committee within the company to work on this issue and had set strict guidelines on how its donations were to be used, largely because it was acutely aware of how controversial the topic was in society. Given the national controversy concerning same-sex marriage in the United States, this philanthropic effort taken by Nike and its executives was also a political one; one that the company knew could inevitably change the way some consumers perceived it. While in an ideal world corporations want to give strategically to be viewed as more appealing to potential customers, the Nike example proved that this is not always the case. Nevertheless, given Nike is a global company, if they see that the majority of people are heading towards accepting same sex marriage, than strategically aligning with this mission could provide them a competitive advantage in the future even if there are potential short term risks.

In comparison, TOMS Shoes provides an example of a company whose philanthropic efforts are directly aligned with its mission and provides cause-related marketing opportunities. TOMS Shoes philanthropic efforts are directly tied to their business objectives, for every pair of shoes the company sells, it donates a pair to a child without shoes. For example, “shoe drops” in Argentina, Ethiopia and South Africa have resulted in 140,000 shoes being distributed to children in need (Zimmerman). This in-kind philanthropic effort has become a huge success and created positive public relations for the company. With consumers valuing CSR more so than ever before, TOMS Shoes “feel-good purchase” is a win-win for not only the company and its consumers, but also those less fortunate. The sense of authenticity this company’s philanthropic efforts provides, opposed to the Nike example above, is a form of competitive advantage.

Research Scope

This thesis uses a case analysis of Y organizations in the West Coast of the United States to determine how the Y is shaping its own processes and resource priorities to capitalize on trends in corporate philanthropy and thus improve its own financial stability and viability. Furthermore, this case analysis will examine whether Y organizations are taking advantage of new corporate funding opportunities by aligning their mission with the corporate funds for which they apply and if not, how they can better position themselves to do so.

Y organizations were selected for multiple reasons. First, I have worked at the Eugene Family YMCA for the past four years and thus have developed a strong understanding of how this particular Y activated its mission and values into programs, organization structure and practices. Yet, I was not familiar with how the Y is funded. Second, the Y has a diverse range of programs and services that could potentially attract a wide range of corporate funding. Despite the fact each Y organization has a large array of programs, from swimming to childcare to diabetes prevention, etc., there are common themes and priorities that unite these programs. This commonality among the programs and services at each individual Y organization was essential when designing the case study because it provides a broader and more solid basis by which to compare and analyze current trends in corporate philanthropy. And finally, from a practical standpoint, I expected that as an employee reaching out from one Y to another I might experience a higher potential for an increased response rate in the research program.

A primary research program was developed to determine which of the evolving philanthropic trends are affecting this nonprofit and its ability to secure corporate funds.

Throughout the research a point was made to assess multiple aspects of each Y organization, from the funds it chose to apply for, to resource constraints, the processes put in place, and the managerial expertise.

Methodology

With a focus on the Y as a case study, a research program consisting of Y's within the State of Oregon was developed. The State of Oregon was originally selected for the following reasons:

1. Similar climate and consumer behaviors, essentially enhancing the similarities among programs offered
2. Recognition of the Eugene Family YMCA and myself by other Y organizations in the state
3. Close proximity to make in-person interviews possible

The primary research consisted of two components – in-person or telephone interviews and an online survey tool. Individuals at each Y organization were asked to first participate in a telephone or in-person interview and then provide supporting information via the online survey. The senior management contacts for each Y organization in this case study were derived from an internal Y website (known as Y Exchange), which is only available to Y staff and volunteers. Prior to each interview secondary research was done regarding the specific programs and financial structure of each Y, primarily by studying program guides on the Y organizations' website and also reviewing any available IRS Form 990s.

Since the initial scope of the case study was Y organizations in Oregon, a research request was sent to 11 Y organizations in the state on February 10th 2014:

- YMCA of Klamath County
- Eugene Family YMCA
- Mid-Willamette Family YMCA
- Family YMCA of Marion and Polk Counties
- Central Douglas County Family YMCA
- Baker County YMCA
- YMCA of Ashland
- YMCA of Medford
- YMCA of Columbia-Willamette
- Tillamook County Family YMCA
- YMCA of Grants Pass

Out of these 11 Y organizations, four were able to participate in the interview process. One offered to just complete the online survey. Since a primary interview set of four was insufficient, 13 more Y organizations in both northern California and Washington were contacted on March 23rd, 2014:

- South Sound YMCA
- YMCA of Greater Seattle
- YMCA of Grays Harbor
- YMCA of Snohomish County
- YMCA of the Inland Northwest
- YMCA of Pierce and Kitsap Counties

- Skagit Valley Family YMCA
- Central Coast YMCA
- Siskiyou Family YMCA
- YMCA of Silicon Valley
- YMCA of the Central Bay Area
- YMCA of Superior California
- YMCA of the East Bay

Out of these 13 additional Y organizations, two were available to participate in the interview process, providing a total sample size of six interviews. Four agreed to complete just the online survey. The list of interviewees can be viewed in Appendix A.

When these 24 different Y organizations were contacted, a point was made to try and contact at least two members of the management team, typically the Executive Director and another senior management employee in their development, fundraising or finance departments. This was done not only to increase the chances of gaining an interview or survey response, but also to increase the value and credibility of responses from each organization since in many nonprofits fundraising involves multiple groups within the organization.

As previously noted, the response rate for the in-depth interview aspect of the research was much lower than expected despite multiple steps taken to increase the participation rate. After each organization was sent an overview of the thesis research objective and an initial interview proposal via email, a follow-up call was placed to anyone who did not respond between March 1st, 2014 and April 1st, 2014. An additional email was sent to any continued non-respondents with the online survey proposal only on April 16th, 2014. This email produced the highest response rate, more than doubling the online survey responses to 20 by April 23rd, 2014.

Since each individual Y organization is associated with the national Y-USA, it was essential to gather the perspective of Y-USA management in relation to the results found at the local level. After carrying out the primary and secondary research with the specific Ys outlined above, a telephone interview was conducted with two individuals associated with Y-USA. The first was, Dan Crocker, the Y-USA Resource Director for the Pacific Northwest region on May 2nd, 2014. The second was, Carol Schmidt, the Senior Resource Specialist for Financial Development at Y-USA on May 6th, 2014. The perspective of the Y-USA management is essential to provide a more cohesive conclusion regarding trends in corporate philanthropy across the Y organizations as a whole.

In-depth Interviews

The main objectives of the interview script were to determine the size, current funding mix, organizational structure and the background of top management at various Y organizations. The interview script consisted of 25 questions and can be viewed in Appendix B. The interview script was developed by referring to some of the research tools discovered in the secondary research as well as questions that arose during the course of reviewing Y-specific literature. The script was reviewed and approved by my thesis advisor.

As noted above, out of the 24 individual Y organizations contacted to participate in the interview process, six, or 25 percent, agreed to conduct a telephone or in-person interview, all of which ended up being in Oregon and California. Unfortunately, despite the fact a larger sample size was originally projected and would have strengthened the analysis, six was the largest possible sample size of interviews for this thesis project given the timeline and uncontrollable factors (i.e. interviewee no-response and availability).

Online Survey

The main objective of the online survey was to gather more detailed information regarding these Y organizations' corporate funds, the way in which corporations were evaluating them prior to awarding funds, the amount of time that was spent applying for them, etc. The online survey was originally developed as a follow-up survey to the interview, but was later used on an individual basis for those respondents that could not find time to participate in the initial interview process. As previously discussed, having contact with more than one member of the senior management team at each Y organization proved advantageous when it came time to send out the online survey solely because it increased the potential sample size to 46. Out of the 46 contacted, 20, or 43 percent, responded to the online survey. Again, while the actual number of data points may be limited, the response rate was strong, particularly since the online survey itself took approximately 20 minutes to complete.

The online survey consisted of 23 questions as seen in Appendix C. Again, the specific questions in the online survey were developed by referring to some of the research tools discovered in the secondary research as well as questions that arose during the primary interviews. The online survey questions were reviewed and approved by my thesis advisor. In addition, the survey logic, format and structure were tested prior to the online survey being launched.

Profile of Respondents

The six in-depth interviews conducted represented Y organizations that were small to medium in size, serving anywhere from 1,853 to 6,140 members in 2014. In addition, the following information was gathered to help better convey this difference in size:

- The size of the organization's senior management staff ranged from two to 15.
- Non-member or public contributions (foundation funds, corporate funds, event funds, etc.), excluding government grants and capital donations, accounted for 1.9 percent to 28 percent of these Y organizations' total gross revenue in 2012 and 2013.
- Some of the Ys within this case study are or were undergoing structural and or development projects (i.e. new building, remodel, new program acquisition, etc.) that increased their contributions at the time the interview was conducted.

In addition to recognizing the size and location of the Y organizations that participated in this case study, it is also important to summarize the profile of individual respondents. Out of the 20 online survey respondents, 13, or 65 percent, held the title of Executive Director. Another 6, or 30 percent, of the respondents have a title that involves finance or development and the remaining single respondent has the Associate Director position (Appendix D). To ensure that the participants were actively involved in some aspect of organizational fundraising or corporate philanthropy, the online survey asked how much time these individual respondents spend on raising money (including corporate, foundation, government, and private funds) in comparison to their management team as a whole. From the 20 respondents, 45 percent responded they spend time on raising money “every day.” In addition, 35 percent responded they spent time raising money “once a week” (Appendix D). Overall the research participants are those individuals within the Y who are most likely to be involved not only in the activities and processes of fundraising, but also those who are setting the organization’s overall goals and priorities in this area.

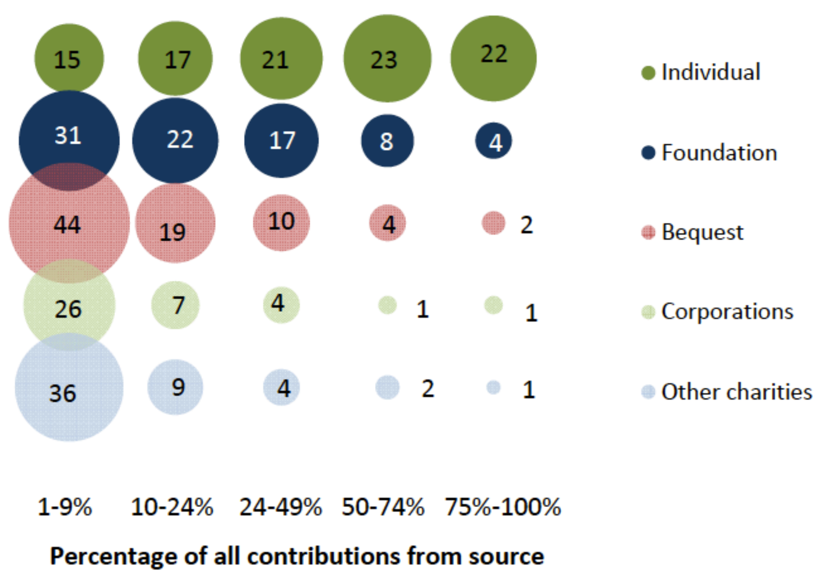
Discussion: A Case Study of Y Organizations

With an understanding of the Y as an organization and the research methodologies used, the remainder of this section takes a deeper look at the evolving trends in corporate philanthropy previously mentioned in relation to these Y organizations. Specific discussions are presented on the following topics: current public support mix, ways in which corporate funding is received, the influences of aligning mission and objectives, securing corporate funds, management behaviors, and resource constraints.

Public Support Mix

A study conducted in 2010, *The Nonprofit Fundraising Survey*, shows that nonprofit organizations receive the majority of their public support from individual donors. In Figure 8 below, the size of the circle and the number indicate the percentage of organizations that responded, and the bottom percentage ranges indicate the percentage of all contributions from that given source (i.e. individual, foundation, bequest, corporations and other charities). It shows that 22 percent of responding organizations reported that individual donations contribute 75 percent to 100 percent of their total contributions. In contrast, the majority of respondents, 26 percent reported that corporate funds accounted for 1 percent to 9 percent of their total contributions.

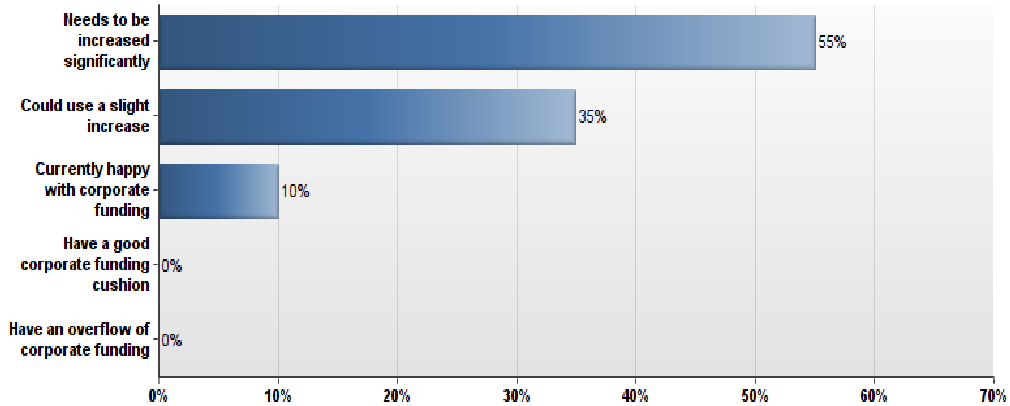
Figure 8: Ranges for the Percentage of Contributions from each Donor Type, 2010 (Nonprofit Research Collaborative, 14)



Out of the six Y organizations interviewed, upper management estimated their corporate donations accounted for anywhere from 0-20 percent of all contributions within their operating budget. At first glance this percentage is similar to the range cited in secondary research. However, when pressed, most of the participating Y's do not even know the dollar amount of corporate revenue in their total budget or how corporate support has changed. The Y organizations interviewed as part of this case study do not track corporate donations independently, but instead include these funds as part of the overall public support within their operating budgets. Nevertheless, other aspects of their public support are individually referenced as subcategories (i.e. grant funds, event funds, etc.). In addition, since the Y continues to actively seek public support, and changing trends in corporate philanthropy are widely discussed in the literature, why does it seem these Y organizations do not have a strong understanding of this funding source?

When the online survey was conducted, the majority of participants responded they needed to increase the corporate funding aspect of their operating revenue, despite the fact this was not apparent in the in-depth interviews. As shown in Figure 9 below, when asked which response best describes the corporate funding aspect of their Y's operating revenue, out of 20 respondents, 55 percent responded their corporate funding "needs to be increased significantly", 35 percent responded they "could use a slight increase" and 10 percent responded they are "currently happy with" their corporate funding efforts (Appendix D). This evidence reaffirms the notion that if these Ys currently do not actively track their corporate funding, but feel as though they need to increase it significantly, there could be a disconnect. These Y organizations are either comfortable with their current giving, not applying for corporate funds, applying for the wrong corporate funds, not meeting the requirements needed to secure corporate funds or a combination of these factors.

Figure 9: Online Survey Q1 – Best description of the corporate funding aspect of various Ys' operating budget.

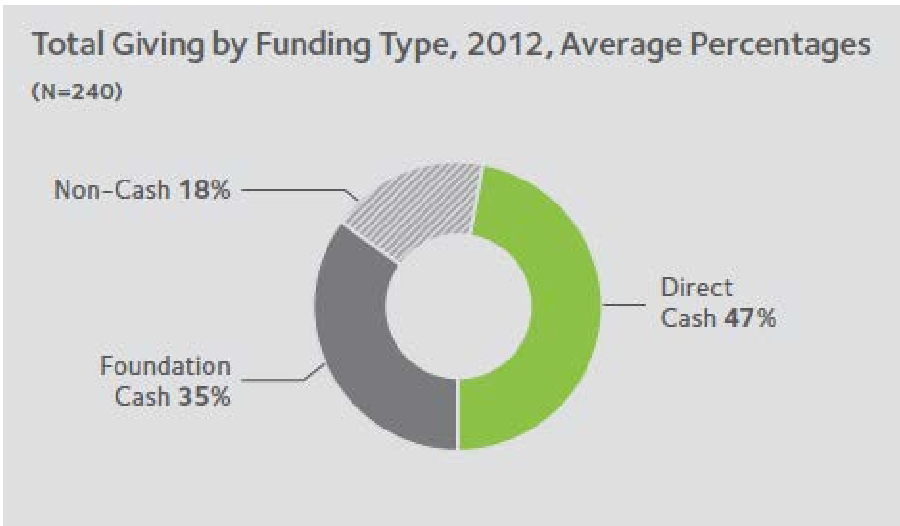


Corporate Funds: Direct Cash vs. Foundation

To understand more about revenue and corporate donation tracking practices at the participating Y's, some additional clarification was done as part the six in-depth interviews. What was discovered were some definitional issues about what each revenue source means. The majority of what participating Ys considered "corporate funds" were coming via foundations set up by corporations and not through direct cash donations from corporations. Within Oregon, a few of the corporate foundations mentioned throughout the six in-depth interviews were the Ford Foundation, the Fred Meyer Fund and the Thomas J. Long Foundation (Appendix A).

A recent study in 2012, *Giving in Numbers*, reported that 35 percent of corporate funds are dispersed as cash from company operated foundations, 47 percent as direct cash from the corporation and 18 percent as non-cash (i.e. materials, volunteers, etc.) as seen in Figure 10 below. If senior Y management defines corporate support as equivalent to corporate foundation support, then there may be another avenue of corporate support, direct cash donations, that could be tapped into and available to them. While the application and decision processes for these avenues are likely to be different than a foundation-based approach, both cash donations and in-kind or non-cash donations could be a viable source of Y support should the Y's program and missions qualify.

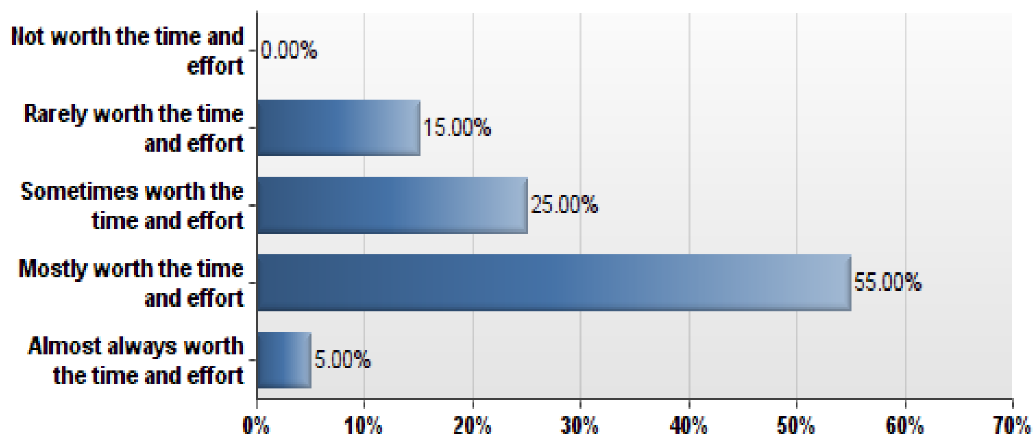
Figure 10: Total Giving by Funding Type – allocation of corporate philanthropic efforts (CECP, 5)



Another trend emphasized within the *Giving in Numbers* study is that 81 percent of companies in 2012 reported, "having a corporate foundation". This study was comprised of Fortune 500 companies and a sample size of 240, so its applicability to Oregon-specific Y's may be less since the state of Oregon has few corporations of this size. Nevertheless, if 81 percent of companies reported having foundations, there may be an opportunity to increase foundation funding by learning as much as possible about corporate based foundations. However, the *Giving in Numbers* study also shows only 35 percent of corporate giving is done through foundations. Because the participating Y organizations largely define corporate support in foundation terms, not actively considering direct corporate donations, it may be that available resources are not being pursued.

To gather more information regarding the reasons behind this issue, Y management were asked if corporations keep the funding process accessible enough to make the time needed to apply reasonable. Out of the 20 respondents from the online survey, 15 percent responded that corporate funding is “rarely worth the time and effort”, 25 percent said it is “sometimes worth the time and effort”, 55 percent said it is “mostly worth the time and effort”, and only 5 percent said it is “almost always worth the time and effort” as seen in Figure 11 below (Appendix D).

Figure 11: Online Survey Q2 – Do corporations keep funding accessible enough to make applying reasonable?

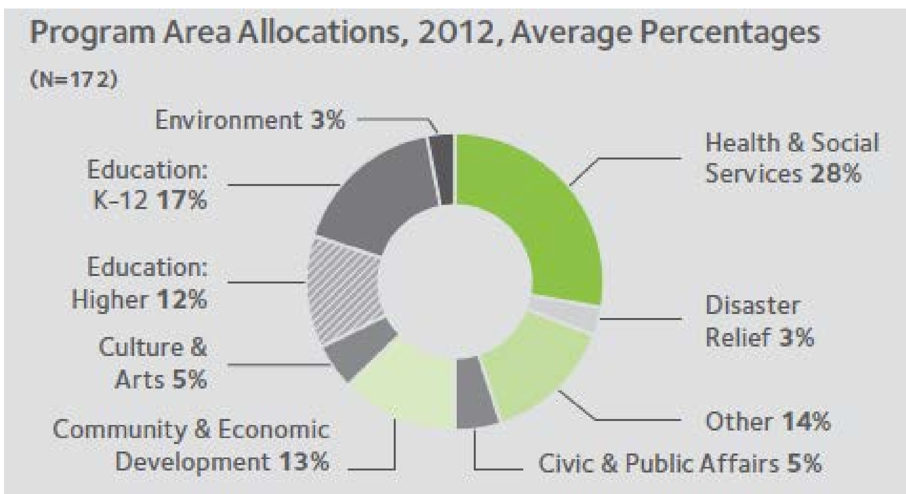


Therefore, if the majority of participants believe the corporate funding process is usually worth the time and effort of resources to apply, why then are the participating Y’s generally limiting their definition of corporate support to foundation-based monies, even when widely published research shows that corporate funding largely uses direct cash donations and non-cash or in-kind methods?

Corporate Philanthropic Alignment: Mission and Objectives

The Y's wide array of health and social service programs from personal training to diabetes prevention to youth sports and youth development programs should serve as a large platform from which it can align its mission and objectives with those of potential corporate partners. As shown in Figure 12 below, in 2012, *Giving in Numbers* reported that 28 percent of corporate donations were going towards supporting health and social services, the second largest program area allocation, with education being the first priority at a slightly higher 29 percent.

Figure 12: Total Giving by Program Allocations (CECP, 5)



A general corporate philanthropy focus on health and social services potentially aligns with the Y's strategic positioning when it comes to acquiring corporate funding in general, regardless of the form in which it is delivered. Although there are many other nonprofits that fit into the health and social services category (i.e. United Way, the Red Cross, Salvation Army, American Cancer Society, the Boys and Girls Club, etc.), the Y's programs should at least make it competitive with these other nonprofits. In addition to this trend, several companies in 2012 reported that their giving has "become more focused… resulting in cuts to program areas that do not align with the company's mission" (CECP). Essentially, corporations are not decreasing their philanthropic efforts, simply centralizing them by placing larger gifts in the hands of fewer nonprofits that are more closely aligned with their mission in hopes of supporting their business objectives in the process.

The Ys involved in the case study were asked about whether they saw this more focused funding trend in their own organization. They were asked whether their top five corporate funders gave to the Y based on a specific program or cause as opposed to the organization as a whole. Out of the six in-depth interviews, three responded that corporate support was based on the organization as a whole, two responded that all corporate support is program or project-based and one responded that it was a mix of the two among their top corporate donors (Appendix A).

This trend in corporate philanthropic spending to focus on specific causes can be an advantage or disadvantage for a Y. On the one hand, this trend should help Y organizations better target specific for-profit companies who have highlighted health and social services as a focal point for their cash and non-cash support. Once targeted the Ys should be able to better position themselves against other nonprofits when attempting to secure corporate funds. And finally, Ys should be able to broaden the means by which they qualify for different types of support within a company – foundation, direct cash and non-cash resources. In doing so, Y organizations will gain the opportunity to ultimately increase their corporate funding and better compete with nonprofits applying for the same funds by placing a stronger emphasis on scanning the alignment potential of a given corporation prior to allocating the time to apply, despite the fact some Ys may already be doing this. On the other hand, this focusing or targeting of donations could hurt organizations like the Y that run a wide array of programs and services. This trend may mean companies that have previously supported the Y as an overall organization, without a strong program component, may start to leave their support of the Y and turn to other organizations with whom they are more strategically aligned.

With more corporations focused on this alignment strategy and leveraging their CSR through their philanthropic efforts, public relations concerns can arise. Whenever two brands are associated closely with one another there is always a risk of one brand misrepresenting the other. Another risk with philanthropy in general is that the mission and objectives of nonprofits and corporations alike can change and partnerships that were once aligned can drift apart – it is recognizing this before it damages either brand that is key.

To evaluate these risk factors within the case study, each participating Y organization was asked if it had any examples of how corporate donors use their philanthropic efforts with the Y to support their corporate image. From the six in-depth interviews conducted, three had one or more examples. One example, presented by the Grants Pass YMCA in Oregon, was about PepsiCo helping to fund the Y's gymnasium. Despite the fact the Y no longer pursues PepsiCo funds due to a perceived conflict in their missions, the Grants Pass YMCA still has a PepsiCo logo in its gym (Appendix A). With healthy living as one of the Y's main missions, Y organizations across the U.S. have adopted a diabetes prevention program and become more health conscious. In effect, food options within Y organizations have become healthier and relationships with corporate funders such as PepsiCo have tapered off given that Pepsi's sugary beverages, the core product behind the brand, is in direct opposition to one of the Y's social pillars.

PepsiCo today, however, is an interesting example because in response to the social stigma regarding its sugary beverage lines, the company has begun to broaden its product portfolio, develop new healthier products, and differentiate its market presence with options for the more health conscious consumers as well. PepsiCo now sells a variety of zero to no calorie options, including teas, juices, energy drinks, functional beverages like vitamin infused water, and bottled water. PepsiCo's snack foods division, Frito-Lay, was one of the pioneers of baking potato chips, not frying them, and the company has expanded its efforts to reduce salt and sugar in its products (McDonald).

PepsiCo's moves are a response to general social and cultural concerns about health, childhood obesity, eating habits, and wellness. But it is also about making sure that consumers understand that Pepsi is no longer just a sugary cola company. Recently PepsiCo made a $5 million deal with the University of Oregon to secure pouring rights. As part of the contract, PepsiCo will promote healthy campus initiatives including scholarships and internship opportunities (McDonald). Could this example regarding PepsiCo's initiatives to reposition itself as more health conscious make it a more appealing corporate funding source for Y's again in the future? With a different set of initiatives in place as exemplified above, the Y could benefit from strengthening its relationship with PepsiCo, as there are new aspects, since PepsiCo's rebranding, for which their missions could now align.

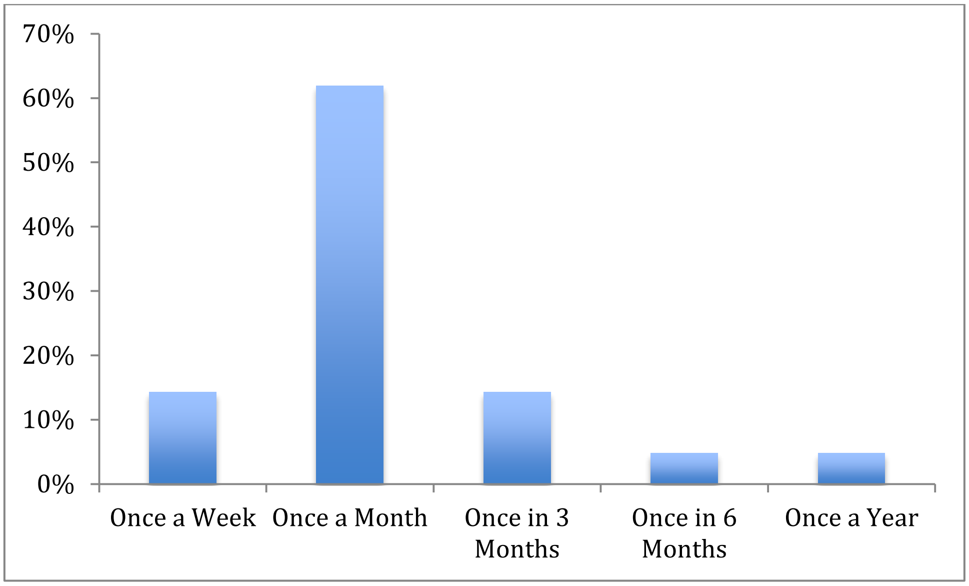
Another example, presented by the Eugene Family YMCA in Oregon, is its current relationship with Pacific Continental Bank. Pacific Continental Bank provides the Eugene Family YMCA with funds to support their youth development programs and then promotes these efforts to its employees by encouraging them to visit the programs and see the impact their company has made (Appendix A). This approach is consistent with Pacific Continental's positioning in the market; its business banking advertising has stressed for years that the bank is community-minded and local, that it is "the Right Bank." This is an advantageous partnership for both parties involved because it yields many benefits for each. The Y is able to improve its youth development programs and Pacific Continental Bank is able to leverage its philanthropic efforts not only to its customers and shareholders, but employees as well. This in turn can increase employee morale and act as a competitive advantage (Appendix A).

Strategically, in return for corporate funds, Y organizations are required to promote their corporate donors, and when done well this can provide a greater opportunity of being awarded funds again in the future. For example, the Central Bay YMCA in California help to support the image of its corporate donors by "naming parts of the building after them and mentioning them in their newsletters", in some cases because it was required and in others because it wants to increase the likelihood of securing those funds again in the future (Appendix A). The value comes from an increased awareness of their brand to consumers and their brand's association in support of the Y's mission. Unfortunately, there are only so many aspects of a building after which corporations can be named and the topics of discussion through which corporations can be mentioned in a newsletter are limited when they solely write a check. In many ways, donors such as the Pacific Continental Bank in relation to the Eugene Family YMCA, which are actively engaged and committed to increasing the impact of their donation, may provide the basis for a more successful and profitable relationship in the long term.

Securing Corporate Funds

The material discussed above demonstrates that there is potential for Y organizations to increase both the size of its corporate funding as well as improve the diversity of the sources from which these funds are drawn. To analyze the way in which Ys could better position themselves to secure the corporate funds available to them, it is vital to look at the way in which the organizations deploy their resources and allocate time to this function. The research shows that fundraising is already a significant focus of senior management. Y senior management staff were asked the extent to which they spend their time acquiring corporate funds. Figure 13 shows that, of the 20 online survey respondents, 14 percent responded “once a week”, 62 percent responded “once a month”, 14 percent responded “once every three months”, 5 percent responded “once every 6 months” and 5 percent responded “once a year” (Appendix D).

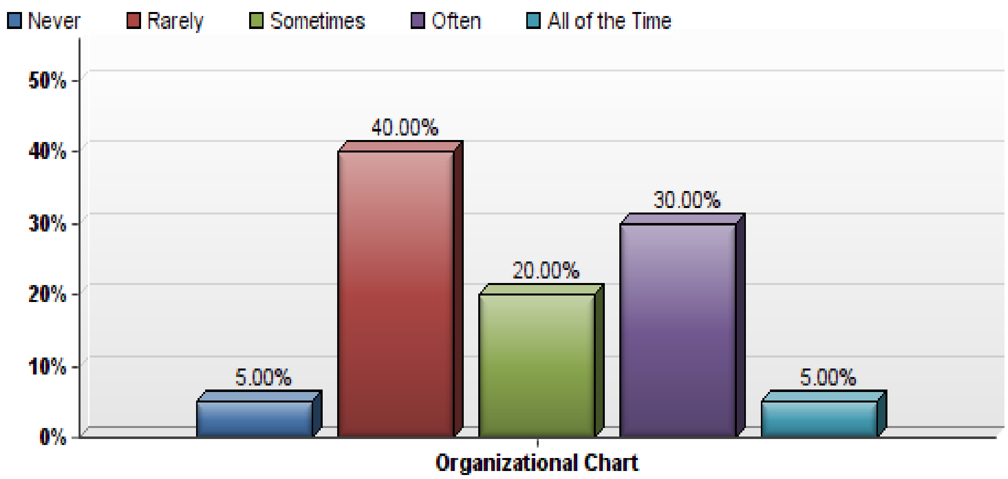
Figure 13: Time Spent on Acquiring Corporate Donors



With the majority of survey respondents indicating they spend time acquiring corporate funds once a month, compared to the majority of survey respondents indicating they spend time acquiring individual donors "once a week", acquiring corporate funds are less of a priority (Appendix D).

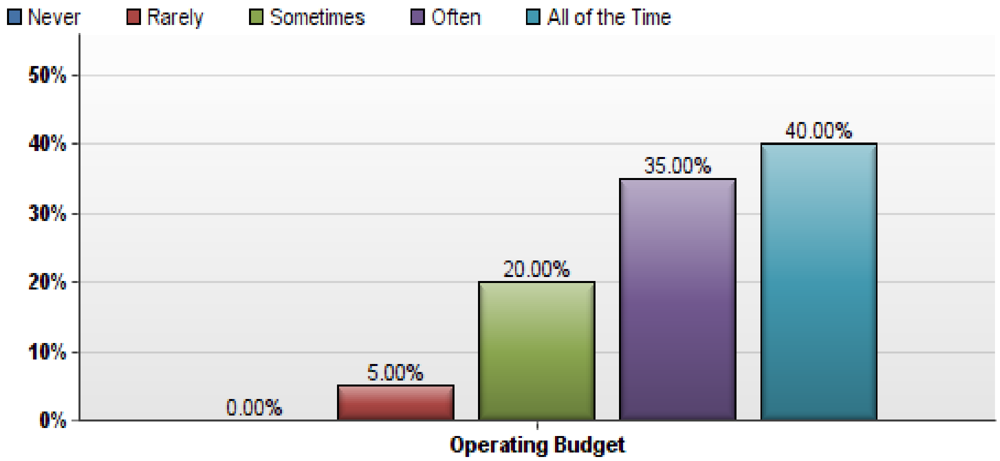
Questions within the online survey were included to determine the ways in which Ys are developing their own outcome measures and the extent to which the Ys were seeing their corporate donors ask for these outcome based measures. At an overall Y level, it appears as though this trend has not yet hit the West Coast Ys on a systematic basis. Not one of the interview participants indicated that working on outcome-based reports was a priority for the organization. Instead they indicated that most of the data requests that accompanied a donation request were traditional documents like the organization's budget, organization chart, completed IRS Form 990, audited financials, and board by-laws. For example, as shown in Figure 14 below, when asked how often potential corporate funders ask for a copy of these Ys' organizational chart prior to awarding funds, 5 percent responded they “never” do, 40 percent responded they “rarely” do, 20 percent responded they “sometimes” do, 30 percent responded they “often” do and 5 percent said they “always” do (Appendix D).

Figure 14: Online Survey Q6 – How often corporate funders ask for organizational chart prior to awarding funds?



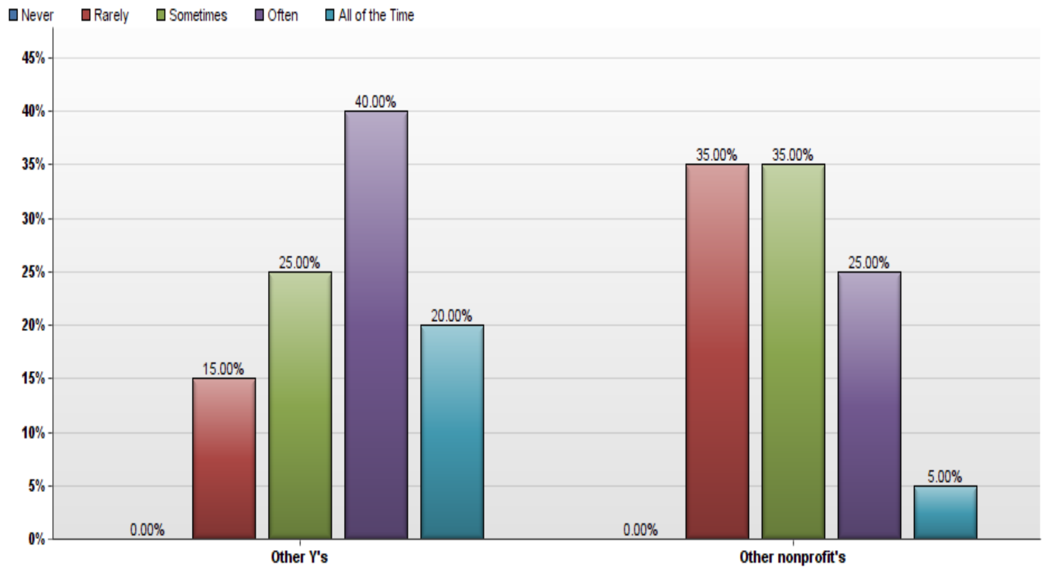
The next question asked how often potential corporate funders sought a copy of these Y organizations’ operating budget. As seen in Figure 15 below, 5 percent reported corporate funders “rarely” ask, 20 percent reported they “sometimes” ask, 35 percent reported they “often” ask and 40 percent reported they ask “all of the time” (Appendix D).

Figure 15: Online Survey Q6 – How often corporate funders ask for operating budget prior to awarding fund?



If the corporations, Ys are going to for funding, ask for standard reports like operating budgets and organization charts, how then should a Y make itself stand out amongst all of the other applicants for these funds? As already mentioned, none of the Ys participating indicated that developing outcome-based metrics or performance scorecards were a priority for the organization, even though at a national level this is a key trend seen in corporate philanthropy (Appendix A). In addition, the Y organizations need to understand the competition in terms of who is also applying for corporate funds. When asked the extent to which these Y organizations compared themselves to other nonprofits, the percentages were relatively low. As shown in Figure 16 below, 35 percent of respondents claimed they "rarely" compare themselves to other nonprofits, 35 percent responded they "sometimes" do and another 25 percent responded they "often" do (Appendix D).

Figure 16: Online Survey Q14 – The extent to which Y organizations compare themselves to other Ys and other nonprofits when measuring efficiency.

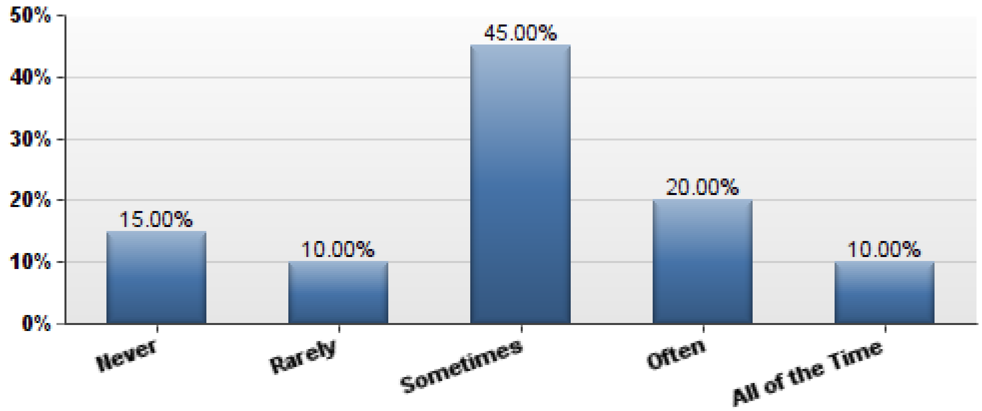


A similar question asked the Y management participants how often they benchmarked or compared their results with other Y organizations. On this question more than one-third indicated that this also was not an important aspect of their processes. In fact, as shown in Figure 16 above, 15 percent responded they "rarely" compare themselves to other Y organizations, 25 percent responded they "sometimes" do, 40 percent responded they "often" do, and only 20 percent responded they do "all of the time" (Appendix D). As nonprofit organizations with similar missions begin to apply for the same corporate funds, in direct response to more funds being awarded based on mission alignment, the degree to which Y organizations measure and compare to other nonprofits should be increasing. Comparing themselves to other Ys may be helpful, but it cannot and should not be the primary form of benchmarking.

Five out of the six Y organizations that participated in the in-depth interview claimed to have a process in place to determine why they did or did not receive funding that was applied for when attempting to secure corporate funds (Appendix A). Four out of the five Y organizations with a process claimed they simply called the corporation to follow up, asking “if there was a specific reason they were not awarded the funds, if there might be an opportunity to ask for their support again in the future, if there was a specific aspect of their application that was insufficient” (Appendix A). One out of the five reported that they have an “internal review” system in place that they go through to determine why they did not receive funding that was applied for (Appendix A). Having a process in place to evaluate unsuccessful application processes when attempting to secure corporate funds is important, particularly if the Ys start to move into new forms of funding including direct cash corporate donations and in-kind or non-cash support.

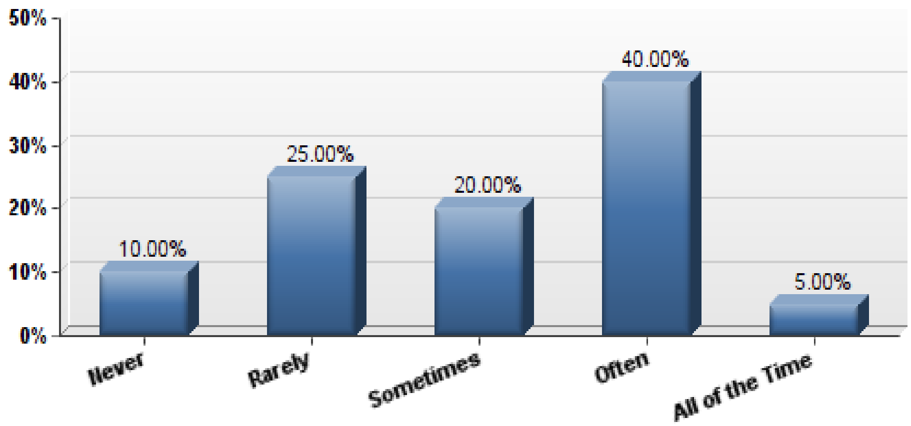
The conclusion from the interviews about good review practices was not, however, borne out by the online survey responses. As shown in Figure 17 below, in the online survey 15 percent reported they “never” ask for clarification from corporations regarding their reasoning behind not awarding them the funds they applied for. Another 10 percent reported they “rarely” ask, 45 percent reported they “sometimes” ask, 20 percent reported they “often ask” and 10 percent reported they ask “all of the time” (Appendix D). All told while 83 percent of the interview participants indicated these processes were in place, about 70 percent of the online responses indicated that the process was either not being used or only sometimes being used.

Figure 17: Online Survey Q4 – The extent to which Y organizations ask for clarification regarding the reason behind not be awarded funds they applied for.



An additional online survey question was asked regarding how often Y organizations receive this feedback when requested. Figure 18 below shows these responses. Out of the 20 online survey respondents, 10 percent reported they "never" receive feedback when requested, 25 percent reported they "rarely" do, 20 percent reported they "sometimes" do, 40 percent reported they "often" do and 5 percent responded they receive it "all of the time" (Appendix D). What this may mean in practice is the corporations themselves may give the Ys feedback about half of the time, reducing the need for the Y itself to seek out this feedback. Many Ys may be missing opportunities to secure corporate funds if the processes in place are not targeting companies with a mission similar to its own and/or receiving feedback on a consistent basis. If Ys better tailor and focus their message and present their programs and services in a way that clearly aligns with the corporate donor's intent, along with implementing feedback from previous applications, they could increase their likelihood of receiving corporate funds when applied for.

Figure 18: Online Survey Q5 – The extent to which Y organizations receive clarification regarding the reason behind not being awarded funds.



When asked what the largest obstacle Y organizations face when applying for and securing corporate funds, four out of the six Y organizations, responded with "time" (Appendix A). Most of them referred to the lack of staff time to identify the right corporate match and complete applications. The Mid-Willamette Family YMCA in Oregon, after the completion and opening of their new facility, plans to "hire a resource development director" to help address this obstacle and more efficiently find and secure corporate funding (Appendix A). One of the six said that the largest obstacle is the fact there are "no large corporations locally", which may mean that this Y is actually missing the opportunity to find corporate support by presupposing only the largest companies will support nonprofits even though this is not the case (Appendix A). Another one of the six said that the largest obstacle is competition, there are "lots of nonprofits applying for the same corporate funds" and this Y does not want to waste time applying for funds that it is less likely to be awarded (Appendix A). This actually could be a smart decision if, indeed, the corporations in the area do not align with the mission of the Y. It could also, however, mean that the Y is forgoing the opportunity to get in front of new potential donors even though the likelihood of receiving the first few donation requests might be low.

The Y-USA: Additional Insight

The Y-USA, as previously noted, was contacted to gather the national perspective in relation to the results found at the local level. The perspective of the Y-USA management is essential to provide a more cohesive conclusion regarding trends in corporate philanthropy across the Y organizations as a whole.

The information provided by Carol Schmidt, the Senior Resource Specialist for Financial Development at Y-USA, is the primary Y-USA information included in this thesis. The Y-USA was contacted to gather a better understanding of why the individual Y organizations analyzed in this case study do not have corporate funds as a main source of operating revenue. As previously mentioned in the case analysis, corporate funds account for anywhere from zero to 20 percent of these Y organizations' operating revenue. Despite this low contribution at a local Y level, Y-USA "raises approximately $27 million per year from corporations, corporate foundations and private foundations" and the majority of those funds are "re-granted" to local Ys (Appendix E).

Y-USA believes these Y organizations may not track corporate funds since they represent such a small amount of their overall operating revenue. The Y's primary focus when it comes to acquiring funding is the Annual Campaign. The Annual Campaign, if implemented correctly, involves year-round "strategies that focus on developing relationships and building passion for the Y's program impact within the Y membership and community… and strives to develop loyal donors that will increase their giving over time” (Appendix E). The Annual Campaign is focused on individual donors and their estates, as these are the most promising avenues by which to acquire philanthropic funds.

These Y organizations are strapped for resources and lack the time to research, apply and secure corporate funds on a frequent basis. In addition, Y-USA is aware that corporate funds often come with potential strings and a higher level of risk:

> “The YMCA recognizes the value of connecting with corporations and others through mutually beneficial alliances and relationship opportunities. The YMCA also recognizes the vital importance of protecting our most valued asset, our reputation and ‘YMCA’ brand, by sustaining the trust and confidence the public has in the YMCA. With increasing interest in the opportunities that corporate alliances offer, it is especially prudent for charities like the YMCA to determine the potential risks and opportunities of associating with a corporation, in order to protect assets including staff and volunteers, property and our ability to raise funds” (Appendix E).

The Y’s philosophy regarding corporate philanthropy is very cautious. Individual Y’s may find it unrealistic to allocate much time to the initial work needed to acquire corporate funds. Furthermore, given the majority of senior management at the Ys within this case study have no experience working in the for-profit world, they may not have as clear an understanding of the corporate world and how it’s making philanthropic decisions, compared to those with experience working in a for-profit corporation (Appendix A). Given the Y-USA information provided, if individual Ys would like to secure corporate funds for themselves they must take the initiative to connect with local corporations on their own. Y-USA will provide tips on how to create and maintain corporate funds but local Ys have to generate the capabilities to pursue potential opportunities (Appendix A).

Despite the lack of resources and means by which individual Ys can enhance their corporate funding acquisitions, Y-USA reaffirmed that local Ys do have corporate opportunities. Most of these opportunities are "positioned around events (e.g. 5Ks, Healthy Kids Day, Fall Festivals, etc.) and normally attract smaller, local or regional companies" despite the fact Y-USA does not typically facilitate these corporate relationships for individual Ys (Appendix E). This is similar to the project based philanthropic efforts that were exemplified in this case study, although neither of these examples support a long term partnership or relationship based on mission alignment with a specific corporation.

While Y-USA has mainly focused on corporate philanthropy, they are "currently developing a strategy around corporate sponsorship and cause marketing" where they see "significant potential" (Appendix E). Although Y-USA is taking an initiative regarding current trends in corporate philanthropy, the impact it will have on local Ys is unclear. When inquiring about the resources that Y-USA provides local Ys in relation to corporate funds, I found that they primarily provide guidance and support via the Y Exchange website. For example, there is a "financial development page" local Ys can access that includes how to "write and steward grants" in addition to "trainings and webinars" that they can access (Appendix E). Throughout this case study, however, the interview participants mentioned none of these resources.

Conclusion: Y Organizations Moving Forward

This research study revealed some dilemmas for today's Y organizations. Ys currently dedicate the majority of their fund-raising time to securing funds from individuals. Y management has expressed a desire to increase both the variety of corporate funding sources as well as the importance of this stream of revenue within the overall operating budget. Yet at the same time Ys are expressing this interest, corporations themselves are experiencing a change in what they fund, how much they fund, and how they do their philanthropy. Corporations are lowering the number of recipients but focusing their efforts on these recipients, thus sometimes actually increasing the donation value to each organization. For nonprofits this means a winnowing of the nonprofit recipients to ones that more tightly align with corporate strategies and values.

In trying to address this problem Ys need to rethink the way management spends its time, the processes they undertake, and perhaps even the skills of the people who are running the development and fundraising efforts. In the pursuit of corporate funds, Ys appear to be using tried-and-true tactics of preparing operating budget reports for donors and promoting the societal impact that corporations can expect from their donations. Nevertheless, Ys need to get ahead of the curve and start building these kinds of outcome-related measures and they need to learn how to relate their efforts to corporations in the language the companies themselves talk. Being skilled and having experience with for-profit management may be valuable in the future, even though the pipeline of Y management does not yet have this expertise. In addition, Ys are not allocating their management time to better targeting of corporations at the outset nor developing the kinds of outcome and performance reporting that companies are now seeking. As the research shows this is partially because of a lack of time and the potential risks of corporate funds. Nevertheless, developing these kinds of relationships is essential to building a pipeline of corporate leads with companies that share common causes with the mission of the Y and where funding is most likely to come from. Unfortunately many Ys spend more time comparing their funding efforts to other Ys as opposed to those same external nonprofits who are increasingly competitors for corporate donations. Essentially Ys need to look beyond fellow Ys as competitors and see the broader playing field of potential funding recipients.

In conclusion, Ys want to receive more corporate funding, which is currently narrowing in distribution, and need to increase and refine their efforts to secure these funds. They can start by reviewing and adjusting the process by which they screen potential corporate donors that share a common cause. The main opportunities moving forward are to tap into the other 47 percent of corporate donations that are being distributed via direct cash and the 18 percent of non-cash and in kind donations.

Future Areas for Research

As noted throughout this thesis, there are a number of areas of investigation where more work is needed. The first area of future research is to look into Y organizations across the country, establish which of them are successfully leveraging their mission statements in accordance with securing corporate funds. Once the top performers have been indentified and their strategies analyzed, a template should be created to replicate their success. This template could then be used by other Y organizations, which inevitably have the same mission, to better position themselves to secure future corporate funding opportunities. Despite the fact Y-USA provides tips this through Y Exchange, there may even be a larger role for Y-USA to spearhead this kind of work in more depth on behalf of its associated members.

In addition, research should be conducted to determine more about the specific corporate funds for which nonprofits, including the Y and those with similar offerings, are going after. Deciphering information about any limitations or specific qualifications regarding corporate funds will help nonprofits better recognize how they need to position themselves to secure them. Ultimately, determining these limitations and qualifications first will help nonprofits more efficiently use the time they have to apply for corporate funds because they will be able to focus on the most promising opportunities. This is vital given that, from the case study in this thesis, it is apparent the resource of time is already lacking. Furthermore, this area of research will better show whether the Y is taking advantage of the corporate funding opportunities available to them because they are not missing out if they do not qualify.

Another future area for research is to further analyze the backgrounds of nonprofit management within a broader sample size of Y-USA. Why do so many Y managers feel corporate funds are only “mostly worth the time and effort” to apply for? It seems that Y-USA provides a broad array of grant writing resources, but maybe this feeling is influenced by an insufficient amount of staff to allocate to the task or a lack of expertise to select and perfect applications. In doing this, the professional backgrounds of senior managers, those with non-profit experience and potentially for-profit experience, can be analyzed to see if a for-profit background is advantageous in efficiently running a non-profit organization, specifically when it comes to fundraising.

Lastly, research should be conducted to better understand the relationship between Y-USA and the local Y organizations under its umbrella. Better understanding the exact amount of funding these individual Ys apply for through Y-USA versus the amount they receive will help further understand the financial aspect of this relationship. Through the Y-USA interview a number of resources that they provide for local Ys, primarily available through the Y Exchange website, were mentioned. Nevertheless, none of these resources were mentioned in the case study interviews with local Ys. Given this communication breakdown, further research should be conducted to better understand the organizational linkages between the national and local level of this nonprofit organization.

Appendix A

List of Interviewees

Mid-Willamette Family YMCA, Oregon: Jim Asleson, Executive Director

Grants Pass YMCA, Oregon: Kevin Clark, Executive Director

Eugene Family YMCA, Oregon: Dave Perez, Executive Director

YMCA of Columbia-Willamette (Sherwood Regional Family YMCA), Oregon: Renee Brouse, Executive Director

YMCA of the Central Bay Area, California: Fran Gallati, Executive Director

Siskiyou Family YMCA, California: Scott Eastman, Executive Director

Appendix B

Interview Questions

Basic Information

1. Number of members in 2011, 2012, 2013, 2014 and projected for 2015?
2. Number of management staff in 2011, 2012, 2013 and projected for 2014?
3. Total revenue in 2011, 2012, 2013 and projected for 2014?
4. Membership revenue in 2011, 2012, 2013 and projected for 2014?

What does your organizational structure currently look like?

8. Can we confirm the most recent breakdown of operating budget revenue sources? Do you project any changes in this over the next few years?
9. Break down your Y's public support; estimate the percentage of public support that comes from individual donors, corporate donors, private funds and events?
10. Do you project any significant shifts in this public support mix over the next few years?
11. How does your Y balance quantitative outcome measurements of performance with more qualitative dimensions?
12. How does your Y balance making changes to improve efficiency with considerations of mission and program outcomes? Think of a program you are doing that you need to subsidize. Are you losing money but doing it because you are the Y? Why does your Y do it?
13. What are the top three organizational improvements your Y is working on for this coming year and what was the catalyst for each?
14. What are the outcomes or expected benefits of the above improvements?
15. Can I please have a copy of your organizational chart?
16. Can I please have a copy of your current operating budget compared to actual operating budget for the last audited year?

What does your corporate philanthropy currently look like?

17. What process does your Y have in place to determine why they did or did not receive funding that was applied for?
18. Please list the five corporations that give your Y the most money in order of contribution:
19. Out of the corporate funders listed above, do you know whether their support is due to a commitment to one single program or the organization as a whole?
20. Do you have any examples of how any of your corporate donors use the funding of your program to support their own corporate image or brand development?
21. What concerns do you have about these efforts? Has it affected whom you approach for funding or restrictions you put on the use of the Y's connection?
22. How do corporations evaluate your Y's programs, outcomes and organizational efficiency prior to awarding funds?

23. What is the largest obstacle your Y faces when applying for and securing corporate funding?
24. What methods or documentation does your organization use to convince corporate donors that their funds will be used efficiently and effectively?

Does the background of upper management within your organization show more experience in profit or nonprofit environments?

** The questions below are confidential; your name will not be associated with any of the information provided below.*

25. Does your Y have an active human resources development effort that gives employees feedback and helps them find ways to improve?
26. If you have prior work history in a for-profit corporation, have your personal relationships within that corporation given you an advantage in obtaining corporate funding for your Y?
27. Do you have a personal set of objectives for this coming year? Please summarize:
28. Can you please provide me with an official copy of the above objectives?

Appendix C

Online Survey Questions

Q1 Ideally, which of the following best describes the corporate funding aspect of your Y's operating budget?

- Have an overflow of corporate funding (1)
- Have a good corporate funding cushion (2)
- Currently happy with corporate funding (3)
- Could use a slight increase (4)
- Needs to be increased significantly (5)

Q2. Do corporations keep funding accessible enough to make applying reasonable?

- Not worth the time and effort (1)
- Rarely worth the time and effort (2)
- Sometimes worth the time and effort (3)
- Mostly worth the time and effort (4)
- Almost always worth the time and effort (5)

Q3. Thinking about your own job at the Y, how often is your time spent on acquiring the following aspects of your public support?

	Individual Donors (1)	Corporate Donors (2)	Foundations (3)	Private Funds (4)	Public Funds (5)	Events (6)
Once a Week (1)	❑	❑	❑	❑	❑	❑
Once a Month (2)	❑	❑	❑	❑	❑	❑
Once in 3 Months (3)	❑	❑	❑	❑	❑	❑
Once in 6 Months (4)	❑	❑	❑	❑	❑	❑
Once a Year (5)	❑	❑	❑	❑	❑	❑

Q4. How often does your Y ask for clarification from corporations regarding the reasoning for not awarding funding that was applied for?

- ❍ Never (1)
- ❍ Rarely (2)
- ❍ Sometimes (3)
- ❍ Often (4)
- ❍ All of the Time (5)

Q5. In relation to the question above, how often does your Y receive that clarification when requested?

- ❍ Never (1)
- ❍ Rarely (2)
- ❍ Sometimes (3)
- ❍ Often (4)
- ❍ All of the Time (5)

Q6. How often do potential corporate funders ask to look at your organizational chart, board structure, and operating budget prior to awarding funds?

	Never (1)	Rarely (2)	Sometimes (3)	Often (4)	All of the Time (5)
Organizational Chart (1)	❍	❍	❍	❍	❍
Board Structure (2)	❍	❍	❍	❍	❍
Operating Budget (3)	❍	❍	❍	❍	❍

Q7. How would you characterize management staff communication with funding sources at your Y?

- ❍ Very Poor (1)
- ❍ Poor (2)
- ❍ Fair (3)
- ❍ Good (4)
- ❍ Very Good (5)

Q8. Are there any specific processes in place to enhance and ensure the quality communication?

Q9. Which methods of evaluation does your Y use to evaluate its overall performance? Check all that apply:

- ❑ Last year's performance (1)
- ❑ Other Y's (2)
- ❑ Annually new pre-decided goals (3)
- ❑ Program enrollment (4)
- ❑ Financials (5)
- ❑ Expense management (6)
- ❑ New program enrollment (7)
- ❑ Community participation (8)
- ❑ Member satisfaction (9)
- ❑ Community awareness (10)
- ❑ Performance is not evaluated (11)

Q10. How much time do you and your senior management team spend on evaluations, including:

- Evaluating the organization's progress in achieving its goals
- Performance evaluations of senior management

	Everyday (1)	Once a Week (2)	Once a Month (3)	Once Every 3 Months (4)	Once Every 6 Months (5)	Once a Year (6)
Your Y's Management Team (1)	❍	❍	❍	❍	❍	❍
You (2)	❍	❍	❍	❍	❍	❍

Q11. How much time do you and your senior management team spend on resource management, including:

- Evaluating the next year's proposed budgets and other financial reports
- Tracking the organization's performance against resource targets

	Everyday (1)	Once a Week (2)	Once a Month (3)	Once Every 3 Months (4)	Once Every 6 Months (5)	Once a Year (6)
Your Y's Management Team (1)	❍	❍	❍	❍	❍	❍
You (2)	❍	❍	❍	❍	❍	❍

Q12. How much time do you and your senior management team spend on planning and leading, including:

- Planning the organization's long-term goals and strategic direction
- Setting policies
- Communicating the change to major constituents of the organization

	Everyday (1)	Once a Week (2)	Once a Month (3)	Once Every 3 Months (4)	Once Every 6 Months (5)	Once a Year (6)
Your Y's Management Team (1)	❍	❍	❍	❍	❍	❍
You (2)	❍	❍	❍	❍	❍	❍

Q13. How much time do you and your senior management team spend on raising money, including:

- Corporate giving
- Foundation giving
- Government giving
- Private giving

	Everyday (1)	Once a Week (2)	Once a Month (3)	Once Every 3 Months (4)	Once Every 6 Months (5)	Once a Year (6)

Your Y's Management Team (1)	❍	❍	❍	❍	❍	❍
You (2)	❍	❍	❍	❍	❍	❍

Q14. To what extent does your Y compare itself to other organizations when measuring its own efficiency?

	Never (1)	Rarely (2)	Sometimes (3)	Often (4)	All of the Time (5)
Other Y's (1)	❍	❍	❍	❍	❍
Other nonprofit's (2)	❍	❍	❍	❍	❍

Q15. How often do you attend the following community events?

	Once a Week (1)	Once a Month (2)	Once Every 3 Months (3)	Once Every 6 Months (4)	Once a Year (5)	Once Every 2 Years (6)
Rotary Club Meeting (1)	❍	❍	❍	❍	❍	❍

Chambers of Commerce (2)	❍	❍	❍	❍	❍	❍
Other: (3)	❍	❍	❍	❍	❍	❍
Other: (4)	❍	❍	❍	❍	❍	❍
Other: (5)	❍	❍	❍	❍	❍	❍

Q16. Other than attending the events listed above, do you and or your Y do anything specific to spark and maintain relationships with corporate leaders in your community to help secure donations?

Q17 What is your age?

Q18. What is your current title and or position within the Y?

Q19. What is your highest level of education?

❍ High School (1)
❍ Some College (2)
❍ Bachelors Degree (3)
❍ Masters Degree (4)
❍ Doctorate Degree (5)

Q20. Please indicate which sectors of business in which you have been a part of management:

❍ Corporate Sector (1)
❍ Private Sector (2)
❍ Public Sector (3)
❍ Government Sector (4)
❍ Other: (5) ____________________

Q21. Please indicate the years of experience you have in the following fields:

______ Nonprofit Management Jobs (1)
______ For-profit Management Jobs (2)
______ Corporate Management Jobs (3)

Q22. To what extent have you done any of the following to improve your abilities in your current position?

	Once a Week (1)	Once a Month (2)	Once Every 3 Months (3)	Once Every 6 Months (4)	Once a Year (5)	Once Every 2 Years (6)
Attend Trainings (1)	❍	❍	❍	❍	❍	❍
Receive Board/Upper Management Evaluations (2)	❍	❍	❍	❍	❍	❍
Exchange Co-Worker Evaluations (3)	❍	❍	❍	❍	❍	❍
Set Goals (4)	❍	❍	❍	❍	❍	❍

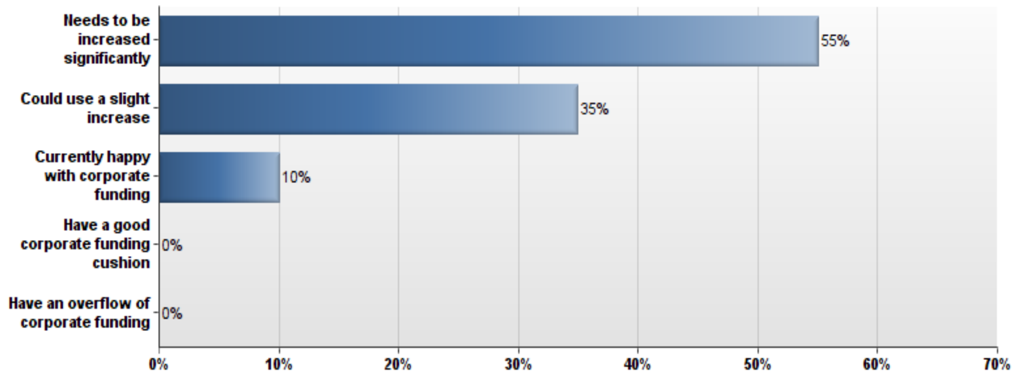
Q23. To what extent does your personal performance feedback incorporate input from the following:

	Never (1)	Rarely (2)	Sometimes (3)	Often (4)	All of the Time (5)
Board of Directors (1)	❍	❍	❍	❍	❍
Members (2)	❍	❍	❍	❍	❍
Donors (3)	❍	❍	❍	❍	❍
Direct Supervisors (4)	❍	❍	❍	❍	❍
Employees You Direct (5)	❍	❍	❍	❍	❍
Other Employees (6)	❍	❍	❍	❍	❍

Appendix D

Online Survey Results

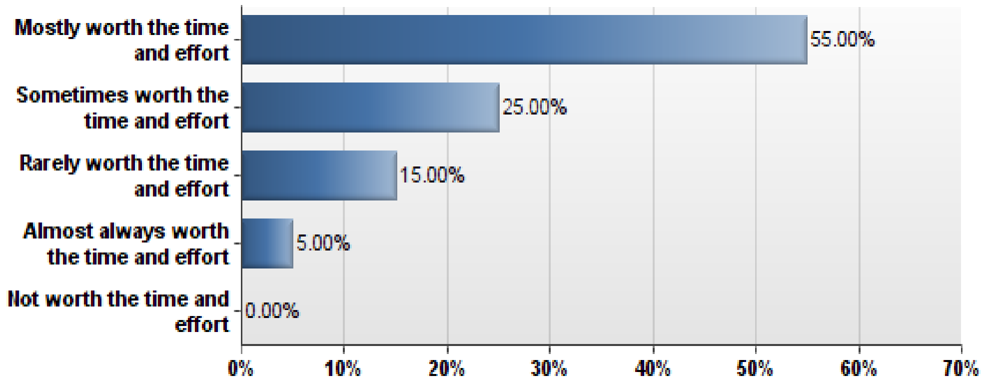
1. Ideally, which of the following best describes the corporate funding aspect of your Y's operating budget?



#	Answer		Response	%
5	Needs to be increased significantly		11	55%
4	Could use a slight increase		7	35%
3	Currently happy with corporate funding		2	10%
2	Have a good corporate funding cushion		0	0%
1	Have an overflow of corporate funding		0	0%
	Total		20	100%

Statistic	Value
Min Value	3
Max Value	5
Mean	4.45
Variance	0.47
Standard Deviation	0.69
Total Responses	20

2. Do corporations keep funding accessible enough to make applying reasonable?



#	Answer		Response	%
4	Mostly worth the time and effort		11	55%
3	Sometimes worth the time and effort		5	25%
2	Rarely worth the time and effort		3	15%
5	Almost always worth the time and effort		1	5%
1	Not worth the time and effort		0	0%
	Total		20	100%

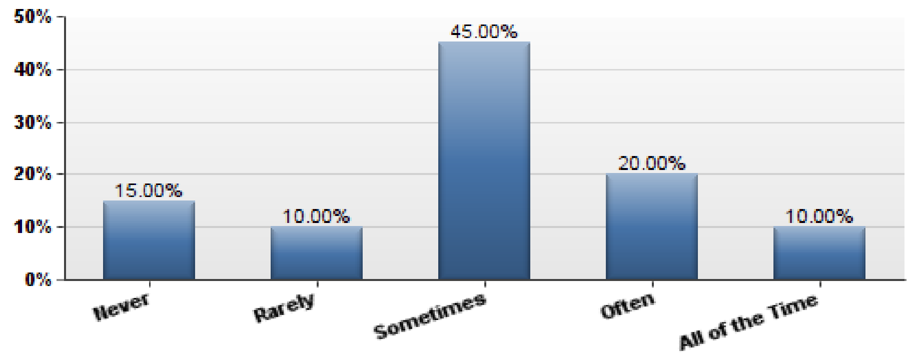
Statistic	Value
Min Value	2
Max Value	5
Mean	3.50
Variance	0.68
Standard Deviation	0.83
Total Responses	20

3. Thinking about your own job at the Y, how often is your time spent on acquiring the following aspects of your public support?

Question	Individual Donors	Corporate Donors	Foundations	Private Funds	Public Funds	Events	Total Respons es
Once a Week	14	3	3	6	1	3	30
Once a Month	4	13	9	6	2	2	36
Once in 3 Months	0	3	4	2	3	3	15
Once in 6 Months	2	1	3	2	8	2	18
Once a Year	0	1	1	1	6	7	16

Statistic	Once a Week	Once a Month	Once in 3 Months	Once in 6 Months	Once a Year
Min Value	1	1	2	1	2
Max Value	6	6	6	6	6
Total Responses	16	17	11	13	11

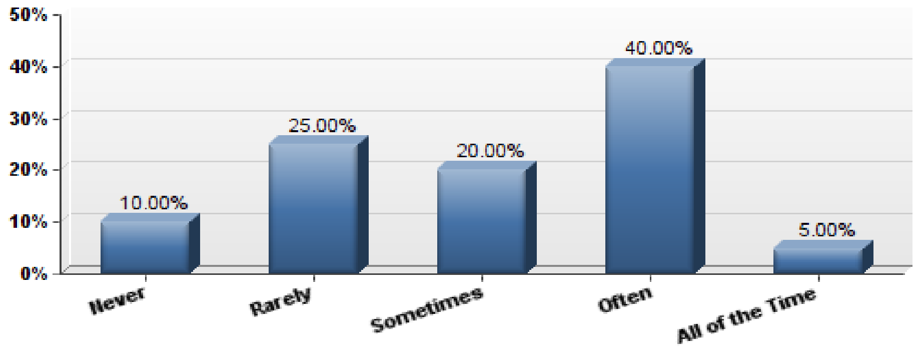
4. How often does your Y ask for clarification from corporations regarding the reasoning for not awarding funding that was applied for?



#	Answer		Response	%
1	Never		3	15%
2	Rarely		2	10%
3	Sometimes		9	45%
4	Often		4	20%
5	All of the Time		2	10%
	Total		20	100%

Statistic	Value
Min Value	1
Max Value	5
Mean	3.00
Variance	1.37
Standard Deviation	1.17
Total Responses	20

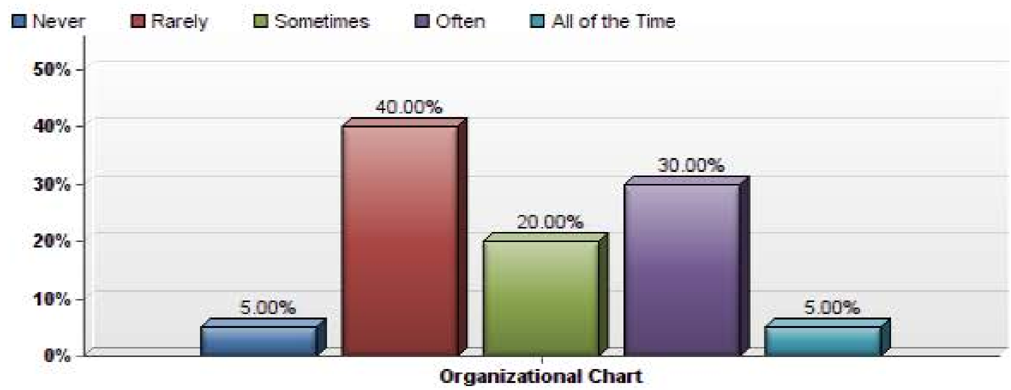
5. In relation to the question above, how often does your Y receive that clarification when requested?

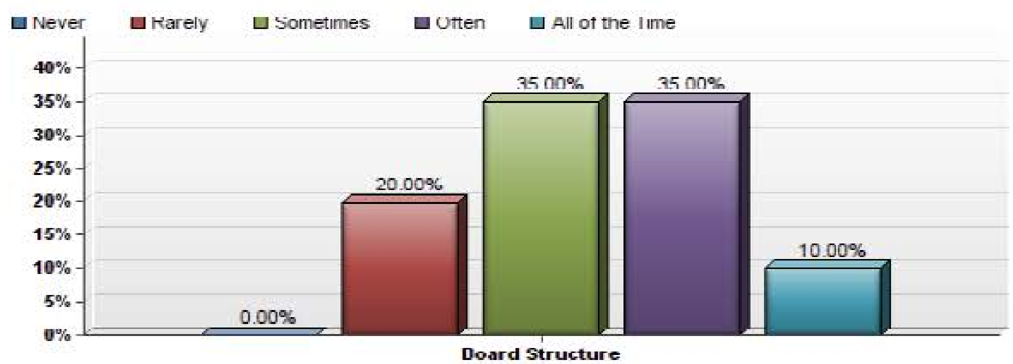


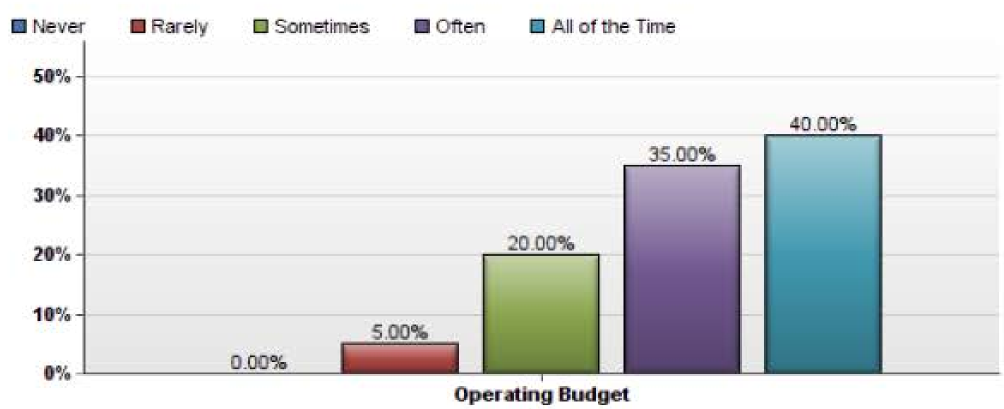
#	Answer		Response	%
1	Never		2	10%
2	Rarely		5	25%
3	Sometimes		4	20%
4	Often		8	40%
5	All of the Time		1	5%
	Total		20	100%

Statistic	Value
Min Value	1
Max Value	5
Mean	3.05
Variance	1.31
Standard Deviation	1.15
Total Responses	20

6. How often do potential corporate funders ask to look at your organizational chart, board structure, and operating budget prior to awarding funds?



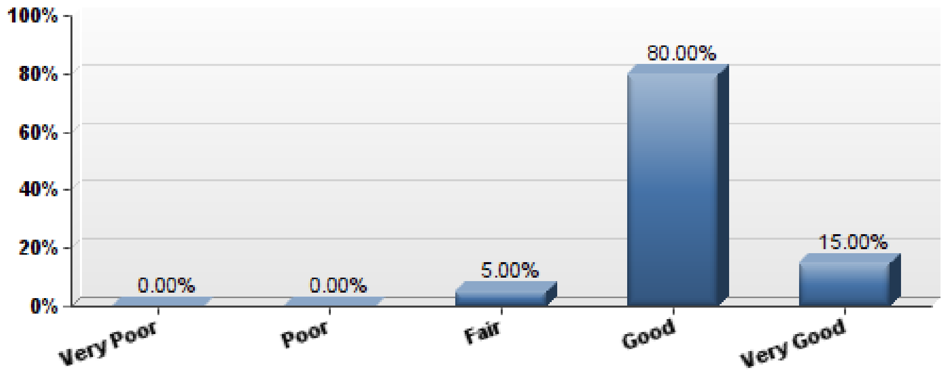




Question	Never	Rarely	Sometimes	Often	All of the Time	Total Responses	Mean
Organizational Chart	1	8	4	6	1	20	2.90
Board Structure	0	4	7	7	2	20	3.35
Operating Budget	0	1	4	7	8	20	4.10

Statistic	Organizational Chart	Board Structure	Operating Budget
Min Value	1	2	2
Max Value	5	5	5
Mean	2.90	3.35	4.10
Variance	1.15	0.87	0.83
Standard Deviation	1.07	0.93	0.91
Total Responses	20	20	20

7. How would you characterize management staff communication with funding sources at your Y?



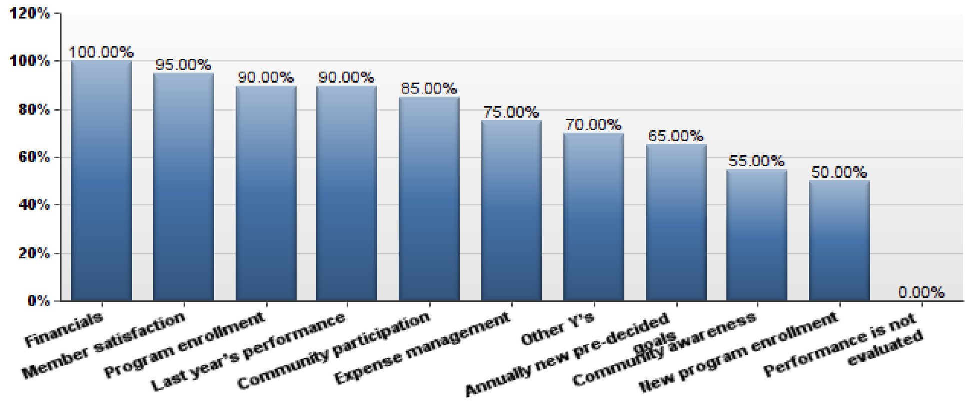
#	Answer		Response	%
1	Very Poor		0	0%
2	Poor		0	0%
3	Fair		1	5%
4	Good		16	80%
5	Very Good		3	15%
	Total		20	100%

Statistic	Value
Min Value	3
Max Value	5
Mean	4.10
Variance	0.20
Standard Deviation	0.45
Total Responses	20

8. Are there any specific processes in place to enhance and ensure the quality communication?

Text Response
Allocating more time/person power to philanthropy
As well as the formal reporting, we also like to give in person updates and look to provide recognition at key events.
Board meetings, Annual Report
N/A
No
No
No
No
No, varies depending on donor/funding source
No
None specific
Ongoing updates, news letters, in house communications, phone calls, one on one meetings
Spreadsheets
Staff assigned to manage relationship
There is a system in place for managing communications with donors, specifically for our Annual Campaign. Individual contacts are managed on a case-by-case basis.
Ticklers are set at specific funding levels and added to the calendar for appropriate members of the mgmt team to reach out and connect with funders in meaningful ways beyond grant reporting mechanisms.
We are in the process of developing a "Moves Management" approach tracking our meetings/results and next steps with key donors/potential donors
Weekly Meetings Donor Reports
We work to connect with our donors / funding sources 3-4x per year through newsletters and other written materials.

9. Which methods of evaluation does your Y use to evaluate its overall performance? Check all that apply:

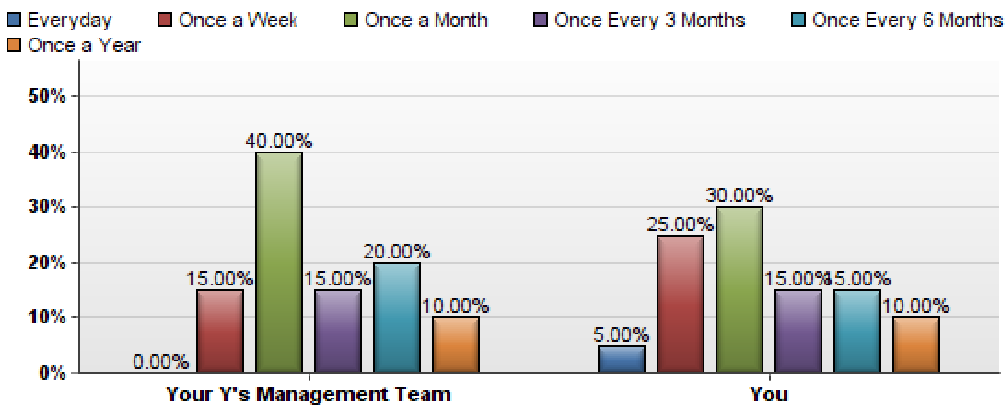


#	Answer		Response	%
5	Financials		20	100%
9	Member satisfaction		19	95%
4	Program enrollment		18	90%
1	Last year’s performance		18	90%
8	Community participation		17	85%
6	Expense management		15	75%
2	Other Y’s		14	70%
3	Annually new pre-decided goals		13	65%
10	Community awareness		11	55%
7	New program enrollment		10	50%
11	Performance is not evaluated		0	0%

Statistic	Value
Min Value	1
Max Value	10
Total Responses	20

10. How much time do you and your senior management team spend on evaluations, including:

- Evaluating the organization's progress in achieving its goals
- Performance evaluations of senior management

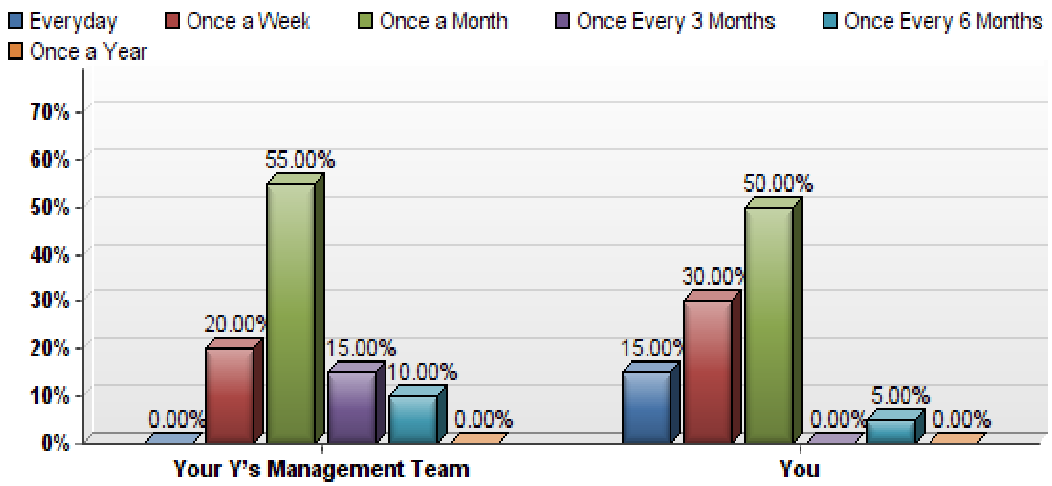


Question	Everyday	Once a Week	Once a Month	Once Every 3 Months	Once Every 6 Months	Once a Year	Total Responses
Your Y's Management Team	0.00%	15.00%	40.00%	15.00%	20.00%	10.00%	20
You	5.00%	25.00%	30.00%	15.00%	15.00%	10.00%	20

Statistic	Your Y's Management Team	You
Min Value	2	1
Max Value	6	6
Mean	3.70	3.40
Variance	1.59	2.04
Standard Deviation	1.26	1.43
Total Responses	20	20

11. How much time do you and your senior management team spend on resource management, including:

- Evaluating the next year's proposed budgets and other financial reports
- Tracking the organization's performance against resource targets

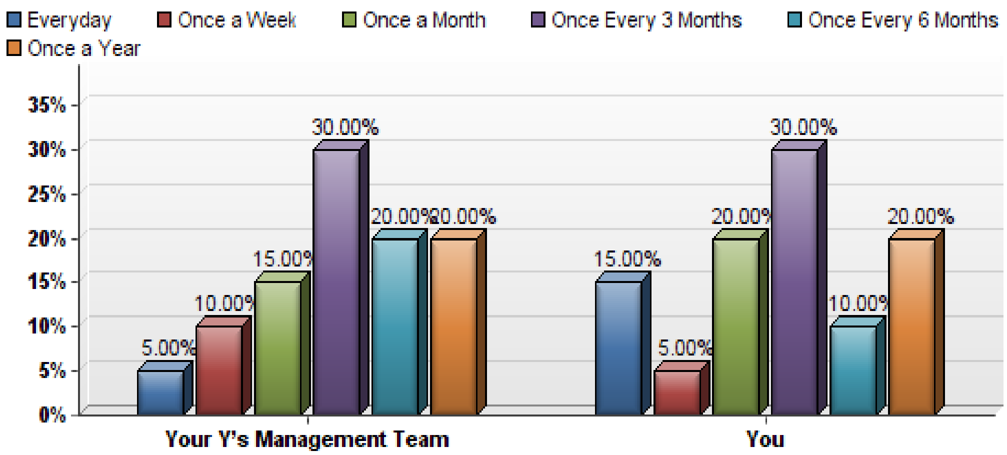


Question	Everyday	Once a Week	Once a Month	Once Every 3 Months	Once Every 6 Months	Once a Year	Total Responses
Your Y's Management Team	0.00%	20.00%	55.00%	15.00%	10.00%	0.00%	20
You	15.00%	30.00%	50.00%	0.00%	5.00%	0.00%	20

Statistic	Your Y's Management Team	You
Min Value	2	1
Max Value	5	5
Mean	3.15	2.50
Variance	0.77	0.89
Standard Deviation	0.88	0.95
Total Responses	20	20

12. How much time do you and your senior management team spend on planning and leading, including:

- Planning the organization's long-term goals and strategic direction
- Setting policies
- Communicating the change to major constituents of the organization

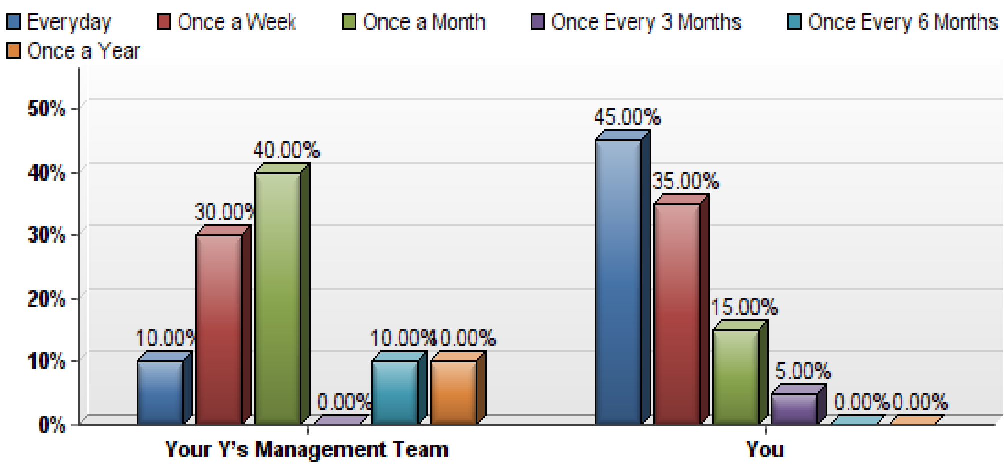


Question	Everyday	Once a Week	Once a Month	Once Every 3 Months	Once Every 6 Months	Once a Year	Total Responses
Your Y's Management Team	5.00%	10.00%	15.00%	30.00%	20.00%	20.00%	20
You	15.00%	5.00%	20.00%	30.00%	10.00%	20.00%	20

Statistic	Your Y's Management Team	You
Min Value	1	1
Max Value	6	6
Mean	4.10	3.75
Variance	2.09	2.72
Standard Deviation	1.45	1.65
Total Responses	20	20

13. How much time do you and your senior management team spend on raising money, including:

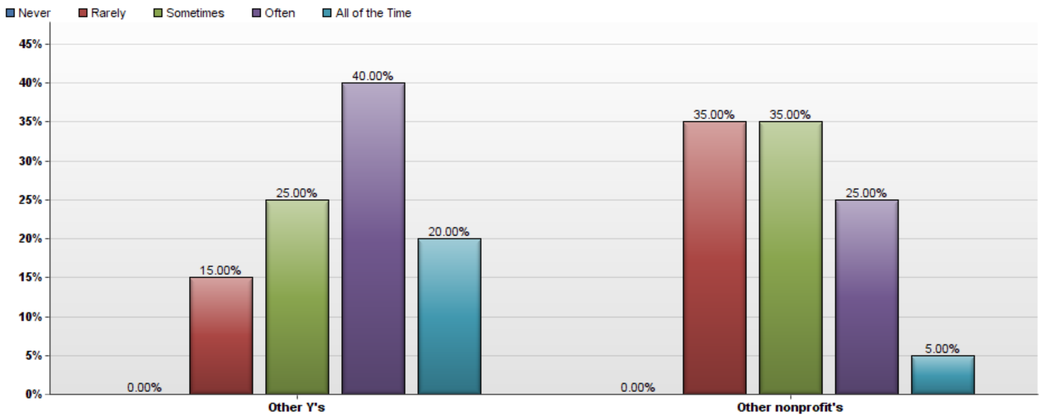
- Corporate giving
- Foundation giving
- Government giving
- Private giving



Question	Everyday	Once a Week	Once a Month	Once Every 3 Months	Once Every 6 Months	Once a Year	Total Responses
Your Y's Management Team	10.00%	30.00%	40.00%	0.00%	10.00%	10.00%	20
You	45.00%	35.00%	15.00%	5.00%	0.00%	0.00%	20

Statistic	Your Y's Management Team	You
Min Value	1	1
Max Value	6	4
Mean	3.00	1.80
Variance	2.11	0.80
Standard Deviation	1.45	0.89
Total Responses	20	20

14. To what extent does your Y compare itself to other organizations when measuring its own efficiency?



Question	Never	Rarely	Sometimes	Often	All of the Time	Total Responses
Other nonprofit's	0.00%	35.00%	35.00%	25.00%	5.00%	20
Other Y's	0.00%	15.00%	25.00%	40.00%	20.00%	20
Other:	60.00%	20.00%	0.00%	0.00%	20.00%	5

Statistic	Other Y's	Other nonprofit's	Other:
Min Value	2	2	1
Max Value	5	5	5
Mean	3.65	3.00	2.00
Variance	0.98	0.84	3.00
Standard Deviation	0.99	0.92	1.73
Total Responses	20	20	5

15. How often do you attend the following community events?

Question	Once a Week	Once a Month	Once Every 3 Months	Once Every 6 Months	Once a Year	Once Every 2 Years	Total Responses
Chambers of Commerce	10.00%	30.00%	30.00%	10.00%	10.00%	10.00%	20
Other:	50.00%	0.00%	50.00%	0.00%	0.00%	0.00%	2
Other:	20.00%	60.00%	20.00%	0.00%	0.00%	0.00%	5
Other:	12.50%	75.00%	12.50%	0.00%	0.00%	0.00%	8
Rotary Club Meeting	66.67%	5.56%	16.67%	0.00%	0.00%	11.11%	18

Other:	Other:	Other:
Pioneering Healthier Communities		
Community task force	Other not for profits	
Planned Giving Council	AFP Chapter	
Human Service Executives		
United Way Meeting	Not For Profit CEO Meetings	Other Agency Fundraisers
Vistage	Nonprofit events	
other pertinent public meetings as need		

Statistic	Rotary Club Meeting	Chambers of Commerce	Other:	Other:	Other:
Min Value	1	1	1	1	1
Max Value	6	6	3	3	3
Mean	1.94	3.10	2.00	2.00	2.00
Variance	2.76	2.20	0.29	0.50	2.00
Standard Deviation	1.66	1.48	0.53	0.71	1.41
Total Responses	18	20	8	5	2

16. Other than attending the events listed above, do you and or your Y do anything specific to spark and maintain relationships with corporate leaders in your community to help secure donations?

Text Response
all senior leaders involved in community activities (boards, clubs, etc.)
Committees and relationships with Board Members
Friday Night Live Special Event Annual Support Campaign for Scholarships
Golf Tournament Summer event at a winery to "share our message" Speaker at service clubs
host community events, community BBQ, recognition event
Individual meetings with community leaders regarding initiatives of shared concern are frequent, according to areas of need as opportunities present themselves.
Invite then to tour our Y's or specific mission programs
Many events.
n/a
Newsletters to constituents. Presentations to various service clubs throughout the county on a monthly basis.
no
No nothing specific....consistent Y message is what we do..
Often, corporate donors are looking to align with something that will benefit their business. To the extent that we are looking for connections where our needs our mutual, it is a constant.
Regular, ongoing activities.
regular mailings, occasional emails, occasional coffee, etc. to keep them up to date on current happenings at Y
somewhat
We are out and involved in the community on a regular basis. attend various community meetings weekly.
We do quarterly free events for the community. We don't target corporate leaders, but we do publicize to make them aware.
Yes
Yes. We divide and conquer, participating at all levels possible. City Gov't, State advocacy, City Councils, etc.

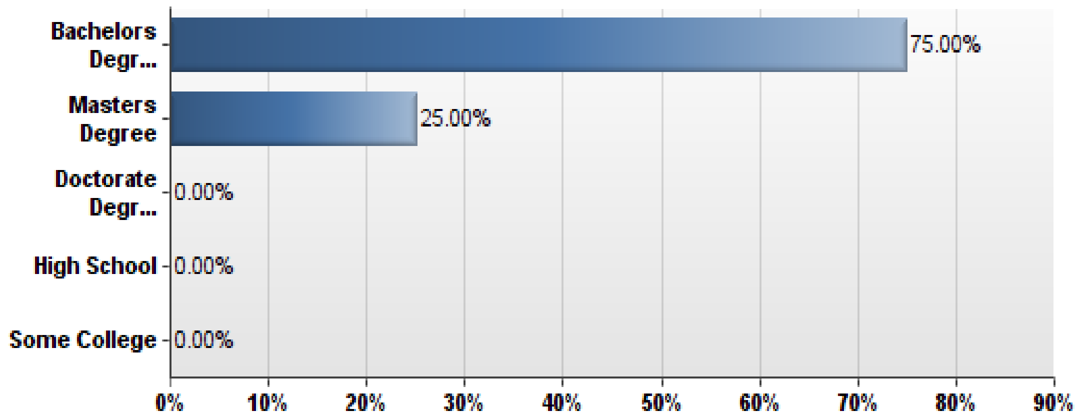
17. What is your age?

Text Response
36
37
37
38
44
47
47
49
50
50
54
55
56
57
57
57
58
60
64
Why

18. What is your current title and or position within the Y?

Text Response
Associate Director
CEO
CEO
ceo
CEO
CEO
ceo
CEO
ceo
CEO
Chief Development Officer
Chief Development Officer
Community Development Director
Director of Develoment and Marketing
Exec
President--CEO
President/CEO
President/CEO
Sr. Director of Philanthropy
VP of Financial Development

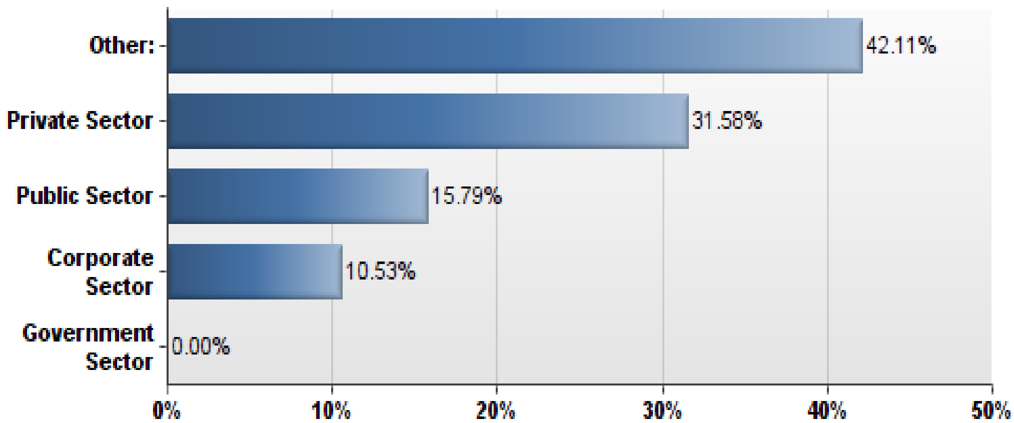
19. What is your highest level of education?



Answer		Response	%
Bachelors Degree		15	75%
Masters Degree		5	25%
Doctorate Degree		0	0%
High School		0	0%
Some College		0	0%
Total		20	100%

Statistic	Value
Min Value	3
Max Value	4
Mean	3.25
Variance	0.20
Standard Deviation	0.44
Total Responses	20

20. Please indicate which sectors of business in which you have been a part of management:

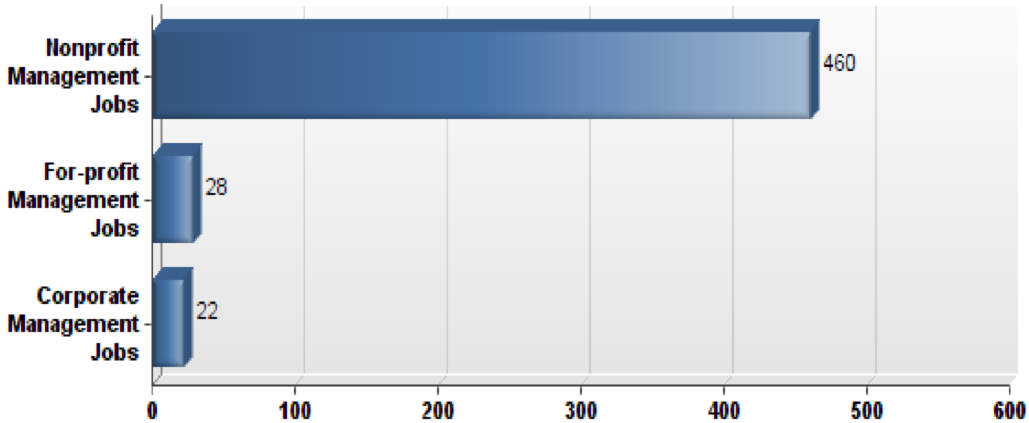


#	Answer		Response	%
5	Other:		8	42%
2	Private Sector		6	32%
3	Public Sector		3	16%
1	Corporate Sector		2	11%
4	Government Sector		0	0%
	Total		19	100%

Other:
Non Profit
not for profit
non profit
Just YMCA
Nonprofit Secror
not-for-profit
Not for Profit
non profit

Statistic	Value
Min Value	1
Max Value	5
Mean	3.32
Variance	2.45
Standard Deviation	1.57
Total Responses	19

21. Please indicate the years of experience you have in the following fields:



Answer	Min Value	Max Value	Average Value	Standard Deviation	Responses
Nonprofit Management Jobs	6.00	40.00	24.21	9.87	19
For-profit Management Jobs	0.00	12.00	1.47	2.89	19
Corporate Management Jobs	0.00	12.00	1.16	3.20	19

22. To what extent have you done any of the following to improve your abilities in your current position?

Question	Once a Week	Once a Month	Once Every 3 Months	Once Every 6 Months	Once a Year	Once Every 2 Years	Total Responses
Attend Trainings	0.00%	5.26%	36.84%	36.84%	21.05%	0.00%	19
Receive Board/Upper Management Evaluations	0.00%	0.00%	5.26%	26.32%	68.42%	0.00%	19
Exchange Co-Worker Evaluations	5.26%	5.26%	0.00%	10.53%	36.84%	42.11%	19
Set Goals	5.26%	10.53%	15.79%	42.11%	26.32%	0.00%	19

Statistic	Attend Trainings	Receive Board/Upper Management Evaluations	Exchange Co-Worker Evaluations	Set Goals
Min Value	2	3	1	1
Max Value	5	5	6	5
Mean	3.74	4.63	4.95	3.74
Variance	0.76	0.36	1.94	1.32
Standard Deviation	0.87	0.60	1.39	1.15
Total Responses	19	19	19	19

23. To what extent does your personal performance feedback incorporate input from the following:

Question	Never	Rarely	Sometimes	Often	All of the Time	Total Responses	Mean
Board of Directors	10.53%	5.26%	5.26%	42.11%	36.84%	19	3.89
Members	31.58%	15.79%	21.05%	21.05%	10.53%	19	2.63
Donors	15.79%	10.53%	36.84%	15.79%	21.05%	19	3.16
Direct Supervisors	26.32%	0.00%	0.00%	26.32%	47.37%	19	3.68
Employees You Direct	5.26%	10.53%	26.32%	31.58%	26.32%	19	3.63
Other Employees	10.53%	26.32%	36.84%	26.32%	0.00%	19	2.79

Statistic	Board of Directors	Members	Donors	Direct Supervisors	Employees You Direct	Other Employees
Min Value	1	1	1	1	1	1
Max Value	5	5	5	5	5	4
Mean	3.89	2.63	3.16	3.68	3.63	2.79
Variance	1.65	2.02	1.81	2.89	1.36	0.95
Standard Deviation	1.29	1.42	1.34	1.70	1.16	0.98
Total Responses	19	19	19	19	19	19

Appendix E

Y-USA Interview Results

Throughout my interviews I was surprised to find little to no corporate funding as part of the Ys public support, and no Ys tracking it on an individual basis. I am curious why this might be?

> The foundation of Y fundraising is the Annual Campaign. Implemented correctly, the campaign plan involves year-round strategies that focus on developing relationships and building passion for the Y's program impact within the Y membership and community. We strive to develop loyal donors that will increase their giving over time.
>
> Many Ys may choose not to focus on corporate giving as much as individual giving, as corporate giving makes up a small percentage (6%) of all philanthropic giving in the United States, (see Summary Report attached), while individuals give 72%, plus an additional 7% from individuals as part of their estate plans.
>
> Corporate grants take more time to cultivate and to steward, and corporations are subject to changing their giving priorities based on executive leadership, Board expectations, and trending social issues. Many corporations also participate in "Sponsorship" and "Cause Marketing," where they can see a direct benefit to the corporation versus making strategic philanthropic grants dedicated to solving a community issue. Also, as non-profit organizations, Ys are conscientious about triggering Unrelated Business Income Tax (UBIT) as it relates to some partnerships with for-profit corporations.

Given that the Y provides multiple services and addresses a multitude of societal issues I figured this would increase their likelihood to have a stable and diversified corporate funding mix because there is a larger opportunity for shared interests among corporations. From my understanding, much of the funding that local Ys apply for is distributed by or filtered through Y USA. I am curious to hear the YUSA's thoughts on the following questions:

How do you see Y-USA acting as a facilitator for local Ys when it comes to corporate funding?

> Y-USA teaches best practices for relationship development and stewardship of donors. (Individuals, Foundations, Corporations).

What are the implications of having Y-USA as a funding facilitator for local Ys and building their own corporate partnerships?

If a corporation is interested in funding a project beyond the local Y service area, Y-USA might facilitate conversation with groups of Ys that wish to collaborate on seeking funding for the program area the corporation is interested in funding. Y-USA's role would be to facilitate the conversation to determine if the Ys can deliver on the program outcomes agreed to in exchange for receiving the funds, as well as act as good stewards providing timely reports and deepening relationships with the funder once the funds are given.

In terms of providing various services and addressing social needs, the Y is a great opportunity for corporate sponsorships but I do not see them at a local level, why do you think this is?

Many Ys generate significant funding from corporate philanthropic grants. Additionally, many do have a corporate sponsorship platform that is normally positioned around events (e.g., 5Ks, Healthy Kids Day, Fall Festivals, etc.), and will normally attract smaller, local or regional companies as sponsors.

At Y-USA we agree with the following philosophy stated by our colleagues at YMCA Canada.

"The YMCA recognizes the value of connecting with corporations and others through mutually beneficial alliances and relationship opportunities. The YMCA also recognizes the vital importance of protecting our most valued asset, our reputation and 'YMCA' brand, by sustaining the trust and confidence the public has in the YMCA. With increasing interest in the opportunities that corporate alliances offer, it is especially prudent for charities like the YMCA to determine the potential risks and opportunities of associating with a corporation, in order to protect assets including staff and volunteers, property and our ability to raise funds."

Is there an initiative to acquire these partnerships at the Y USA level?

Through the Financial Development department, Y-USA raises approximately $27 million per year from corporations, corporate foundations and private foundations, the majority of which is "regranted" to local Ys to support local programming. Y-USA oversees the stewardship and reporting process to the corporation. While Y-USA Financial Development has mainly focused on corporate philanthropy (grant numbers cited above), we are currently developing a strategy around corporate sponsorship and cause marketing where we see significant potential.

If a Y wanted to acquire more corporate partners/sponsorships, what resources does Y-USA provide? How often are these resources used?

The primary resources Y-USA provides to local Ys can be found on the financial development page of Exchange. Local Ys can access them 24/7. Most corporations have a grant making process and there are resources on how to write and steward grants on this site. In addition, we provide many trainings and webinars that you can see listed on the Nationwide Campaign page of Exchange.

Specific to developing corporate partnerships/sponsorships, it is all about the leadership of the local Y making contact with the corporation, finding out what their funding priorities are, and seeing where there is a strong match between the corporation's areas of interest and the areas where the Y is striving to make community impact per their strategic plan. A great resource for developing the Y's case for support is found in the document "Bringing Your Case to Life" found in the "Case" section of the financial development page of Exchange. There is also sample language that Y-USA can provide if a Y needs a description of one of the "signature" programs rolled out by Y-USA.

In relation to Y-USA's current corporate funders, do you see more initiatives around specific cause related issues in which missions and visions are shared?

(An example might be Nike, Inc. providing funding for youth sports). Yes, there is a trend in corporate giving toward more specific issues; whereas corporations used to give small amounts of money to many organizations, trends are moving toward larger amounts of money to fewer organizations, and picking a few key issues to help solve. This is a move toward transformational, rather than transactional, relationships.

From a philanthropic perspective and sponsorship/cause-marketing perspective, many corporations are trying to be more strategic about determining which specific efforts align with their brand and not just giving to every cause, which in turn creates larger, more in-depth partnerships with non-profits around a shared mission or cause.

Or do you see more corporate funding provided to Y-USA as a whole?

This is a little bit more difficult to answer, as funding to Y-USA depends on how many resources we put toward researching corporate opportunities and then taking the time to vet and develop relationships. While sponsorships and cause-marketing may generate unrestricted revenue for Y-USA as a whole, most likely the partnership will still be focused on a specific feature, focus, or initiative (e.g., family strengthening, healthy lifestyles, youth, academic achievement, diabetes prevention, etc.)

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