National Library of Canada
Bibliothèque nationale du Canada

Canadian Theses Service
Service des thèses canadiennes

Ottawa, Canada
K1A 0N4

NOTICE

The quality of this microform is heavily dependent upon the quality of the original thesis submitted for microfilming. Every effort has been made to ensure the highest quality of reproduction possible.

If pages are missing, contact the university which granted the degree.

Some pages may have indistinct print especially if the original pages were typed with a poor typewriter ribbon or if the university sent us an inferior photocopy.

Reproduction in full or in part of this microform is governed by the Canadian Copyright Act, R.S.C. 1970, c. C-30, and subsequent amendments.

AVIS

La qualité de cette microforme dépend grandement de la qualité de la thèse soumise au microfilmage. Nous avons tout fait pour assurer une qualité supérieure de reproduction.

S'il manque des pages, veuillez communiquer avec l'université qui a conféré le grade.

La qualité d'impression de certaines pages peut laisser à désirer, surtout si les pages originales ont été dactylographiées à l'aide d'un ruban usé ou si l'université nous a fait parvenir une photocopie de qualité inférieure.

La reproduction, même partielle, de cette microforme est soumise à la Loi canadienne sur le droit d'auteur, SRC 1970, c. C-30, et ses amendements subséquents.

Canada

FUND-RAISING BY NON-PROFIT AGENCIES IN THE HEALTH AREA

A thesis prepared by

Michael O'Brecht

to meet the requirements for an

MBA degree from the University of Ottawa

© Michael O'Brecht, Ottawa, Canada, 1990

National Library of Canada
Bibliothèque nationale du Canada

Canadian Theses Service
Service des thèses canadiennes

Ottawa, Canada
K1A 0N4

NOTICE

The quality of this microform is heavily dependent upon the quality of the original thesis submitted for microfilming. Every effort has been made to ensure the highest quality of reproduction possible.

If pages are missing, contact the university which granted the degree.

Some pages may have indistinct print especially if the original pages were typed with a poor typewriter ribbon or if the university sent us an inferior photocopy.

Reproduction in full or in part of this microform is governed by the Canadian Copyright Act, R.S.C. 1970, c. C-30, and subsequent amendments.

AVIS

La qualité de cette microforme dépend grandement de la qualité de la thèse soumise au microfilmage. Nous avons tout fait pour assurer une qualité supérieure de reproduction.

S'il manque des pages, veuillez communiquer avec l'université qui a conféré le grade.

La qualité d'impression de certaines pages peut laisser à désirer, surtout si les pages originales ont été dactylographiées à l'aide d'un ruban usé ou si l'université nous a fait parvenir une photocopie de qualité inférieure.

La reproduction, même partielle, de cette microforme est soumise à la Loi canadienne sur le droit d'auteur, SRC 1970, c. C-30, et ses amendements subséquents.

ISBN 0-315-60581-2

NL-339 (r. 88/04) c

Canada

UNIVERSITÉ D'OTTAWA
UNIVERSITY OF OTTAWA

ABSTRACT

Non-profit health agencies are examined from three perspectives: their contribution to medical research by region and subject area; changes in their revenue sources and fund-raising techniques between 1982 and 1987; and, correlates of fund-raising effectiveness. Data are obtained from a survey of 1,103 health charities and foundations, interviews with the executive directors of six hospital foundations across Canada and statistics in the public domain. Results indicate that in comparison with the distribution of Federal government research grants, health agency research funding is more highly concentrated in one province, Ontario, and two subject areas, cardiovascular disease and cancer. Agencies appear to be obtaining larger proportions of their total funding from donations or business activities and smaller proportions from government grants or transfers. Large-established agencies are shifting fund-raising resources from canvassing to direct mail. Two variables, public awareness of the agency and the proportion of agency funds derived from donations, appear to be important correlates of agency effectiveness as measured by donations per fund-raising dollar. Small, positive correlations are noted between two indicators of a marketing approach and fund-raising outcome. Implications for future research are discussed.

CONTENTS

INTRODUCTION

In 1987, through 57,000 foundations and charities, Canadians voluntarily contributed approximately four billion dollars to the cost of providing humanistic services. Giving amounted to nearly 0.8% of the Gross Domestic Product for that year, not including contributions of volunteered time. Even if valued at only five dollars per hour, the estimated 453 million hours of labour donated by volunteers to the operation of non-profit organizations yields a further 2.3 billion dollars of productive activity. The economic impact of voluntary giving and its social, philosophical and political relevance justifies careful study of factors influencing the amount of funds raised by the non-profit sector and the ultimate distribution of resources.

Health organizations received over 11% of the funding available through the voluntary sector in 1987. The present study focuses on the raising and distribution of funds by these health charities and foundations, a group that includes large organizations such as the Canadian Red Cross and the Canadian Cancer Society, medium-sized agencies such as the Hospital for Sick Children Research Foundation and many small organizations that address specific issues or serve as vehicles for family or corporate giving.

The study pursues hypotheses in three areas: the distribution of funds from a regional and disciplinary perspective; the impact of increasing competition on the sector; and, the correlates of successful fund-raising.

Health agencies provided 25% of extramural funding for health research in Canadian universities or 14% of the total national expenditure on health research and development in 1987. This study examines the proposition that the distribution of research funding provided by the health agencies, when compared with the distribution of research grants from the Federal government, will show greater concentration in regions of high economic activity and in disease areas that have a high public profile.

The number of health agencies has grown rapidly over the last decade, at a rate of 5% per year, resulting in increased competition for both donations and government grants. The present work compares changes between 1982 and 1987 in the sources of funding and the fund-raising techniques of established and developing agencies.

The final area investigated in this study is the correlation between agency characteristics and success at fund-raising. Working around a central hypothesis that agencies which adopt a marketing approach will be more effective fund-raisers, the study examines more than thirty variables which could conceivably have an impact on fund-raising outcome.

Methodology includes an analysis of statistics in the public domain, a mail survey of 1,103 agencies in the health area and interviews with the executive directors of six hospital foundations across Canada.

Findings reveal that research funding provided by the health agencies, when compared with the regional distribution of Federal research grants, is highly concentrated in Ontario. The share of non-profit research funding held by the Western provinces is quite close to their share of Federal health research grants. Quebec and the Maritime provinces receive a noticeably smaller share of health agency funds compared to their share of Federal grant funds. Non-profit research funding is also concentrated by subject area, cancer and cardiovascular disease receiving two thirds of the non-profit total compared with one sixth of the Federal total.

Between 1982 and 1987, there was a drop in the proportion of agency revenues derived from investment income, government grants and transfers from affiliates or the United Way, and a rise in the proportion of revenues derived from agency businesses, corporate and individual donations, and, other sources. Agencies began to draw revenues from a wider range of funding sources and to increase their complement of fund-raising techniques. Large, established agencies decreased the proportion of non-salary fund-raising resources devoted to door to door canvassing and increased the proportion allocated to direct mail solicitation. Analyses of the relative importance of various

revenue sources to large-established and small-developing agencies show that the smaller agencies are more dependent on donations, particularly donations from corporations.

Fund-raising effectiveness, when defined in terms of donations received per dollar spent on fund-raising, shows moderate to strong correlations with two agency characteristics in particular. Agencies addressing problems that are well-known to the public, and agencies which obtain large proportions of their revenues from individual donations, are likely to receive more money per fund-raising dollar than agencies which address unfamiliar problems and/or obtain only a small proportion of revenues from donations. Adoption of a marketing approach also appears to be positively correlated with fund-raising effectiveness but the correlation is not strong. Of the various elements that comprise a marketing approach, knowledge of donor behaviour, market research, experimentation and evaluation seem to be related to fund-raising effectiveness. Agency image also appears to be critical. Interviews with executive directors of hospital foundations suggest that use of marketing principles by health agency fund-raisers is quite extensive, and growing, but that wholesale adoption of a client-oriented approach is not widespread.

ACKNOWLEDGEMENTS

Funds for the survey of health agencies and interviews that underlie this study were provided by the National Health Research and Development Program of Health and Welfare Canada through NHRDP Grant 6606-3690-55 to Professors Jérôme Doutriaux and Pranlal Manga in the Faculty of Administration at the University of Ottawa.

I am deeply indebted to Dr. Pierre Bois, President of the Medical Research Council of Canada, for his unwavering encouragement and support of my graduate work in administration. I am equally grateful to my principal research advisor, Professor Doutriaux, for sharing his enthusiasm for research and offering wise counsel at many critical junctures. Thanks, too, to Professor Manga, for providing valuable advice on the survey population and appropriate cautions concerning the limitations of our data base. Olivier Robins skilfully conducted a survey of marketing professors and students that led to development of an instrument for assessing the quality of agency documentation. Catherine Miles read the first draft of this report and offered helpful suggestions for its improvement. The following people provided assistance with survey management, coding or data entry: Luc Lamontagne, Snehansu Ghose, Gwyneth Obrecht and Jane Obrecht. Marie-Reine Cluniat assisted with translation of a preliminary survey report to French and Lorraine Cléroux helped with some of the word processing. While recognizing and appreciating the important contributions of others to the work, I accept full responsibility for any errors or omissions.

Michael O'Brecht

Ottawa

May, 1990

Dedicated to Beth

CHAPTER 1: BACKGROUND

The private non-profit sector provides an important complement to government social services, helping to fill needs in niches left unfunded by public programs (Pifer, 1987). Charities and foundations can support high-risk projects that governments may not be prepared to fund and can address issues that may not be popular with the government in power. Start-up money from non-profit agencies can be the nucleus around which funding from other sources is attracted (Devries, 1981).

The role of the non-profit sector becomes even more critical as governments seek to reduce costs by cutting back on both social service funding and grants for voluntary agencies (Salamon, Musslewhite and de Vita, 1986). Agencies at once find an increasing demand for their services and a need to augment revenues from non-governmental sources.

Partly because of the diversity of organizations in the not-for-profit sector, there is a lack of centralized information on the population of agencies, their sources of revenue and the distribution of their resources. A large part of the public does not understand the role of non-profits and has mistaken notions about their administration, believing that nearly half of donated funds go towards fund-raising costs (Arlett, 1988). For their part, many agencies feel that federal, provincial and municipal governments tend to function in a vacuum, not only unaware of the non-profit sector but also not communicating adequately with each other (Canadians for Health Research, 1988).

This study sets out to broaden the information base on non-profits by addressing three questions on voluntary agencies in the health sector:

. What is the distribution of voluntary agency funds across geographic regions and subject disciplines?

- What has been the impact of increased competition among non-profits on the relative importance of their various revenue sources and their approaches to the raising of funds?
- What are the characteristics of agencies that excel in terms of fund-raising results?

Each question will be explored in a separate chapter; a final chapter will draw findings together and suggest directions for future work. The rest of this introductory chapter will provide an overview of the voluntary sector and the population of agencies that offers programs or services in the health area. Methodology that relates to all three of the research questions will also be described.

Factors Influencing the Private-Non-Profit Sector

In "An Essential Grace", Samuel Martin presents a scholarly examination of the roots of Canadian philanthropy, tracing its origins back to the community orientation of the citizens of ancient Greece (Martin, 1985). As have other authors (e.g., Feingold, 1987), Martin discusses the changes on philanthropic outlook wrought by the forces of renaissance, the reformation, colonialism and the industrial revolution. Especially important to an understanding of differences in the regional distribution of charitable organizations in Canada is Martin's theory that the relatively low level of non-profit activity in Quebec stems from the lead role played by the Roman Catholic church in the development of French Canadian society. Martin suggests that in Quebec the Church provided many of the social services that in other cultures would have been the *raison d'être* of voluntary organizations.

Another important observation emerging from Martin's work is that over the long-term, from 1878 to 1978, the proportion of humanistic service funded by the private sector decreased dramatically as governments assumed responsibility for social welfare and the funding of public goods. The relationship between national social policy and voluntary giving is also evidenced by a comparison of per capita donations in different countries. Thompson shows that the British, in a

society in which government programs cover the entire spectrum of social services, donate 0.52% of their income to charities whereas Americans, with less of a socialist tradition in government, donate 2.0% (Thompson, 1988). Canadians, as might be expected given Canada's intermediate position on the political spectrum, give 0.76%, i.e., more than the British and less than the Americans. The philosopher Michael Ignatief suggests that one of the disadvantages of socialism is that it leads people to feel that governments, not they as individuals, are responsible for helping others satisfy their basic human needs (Ignatief, 1986).

Over the long-term, culture and political philosophy are the dominant forces shaping the non-profit sector. Shorter-term influences include tax regulations, economic cycles and changing demographics.

Taxation policy can foster growth of the non-profit sector by granting tax exempt status to charitable organizations and reducing the tax on personal income donated to charities (Drache, 1980). Similarly, the tax rate on business profits can influence corporate decisions to decrease book profits by making donations to charities. However, the relative importance of tax considerations to the sector is debateable. The economists Weisbrod and Dominguez (1986) believe that the importance of personal tax deductions to individual donation decisions is overrated and that, as semi-private goods, the social benefits of non-profit agencies are most effectively promoted through advertising. In contrast, Feldstein and Clotfelter (1976) use tax data to show that the increase in government revenues resulting from a lowered tax deduction for charitable donations would be less than the resulting revenue loss for the non-profit sector.

Economic cycles appear to have no significant effect on overall giving by individuals but show a strong effect on corporate giving (Thompson, 1988). Declining birthrates and resultant increase in the proportion of the population considered as senior citizens will influence both the demand for services in the non-profit sector and agency revenues.

Profile of the Private-Non-Profit Sector

The definition of the private-non-profit sector adopted for this study includes all registered Canadian charities and foundations. Charities are essentially organizations which carry out charitable activities directly; foundations normally fund, but do not perform, specific charitable activities (Drache, 1980). For example, Canadians for Health Research, an organization that directly carries out its mission of increasing awareness of the importance of medical research, would be considered a charity whereas the Canadian Heart and Stroke Foundation, which raises funds for educational and research activities performed by other institutions, is classified as a foundation. The distinction between charities and public foundations is unimportant for the purposes of this work. However, private foundations, typically named after a particular family member or a specific corporation, will be recognized as fundamentally different from public foundations or charities as they do not raise funds in the public domain.

In 1986, the 55,232 charities and foundations registered with Revenue Canada administered a total amount of 3.4 billion dollars in charitable donations: 3,100 million from individuals; 251 million from corporations; and, 166 million from private foundations. The 3.4 billion amounted to 0.72% of the Gross Domestic Product (Thompson, 1988).

A national poll conducted by Decima Research in 1987 indicates that 33% of Canadians had been involved in voluntary work in the preceding year; the median amount of time contributed was 4.5 hours per month (Arlett, 1988). Multiplying 54 hours per year times one third of the Canadian population yields 453 million hours of volunteer labour. If the volunteers had been paid minimum wage for their efforts, the total bill would have been about 2.3 billion. A survey of corporate Chief Executive Officers found that three quarters had at some time raised money for charities and one third were currently on the board of a charitable organization (Angus Reid Associates, 1987).

Religious organizations account for the largest proportion of the total expenditure by the non-profit sector, about 39%, followed by welfare agencies at 25%, then community organizations at

14%. Agencies in the health area receive about 11% of the total while educational organizations receive 9% (Statistics Canada, 1980).

Charities and Foundations in the Health Area

One of the reasons for selecting health agencies for study is their relatively high visibility and public popularity. The 1987 Decima survey on attitudes towards non-profits revealed that the public considers the search for cures for disabling diseases as the most important of charitable activities (Arlett, 1988). Bell (1988) reports a similar finding on corporate giving; health and the prevention of illness are the areas most often supported by corporations. Three other factors led to selection of health agencies as the focus for this study. First, the number of health agencies is growing rapidly. Second, the impact of voluntary agencies on Canadian health research is significant, much more than is the case in the United States or other highly developed countries. Third, the federal government is interested in increasing the contribution of the private sector (including non-profit agencies) to Canadian research and development and has been experimenting with policies to enhance funding of university research from non-governmental sources (MOSST, 1989).

Most agencies in the study population fund a range of activities that may include health education, health research and support for health services. The Heart and Stroke Foundation, for example, spends 64% of its budget on research, 23% on education and the remaining 13% on administration, including the costs of fund-raising campaigns (Aubry, Chase, Lauzon and Millette, 1987). Organizations such as the Victorian Order of Nurses and the Canadian Red Cross are primarily service providers, their research and education programs drawing relatively small portions of overall expenditures.

Health societies are often founded by doctors or the families of patients and will tend initially to be concerned with improving treatment and raising public awareness. Support of medical

research appears to become an increasingly important objective as societies mature (Canadians for Health Research, 1988). Private foundations often support the entire spectrum of health activities. Foundations that raise funds for primary or secondary care hospitals usually focus on providing for capital expenditures, buildings or medical equipment. For tertiary care hospitals, the associated foundation will often specialize in raising funds for research.

The number of registered charities in the health area nearly doubled between 1974 and 1986, increasing from 2,283 to 3,937 at an annual rate of about 5%. Total 1987 expenditure by the health non-profits was in the range of 450 to 600 million dollars, amounting to about 1% of national expenditures on health care. Merrill and Somers (1986) report a figure of 2% for the United States in 1983, the higher percentage contribution by non-profits probably reflecting the American tradition of private medical care.

Study Methodology

This section will describe methodology that applies generally to the entire study. The specific approaches that were taken to answer each of the three major questions will be explained in subsequent chapters.

The key source of original data was a mail survey of charities and foundations. The addresses of 1,103 private sector organizations that appeared to be offering either grants or service programs in the health area were identified using lists obtained from the Canadian Centre for Philanthropy, the Medical Research Council, Health and Welfare Canada, and, Canadians for Health Research (Arlett and van Rotterdam, 1985; Medical Research Council, 1987; Health and Welfare Canada, 1986). The survey population, approximately one quarter of the universe of registered health charities, included all major agencies. After a review of the literature on fund-raising, and consultations with agency directors and two leading authors on Canadian philanthropy, a questionnaire was developed to obtain 1982 and 1987 data on personnel, sources of

revenue, expenditures, fund-raising resources, fund-raising techniques, infrastructure and use of consultants. In addition the survey sought opinions on fund-raising issues and copies of promotional materials. The questionnaire, produced in both official languages and pretested on a random sample of 10 agencies, was mailed in November 1988; non-respondents were sent a second request for data in March 1989. A copy of the survey instrument is appended (pages 71 to 80).

Data were coded and entered into a computer file for analysis using the Statistical Package for the Social Sciences (SPSS) software. A set of criteria for assessing both the form and content of promotional material was developed with advice from marketing specialists and an expert panel. All documentation provided by the agencies was subsequently rated and the additional data then added to the computer file.

Kotler and Andreasen (1987, 12) present a summary of non-profit classification systems used by earlier researchers. Some investigators have taken sources of agency funding as a typology, others the degree of political control of the agency, and yet others have adopted a multi-dimensional approach. The system used for analysis in the present work allows separation of agencies that actively fund-raise from those that rely primarily on government grants, investment income or service fees. Table 1-1 illustrates the classification scheme developed for this study and the rates of response from each agency type. Completed questionnaires were received from 22% of the survey population. A further 11% of the questionnaires, primarily from small societies and private foundations, were returned as undeliverable, indicating notable turnover in those subgroups.

TABLE 1-1: Classification Scheme and Number of Organizations

Type of Organization	*Surveyed*	*Responded*	*(%)*
Head Offices of Multi-Branch Agencies	53	32	(60)
Branch Offices	246	51	(22)
Small Societies	258	50	(19)
Hospital Foundations[1]	98	52	(50)
Private Foundations[2]	305	35	(10)
Health Care Institutions[3]	143	24	(17)
Total	1,103	244	(22)

Note 1: Includes three research institutes.

Note 2: Includes 239 family foundations and 66 corporate foundations.

Note 3: Includes clinics, nursing homes, etc..

The relatively high response rate from head offices likely reflects their interest in fund-raising, their recognition of the usefulness of surveys as an aid to coordination, the availability of staff for completing the questionnaire and their access to well-maintained financial records. The low response from private foundations may reflect the fact that few are engaged in active fund-raising, that their administration is often a part-time activity and that small private foundations might perceive their contribution to health research or services as not significant enough to warrant participation in the survey. Some branch offices of large societies stated that they had forwarded the questionnaire to head office. Many of the small societies reported that they did not have 1982 data readily available and, also, could not easily identify fund-raising expenses as a separate item within their administrative budget. In analyses of the data, due account has been taken of the likelihood that, compared with non-respondents, respondents would tend to be more active in fund-raising and more interested in research.

Interviews with the executive directors of six hospital foundations across Canada served as the second source of original data. Three pair of hospital foundations were studied, each pair similar in terms of age, total revenue and size of city but different in both percentage revenue change over the period 1982 to 1987 and in the ratio of donations to fund-raising expenditures in 1987. Interviews were used to clarify responses to the original questionnaire, to assess use of marketing principles and to investigate the importance of the board of directors, and networking, to the fund-raising enterprise.

CHAPTER 2: IMPACT OF HEALTH AGENCY FUNDING FOR RESEARCH

Hypotheses

In relation to the total 1987 expenditure on health of 47.9 billion dollars, the estimated 525 million (1.1%) provided by the voluntary sector cannot significantly affect the regional distribution of health expenditures. However, the 106 million dollars that the non-profits contribute to medical research amounts to 14% of the 783 million national expenditure on health research, or 25% of the 418 million extramural funding for research in universities and institutes, and thus potentially could have an impact on both the regional distribution of research funding and the total amount of funds directed to specific fields of research. This chapter pursues the hypothesis that voluntary sector funding for medical research will tend to increase rather than alleviate regional disparity in research funding. It is expected that voluntary sector funding will be more concentrated in regions of high economic activity than will be grant funds provided by the federal government. It is also postulated that research monies from the voluntary sector will tend to be related to diseases that have a high public profile.

Importance of Issues

Maintenance of a strong research base in all regions is important for the provision of quality health care. Highly qualified medical specialists are attracted to tertiary care centres that have active research programs. They seek work environments that provide intellectual challenge and opportunity. A region that has an inadequate supply of research funding is thus likely to experience difficulty in attracting first-rate clinical specialists to its teaching hospitals. Lack of strength at the tertiary care level may decrease the region's attractiveness to secondary care clinical specialists; shortages of specialists may in turn make the area less appealing to primary care physicians. Levels of research funding also affect a region's ability to recruit outstanding scientists to teach in its health professional schools. A low inflow of resources for research can

thus decrease the quality of education for the future generation of health professionals, leading to a long-term decline in the quality of regional health care.

The distribution of research funds by subject area can in the medium term influence the level of activity in different fields and, in the longer term, affect the national ability to pursue research in specific subject areas. A high level of research funding in a popular subject area will not only increase the current research activity in that area but will also act as an inducement for young people to train in the field. This may work to the nation's advantage if the research addresses a national health problem but could conceivably be disadvantageous if researchers or trainees are drawn away from important but underdeveloped research areas.

Previous Work

Thompson (1988) reports the number of registered charities by province as of September 1986. The Western provinces (British Columbia, Alberta, Saskatchewan and Manitoba) have 35.5% of all charities, Ontario has 38.3%, Quebec has 15.2% and the Maritime provinces (Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland) have 10.9%. In terms of number of charities per 1,000 population, the Maritime and Western provinces have a higher density (2.6 charities per 1,000) than does Ontario (2.3 charities per 1,000). Quebec has the lowest density of registered charities, 1.3 per 1,000 population. Donations per family as a percent of pre-tax income are also low in Quebec (.31%) compared with the rates in other areas, .97% in the Maritime provinces, .76% in Ontario, .90% in the Prairies and .68% in British Columbia.

Using data from annual surveys of the 16 Canadian medical schools , Ryten (1989) has demonstrated shifts in the sources of funding for medical research. In 1981, not-for-profit agencies supplied 20.7% of the research operating expenditures reported by the medical schools. By 1987, the percentage had dropped to 17.7%. Increases were observed in the percentage contributions from industry (rising from 2.2 to 5.0% of the total research funding received) and

local sources (from 1.7 to 4.1%).

Statistics Canada (1989-b), has estimated the regional distribution of health research and development funds in the higher education sector. The estimated data suggest that not-for-profit research funding is concentrated in Ontario. For all other regions, the share of non-profit funding was less than the share of federal research grants.

There appears to have been no systematic classification of Canadian health research and development funding by subject area. The main impediments seem to be the lack of a common, useful classification scheme and the inherent difficulty of classifying research activity by field. The scheme used in this analysis, the International Classification of Diseases, is of limited use to research funding organizations because of its focus on disease whereas much basic research in the health sciences is on mechanisms that underlie both normal and abnormal functioning. Most non-profit agencies are primarily interested in one particular disease and will not be concerned with assessing the national research effort in other health areas. Even with a common classification scheme in place, the categorization of research projects is difficult. Research on cancer using a model in which tumours induced by a virus result in alterations of hormone levels could be classified as cancer, virology or endocrinology, or all three, with funding allocated in proportion to the project's relevance to each field. Much basic medical research cannot be readily linked to specific diseases.

Methodology

The general approach is a comparative analysis of data available from the survey of health agencies, surveys by Statistics Canada and the Association of Canadian Medical Schools, and, administrative data available from the Medical Research Council, the National Health Research and Development Program and other public sources. Data thus collected are used to develop the desired regional and subject area distributions. As points of reference, distributions by

population, health care expenditure, and causes of hospitalization are also presented. The regional impact of the concentration of voluntary sector research funding is assessed by calculating the allocation that would result if health agency funds were distributed in the same proportion as Federal grants.

Findings

(a) Regional Distribution

Table 2-1 provides data on the distributions of population and health expenditures by region. The distributions are quite similar, the main difference being that health expenditures are slightly more concentrated in Ontario. The regional distribution of health expenditures is selected as the reference distribution for this analysis as it does not advantage the hypothesis that there will be a noticeable concentration of non-profit health research funding in regions of high economic activity.

TABLE 2-1: Regional Distribution of Population and Health Care Expenditures

	Regional Distribution[1]				
	West	Ont	Que	Mari	Canada
Population[2]					
(millions)	7.4	9.3	6.6	2.3	25.6
(percent)	28.9	36.3	25.8	9.0	100.0
Health Expenditures[3]					
(billions of dollars)	13.9	18.4	11.7	3.7	47.7
(percent)	29.1	38.6	24.5	7.8	100.0

Note 1: West includes British Columbia, Alberta, Saskatchewan, Manitoba; Ont, Ontario; Que, Quebec; Mari indicates the maritime provinces (Prince Edward Island, New Brunswick, Nova Scotia, Newfoundland).

Note 2: Source: Statistics Canada (1989-c), data for 1987.

Note 3: Source: Policy, Communications and Information Branch, Health and Welfare Canada

Based on data derived from the health agency survey mailing list, Table 2-2 shows the percentage of head offices, branches, small societies, hospital foundations and private foundations in each region. Health agencies are more concentrated in Ontario than are charitable agencies in general, probably because the total agency population includes large numbers of religious charities which are more likely to be broadly dispersed across the country. Comparison of the regional distribution of health agencies with the distribution of health expenditures also shows a concentration of agencies in Ontario and a disproportionately small number of agencies in Quebec. Concentration is most pronounced in the case of head offices. Ontario has 85% of the head offices of large health agencies while Quebec has 6% and the Maritime provinces have none.

TABLE 2-2: Regional Distribution of Private-Non-Profit Agencies in the Health Area

Agency Type	*Percent of Agencies*				*Number*[1]
	West	Ont	Que	Mari	
Head Office	9.4	84.9	5.7	0	53
Branch	30.9	41.5	7.7	19.9	246
Small Societies	22.5	65.5	9.3	2.7	258
Hospital Foundations	26.5	51.0	17.3	5.1	98
Private Foundations	14.8	61.3	20.7	3.3	305
Other	38.5	46.9	4.9	9.8	143
All Types of Health Agency	24.0	56.2	12.1	7.7	1,103
Reference Distributions					
Health Expenditures	29.1	38.6	24.5	7.8	$ 47.8 billion
All Registered Charities[2]	35.5	38.3	15.2	10.9	5,232

Note 1: The numbers on which the percentages operate are provided to allow for calculation of the number of agencies in each region.

Note 2: Source: Thompson (1988)

Two lines of evidence suggest that nearly one quarter of the health agencies' total program funding is allocated to health research. First, 23% of the program funds reported in the agency survey was spent on research, 22% on medical and 1% on health care research. Second, the Statistics Canada estimate of 106 million dollars contributed by the non-profit sector to health research amounts to 25% of a total 420 million in health agency program funds (the latter figure derived by subtracting, from the estimated 525 million in health agency funding, administration costs in the order of 20%).

Data from the survey also permit an estimate of the respective contributions of large agencies, small societies, hospital foundations and private foundations to the medical research pool. For each type of agency, the proportion that funded research, and an average research contribution, was calculated. Then, the number of agencies of each type in the survey population was multiplied by the proportion expected to be funding research. Finally, the estimated number of research funders was multiplied by the average funding to compute a total research contribution for each agency category. The analysis suggests that large health agencies supply about 68% of the non-profit sector's contribution to health research. Small societies contribute an estimated 18%, hospital foundations 9%, and private foundations 6% of the 106 million total.

The regional distribution of Canadian health research and development funding in 1987 is shown in Table 2-3. A total of 783 million dollars of health research funding is identified, the majority destined for research conducted in universities and related non-governmental research institutions. Universities and research institutes received 418 million in funding from external sources: the federal government, provincial governments, private-non-profit agencies and private industries. When the universities' own contribution of 206 million dollars in research salaries and overhead is added to the 418 million of extramural funding, the total funding for university research amounts to approximately 623 million or 80% of the national expenditure.

TABLE 2-3: Regional Distribution of Funding for Canadian Health Research and Development in 1987

Research Site and Funding Sector	*Percentage by Region*[1]				*Amount*[2]	
	West	Ont	Que	Mari	Millions	
Universities[3]						
Federal: MRC	24.8	38.8	31.6	4.7	163.2	
NHRDP	24.6	43.1	27.0	5.2	21.1	
Other	22.1	44.2	25.6	8.1	9.7	
All Federal	24.7	39.6	30.8	4.9		194.0
Provincial	47.4	32.3	20.4	0	75.6	
Private-Non-Profit	25.1	53.0	19.1	2.9	106.0	
Industry	18.2	46.9	31.2	3.6	42.0	
All Extramural	28.2	42.3	26.0	3.4		417.6
Universities	38.3	45.3	7.1[4]	9.2	205.6	
All Sources	31.6	43.4	19.8	5.3		623.2
Industrial Laboratories	4.7	44.8	50.0	0.4	101.0	
Government Laboratories						
Federal	17.3	64.7	11.8	6.2	46.0	
Provincial	34.6	29.8	28.9	6.6	13.0	
Total Research Funding	27.3	44.6	23.4	4.8	783.2	
Health Expenditures	29.1	38.6	24.5	7.8		

Note 1: Sources of distributions: MRC, (Medical Research Council, 1988-a); NHRDP, tabulation from the National Health Research and Development Program, Ottawa; other federal, provincial grants and private-non-profit (Association of Canadian Medical Colleges, 1988); university salaries and overhead (Statistics Canada, 1989-b); industry grants and industrial labs (Patented Medicine Prices Review Board, 1989); federal government labs (Statistics Canada, 1988); provincial government labs (Statistics Canada, 1989-b).

Note 2: Sources of totals: MRC (Medical Research Council, 1988), excludes 7.2 million not amenable to regional distribution; NHRDP, tabulation from the National Health Research and Development Program, excludes 0.4 million for research in the Yukon; all others (Statistics Canada, 1989-b).

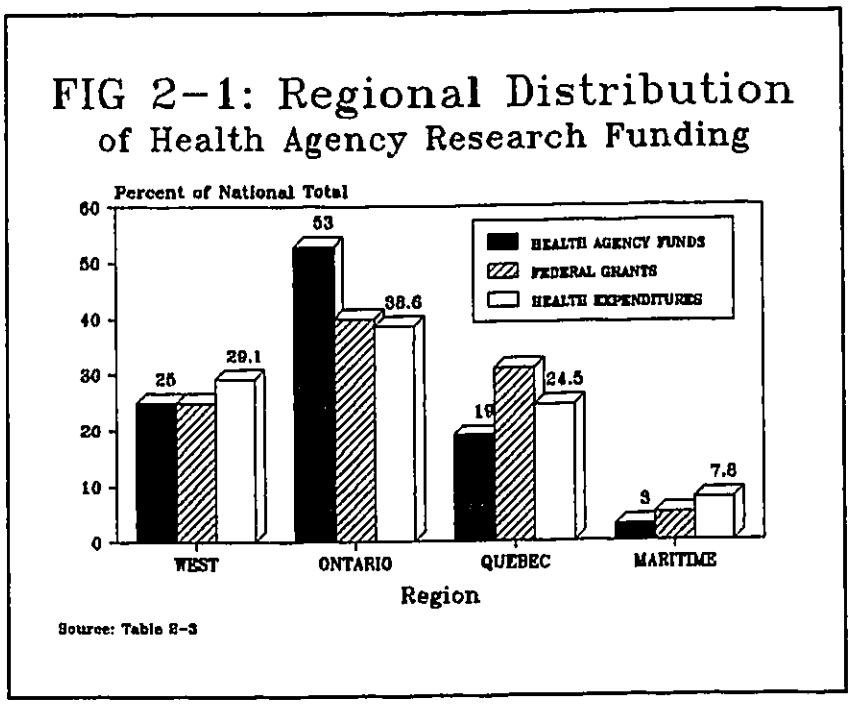
Note 3: Includes non-governmental research institutes.

Note 4: The surprisingly low estimate of funding provided by the higher education sector in Quebec has been brought to the attention of Statistics Canada officials. The estimation process is being reviewed.

Research conducted in the laboratories of pharmaceutical and other health-related industries (at a cost of 101 million dollars) accounts for 13% of the Canadian outlay; health research conducted in provincial and federal laboratories, such as those of the National Research Council, account for the remainder.

The last two lines of Table 2-3 permit a comparison of the regional distribution of the total 783 million dollars of health research funding with the distribution of health expenditures. The Western provinces draw 27.3% of the national research funding, slightly less than their 29.1% share of the national expenditure on health. Quebec appears to draw 23.4% of research funding while accounting for 24.5% of health expenditures. Ontario attracts proportionately more research funding (44.6% compared with 38.6% of health expenditures) while the Maritime provinces attract proportionately less (4.8% compared with 7.8%).

Figure 2-1 displays three regional distributions of particular interest in this study: research funding provided by the non-profit sector; federal government grants for research; and, as a reference, health expenditures. Compared with the distribution of federal government grants, the research contribution of the non-profit sector is highly concentrated in Ontario. The Western provinces, as a group, appear to be attracting voluntary sector funding in proportion to federal research grants. Quebec receives a relatively small share of the funds from health agencies. However, in relation to its health care expenditures, Quebec draws a proportionately large share of federal grants, offsetting the shortfall in research monies from the voluntary sector. The Maritime provinces are the most disadvantaged in terms of research funding. While the Maritime provinces draw 7.8% of the national expenditure on health, they attract only 4.9% of federal health research grants and even less, 2.9%, of the research money distributed by the health agencies.



Given that Federal health research grants are awarded competitively, it is reasonable to assume that their distribution reflects the current research capacity of the regions. A hypothetical redistribution of the 106 million dollars of research money provided by the voluntary sector, using the distribution of Federal grants as a model, allows an assessment of the impact of the voluntary sector's current distribution. If voluntary sector research money were allocated in proportion to the Federal grants allocation (not implying that it either could be or should be so allocated), the Maritime Provinces would receive an extra 2.1 million dollars from the non-profit sector, a 68% increase over the actual 3.1 million. Two million dollars of additional funding could provide the region with salaries and research monies for 17 or so new medical scientists, a significant boost to a region with less than 200 researchers in its health professional schools. The hypothetical reallocation would shift 12.4 million in voluntary sector funding to Quebec while Ontario would lose 14.1 million and the West would give up 0.4 million.

(b) Findings on the Distribution of Research Funding by Subject Area

Two distributions serve as points of reference for a study of the distribution of Federal and non-profit research funds by subject area. The first distribution is days of hospitalization by cause, the causes categorized according to the International Classification of Diseases. Days of hospitalization provides a measure of both the economic impact of a disease, in terms of lost productivity and health care expenditure, and the amount of suffering and discomfort caused by the illness. The second reference distribution is years of potential life lost as a result of death from specified causes. Years of life lost may be viewed as a measure of the untimeliness of death, a factor which likely affects individual perceptions of the potential impact of a disease.

The proportion of non-profit and Federal health research funds allocated to International Classification of Disease categories is shown in Table 2-4, along with notes on the procedures by which the classifications were effected. As expected, voluntary sector funds are concentrated in a more narrow range of disciplines than are the Federal funds. Two subject areas, cancer and cardiovascular disease, draw two thirds of all non-profit research dollars; in contrast, the first two thirds of Federal research funding covers six disease categories. Voluntary sector funding may increase or decrease the disparity between the percent of total research funding (Federal plus non-profit) and days of hospitalization. In seven of the 14 disease classifications, the non-profit research funding moves the total research funding towards the percentage of hospitalization days attributable to the diseases; for the other seven categories, the non-profit funding moves the total research funding away from the reference point. If it were seen desirable to aim for a better balance between research resources and causes of hospitalization, it would make sense for the non-profit sector to put less funding into research on cancer and diabetes and more into research on childbirth complications, mental disorders, digestive system diseases, respiratory problems, genito-urinary system diseases and ailments related to skin and the subcutaneous tissues.

TABLE 2-4: Distribution of Non-Profit and Federal Research Grant Funding by Disease Categories

Illness	*Percentage Distributions*			
	Reference	Research Funding		
	HOSP[1]	P-N-P[2]	FED[3]	TOTAL[4]
Circulatory System	22.9	27.9	10.5	17.3
Complications of Childbirth[5]	12.5	0.3	5.0	3.2
Mental	11.9	0.8	1.8	1.4
Neoplasms	9.9	38.7	4.7	18.0
Digestive System	8.9	3.7	5.5	4.8
Respiratory	7.8	4.5	4.8	4.7
Nervous System[6]	7.7	4.9	19.6	13.9
Musculo-Skeletal[7]	5.8	8.9	7.7	8.2
Genito-Urinary	5.6	2.5	4.3	3.6
Endocrine, Nutritional[8]	2.9	5.4	18.1	13.1
Skin & Subcutaneous Tissue	1.3	0.1	0.9	0.6
Infective and Parasitic	1.2	0.4	6.0	3.8
Congenital Anomalies	0.9	0.3	4.0	2.5
Blood[9]	0.7	0.8	7.1	5.0
	100.0	100.1	100.0	100.1

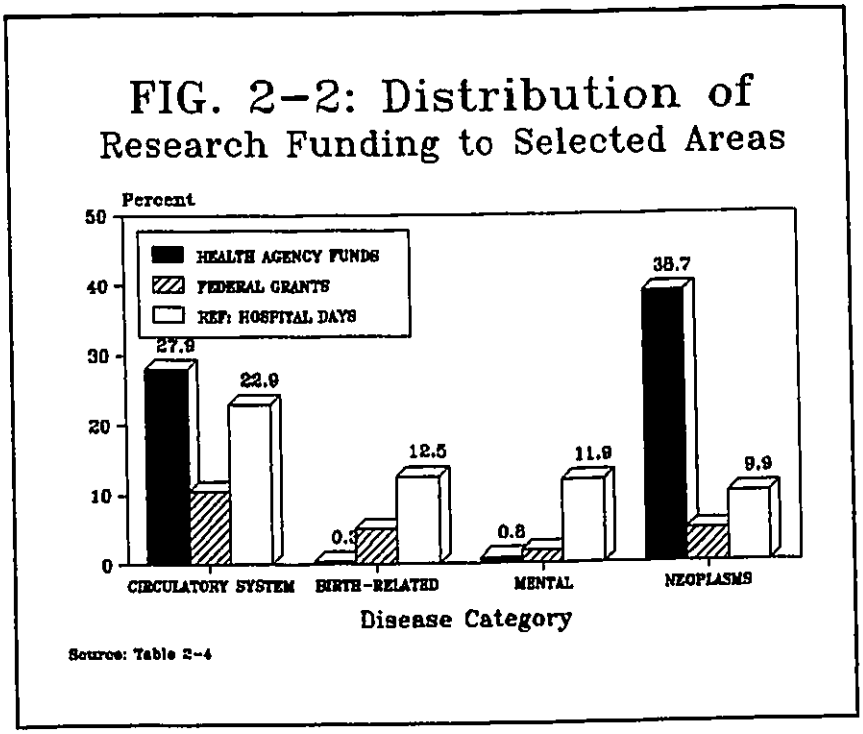
Note 1: HOSP, days of hospitalization per 100,000 population attributable to the illness category, expressed as a percent of the total days of hospitalization attributable to all listed categories (149,140 days per 100,000 population). Source, Statistics Canada (1989-c). Three of the categories appearing in the source table have been dropped for this analysis (symptoms and ill-defined conditions; accidents poisonings and violence; supplementary classifications), reducing the total days of hospitalization per 100,000 from 165,271 days.

Note 2: P-N-P, private-non-profit sector contributions to research. Source, Medical Research Council (1987). Based on data from the 33 major non-profit contributors to research which supplied a total of 82.5 million dollars, 79% of the 106 million for the whole sector. Funds were allocated to disease categories according to each agency's major interest. For those foundations that support a variety of research fields (total 5.3 million dollars), funds were allocated using the Federal government percentage distribution.

Note 3: FED, Federal government grants for university research. The distribution was that for the Medical Research Council, which provides 84% percent of Federal health research grants. Source, Medical Research Council (1988-a). The Medical Research Council's classification scheme can be logically transposed to the International Classification of Diseases except in six categories (biochemistry and molecular biology, cell biology, drug research, imaging, immunology and transplantation, neurosciences). For the six research categories that could not be directly matched to disease categories, distributions were developed using data from a survey in which MRC investigators had reported both departmental affiliation and the biological system addressed by their research (Medical Research Council, 1988-b).

Notes 4 to 9: Notes are continued on the following page

Figure 2-2 displays the percentage of health agency and federal research funding spent on four major causes of hospitalization. Circulatory system disease, complications of pregnancy, birth and the puerperium (labelled birth-related in the figure), mental illness and neoplasms cause over 50% of hospital separations. The graph demonstrates the large contribution of the voluntary sector to research on circulatory system diseases (primarily cardiac arrests and strokes) and neoplasms (primarily cancer) and relatively small contributions to research on birth-related complications and mental illness. Federal research grants, in contrast, are more evenly distributed among the four disease categories.



Note 4: TOTAL, the distribution of the total amount of funding, private-non-profit plus federal.
Note 5: Complications of Pregnancy, Childbirth and the Puerperium
Note 6: Nervous System and Sense Organs
Note 7: Musculo-Skeletal System and Connective Tissue
Note 8: Endocrine, Nutritional and Metabolic
Note 9: Blood and Blood Forming Organs

In Table 2-5 the proportion of research funds allocated to various disease categories may be compared to the proportion of years of lost life attributable to those diseases. The proportion of total research funds is consistently quite close to the years of life lost proportion, unlike the wide variation between research funding and days of hospitalization. For example, respiratory disease which causes 3.5% of years of life lost and 7.8% of days of hospitalization attracts 4.7% of research funding. The similar distributions of potential days of life lost and funding for research suggests that prolongation of life is an essential motivation of medical research.

TABLE 2-5: Percentage Expenditures on Medical Research in Relation to Selected Causes of Loss of Life

Cause of Loss of Life	*Percentages*			
	Reference	Research Expenditures		
	PYLL[1]	P-N-P	FED	TOTAL
Malignant Neoplasms	25.1	38.7	4.7	18.0
Heart and Cerebrovascular[2]	19.9	27.9	10.5	17.3
Congenital Anomalies	5.3	0.3	4.0	2.5
Perinatal Mortality[3]	5.3	0.3	5.0	3.2
Respiratory Disease	3.5	4.5	4.8	4.7
All Other Causes	44.4	28.3	71.0	54.3
	100	100	100	100

Note 1: PYLL, Potential Years of Lost Life. Source, Statistics Canada (1989-c). A total of 1,707,312 potential years of life lost was reported.

Note 2: The proportions of research expenditures attributed to this category are those that were assigned to the circulatory system category in the preceding table.

Note 3: Research expenditure percentages are those appearing under the category complications of pregnancy, childbirth and the puerperium in the preceding table.

Discussion

Health agency funding has a significant impact on the amount of Canadian medical research, the regional distribution of research funds and the subject areas in which research is conducted. Non-profits provide one quarter of the grant funding held by medical researchers in universities and nearly 15% of the national health research exp .nditure.

The regional distribution of not-for-profit health research dollars is more centralized than that of Federal government research grants but the centralization is more complex than was expected. If non-profit funding were strongly linked to levels of economic activity, then it would be expected that concentration would be highest in Ontario, then Quebec, followed by the Western Provinces and then the Maritime Provinces. Ontario does indeed attract a much higher proportion of non-profit than Federal research funding, but Quebec does not. The share of the Western provinces of non-profit research dollars is almost identical to their share of Federal monies while the Maritime Provinces appear to be the most disadvantaged by the regional distribution of non-profit funding, their share being less than two-thirds the size of their share of Federal research grant funding. Non-profit research expenditures are also more highly concentrated than Federal expenditures in certain disease areas. Research on cancer and cardiovascular disease draws two-thirds of health agency funding but only one sixth of Federal grants funding. The interaction of regional and subject area concentrations may exacerbate the overall effect on regional health care. As a result of the distribution of non-profit funding, Ontario would be expected to benefit from both a higher level of research activity and from centres of excellence in cancer research. In contrast, the Maritime provinces will face the problems associated with a generally low level of health research and a shortage of cancer research specialists.

The regional impact of non-profit research funding will vary according to the extent of research monies flowing into the regions from other sources. Although both Quebec and the Maritime provinces receive lower proportions of non-profit funding than Federal funding, the

impact on Quebec medical research is negligible compared with the impact on the Maritime provinces. Counterbalancing Quebec's low share of health agency funding is a large share of industry funding for university research. In contrast, the Maritime provinces receive relatively small shares of research grants from industry and have no provincial grants programs whatsoever. For the Maritime provinces, the small share of non-profit funding serves to accentuate the scarcity of research funds from other sources.

The impact of the concentration of health agency research funding by subject area is difficult to assess given the limited scope of this study. A balanced assessment of impact would require information on the distribution of industry and provincial government medical research grants by subject category. Impact assessment is also made difficult by the limitations of classification systems and the problem of finding a suitable reference distribution. This study suggests that the concentration of non-profit research funding, in relation to the distribution of days of hospitalization from specified causes, tends to improve the match between measures of hospitalization and research funding as often as it increases the disparity between the two. Non-profit funding tends to improve the match between total research expenditures and years of lost life in those two areas that draw the majority of health agency grants, cancer and cardiovascular disease.

Refined and broadened analyses of regional and subject distributions could be useful to government science policy makers, particularly those at the Federal level where regional distribution of resources is an important consideration. For example, with the type of information provided in this study, a decision to launch a new program to encourage industry contributions to to university research could take into consideration a series of simulations of the effect of the program on regions and subject areas. At the provincial level, data of this type could be useful in identifying areas where provincial programs are required to fill gaps left by the programs of other sectors. A science policy planner in the Maritime provinces, for example, could use data on the

regional distribution of medical research resources as the rationale for a provincial research grants program.

The analysis of funding by disease category suggests some general characteristics of disease areas that are likely to draw direct support for research from the public. Cancer and heart disease, two areas in which the public voluntarily provides considerable research funding, are both life-threatening and relatively easy for the public to imagine. Mental illness and perinatal complications, areas that draw little voluntary research funding, are probably seen as less life-threatening and, also, are difficult to conceive as distinct entities. Characterization of areas that the public willingly supports can provide information of use to health agency fund-raisers. Similarly, those interested in attracting more researchers to a given disease area can benefit from a better understanding of variables that influence personal perceptions of the importance of a disease.

Observation of the distribution of non-profit research funding reveals the limitations of the idea that non-profit funding tends to fill niches left by public sector programs. Funding provided by the health agencies, while vastly benefitting the national research effort as a whole, appears to have created regional and subject lacunae in the research funding matrix. Private donations for health research may be viewed as purchase of a private good, personal support of research in an area which promises increased chance of longevity, while government research funding may be perceived as a public good, support of essential work that is unlikely to appeal to individuals as private citizens.

Future work should explore non-profit regional and subject area impact in finer detail. The usual Statistics Canada classification of British Columbia, Alberta, Saskatchewan and Manitoba as one region, the West, masks important differences between the Provinces. For example, there was a rapid infusion of medical research funds into Alberta in the 1980s but little growth in research funding in Saskatchewan and Manitoba. A finer breakdown of regions would aid understanding of

the relative impact of various funding sectors. Estimates of health research conducted in federal and provincial laboratories within the regions should be improved and the non-profit health agencies, governments and industry should work together to develop a generally acceptable research classification scheme.

CHAPTER 3: REVENUE SOURCES AND FUND-RAISING TECHNIQUES

Hypotheses

In the period between 1982 and 1987 the number of registered health charities increased from three thousand to four thousand and the number of non-profit agencies in other sectors grew from 41 to 51 thousand (Thompson, 1988). New hospital foundations were created to raise funds for health care equipment and services as Provincial operating grants to hospitals were frozen or cut back, partly in response to decreases in transfer payments from the Federal government to the Provinces. Demand for health agency grants and awards increased as Federal grants programs were unable to maintain past funding levels (Canadians for Health Research, 1988; Ryten, 1989). While competition and demand were increasing, Canadians were donating lower percentages of their income than they had done in the 1960s. This chapter investigates the revenue sources and fund-raising techniques of large, established and small, developing agencies and changes in funding and fund-raising approaches between 1982 and 1987. It is postulated that smaller, newer agencies will tend to be more dependent than established agencies on corporate donations and government grants since development of a large base of individual donors is a long-term endeavour. It is also expected that the smaller, developing agencies will exhibit less diversification in terms of both sources of revenue and fund-raising techniques.

Importance of Issues

A central issue is the vulnerability of emerging non-profits to changes in the funding environment. Fluctuations in corporate and government contributions to the non-profit sector will be most troublesome for agencies which lack a broad donor base. If new agencies are indeed highly dependent on corporate and government grants then they may be less likely to survive during times of slow economic activity. A second issue is the ability of the non-profit sector to

respond quickly to emerging problems. The sources of funding for a non-profit organization will tend to influence its mandate and the approach that it takes to programming, promotion, and dealings with other possible funding sources (Karl and Katz, 1987; Wright, Rodriguez and Waitkin, 1986). A high degree of dependence on initial funding from the government or corporate sectors might imply restrictions on the ability of new agencies to deal effectively with problems that have no tradition of institutional support.

Previous Work

A survey of 134 research-oriented voluntary health organizations conducted by Canadians for Health Research (1988) asked respondents to indicate their major source of revenue. Donations (from the public and corporations) were the principal funding source for half of the responding agencies. One third of the respondents were primarily dependent on government grants (20% on Federal grants and 14% on Provincial funding) while the remainder reported membership fees as their principal funding source. Data on non-profits in the United States, though applicable to all agencies, not just those in the health area, indicate that government funding is the largest single source of revenue for the non-profit sector (Salamon *et al*, 1986).

Klein (1986) indicates the extent of cutbacks in non-profit funding from governments in the United States in the mid 1980s. To replace non-profit revenues lost as a result of government reductions over the first half of the 1980s, donations from individuals, corporations and foundations would have had to increase by 40% each year. A survey of fund-raising professionals in 1985 revealed that 42% viewed increased competition for donations as the greatest threat to success of their programs. Klein also reports that the increased demand for non-profit services and, hence, increased need for public donations occurred at a time when the differential between high and low income groups was the greatest ever reported for the United States.

Thompson (1988) provides data on donation trends in Canada during the first half of the

1980s. In 1979, donations as a percentage of the Gross Domestic Product (GDP) was 0.66, the lowest point at the end of a steady decline since 1979 when the donations indicator measured 0.93. From 1980 to 1985, donations as a percentage of GDP showed slow but steady growth from 0.67 to 0.72. Improvement in the donations indicator appears to have been largely attributable to increased giving by individuals. In 1980, individual donations accounted for 85% of all donations whereas in 1985 individuals contributed 88% of all charitable donations.

Wenocur, Cook and Steketee (1984) trace the development of the United Way in the United States from the early 1900s onward, arguing that its virtual monopoly on fund-raising in the workplace can disadvantage emerging organizations. They show how some organizations that were excluded from the United Way have banded together to secure access to charitable donations through employee payroll deduction plans. Feingold (1987) describes the proliferation of umbrella organizations in England in the eighteenth century as support of charities, formerly the domain of the nobility, became a concern of the general public. The agent fund-raisers provided assurance to small donors that their contributions would be directed to *bona fide* charities and also, perhaps, made these donors feel that their small contribution was supporting a larger cause than that of any one of the participating organizations.

Methodology

Hypotheses concerning the relative importance of various funding sources to large-established and small-developing agencies are examined using data from agencies participating in the principal survey.

A first selection from the respondent pool included those agencies that could conceivably be affected by changes in the level of support from donations or government grants and excluded those which were effectively immune to changes in the flow of funds from those sources. Thus, the initial selection included head offices, branch offices, small societies, hospital foundations and

specialized care institutions and excluded private foundations and professional societies, both of which derive the majority of their revenues from interest income. A second selection identified 42 agencies for which revenue and age were above median values and 46 agencies with revenue and age below median values.

The group of 42 large-established agencies is compared with the group of 46 small-developing agencies on two key measures, the percentage of 1987 revenue derived from various sources and the change in the distribution of revenue by source between 1982 and 1987. Revenue source categories include: membership fees; interest income; donations from individuals, corporate donations; government grants; income from agency business operations; funding from the United Way; transfers from affiliated organizations; and, "other". A count of the number of revenue sources for each agency is included in the comparisons as an indicator of diversification. Groups are also compared on the percentage of 1987 non-salary fund-raising budget devoted to various fund-raising techniques: advertising; special events; direct mail; door to door canvassing and "other". The change between 1982 and 1987 in fund-raising budget allocations is considered.

Findings for the total analysis group are then compared with findings on established and developing agencies within three categories of agency: branch offices; small societies; and, hospital foundations. Finally, large-established and small-developing agencies are compared on public awareness, documentation, administrative effectiveness and use of program funds.

A similar methodology could be used in the event that hypotheses were developed concerning agencies which have revenues above the population median and yet are younger than the median age or, conversely, have revenues below the median value and yet are older than the median age. The present analysis, focusing on agencies that tend to conform to expectations concerning agency growth over time, provides a useful point of reference for any future examination of groups of cases that exhibit less conformity to expectations of a close correlation between agency age and size.

It should be noted that, in this report, data on percentage revenues were based on an averaging of the revenue distributions for individual agencies and do not portray the magnitude of total funding from various sources . For example, in this analysis the revenue distribution of an agency that receives 20 million dollars in revenue is awarded the same weight as the distribution of an agency with revenues of 0.5 million. The total revenue pool was analyzed by source in a preliminary report on the agency survey. The largest contributor appeared to be the government sector (36%). The "other revenue" category provided 24% of the total revenues received by the responding agencies as a group, followed by personal donations (19%), transfers from other organizations (10%) and investment income (8%). Fees and corporate donations did not appear as major sources of funding in terms of the total funding received by the responding agency group.

Findings

Table 3-1 displays percentage contributions, to the 1987 revenues of large-established and small-developing agencies, of the seven categories of revenue. The hypothesis that developing agencies will be more dependent on corporate donations is supported. Corporate donations account for 15% of the developing agencies' revenues compared with 4% for the established agencies. Also as expected, the developing agencies exhibit less revenue diversification than the large agencies, obtaining funds from an average of three revenue sources (3.4) in 1987 compared with five sources (4.5) for the established agencies. Developing agencies make less use of "other" funding sources. Only 9% of developing agency revenues, compared with 27% of revenues for established agencies, is derived from "other" sources.

The data do not support a contention that younger agencies are more dependent on government grants. Although developing agencies derive 17% of their revenues from governments, established agencies obtain a larger proportion of their funding from that source (22%).

TABLE 3-1: Sources of Funding for Large-Established and Small-Developing Agencies in 1987[1]

Source of Revenue	Large-Established Agencies (a) n = 42	Small-Developing Agencies (b) n = 46	Difference (b - a)	Significance of T-Test for Difference in Means[2]
	Percentage of Revenue			
Membership Fees	3.2	12.6	+ 9.4	*
Investments	11.1	8.7	- 2.4	n.s.
Individual Donations	20.6	31.1	+10.5	n.s.
Corporate Donations	4.2	15.3	+11.1	**
Government Grants	22.3	17.3	- 5.0	n.s.
Agency Business	5.0	2.3	- 2.7	n.s.
United Way	4.1	1.1	- 3.0	n.s.
From Affiliates	2.2	3.1	+ 0.9	n.s.
Other[3]	27.2	8.5	-18.7	***
Total	99.9	100.0	0.1	
	Number of Sources of Revenue			
	4.5	3.4	- 1.1	***

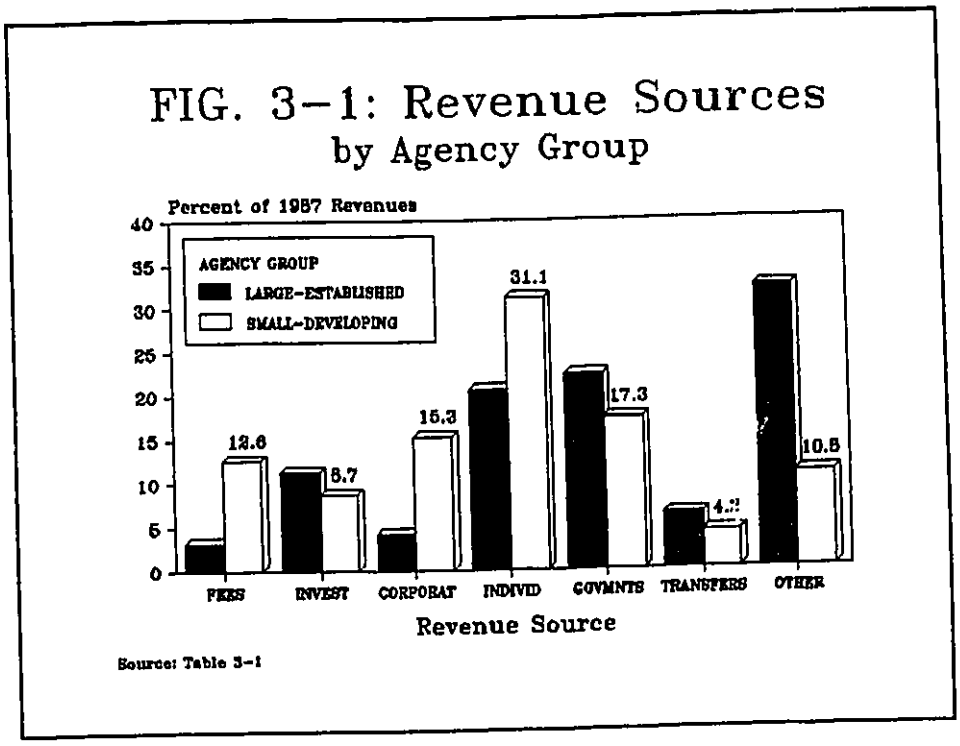
Note 1: A total of 154 agencies were assigned a label "large" or "small", depending upon their total 1987 revenue relative to a median value of 481.5 thousand dollars, and "old" or "young" relative to a median age of 13 years. Agencies that were both large and old were assigned to the "large-established" group; those that were both small and young were assigned to the "small-developing" group.

Note 2: * significant at the .05 level; ** significant at the .01 level; *** significant at the .001 level; n.s., not significant.

Note 3: The "other" category, the principal source of funding for the larger agencies, tended to be used by respondents for revenues that they could not readily classify. Ninety-one agencies in the total respondent pool reported "other" revenues and 62 of them provided comments on that category. "Other" revenues included bequests, funds from government lotteries, fees for service, sales, agency lotteries, sale of literature, income from special events and rental income.

An expectation that developing agencies would obtain a smaller proportion of their revenues from individual donations is not realized. In fact, when membership fees and individual donations are combined, the developing agencies appear to obtain 44% of their revenues from individuals, in contrast with the 24% recorded for established agencies.

Figure 3-1 presents the percentage distributions of revenue sources in graphic form. The three principal sources of funding for large-established agencies are the "other" category (27%), government grants (22%), and individual donations (21%), together accounting for 70% of all revenues. For small-developing agencies, the principal revenue sources are individual donations (31%), government grants (17%), corporate donations (15%) and membership fees (13%), the four sources supplying 76% of all funding.



KEY: FEES, membership fees; INVEST, investment income; CORPORAT, corporate donations; INDIVID, donations from individuals; GOVMNTS, governments; TRANSFERS, transfers from the United Way or affiliates; OTHER, other sources of revenue.

Table 3-2 shows the change between 1982 and 1987 in the percentage of revenues derived from the various sources by established and developing agencies. Each percentage change has been multiplied by percent of 1982 revenue to provide an indication of relative impact. When a revenue source accounted for only a small proportion of 1982 revenues, a large percentage change does not necessarily have a great impact on the agency's 1987 funding. Conversely, a small percentage change in a major source of funding may have a marked impact on the agency.

It is reasonable to assume that the funding source distributions of the established agencies would tend to be stable in an unchanging economic environment, the distributions having evolved over time towards a state of equilibrium between fund-raising effort and financial return. Accordingly, the changes in percentage distributions for the large-established agencies may be viewed as a response to changes in the economic environment between 1982 and 1987.

Large agencies obtained a smaller proportion of their revenues from government grants in 1987 compared with 1982, suggesting (but not affirming) a decline in government funding for established non-profit organizations. The United Way declined in relative importance. Investment income also provided a smaller proportion of 1987 revenues of large-established agencies, possibly reflecting the decline in interest rates after the recession of 1982. Donations, especially from individuals, increased in relative importance between 1982 and 1987, a shift that might have been predicted from data on increases in donations as a percent of personal income during that period. The "other" funding category also provided a slightly higher proportion of funding for large-established agencies in 1987 compared with 1982.

Change in the percentage distribution of revenue sources for the small-developing agencies is more difficult to interpret. It might be expected that the younger agencies are both evolving and responding to environmental pressures. Evolution would appear to predominate. For example, three high-impact changes moved the funding source distributions of the smaller-developing agencies in the direction of that of large-established agencies. Government grants increased in relative importance

while membership fees and donations from individuals decreased. However, two other high-impact changes cannot be explained in terms of evolution towards the large-established agency model. Corporate donations increased in importance while the relative importance of "other" revenue sources decreased.

TABLE 3-2: Changes in Revenue Sources for Large-Established and Small-Developing Agencies Between 1982 and 1987

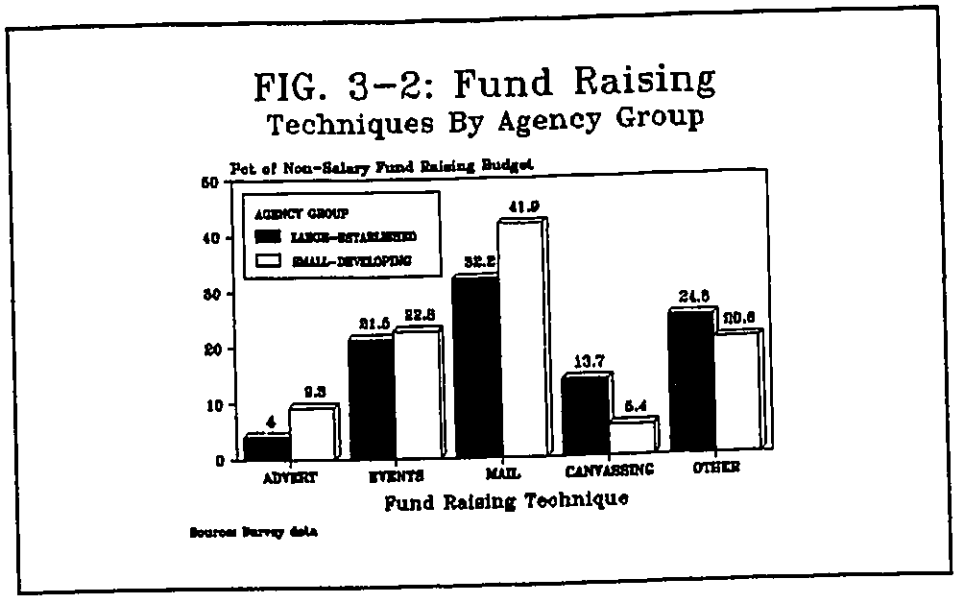
Sources of Revenue	*Changes in Percent of Total Revenue and Relative Impact, 1982 to 1987*				
	Large-Established Agencies (n = 39)[1]		Small-Developing Agencies (n = 29)		Significance of T-Test for Difference Between Means of Percent Change
	Pct Change	Impact [2]	Pct Change	Impact	
Membership Fees	+ 0.5	+ 1	- 4.7	- 56	n.s.
Investments	- 0.6	- 8	+ 0.8	+ 7	n.s.
Donations from Individuals	+ 0.7	+ 14	- 2.1	- 75	n.s.
Corporate Donations	+ 0.3	+ 1	+ 4.1	+ 40	n.s.
Governments	- 0.7	- 17	+ 2.8	+ 50	n.s.
Agency Business	+ 1.0	+ 4	+ 1.9	+ 2	n.s.
United Way	- 1.4	- 8	+ 0.3	0	n.s.
Affiliates	- 0.3	0	+ 0.6	0	n.s.
Other	+ 0.5	+ 13	- 3.7	- 52	n.s.
	Changes in Number of Revenue Sources				
	.4		.9		n.s.

Note 1: The number of cases is smaller than in Table 3-1 because some agencies had not provided data on 1982 revenue.

Note 2: The impact measure, explained in the text, is the product of percent change and the percent of 1982 revenue contributed by the funding source. A zero indicates negligible impact.

Between 1982 and 1987, established agencies increased the number of their revenue sources by about one for every two agencies (.4 per agency) presumably in response to growing competition for funds from traditional sources. Developing agencies increased the number of funding sources by about one (.9), suggesting both evolution towards the established-agency model and a response to increased competition for funds.

The fund-raising techniques used by the two groups of agency, and changes in their relative importance over time, provide additional insight into the agencies' responses to the fund-raising environment. Figure 3-2 shows the average percentage of non-salary fund-raising budgets spent by established and developing agencies on advertising, special fund-raising events, direct mail campaigns and "other" fund-raising techniques in 1987. The developing agencies tend to spend over half of their non-salary fund-raising budget on direct mail (42%) and advertising (9%). Established agencies devote a considerably smaller proportion of their fund-raising budgets to these expenditure categories, 32% to direct mail and 4% to advertising, but spend a larger proportion on door to door canvassing.



KEY: ADVERT, advertising; EVENTS, special events; MAIL, direct mail; CANVASSING, door to door canvassing; OTHER, other fund-raising techniques.

Table 3-3 shows changes between 1982 and 1987 in the percent of non-salary fund-raising expenditures devoted to the five expenditure categories. The percent change in each category has been multiplied by the 1982 percentage expenditure to produce an indicator of the magnitude of shifts in funds. For the large agency group, there was a pronounced drop in the percentage of funds allocated to door-to-door canvassing, from 20% in 1982 to 14% in 1987, and a corresponding rise in the proportion of funds spent on direct mail, from 25% to 32%. In contrast, shifts in the expenditure pattern of the developing agencies were less pronounced, the greatest being a 1.4% increase in funding for special events. For both groups of agency there was an increase in the diversity of fund-raising techniques over the 1982 to 1987 period. In 1982, the mean number of fund-raising categories in which data were reported by large, established agencies was 2.6; in 1987 the number was 2.9. For developing agencies, the mean number of techniques was 1.9 in 1982 and 2.4 in 1987.

TABLE 3-3: Changes in Percent of Non-Salary Budget Spent on Various Fund-Raising Techniques by Large-Established and Small-Developing Agencies Between 1982 and 1987

Fund-raising Technique	*Change in Percent of Budget and Relative Importance, 1982 to 1987*				
	Large-Established (n = 15)		Small-Developing (n=10)		Significance of T-Test for Difference in Means of Percentage Change[1]
	Pct Change	Impact[2]	Pct Change	Impact	
Advertising	- 1.2	- 6	- 0.9	- 5	n.s.
Special Events	- 0.4	- 6	+ 1.4	+ 41	n.s.
Direct Mail	+ 7.0	+ 183	+ 0.2	+ 8	n.s.
Door to Door Canvassing	- 6.6	- 133	0	0	n.a.
Other Techniques	+ 1.3	+ 44	- 0.8	- 21	n.s.
	Change in Number of Techniques Used				
Number of Techniques	+ .3		+ .5		n.s.

Note 1: n.a., not applicable; n.s., not significant at the .05 level.

Note 2: The impact measure, explained in the text, was obtained by multiplying the percent change by percentage of the 1982 non-salary fund-raising budget. Zero indicates negligible impact.

Table 3-4 shows that there is considerable variation in differences between the revenue source distributions of established and developing agencies depending on agency category (head office, branch, small society, hospital foundation or specialized health care facility). Hospital foundations show an atypically high percentage of revenue from individual donations (46%) and are also under represented in the large-established group. Thus, the observation that small agencies are highly dependent on individual donations may be a reflection of the situation for hospital foundations and not necessarily applicable to small agencies in general. Specialized health care facilities are highly dependent on government grants (58% of revenues) and are under represented in the small-developing group. The observation that established agencies tend to be more dependent on government grants may be caused by the inclusion of specialized care facilities in the comparison groups. Branch offices reported a high dependence on "other" sources of revenue and were under represented in the small-developing category.

TABLE 3-4: Heterogeneity of the Study Sample

Variable	*Values by Agency Type*				
	Head Office	Branch	Small Society	Hospital Foundation	Special Care Facility
Number[1]	28	39	30	41	16
1987 Revenue (K$)[2]	334	364	124	892	1,118
Age (Median, in Years)	16	33	7	6	8
Percent Large-Established	36	38	17	19	31
Percent Small-Developing	36	10	57	33	13
Revenue Sources (Percent)					
Fees	14.6	2.3	15.0	0.2	4.0
Investments	3.7	7.5	12.4	26.0	6.3
Individuals	23.7	14.8	17.4	46.4	7.8
Corporations	12.4	5.9	19.8	11.0	4.9
Governments	26.7	10.7	21.5	3.3	58.4
Business	2.2	11.0	4.8	2.2	1.5
United Way	0.2	9.0	2.4	0.0	0.4
Affiliates	4.0	2.1	1.1	1.6	0.0
Others	12.3	36.8	5.5	9.3	16.8
Sources of Revenue	4.6	4.6	3.1	3.1	3.8

Note 1: Number of agencies that provided data on both total 1987 revenue and agency age.
Note 2: Median, thousands of dollars.

The percent distributions of 1987 revenue sources for established and developing agencies that were classified as branch offices, small societies and hospital foundations were developed using the same methodology as was applied to the initial analysis group. Agencies were selected by type then split into groups of large-established, small-developing, small-established and large-developing according to median 1987 revenue and age. For each type of agency, the group of large-established agencies was then compared to the small-developing group. The direction of the difference in the percentage contribution of two revenue sources, corporations and transfers from affiliates, to established and developing agencies remains constant regardless of agency type. Differences between established and developing agencies in percentage revenues from members fees, investments, individual donations and the United Way are in the same direction for two of the three agency categories and the total group. For the remaining three revenue sources (governments, agency business and "other") there is wide variation in relative importance to established and developing agencies across agency types.

Table 3-5 presents data on additional differences between established and developing agencies. Established agencies tend to report high public awareness of the issues that they are addressing; developing agencies tend to report low public awareness. An analysis of the documentation provided by twelve large and nine small agencies revealed significant differences in the average quality of both form and content. The developing agency group also obtained significantly less revenue per staff person, $103,000 compared with $244,000 for established agencies, and raised a smaller amount of donations per fund-raising dollar, $3.70 compared with $7.20. However, the ratio of administrative expenditures to total revenues did not differ significantly between the two groups. In terms of program expenditures, the large-established agency group spent a greater proportion of its programs budget on medical research, 41% compared to 14% for the group of developing agencies.

TABLE 3-5: Public Awareness, Documentation, Effectiveness Indicators and Programming of Large-Established and Small-Developing Agencies

Variable	*Mean Values*				
	Large-Established Agencies	Small-Developing Agencies	Sig.[1]	n1[2]	n2
<u>Awareness</u>					
Public awareness of the problems addressed by the agency (scale of 1 to 5)	3.5	2.6	***	40	41
<u>Documentation</u>					
Quality of form[3]	3.8	2.4	***	12	9
Quality of content[4]	4.5	3.7	*	12	9
<u>Effectiveness Indicators</u>					
Revenue per staff person (thousand dollars)	244	103	*	35	27
Ratio of administrative expenditures to revenues	.36	.32	n.s.	40	43
Donations per fund-raising dollar	$7.2	$3.7	*	26	20
<u>Programming</u>					
Program funds spent on medical research (percent)	41.2	13.7	**	34	28

Note 1: *, T-test for difference between means significant at the .05 level; ** significant at the .01 level; *** significant at the .001 level; n.s., not significant.

Note 2: n1, number of cases of large-established agencies included in the comparison; n2, cases of small-developing agencies.

Note 3: Scores on form of documentation are the sum of scores on image appeal, lay-out appeal and colour appeal.

Note 4: Scores on content of documentation are the sum of weighted scores for the following variables, weights indicated in brackets: induction of confidence that agency will achieve its goals (7); clarity of message (6); optimism (5); credibility (4); emotional appeal (3); likely long-term impact of message on reader (3); offers something to the reader (2); evidence of targeting to a specific audience (1). Weights were based on importance rankings provided by a panel of marketing professors and students.

Discussion

Findings allow a better understanding of health non-profit agencies in three areas: the relative importance of various revenue sources to established and developing agencies; the emergence and evolution of non-profit organizations; and, agency responses to changes in the fund-raising environment during the 1980s.

Small developing agencies are more dependent than large agencies on donations from corporations and individuals. It is unlikely that dependence on corporate donations, which can fluctuate widely with changes in the business cycle, renders small agencies particularly vulnerable in economic downturns. Corporate donations account for only one sixth of the total revenues of a typical developing non-profit health organization. While emerging agencies tend to draw from a smaller number of revenue sources than agencies which have been established for many years, there is no evidence of a very high dependence on any one source of revenue. Individual giving, the largest source of revenues for young non-profits, may be considered as relatively stable.

Findings from this analysis, and surveys undertaken by Canadians for Health Research (1988), suggest the following scenario for the initiation and development of a non-profit agency that is oriented towards a given health problem. The family of a patient who has succumbed to a given disease, or a group of concerned physicians, decide to take positive action to increase the rate of progress towards better treatment and, possibly, discovery of a cure. The group registers as a charity, obtains start-up funds from a private foundation or another agency with related interests, enlists members, and begins to collect donations from a widening circle of interested individuals. The principal fund-raising technique will tend to be direct mail, possibly targeted at groups that are likely to be interested in the cause. The emerging organization is at first run by volunteers. Limitations of both administrative funds and expertise preclude the production of highly-professional documentation but the organization steadily improves in that area, building on experience. Advertising is at first a major expense as an initial objective may be to raise public

awareness of the problem addressed. With time, the network of individual donors expands, increasing the likelihood of contacts with corporate donors. As it grows, the agency becomes increasingly professional and credible, thus in a position to attract government funding and contributions from the United Way. The agency then begins to benefit from economies of scale, obtaining greater returns per fund-raising dollar and increasing the ratio of funds administered per administrative position. The mature organization, having raised public awareness of the problem addressed, may begin to spend proportionately less of its programs budget on education and more on research. Inasmuch as the scenario is plausible, it is reasonable to conclude that shortages of corporate donations or government grants, while slowing the evolution of small-developing agencies, are not likely to thwart their emergence, seriously endanger their survival, or unduly influence their orientations and policies.

Between 1982 and 1987 funding for health non-profits appears to have shifted away from government grants, investment income and transfers, to sources that require more active fund-raising efforts (individual and corporate donations, agency businesses and alternative funding sources). The shift towards more active fund-raising is apparent not only in the data on large-established agencies reported in this chapter but also for the total respondent pool, all agencies which replied to the survey. It appears likely that the relative importance of different funding sources changes as agencies evolve. Both groups of agencies made use of more revenue sources and employed more fund-raising techniques in 1987 compared with 1982.

The decrease in the relative importance of government grants to the non-profit sector between 1982 and 1987 does not appear to reflect a cutback in government funding of the order of magnitude observed in the United States. If the percentage contribution of governments in 1982 is multiplied by the total health non-profit revenues of 1987, the amount attributable to government funding would be about 6 million dollars more than was actually received. Viewed in relation to the 15 million dollars once raised by a single cancer patient, a change of 6 million in government

funding does not appear to be highly significant.

Large agencies shifted approximately seven percent of their non-salary fund-raising budgets from door-to-door canvassing into direct mail over the five year period covered by this study. Fund-raising by mail has likely increased in popularity because of rapid improvement in computer software that facilitates the processing of mailing lists and targeting of donor groups. Door-to-door canvassing becomes increasingly difficult to organize as the proportion of women working in the home and available for volunteer work decreases and two-income families become the norm.

The increased competition for funding in the 1980s appears to have led to a rise in cooperative efforts among agencies with similar interests. By the late 1980s, the larger health agencies had formed an umbrella organization, Health Partners, to jointly raise funds in the workplace. Similarly, hospital foundations have joined forces through a National Association for Hospital Development which, among other activities, screens generic appeals for donations on public television and mounts training courses on fund-raising techniques.

CHAPTER 4: CORRELATES OF FUND-RAISING EFFECTIVENESS

Hypothesis

Social marketing theory predicts that a non-profit organization which adopts a customer orientation will ultimately be more successful in achieving its objectives that one that does not (Kotler and Andreasen, 1987). From a fund-raising perspective, customer orientation implies that the agency will attempt to determine the perceptions, needs and wants of donors and will segment the donor market accordingly. The agency will orient product offerings to the preferences of various donor segments. The customer-oriented organization will also experiment with different mixes of advertising and product, carefully monitoring results in terms of donor satisfaction. This chapter focuses on the correlates of successful fund-raising by pursuing the hypothesis that agencies which have adopted a donor-oriented approach will obtain more donations per fund-raising dollar than agencies which are less oriented to donor needs.

Importance of Issues

The social marketing literature contains abundant case studies on the benefits of a marketing orientation to government and private-non-profit organizations (Kotler and Andreasen, 1987; Fox and Kotler, 1980; Lovelock, 1981). However, the importance of a marketing approach to fund-raising, and the interaction of marketing variables with other organizational characteristics, have received less attention. An understanding of the relative importance of a donor-oriented approach should be useful to non-profit agencies concerned with maximizing the return on their fund-raising resources.

Background

Kotler and Andreasen (1987) report several studies in the early 1980s on the extent to which

marketing principles are used by non-profit organizations. From a survey of a population of arts administrators, Permut (1980) concluded that their adoption of marketing concepts was "meagre at best". Many respondents felt that a customer orientation was at odds with the demands for artistic freedom, a conflict that Permut believes was more imagined than real and reflective of their misunderstanding of the role of a marketing framework. Respondents suggested that use of marketing principles would be enhanced through workshops and seminars on the subject. Preparation of case studies showing successful (and unsuccessful) outcomes from a client-oriented approach were also recommended as important aids to the promotion of more active marketing efforts. Reilly and McCullough (1982) interviewed executives in forty-six non-profits and conducted a content analysis of the statements of objectives provided by thirty-nine of them. The investigators found that only 20% of the statements attached importance to consumer feedback and only 22% of the respondents defined marketing in terms of consumers. Fine (1983) found similar results in a survey of non-profit and public sector organizations; only 20% of the public and non-profit firms surveyed considered that providing satisfaction for their customers was a primary goal.

The literature on fund-raising suggests that by the mid 1980s, the application of marketing principles by non-profit agencies had become a popular topic (Heron, 1986; Riggs, 1986; Klein, 1986). Articles tended to be instructive rather than reflective, a marketing approach being presented as technique rather than as a comprehensive framework for fund-raising operations. An article by Gurin (1987) criticized those who presented a marketing approach as something novel for fund-raisers, arguing that marketing terminology simply repackaged ideas and principles that were familiar to fund-raisers long before marketing emerged as a discipline in the 1920s. Gurin suggests that excessive focus on marketing concepts such as "exchange transactions" could have a negative effect by making philanthropy appear as a business and therefore less appealing to

potential givers. The difficulty of disassociating concept from terminology also appears in earlier work by Demille (1981) in which public relations and fund-raising are discussed as distinct specializations.

There has been considerable research, and speculation, on the motivation for philanthropy. Martin (1985) developed a model that has at its base the individual's ability to give. Martin describes two levels of motivating influences that may come into play once the potential to donate exists. A lower level of motivation includes ethnicity, transaction, leverage, recognition, education, social mobility and social acceptance. A higher level of motivation in Martin's model includes *noblesse oblige*, tradition, power, philosophy, freedom and altruism. Kotler and Andreasen (1987) take the position that all donations involve a transaction. They list nine principal motivations for philanthropy: need for self-esteem or recognition from others; fear of contracting the problem; habit; a desire to terminate interaction with a solicitor; pressure from others; situational giving; and, liking of people in particular and humanity in general. Other experts on philanthropy (e.g. Arlett, 1988) focus less on theory and more on developing statistical profiles of donors based on social and demographic variables such as income, religious affiliation, education, gender and age.

Specific fund-raising techniques have been the subject of intense study. Anecdotal reports suggest that fund-raisers have investigated a myriad of minor variables ranging from the colour of the paper on which a solicitation letter is printed to the hairstyle worn by a door-to-door canvasser. De Jong (1979) suggests possible explanations for the "foot-in-the-door" phenomena, in which persons who have agreed to do a small voluntary act tend to be more willing to assist with a subsequent, more-demanding task. Research has also been conducted on the effect of showing a potential donor a list of pledges by other people; variables such as list length, average pledge or preamble by the solicitor have been manipulated to determine their effect on the person shown the

list of pledges (Reingen, 1982). Other investigators have studied the effect on donor response of statements to the effect that even a small donation will be useful (Brockner, Guzzi, Kane, Levine and Shaplan; 1984).

At the case-study level, Soukup (1983) has demonstrated the application of management science to a direct mailing allocation decision and Plambeck (1985) has discussed the relationship between board composition and fund-raising success.

The most common measure of fund-raising effectiveness is the ratio of administrative expenses to revenues (e.g.s, Rose-Ackerman, 1982; Kinkhead, 1987). Market share has also been suggested as a possible outcome measure (Aubry *et al*, 1987). Other performance indicators, such as fund-raising goal achievement, while useful for agency management, do not necessarily provide a strong basis for inter-agency comparisons.

Method

The correlates of fund-raising effectiveness will be examined in two data bases, one developed from responses to the survey of health non-profits and another created with information obtained from interviews with the executive directors of six hospital foundations. The survey data has the benefit of greater objectivity, a larger number of cases and a broader range of variables but is prone to measurement problems; respondents may have applied different definitions to some of the questionnaire items. In contrast, the interview database contains clearly defined variables for which the measurement, performed by one person, is consistent and relatively precise; the main limitation of the interview data is the small number of cases. The general approach in this analysis is to investigate the two databases separately, taking special note of convergent findings.

Analysis of the survey data is performed with 67 cases for which respondents had provided information on staff resources devoted to fund-raising in 1987. The analysis group includes 31

hospital foundations, 15 branches of large organizations, 10 head offices, nine small societies and two specialized health care facilities.

The survey variables under analysis will be discussed within three groupings: variables considered as indicators of a marketing orientation; other variables that might have an impact on fund-raising effectiveness; and, possible indicators of the outcome from fund-raising efforts. Donations per fund-raising dollar is selected as the outcome variable for the investigation.

Multivariate analysis of the survey database is generally avoided because of the relatively small number of cases, some of which lack essential information. Eighteen percent of the respondents provided no 1982 data. Also, assessments of the form and content of documentation are available for only one third of the cases. A sole multivariate technique, principal components analysis, is used to simplify the presentation by consolidating the influence of multiple variables in one composite variable.

Zero-order correlations between donations per fund-raising dollar and all predictor variables are examined to identify those which show high correlation with outcome. A composite variable is created through principal components analysis to summarize the influential non-marketing variables then the cases are split into two groups around the median score. Within each group, cases are separated into subgroups around the median value of donations per fund-raising dollar and differences between the four resulting subgroups are examined by t-test.

In a second phase of the investigation, the marketing orientation of each of six hospital foundations is assessed by subjective rating of 19 marketing-related variables based on information collected through interviews with the executive director of each foundation. Scores on the marketing dimension are then compared with donations per fund-raising dollar, percent change in donations per dollar from 1988 to 1989, and, percent change in total revenues between the two years.

Description of Variables in the Survey Data

Table 4-2, a list table, shows six variables in the survey data that might be considered as indicators of a marketing approach. A seventh variable, derived from the other six, serves as a global measure of marketing orientation.

The rationale for selection of variables is as follows. First, it is expected that agencies which have a marketing plan or have engaged marketing consultants will be more likely to have adopted a marketing orientation than agencies which make less use of formal planning and consulting services. Second, respondent knowledge of donor behaviour is taken as an indication of the awareness of clients that would be expected of a marketing-oriented organization. Two items in the survey assessed respondents' knowledge of donor behaviour. (A study by Martin (1985) had shown that higher income is not strongly correlated with generosity and that persons who give to religious organizations tend also to give to non-religious causes.) Third, a marketing-oriented organization should be prepared to respond to requests from the external environment for documentation. Hence, the agencies' responsiveness to a request (in both the survey covering letter and questionnaire) for agency documentation was taken as another indicator of a marketing orientation. Fourth, quality of both form and content of documentation indicates marketing skills. These variables, too, are assessed using a rating scheme derived from consultations with marketing professors and a panel of graduate students in administration.

All selected variables are, at best, indirect measures of a marketing orientation; it is unreasonable to assume that a high score on any one variable carries much significance in terms of the marketing dimension of interest in this analysis. Principal components analysis is used to construct a new variable to summarize the effect of the variables as a group; the composite variable is used as a broad indicator of marketing orientation.

TABLE 4-1: Description of Variables Considered as Indicators of a Marketing Approach

Variable	*Comments*
Possession of a marketing plan	Number of years that the organization had a marketing plan in the period 1982 to 1987, divided by five years.
Use of marketing consultants	Number of times that the organization engaged marketing consultants in the period 1982 to 1987, divided by five years.
Understanding of donors	Scores for responses to two statements testing knowledge of donor behaviour: one statement concerned the relationship between donor income and generosity; the other concerned the link between giving to religious and non-religious organizations.[1]
Availability of documentation	Number of documents provided in response to a request in the survey questionnaire and covering letter.[2]
Aesthetic appeal of documentation	Rating of the form of documentation on a multi-dimensional scale.[3]
Content of documentation	Rating of the content of documentation on a multi-dimensional scale.[4]
Marketing orientation construct	Scores for a composite variable based on all of the above.[5]

Note 1: Respondents gave their opinion on each statement by selecting a point on a 1 to 5 scale where 1 indicated disagreement and 5 indicated agreement. The two variables were summarized as a single new variable using principal components analysis. Loadings for both variables are greater than .70.

Note 2: Data were coded on a scale of zero to three as follows: no documentation provided, 0; one piece of documentation, 1.5; 2, 3, 10 or more documents, 2.5; 4 to 9 documents, 3.0;

Note 3: Ratings are the sum of scores on image appeal, lay-out appeal and colour appeal of documentation.

Note 4: Ratings are the weighted sum of scores for eight measures of the content of documentation. Variables and weights are listed in Footnote 4 of Table 3-5.

Note 5: Missing scores were temporarily assigned either logical zeros or mean values then the six variables were entered into a principal components procedure. Loadings are as follows: marketing plan, -.33; marketing consultants, .36; understanding of donor behaviour, .34; availability of documentation, .26; form of documentation, .83; content of documentation, .85. The composite variable explains about 30% of the variance attributable to the separate variables.

Table 4-2 lists variables that do not necessarily reflect a marketing approach but could conceivably have an influence on fund-raising outcome. The logical links between these non-marketing variables and fund-raising effectiveness are presented below.

An agency with a high public profile might be expected to raise more donations per fund-raising dollar than one which is not well-known. Older agencies should benefit from long-term advertising programs and fund-raising; large agencies may also benefit from economies of scale in their fund-raising programs. Organizations based in large urban centres may have a larger or more wealthy donor base than those in smaller centres. Agencies with affiliations may benefit from sharing of fund-raising expertise and resources.

The proportion of revenues derived from corporate and individual donations may be expected to be related to donations per fund-raising dollar. A high proportion of revenue from donations would signal the importance of that revenue source to the agency and the fund-raiser's likely attention to the donations channel. (A high proportion of revenues from donations could, of course, also be an outcome of fund-raising effectiveness.) Increases in fund-raising resources over the preceding five year period might have either a positive or negative effect on effectiveness; a resource increase signals organizational interest in fund-raising and confidence in a reasonable return on the additional investment yet, at the same time, increased resources may deflate effectiveness ratios by inflating their denominator.

The ratio of fund-raising resources to total administrative resources may reflect the organization's interest in fund-raising; low interest in the fund-raising enterprise would be expected to work against fund-raising effectiveness. The allocation of fund-raising resources to various techniques could influence fund-raising outcome, reliance on more cost-effective techniques leading to more dollars raised per unit expenditure.

The use of fund-raising consultants may lower effectiveness ratios. Anecdotal information suggests that fund-raising consultants tend to raise large sums of monies but claim high fees for

their services. The availability of an in-house computing system may result in lower fund-raising costs. Production of a magazine or newsletter will raise administrative costs but may also increase donations by raising public awareness of the organization.

TABLE 4-2: Description of Other Variables Considered in an Analysis of Fund-Raising Effectiveness

Variable	*Comments*
Public awareness	Rating of public awareness of the problem addressed by the organization.
Agency age	Age of the organization in years.
Agency size	Total 1987 revenues.
City size	Population of the city in which the organization is based.
Affiliations	Affiliations with other organizations.
Proportion of revenue from specific sources	Nine variables reflect the proportion of revenue from: investments; individual donations; corporate donations; government grants; agency business; United Way; affiliates; and other.
Percentage change, 1982 to 1987, in fund-raising resources	A separate variable was computed for changes in fund-raising staff, fund-raising volunteers, and, fund-raising budget.
Ratio of fund-raising resources to total resources	Two variables measure fund-raising resources in relation to total agency resources.
Percent of non-salary fund-raising budget devoted to various techniques	Five variables measure the percent of non-salary fund-raising resources for: advertising; special events; direct mail; canvassing; and, other techniques.
Use of fund-raising or management consultants	Two variables reflect the number of engagements of each type of consultant, divided by five.
In-house computing system	Number of years that the organization had an in-house computing system, 1982 to 1987, divided by 5.
Magazine or newsletter	Number of years that the agency produced a magazine or newsletter, 1982 to 1987, divided by 5.

Table 4-3 describes five variables that were considered as possible outcome indicators for the analysis. Donations per fund-raising dollar is a reasonable measure of fund-raising effectiveness as long as most fund-raising efforts are devoted to the donations revenue channel. If fund-raising efforts are concentrated on other channels (e.g. running an agency business or persuading government officials to award grants to the agency) then donations per fund-raising dollar may not accurately reflect the outcome of fund-raising activities. Total revenue per fund-raising dollar provides an appropriate outcome measure when a fund-raiser is responsible for all channels, making decisions about endowment capital and agency businesses, as well as managing the more traditional fund-raising programs. However, if an agency is highly dependent on passive income sources (investments, grants and transfers) then revenue per fund-raising dollar may give a false impression of high fund-raising effectiveness.

TABLE 4-3: Description of Outcome Variables Considered for the Analysis

Variable	*Comments*
Donations per fund-raising dollar	Total donations received from individuals and corporations divided by total fund-raising budget.
Revenues per fund-raising dollar	Total revenues, all sources, divided by total fund-raising budget.
Revenues per administrative dollar	Total revenues divided by expenditures on administration (including fund-raising).
Percentage change in revenues	Difference between 1987 and 1982 revenues expressed as a percentage of 1982 revenues.
Percentage change in net revenue	Difference between 1982 and 1982 net revenue, here defined as total revenue less administrative expenditures.

The most traditional measure of agency effectiveness is total administrative expenditures as a proportion of revenues or, expressed in a manner similar to the preceding two indicators, revenue per administrative dollar. Like revenue per fund-raising dollar, revenue per administrative dollar may prove unsuitable as an indicator of effectiveness when a passively-funded organization is compared with an actively-funded one. However, revenue per administrative dollar is an important indicator of overall, long-term effectiveness and provides a broader assessment of the entire organization than does donations per fund-raising dollar.

Percentage change in revenue provides an indicator of the impact of fund-raising efforts on agency growth. Percentage change in net revenue brings an efficiency factor into consideration. An agency which has achieved high growth at the cost of decreased revenue per administrative dollar will, by change in net revenue, be distinguished from one that achieves the same growth without a decrease in its administrative efficiency.

Table 4-4 displays correlations between the five outcome indicators that were considered for the analysis. There are no statistically significant correlations, implying that the indicators may be measuring different dimensions. Donations per fund-raising dollar and revenue per administrative dollar show the highest correlation ($r = .32$). Donations per fund-raising dollar is a reasonably sensitive indicator of fund-raising effectiveness and, also, appears to be positively correlated with a traditional effectiveness indicator, revenue per administrative dollar. Donations per fund-raising dollar is selected as the outcome indicator for this analysis.

TABLE 4-4: Correlations Among Possible Outcome Variables

Variable	*Variable Number and Correlation*				
	1	2	3	4	5
1. Donations per fund-raising dollar	1.0	-.02	.32	.24	.14
2. Revenue per fund-raising dollar		1.0	.08	.01	-.02
3. Revenue per administrative dollar			1.0	-.12	+.24
4. Percentage change in total revenue				1.0	-.07
5. Percentage change in net revenue					1.0

Findings on Correlations in the Survey Data

Table 4-5 displays correlations between donations per fund-raising dollar and each of the indicators of a marketing approach. For the non-marketing variables that were included in the analysis, those showing a statistically significant (or close to significant) correlation with donations per dollar are also listed. To maximize the use of data, correlations are computed using all cases with valid scores, i.e., missing cases are excluded "pairwise".

There are no statistically significant correlations between donations per fund-raising dollar and variables designated as indicators of a marketing orientation. There are small positive correlations between donations per fund-raising dollar and use of marketing consultants, knowledge of donors, form and content of publications and, the marketing orientation construct. Possession of a marketing plan and availability of documentation appear to be unrelated to donations per fund-raising dollar.

TABLE 4-5: Correlations Between Selected Variables and Donations per Fund-Raising Dollar

Variable	*Zero-Order Correlation with Donations per Fund-Raising Dollar*		
	Correlation	Sig[1]	Cases
Indicators of a Marketing Approach			
Possession of a marketing plan	-.05	ns	27
Use of marketing consultants	.13	ns	39
Knowledge of donors	.18	ns	49
Availability of documentation	-.02	ns	58
Aesthetic appeal of documentation	.37	ns	21
Content of documentation	.29	ns	21
Marketing orientation construct	.22	ns	58
Other Variables[2]			
Public awareness	.52	***	54
Individual donations/total revenues	.47	***	58
Government grants/total revenues	-.28	*	58
Other revenues/total revenues	-.29	*	58
Total revenue in 1987	.26	*	58
Percent of budget on canvassing	.38	**	48

Note 1: ns, no statistical significance according to a two-tailed probability assessment; *, significant at the .05 level; ** significant at the .01 level; *** significant at the .001 level.

Note 2: The list displays only those non-marketing variables with a statistically significant correlation with donations per fund-raising dollar.

Three non-marketing variables are highly correlated with donations per fund-raising dollar. Public awareness, proportion of revenues obtained from donations, and, percent of fund-raising budget spent on door to door canvassing show medium to large positive correlations with the outcome variable, statistically significant at the .01 level or better. Three other non-marketing variables also show statistically significant (.05 level) correlations with donations per fund-raising dollar. Outcome is negatively correlated with proportion of revenues from government grants and from "other sources" and positively correlated with total revenue. As a group, the influential non-marketing variables suggest that a focus on public fund-raising is an important correlate of donations per fund-raising dollar.

A next step in the analysis is to assess the impact of marketing-related variables in groups of cases for which values of the influential non-marketing variables are more homogenous than in the full sample. By entering the six influential non-marketing variables in a principal components procedure, a summary variable is constructed then cases are split into two study groups around the median value of that variable. In computing the summary variable, labelled "public focus", missing values on the input variables are temporarily assigned population means so that public focus scores may be generated for all cases. For all six of the input variables, loadings are greater than 0.3, an indication that each contributes significantly to the variance of public focus. The public focus construct is highly correlated with donations per fund-raising dollar ($r = .63$, p less than .01) and exhibits a small correlation with marketing orientation ($r = .23$, not significant).

Each of the two study groups, one with high scores on the public focus construct and one with low public focus scores, is split into subgroups around the median value for donations per dollar. Differences between effective fund-raisers (agencies with donations per fund-raising dollar above the subgroup median) and less-effective fund-raisers, in terms of scores on the marketing variables, are then examined by t-test. The results appear in Table 4-6.

TABLE 4-6: Analysis of Fund-Raising Effectiveness in Groups with High and Low Public Focus Scores

Variable	*Comparison Groups and Mean Scores*			
	High Public Focus Scores[1]		Low Public Focus Scores	
	Donations per Dollar		Donations per Dollar	
	High[2]	Low	High[3]	Low
Indicators of a Marketing Approach				
Possession of a marketing plan	.35	.43 ns[4]	.33	.26 ns
Use of marketing consultants	.13	.04 ns	0	.09 n/a
Knowledge of donor behaviour	.18	-.72 *	.04	-.01 ns
Availability of documentation	.61	.75 ns	1.5	.7 ns
Aesthetic appeal of documentation	3.9	2.7 ns	2.5	2.3 n/a
Content of documentation	4.4	4.6 ns	4.1	3.3 n/a
Marketing orientation construct	.29	.18 ns	-.01	-.39 ns
Other Variables				
Public awareness	4.2	3.8 ns	2.4	2.4 ns
Individual donations/total revenues	.55	.56 ns	.23	.08 *
Government grants/total revenues	.00	.01 ns	.18	.24 ns
"Other" revenues/total revenue	.07	.08 ns	.11	.39 ns
Total revenues	2.6	2.4 ns	1.3	.8 ns
Percent of expenditures on canvassing	23.6	7.1 ns	.5	0 n/a
Outcome Variable				
Donations per fund-raising dollar	$13.94	$4.85 ***	$6.20	$1.07 ***

Note 1: The public focus construct, which summarizes the variance of non-marketing variables that are significantly correlated with donations per fund-raising dollar, is explained in the text. Contributing variables and their loadings are as follows: public awareness, .70; proportion of revenues from individual donations, .80; proportion of revenues from government grants, -.63; proportion of revenues from "other" sources, -.31; total revenues, .39; percent of non-salary fund-raising budget for canvassing, .41.

Note 2: The group with public focus scores that were above the median value was split into two subgroups around the median value of donations per fund-raising dollar, $8.21. The maximum n for each group was 14.

Note 3: The group with public focus scores that were equal to or below the median value were subdivided around the median value of donations per fund-raising dollar, $2.57. The maximum n for either group was 14.

Note 4: ns, t-test indicates no significant difference between means; *, significant at the .05 level; ***, significant at the .001 level; n/a, not applicable since one of the samples has no variance.

For the group with high public focus scores, there is a statistically significant difference between effective fund-raisers (those above the median value for donations per dollar) and less-effective fund-raisers on knowledge of donors. The more effective group also has a higher score on marketing orientation. For the group with low public focus scores, there are no statistically significant differences between the effective and less-effective fund-raisers. However, the mean score on marketing orientation is higher for the group of agencies with scores above the median value for donations per fund-raising dollar.

Mean scores for the comparison groups on the non-marketing variables are generally quite similar indicating that the group selection technique was reasonably successful in attenuating the effect of those variables. The one exception appears within the group with low public focus scores. For that group, there is a statistically significant difference between effective and less-effective fund-raisers in terms of proportion of revenues derived from individual donations.

Findings from Interview Data

Extensive in-person interviews with the executive directors of six hospital foundations (selected according to criteria described on page 9) were undertaken to collect information on the local fund-raising environment, organizational history, structure, resources, sources of funding and fund-raising techniques. Taking as a departure point the marketing audit framework of Kotler and Andreasen (1987), the marketing dimensions shown in Table 4-7 are subjectively rated on the basis of notes taken during the interviews, on-site observations and records of telephone conversations with agency staff. All criteria are rated on a scale of 1 to 3 and weighted according to their importance to the marketing dimension under consideration. Mean, minimum and maximum scores are shown in the table.

TABLE 4-7: Criteria for Assessing the Marketing Orientation of Six Hospital Foundations

Marketing Dimension and Criteria	*Criteria Weights*[1]	*Scores (scale of 1 to 3)*		
		Mean	Min	Max
Interested in Client and Donor Needs				
Interest in the needs of the foundation board	3	2.3	1.5	2.5
Interest in the needs of donors	3	2.4	2.0	2.8
Thorough Assessment of Competition				
Broad concept of competition	1	2.2	2.0	2.5
Awareness of strengths and weaknesses of competition	2	2.2	2.0	2.5
Research of Donor Market				
Research on current donors	3	1.8	1.0	2.5
Research on potential donors	3	1.8	1.0	2.5
Experience with market research	1	2.1	1.8	2.5
Careful Attention to Public Image				
Attractive well-signed accommodations	2	2.1	1.5	2.8
Friendly, helpful support staff	3	1.9	1.5	2.5
Professional quality documentation	3	2.0	1.6	2.3
Good relations with mass media	2	2.0	1.5	2.5
Segmentation and Targeting				
Segmentation of donor populations	3	1.9	1.2	2.5
Orientation of offerings to donor preferences	3	2.1	1.5	2.5
Targeting of fund-raising efforts	3	1.8	1.2	2.5
Experimentation and Evaluation				
Awareness of cost-benefit of fund-raising approaches	1	2.4	2.0	2.7
Experimentation with different techniques	3	1.7	1.5	2.0
Interest in results measurement	2	2.1	1.5	2.5
Interest in Donor Satisfaction				
Informs donors of results of funding	3	2.3	1.5	2.5
Maximizes donor recognition	3	2.1	1.8	2.5

Note 1: Criteria weights indicate the relative, subjective importance assigned to variables in computations of the scores on a marketing dimension.

If a rating of 2.0 is considered as indicating a "satisfactory" score on a marketing criterion, it appears that the interview group was strong in terms of interest in their donors and awareness of the cost-benefit of various techniques (mean scores of 2.4) but weaker in terms of market research and targeting of fund-raising efforts (mean scores of 1.8).

Table 4-8 presents the scores for each hospital foundation on various dimensions of a marketing approach. The sums of scores across all dimensions (i.e., scores on marketing orientation) suggest that two of the six foundations have adopted a marketing approach, three are using some marketing principles and only one would be considered as not having a marketing orientation. The outcome indicator, donations per fund-raising dollar (scaled to protect the anonymity of participating agencies), shows little correlation with marketing orientation. One of the most marketing-oriented foundations, Foundation A with a marketing score of 2.3, appears relatively inefficient, scoring only 1.7 in terms of donations per fund-raising dollar. In contrast, the most efficient foundation, Foundation B with a score of 2.9 on the outcome variable, had only an average score (2.1) on the marketing variable.

Even after agencies are grouped according to donations as a proportion of total revenues, the correlation between marketing orientation and efficiency remains low. Among either the three foundations with higher dependency on public donations (A, B and D) or the three with lower dependency (C, E and F) the link between marketing orientation and donations per dollar remains uncertain.

For the six foundations that were interviewed, the ratio of total revenues to administrative expenditures showed the same pattern as donations per dollar. Two other outcome indicators, percent change in donations per dollar and percent change in total revenues between 1988 and 1989, show slightly different patterns. For example, Foundation A, the marketing-oriented foundation with a low score on donations per dollar, has high scores in terms of efficiency increase and revenue change.

TABLE 4-8: Comparison of Six Hospital Foundations on Marketing Orientation and Donations per Fund-Raising Dollar

Variable	*Foundation and Scores (scaled 1 to 3)*[1]					
	Foundation A to F					
	A	B	C	D	E	F
Marketing Dimensions (and Weights)						
Interest in client and donor needs (3)	2.5	2.2	2.4	2.3	2.7	1.8
Assessment of competition (1)	2.3	2.0	2.4	2.3	2.2	2.0
Market research (2)	2.4	2.0	1.5	2.0	2.1	1.2
Attention to public image (2)	2.4	2.2	1.9	2.0	2.1	1.6
Segmentation and targeting (3)	2.3	1.8	2.0	1.8	2.5	1.3
Experimentation and evaluation (2)	2.0	2.0	1.8	2.0	2.2	1.6
Interest in donor satisfaction (3)	2.3	2.3	2.3	2.5	2.3	1.7
Overall marketing orientation	2.3	2.1	2.1	2.1	2.3	1.6
Relative Importance of Donations						
Donations as a proportion of revenues	2.3	2.3	1.0	2.0	1.8	1.3
Outcome Indicator Under Investigation						
Donations per fund-raising dollar	1.7	2.9	1.3	1.8	1.9	1.4
Other Outcome Indicators						
Efficiency increase, 1988 to 1989[2]	2.4	2.5	1.4	2.3	1.4	1.0
Percent change in revenue, 1988 to 1989	3.0	2.6	2.4	2.4	2.0	1.4

Note 1: All variables, including those for which objective data were available from agency income and expenditure statements, have been scaled to ensure the anonymity of the foundations that were interviewed.

Note 2: This variable is a measure of the percentage change in donations per fund-raising dollar between 1988 and 1989.

Table 4-9 shows correlations among variables in the interview database. There is a non-significant, positive correlation of .28 between the marketing orientation variable and donations per fund-raising dollar. Correlations are higher between marketing orientation and both efficiency increase (r = .54, not significant) and percent revenue change (r = .76, not significant). Four of the variables that underlie marketing orientation appear to be relatively important to all three outcome measures. Market research, public image, experimentation and evaluation, and, interest in donor satisfaction, show moderate to strong correlation with donations per fund-raising dollar, efficiency increase and revenue change. Interest in donor needs, assessment of the competition, and, segmentation and targeting show generally weaker correlations with the outcome indicators.

TABLE 4-9: Correlations Among Selected Variables from the Hospital Foundations Interview Data

Variable	*Variable and Zero-Order Correlation*			
	Marketing Orientation	Donations per Dollar	Efficiency Increase	Revenue Increase
Interest in client and donor needs	.95 **[1]	.06	.25	.54
Assessment of competition	.56	-.52	.09	.48
Market research on donors	.87 *	.46	.76	.77
Public image	.87 *	.50	.79	.88 *
Segmentation and targeting	.93 **	.07	.23	.53
Experimentation and evaluation	.88 *	.49	.50	.50
Interest in donor satisfaction	.84 *	.32	.68	.75
Overall marketing orientation	1.0	.28	.54	.76
Donations as a percent of revenues	.51	.72	.86 *	.61
Donations per fund-raising dollar	.28	1.0	.65	.35
Percent increase, 1988-1989, in donations/dollar	.54	.65	1.0	.84 *
Percent change in revenue, 1988-1989	.76	.35	.84 *	1.0

Note 1: Statistical significance of correlation according to two-tailed probabilities: *, .05 level; **, .01 level.

Discussion

In interpreting the results of this analysis, the following points should be borne in mind. First, the intention was to investigate the importance of a marketing approach in terms of one specific measure of fund-raising effectiveness, donations per unit expenditure on fund-raising. Observations do not necessarily reflect the impact of a marketing orientation on agency success as measured by other possible outcomes. Second, the population that was studied, non-profit agencies in the health area, is not strictly comparable to those in which the utility of a marketing approach has been demonstrated. For example, an agency which is raising funds to support health research may be quite different from one which offers a tangible service such as advice on family planning. Third, the assessment of marketing approach is limited by both the number of variables for which data were obtained and the number of cases under analysis.

In the analysis using the survey database, marketing orientation was defined as possession of a marketing plan, use of marketing consultants, knowledge of donor behaviour, and, availability, attractiveness and content of documentation. A small positive correlation was found between a marketing orientation construct and donations per fund-raising dollar ($r = .22$, not statistically significant). For the second analysis group, comprised of six hospital foundations, marketing orientation was defined with more traditional criteria: interest in donors and clients; analysis of competition; market research; image and public relations; segmentation and targeting; experimentation and evaluation; and, recognition of donors and feedback on results of operations. Again, the results indicate a small, positive correlation between marketing approach and fund-raising effectiveness ($r = .28$, not statistically significant). A case by case study of the six hospital foundations suggests the following conclusion. At the extremes of either marketing orientation or fund-raising efficiency the correlation may have some predictive value. It is unlikely that an agency with a very low score on the marketing dimension will evidence fund-raising efficiency; it is equally unlikely that an agency with a high score on the marketing dimension will give evidence of

very low efficiency. It is in the range of intermediate values for either variable that the correlation is less certain. Agencies with similar, mid-range scores on the marketing variable will not necessarily be equally efficient.

While it would be inappropriate to attach much significance to the correlations between donations per fund-raising dollar and variables which comprised the marketing constructs, it is useful to highlight agency characteristics that appear to be positively correlated with the outcome variable. Both analyses suggest that a high quality image contributes to fund-raising effectiveness. The agency with attractive offices for the reception of donors, friendly support staff and documentation that is both pleasing and interesting will probably raise more money per fund-raising dollar than an agency which is weak in those areas. It appears that quality of documentation is considerably more important than quantity. Market research, experimentation, and evaluation of fund-raising programs seem to be related to fund-raising effectiveness; possession of a marketing plan does not appear to be critical. In interview, one executive director described the foundation's marketing plan as a dry, boring document; several others gave the impression that their marketing plan was more of a hindrance than a help, its annual updating being considered an administrative chore rather than an aid to the fund-raising exercise. The most impressive plan of the interview group was one that the executive director was able to summarize on the spot, a three-point strategy for medium and long-term growth. Knowledge of donor behaviour also appears to be an important success factor.

Of the variables that were considered possibly relevant to fund-raising effectiveness but were not part of the marketing construct, two showed moderate to strong correlation of high statistical significance with donations per dollar. First, agencies which address problems that are well-known to the public are likely to raise more money per dollar than agencies which are addressing problems that have a low public profile. Second, agencies which obtain a high proportion of revenues from individual donations are likely to have more cost-effective fund-raising operations.

The study illustrates the limitations of any one outcome indicator in assessing fund-raising success. As correlations among outcome indicators are weak, an agency could be deemed an unsuccessful fund-raiser by one indicator (e.g., donations per dollar) and successful by another (e.g., percent change in revenue). Furthermore, the donations per dollar indicator is prone to wide fluctuation when used for comparisons between small agencies. For example, if agency X's fund-raiser is paid $80,000 in salary plus $60,000 for support staff and expenses, and raises $1,000,000, the agency's donations per dollar ratio is $7.14. If agency Y pays its fund-raiser $40,000 (plus $60,000 for other expenses) and $1,000,000 is raised, the effectiveness indicator, $10, is noticeably better than that for agency X.

Interviews with the executive directors of hospital foundations permit a rough estimate of the extent to which marketing principles are used within the larger population of health agencies. Two of the six foundations (33%) exhibited many of the characteristics of a donor-oriented organization. Recognition of donor needs was a forte of the two foundations while market research was the area most in need of further development. Three of the six foundations (50%) could be described as having both a sales and marketing orientation. They recognized the importance of assessing donor needs, segmentation, targeting, experimentation and research but were devoting little of their resources to these activities. One agency (17%) gave the appearance of a sales-oriented organization, one whose main mission is conceived as convincing others of the benefit of a given product. Overall, there appears to be a growing awareness of the potential benefits of using a donor-oriented approach in the raising of funds. However, adoption of a marketing approach as the underlying, unifying theme of fund-raising efforts does not appear to be widespread among Canadian health non-profit agencies.

CHAPTER 5: FUTURE RESEARCH DIRECTIONS

In this final chapter the principal findings of the study are summarized and consideration given to the implications for future research.

In comparison with the regional distribution of Federal grants for medical research, the research funding provided by the health agencies is highly concentrated in Ontario. The Western provinces receive a proportion of health agency funding that is almost equal to their share of Federal research monies while Quebec and the Maritime provinces receive a proportionately small share of health agency funding. The full impact of the regional distribution of health agency research funds can only be appreciated if information on the regional distribution of the total medical research effort is known and compared to some reference measure such as population or health care expenditures. Data on the regional distribution of Federal and Provincial intra-mural research funding in the health area are not readily accessible through public information sources such as Statistics Canada. Similarly, data on medical research conducted in the laboratories of health-related industries are incomplete. Future work should focus on strengthening the information base in these areas to permit a clearer picture of the regional distribution of the total medical research effort and, hence, provide a better basis for national health science policy decisions.

Health agency research funding is also concentrated by subject area. Two fields, cancer and cardiovascular disease, receive two thirds of the health agency contribution to research. It would be helpful if the public had full information on national research funding by health area along with measures of the impact of health problems in each area; hospital separations and years of potential life lost were the reference points used in this study. Public awareness of comparative distributions could conceivably encourage greater public donating to agencies that are addressing some of the less well-known health problems. The next step in this area should be development of

a classification system that is simple enough to gain widespread acceptance yet complex enough to accommodate a broad range of health science activities.

The analysis of changes in the relative importance of various funding sources between 1982 and 1987 indicates a decline in the proportion of agency funding from investments, government grants and transfers (funding from other agencies such as the United Way) and an increase in the proportion of funds obtained from corporations, individuals, agency businesses and other sources. Changes over the five year period were small but if representative of a longer-term trend, could signal a rearrangement of the funding structure for non-profit agencies. The long-term trend could be assessed using administrative data held by the charities registration section of Revenue Canada. All registered charities must annually submit a statement that includes a breakdown of revenues into six categories: receipted gifts; gifts for which receipts were not provided; grants; investment income; capital gains; and, other.

A shift in fund-raising techniques between 1982 and 1987, from door to door canvassing towards solicitation by direct mail raises questions that might be addressed from either a marketing or sociological perspective. A cost-benefit comparison of three treatment groups might help demonstrate whether or not door to door canvassing should still be considered as a useful component of fund-raising programs. Persons who responded positively to door to door canvassing in the past could be split into three groups: a first group would receive a direct mail solicitation targeted according to amount of previous donation; a second group would be visited by canvassers; and, a third group would be treated with a hybrid program, direct mail sent to small donors and personal visits for large donors. Another study might seek to learn more about donor preferences with respect to timing and location of visits by canvassers. Interviews with fund-raisers in small organizations indicate that most would welcome assistance from academics in designing and conducting experiments on the effectiveness of specific strategies or techniques.

Study of agency fund-raising effectiveness requires careful consideration of appropriate

outcome measures. In the data base developed from a survey of health agencies, different measures of fund-raising outcome were not highly correlated. Donations per fund-raising dollar, total revenue per fund-raising dollar and total revenue per administrative dollar appear to be measuring different aspects of agency effectiveness. Similarly, revenue change and net revenue change show no significant correlation, implying that they too indicate different aspects of agency functioning. Study of the correlates of a variety of measures of agency success could lead to a better understanding of the fund-raising system and provide a basis for further work on the relative importance of variables under agency control.

Preliminary observations on the apparent correlation between specific variables and donations per fund-raising dollar hint at the possible practical significance of further work in the area. If the observations on quality versus quantity of agency documentation are valid, then agencies should concentrate on quality, focusing on the presentation and content of a few core documents which, with minor adjustments, could be targeted to different audiences. Annual reports, and similar documents that may be tend to be published *pro forma*, should be viewed as part of the fund-raising armamentarium and treated accordingly. Planning documents should be spirited yet simple. A marketing plan that no one enjoys preparing or reading may be more of a liability than an asset.

Future work should develop a broader range of indicators of a marketing approach. It is recommended that interviews with agencies be conducted before preparation of a new survey instrument. Also, a simple model of the fund-raising system in small agencies would prove beneficial to further investigation. Such a model, possibly developed from the database which underlies this study, should illustrate linkages between sources of funding, public awareness, agency image, fund-raising personnel and resources, fund-raising infrastructure and techniques and, selected outcomes. Personalities and relations between staff and board can play an important role in fund-raising by small agencies and should be at least implicitly recognized in the model.

Hospital foundations are recommended as an appropriate population for further study; the population is not only quite homogenous in terms of agency size, age, principal objective, organizational structure and interest in the public donations channel but is also undergoing rapid growth.

Year to year fluctuations in fund-raising efforts make it difficult to compare the performance of agencies in any given year. As agencies take on capital campaigns in addition to their ongoing fund-raising programs, their entire approach to fund-raising may change. It is recommended that future studies of effectiveness collect data on agency performance over two or three consecutive years and use average performance for computing correlations. Differences in agency accounting methods also pose a challenge in studies of this type. Data collection instruments should explicitly state expectations about the reporting of expenses that are covered by outside budgets (e.g., salaries for foundation staff paid from a hospital budget).

In large agencies the interaction between head offices, regional offices and local branches introduces a further level of complexity. A case study of the Canadian Cancer Society and the Canadian Heart and Stroke Foundations, two organizations which together account for more than half of the health agency sector's contribution to medical research, could yield useful information about the relative benefits of different organizational structures to the fund-raising enterprise.

Non-profit fund-raising in the health area is likely to grow in importance as the shift towards an older population places increasing demands on the health care system. Knowledge of the non-profit sector and fund-raising theory will become increasingly critical. As Fine (1981) has suggested, marketing of intangibles such as ideas, visions or hopes is at least as challenging as the marketing of consumer products. Further work in this area should contribute not only to a better understanding of social marketing processes but may generate ideas of use to marketers in the public and private sectors alike.

UNIVERSITÉ D'OTTAWA
UNIVERSITY OF OTTAWA

FACULTÉ D'ADMINISTRATION
FACULTY OF ADMINISTRATION

November 28, 1988

Dear colleague,

We are conducting a study of foundations, charities, institutes and societies, both large and small, that fund activities in the health area and would be grateful if you would provide information on your organization.

Non-profit organizations fill a vital role in the Canadian health system, in particular by supplying nearly one quarter of the nation's health research and development funding. Our study, which is supported by a grant from Health and Welfare Canada, will examine the sources of funding for non-profit organizations and the activities that they support. We also hope to contribute to the understanding of factors that influence fundraising effectiveness. Our findings should be of practical interest and we will send a summary of the results to all survey respondents.

Attached is a brief questionnaire to collect the data that we require and to give you an opportunity to record your views on a variety of related issues. We would be very grateful if you would complete the questionnaire and kindly return it to us within two weeks. All responses will be treated as strictly confidential; only aggregated data will be used in reports.

If your organization is a private foundation or small agency, you may find that some of the questions do not apply. However, we are eager to hear from all organizations, regardless of size, and urge you to complete as much of the questionnaire as possible.

One aspect of our study is the relationship between promotional material and other characteristics of non-profit organizations. We therefore also request copies of your organization's promotional material including annual reports, advertisements, mail campaign letters, newsletters, etc., as appropriate.

Thank you very much for the attention given to our request.

Yours sincerely,

Jérôme Doutriaux

Pran Manga.

Jerome Doutriaux, Ph.D.
Management Science

Pranlal Manga, Ph.D.
Health Administration

275 NICHOLAS, OTTAWA, ONTARIO, CANADA K1N 6N5
FAX: +1(613) 564-6518

UNIVERSITÉ D'OTTAWA
UNIVERSITY OF OTTAWA

FACULTÉ D'ADMINISTRATION
FACULTY OF ADMINISTRATION

Jerome Doutriaux Ph D Management Science
Pranlal Manga. Ph D . Health Administration

SURVEY OF NON-PROFIT ORGANIZATIONS IN THE HEALTH AREA

Mailing label with agency name and address

Please correct the address information if necessary

OBJECTIVE OF THE ORGANIZATION

Main objective: _____

_____

Category that best describes the organization's focus:

- ☐ a specific illness: _____
- ☐ an institution: _____ (e g a particular hospital or lab)
- ☐ a population: _____ (e g children or the aged)
- ☐ other: _____
- ☐ no specific focus

Your view of the general public's awareness of the health problem(s) addressed by your organization:

public is not aware				public is aware	n/a
1	2	3	4	5	☐

AFFILIATIONS

- ☐ no affiliations with branch organizations
- ☐ provincial affiliate of a national charity
- ☐ national office of a charity with _____ (number) branches
- ☐ other: _____
- ☐ international affiliations (please describe) _____

_____

BASIC INFORMATION

Respondent

Name: _____

Position: _____

Telephone: _____

Type of organization:

- ☐ public foundation
- ☐ private foundation
- ☐ charity
- ☐ government agency
- ☐ other: _____

Type of charter:

- ☐ provincial
- ☐ national
- ☐ other: _____

First full year of operation:

19 ___

If your organization was founded after 1982, please use data from the first full year of operation in columns for 1982 data that appear throughout the questionnaire.

STAFF IN 1982 AND 1987
(in person-years)

	1982		1987	
	Salaried	Other	Salaried	Other
Officers				
Support staff				

SOURCES OF FUNDING IN 1982 AND 1987

- to nearest thousand dollars ($000)
- estimate the cash value of non-monetary gifts
- please indicate number of donors (and members if applicable) in the 'Number' column

	1982		1987	
Source	Amount	Number	Amount	Number
Membership fees	$		$	
Investment and savings income	$		$	
Direct donations: individuals	$		$	
corporations	$		$	
Government grants	$		$	
Related businesses	$		$	
Transfers: from United Way	$		$	
from affiliates	$		$	
Other:	$		$	
(Total)	($)		($)	

EXPENDITURES IN 1982 AND 1987

Object	1982	1987
Grants, awards, services, etc.	$	$
Transfers to affiliates	$	$
Capital investment or savings	$	$
Administration: salaries	$	$
other	$	$
Other:	$	$
(Total)	($)	($)

EXPENDITURES ON GRANTS, AWARDS, SERVICES ETC. BY AREA (ESTIMATED)

Area	1982 (%)	1987 (%)
Medical research	%	%
Health care research	%	%
Health services or health promotion	%	%
Not health related (e.g. arts, etc.)	%	%
(Total)	(100%)	(100%)

MEDICAL AND HEALTH RESEARCH EXPENDITURES, BY REGION (ESTIMATED)

Region	1982 (%)	1987 (%)
Atlantic provinces	____%	____%
Quebec	____%	____%
Ontario	____%	____%
Prairies and British Columbia	____%	____%
Outside Canada	____%	____%
(Total)	(100%)	(100%)

FUNDRAISING OPERATIONS

- please use estimates if necessary; we realize that you may not maintain a separate budget for fundraising

	1982	1987
Fundraising expenditures ($000):		
staff salaries	$ ____	$ ____
consultants	$ ____	$ ____
other	$ ____	$ ____
Total	($ ____)	($ ____)
Fundraising personnel		
paid staff (in person years)	____	____
volunteers (number)	____	____

Non-salary fundraising expenditures, by technique

	1982 (%)	1987 (%)
Advertising	____%	____%
Staging special events	____%	____%
Mail campaigns	____%	____%
Door to door campaigns	____%	____%
Other	____%	____%
(Total)	(100%)	(100%)

Fundraising infrastructure

High profile campaign leader	____ yes, since 19____	____ no
In-house computer system	____ yes, since 19____	____ no
Marketing plan	____ yes, since 19____	____ no
Newsletter or magazine	____ yes, since 19____	____ no
Annual report or brochure	____ yes, since 19____	____ no

Use of external consultants

Management/organization consultants	____ (number of times since 1982)
Marketing, e.g. market surveys, advertising	____
Fundraising consultants	____
Other: ____	____

OPINIONS AND VIEWS ON FUNDRAISING

Statement	Disagree				Agree	No opinion
The generosity of donors increases with their income level.	1	2	3	4	5	X
People who donate to religious organizations will tend to give to other charitable organizations.	1	2	3	4	5	X
Governments should pay for a greater percentage of humanistic service costs.	1	2	3	4	5	X
Removal of the $100 automatic income tax deduction had a positive effect on fundraising by public charities.	1	2	3	4	5	X
Regulatory limits on fundraising expenditures inhibit growth of charities.	1	2	3	4	5	X
Any credible public charity should have access to workplace fundraising, i.e. receipt of gifts through payroll deductions.	1	2	3	4	5	X
The tax credit formula for charitable donations will probably increase the revenues of public charities.	1	2	3	4	5	X
Agencies should prepare promotional material in the language of large ethnic populations.	1	2	3	4	5	X
Potential donors usually care about the ratio of fundraising costs to program expenditures.	1	2	3	4	5	X
Charities should work more closely together in raising funds and lobbying governments.	1	2	3	4	5	X

Comments:

Thank you very much for participating in this study. Your cooperation is deeply appreciated.

A return envelope is enclosed for mailing of the questionnaire.

In addition to the questionnaire we would appreciate receiving a copy of your organization's promotional material. This might include your annual report, campaign materials (letters etc.), advertisements (including miniatures of transit or billboard ads if possible), brochures and newsletters, as available.

Our address is:

"Health agencies survey"
c/o Dr. Jerome Doutriaux
Faculty of Administration
University of Ottawa
275 Nicholas, Ottawa
K1N 6N5

If you would like to receive a summary of our findings, please indicate here: ☐ summary requested.

UNIVERSITÉ D'OTTAWA
UNIVERSITY OF OTTAWA

FACULTÉ D'ADMINISTRATION
FACULTY OF ADMINISTRATION

Le 28 novembre, 1988

Cher collègue:

Nous sommes en train de faire l'étude des grandes et petites organisations à but non lucratif actives dans le domaine de la santé. Votre participation serait grandement appréciée.

Les organisations à but non lucratif jouent un rôle très important dans le domaine de la santé au pays, en particulier du point de vue de la recherche. Près du tiers du financement de cette recherche est en effet fourni par des organismes à but non lucratif. Notre étude, subventionnée par Santé et Bien-être Social Canada, examinera l'origine des fonds récoltés par ces organismes et le type d'activités qu'elles supportent. L'un des objectifs de notre recherche est l'identification des facteurs qui influencent l'efficacité des petites et grandes organisations en termes de collecte des fonds. Nos résultats devraient intéresser les directeurs des organismes concernés. Nous enverrons une sommaire de nos observations à chaque répondant.

Le questionnaire ci-joint contient un certain nombre de questions sur vos operations. Il vous permettra aussi d'exprimer vos idées sur d'autres sujets reliés aux fondations et charités. Nous l'apprecierions beaucoup si vous pouviez le compléter et nous le retourner au cours des deux semaines prochaines. Toutes les réponses seront tenues en confidence; nous ne reporterons que des données agregées dans nos rapports.

Si votre organisation est privée ou de petite taille, il est possible que certaines questions ne vous concernent pas. Veuillez, tout de même, répondre aux autres questions pour nous permettre d'analyser l'ensemble du secteur.

Un aspect important de notre recherche est l'analyse des relations entre la qualité de la documentation sur un organisme et ses autres caractéristiques. Afin de pouvoir faire cette analyse, nous aimerions aussi recevoir une copie du matériel que vous utilisez pour promouvoir vos activités, y compris votre rapport annuel, publicité, lettres de sollicitation, nouvelles, etc, tel qu'approprié.

Nous vous remercions pour l'attention apportée à notre requête.

Veuillez agréer, cher collègue, l'expression de nos meilleurs sentiments.

Jérôme Doutriaux, Ph.D.,
Professeur en sciences
de la gestion

Pranlal Manga, Ph.D.,
Professeur en
administration de la santé

275 NICHOLAS, OTTAWA, ONTARIO, CANADA K1N 6N5
FAX: +1(613) 564-6518

UNIVERSITÉ D'OTTAWA
UNIVERSITY OF OTTAWA

FACULTÉ D'ADMINISTRATION
FACULTY OF ADMINISTRATION

Jérôme Doutriaux, Ph.D., Sciences de la gestion
Pranlal Manga, Ph.D., Administration de la santé

ETUDE DES ORGANISATIONS A BUT NON LUCRATIF DANS LA DOMAINE DE LA SANTE

Etiquette avec le nom et l'adresse de l'organisme

_____

Veuillez corriger l'information ci-dessus si nécessaire.

RAISON D'ETRE DE L'ORGANISATION

Raison d'être: _____

_____

Catégorie qui décrit l'orientation principale de l'organisation (une catégorie seulement)

- ☐ une maladie: _____
- ☐ une institution: _____ (e.g. hôpital, institut de recherche)
- ☐ une population: _____ (e.g. enfants, personnes agées)
- ☐ autre: _____
- ☐ aucune orientation spécifique

Votre opinion de la connaissance du grand public des problèmes adressés par votre agence

pas de connaissance (de la part du public)			très bonne connaissance		ne s'applique pas
1	2	3	4	5	x

AFFILIATIONS

- ☐ aucune (pas de branches)
- ☐ filiale d'une organisation nationale
- ☐ bureau central d'un organisme avec ___ (nombre) filiales
- ☐ autre: _____
- ☐ affiliations internationales (décrire s.v.p.) _____

_____

INFORMATION DE BASE

Répondant

Nom: _____

Titre et responsabilité: _____

Téléphone: _____

Type d'organisation:

- ☐ fondation publique
- ☐ fondation privée
- ☐ charité
- ☐ organisme gouvernemental
- ☐ autre: _____

Type de charte:

- ☐ provinciale
- ☐ nationale
- ☐ autre: _____

Première année complète d'opération:

19 ___

Si l'organisme a été créé après 1982, veuillez fournir partout, à la colonne 1982, les données de votre première année complète d'opérations.

LE PERSONNEL EN 1982 ET 1987
(en annees-personnes)

	1982		1987	
	Salarié	Autre	Salarié	Autre
Cadres				
Autre personnel				

SOURCES DES FONDS EN 1982 ET 1987

- en milliers de dollars (000 $)
- estimez la valeur des dons non-monétaires
- veuillez indiquer le nombre de donateurs(trices) (et de membres, si approprié) dans la colonne intitulée «Nombre»

	1982		1987	
Origine	Montant	Nombre	Montant	Nombre
Cotisation des membres	$		$	
Investissements et épargne	$		$	
Dons directs: individus	$		$	
corporations	$		$	
Subventions gouvernementales	$		$	
Operations commerciales	$		$	
Transferts: de Centraide Canada	$		$	
des affiliés	$		$	
Autre:	$		$	
(Total)	($)		($)	

DEPENSES EN 1982 ET 1987

Destination	1982	1987
Subventions, bourses, services etc.	$	$
Transferts aux affiliés	$	$
Investissements ou épargne	$	$
Administration: salaires	$	$
autre	$	$
Autre:	$	$
(Total)	($)	($)

DEPENSES SUR LES SUBVENTIONS, BOURSES, SERVICES ETC, PAR DOMAINE D'ACTIVITE (ESTIMATION)

	1982 (%)	1987 (%)
Recherche médicale	%	%
Recherche en soins de la santé	%	%
Soins santé (services, promotion de la santé)	%	%
Non-relié à la santé (e.g. les arts etc.)	%	%
(Total)	(100%)	(100%)

DEPENSES SUR LA RECHERCHE MEDICALE ET LA RECHERCHE EN SOINS DE LA SANTE, PAR REGION (ESTIMATION)

Région	1982 (%)	1987 (%)
Provinces atlantiques	____%	____%
Québec	____%	____%
Ontario	____%	____%
Prairies et Colombie brittannique	____%	____%
Hors du Canada	____%	____%
(Total)	(100%)	(100%)

LA COLLECTE DES FONDS

[illegible] estimations si nécessaire; nous savons que certaines agences n'ont pas de budget spécial pour la collecte des fonds.

	1982	1987
Dépenses pour la collecte des fonds (000 $)		
salaires	$ ____	$ ____
experts conseils	$ ____	$ ____
autre	$ ____	$ ____
Total	($ ____)	($ ____)
Personnel pour la collecte des fonds		
employé(e)s (en années personnes)	____	____
volontaires (nombre)	____	____

Dépenses non-salariales pour la collecte des fonds, selon les méthodes

	1982 (%)	1987 (%)
Publicité	____%	____%
Evénéments spéciaux	____%	____%
Campagne par courrier	____%	____%
Campagne avec entrevues	____%	____%
Autre: ____	____%	____%
(Total)	(100%)	(100%)

Autres ressources utilisées pour la collecte des fonds

Personalité bien connue en charge des campagnes	____ oui, depuis 19 ____	____ non
Ordinateur au sein de l'organisme	____ oui, depuis 19 ____	____ non
Plan de marketing pour l'organisme	____ oui, depuis 19 ____	____ non
Journal ou revue publié par l'organisme	____ oui, depuis 19 ____	____ non
Rapport annuel ou brochure	____ oui, depuis 19 ____	____ non

L'utilisation d'experts conseils

Administration des affaires / organisation	____ (nombre des fois depuis 1982)
Marketing, e.g. enquêtes sur la marché, publicité	____
Collecte des fonds	____
Autre:	

LES OPINIONS SUR LA COLLECTE DES FONDS

Déclaration	Pas d'accord				D'accord	Pas d'opinion
La générosite des donateurs augmente avec le niveau de leur revenu personnel.	1	2	3	4	5	X
Les personnes qui donnent aux organisations religieuses ont tendance à contribuer aussi à d'autres organismes charitables.	1	2	3	4	5	X
Il serait préférable que les gouvernements payent une plus grande proportion du coût des services humanistes.	1	2	3	4	5	X
L'annulation de la déduction automatique de $100 pour les dons aux agences bénévoles a eu un impact positif sur la collecte des fonds par les agences.	1	2	3	4	5	X
Les règlements sur la proportion des fonds utilisée pour la collecte des fonds ont empêché la croissance des organismes bénévoles.	1	2	3	4	5	X
Tous les organismes bénévoles devraient avoir le droit de rassembler les fonds aux endroits de travail, c'est-à-dire de recevoir des dons payés à travers les déductions automatiques de paie.	1	2	3	4	5	X
La formule du crédit d'impôt pour les dons bénévoles va probablement produire une augmentation des revenus des organisations bénévoles.	1	2	3	4	5	X
Les agences doivent préparer des publicités dans la langue des grands groupes ethniques.	1	2	3	4	5	X
Les donateurs potentiels sont généralement concernés par le niveau relatif des coûts de collecte des fonds par rapport aux dépenses totales sur les programmes.	1	2	3	4	5	X
Les agences bénévoles doivent coordonner plus étroitement leurs efforts dans la collecte des fonds et leurs communications avec les gouvernements.	1	2	3	4	5	X

COMMENTAIRES:

_____

_____

_____

_____

_____

Nous vous remercions sincèrement de votre participation dans cette étude. Votre coopération est grandement appréciée.

Veuillez trouver ci-incluse une enveloppe pour le retour du questionnaire.

Nous aimerions également recevoir une copie des documents reliés à la promotion de votre organisme, y compris votre rapport annuel, vos lettres de sollicitation, vos publicités (versions réduites des affiches utilisées sur les voies publique etc) les brochures, et les actualités. Notre adresse:

«Enquête des fondations et charités»
a/s Professeur Jérôme Doutriaux
Faculté d'administration
Université d'Ottawa
275 Nicholas, Ottawa
K1N 6N5

Si vous désirez recevoir un sommaire de nos résultats, veuillez nous l'indiquer: ☐ sommaire demandé.

REFERENCES

Angus Reid Associates (1987). CEO's and Charitable Donations: Philanthropy in the Boardroom. *The Reid Report, 2* (1): 19-23.

Arlett, A. (1988). Individual Philanthropy. In: Gorman, J. ed. *Canada Gives: Trends and Attitudes Towards Charitable Giving and Philanthropy*. Toronto, Ontario: The Canadian Centre for Philanthropy.

Arlett, A., van Rotterdam, I. (1985). *Canadian Directory to Foundations, Sixth Edition*. Toronto, Ontario: The Canadian Centre for Philanthropy.

Association of Canadian Medical Colleges (1988). *Canadian Medical Education Statistics, 10*. Ottawa, Canada: Association of Canadian Medical Colleges.

Aubry, R., Chase, M., Lauzon, R., Millette, T. (1987). *An Industry Analysis of the Canadian Heart Foundation*. (Unpublished manuscript from R. Lauzon, Canadian Heart Foundation, Ottawa).

Bell, P. (1988). Corporate Philanthropy. In: Gorman, J. ed. *Canada Gives: Trends and Attitudes Towards Charitable Giving and Philanthropy*. Toronto, Ontario: The Canadian Centre for Philanthropy.

Brockner, J., Guzzi, B., Kane, J., Levine, E., Shaplan, K. (1984). Further Evidence on the Effects of Legitimizing Small Donations. *Journal of Consumer Research, 11* (1): 611-613.

Canadians for Health Research (1988). *Voluntary Health Research Funding Agency Survey*. Montreal, Quebec: Canadians For Health Research.

DeJong, W. (1979). An Examination of Self-Perception Mediation in the Foot-in-the-Door Effect. *Journal of Personality and Social Psychology, 37* (12): 2221-2239.

Demille, C. (1981) Fundraising Consultancy and Public Relations. *European Journal of Marketing, 15* (6): 3-24.

Devries, R.A. (1981). Private Philanthropy in Support of Health Service Demonstrations and Research. *Health Services Research, 16* (1): 8-10.

Drache, A.B.C. (1980). *Canadian Tax Treatment of Charitable Donations*. Toronto, Ontario: Richard de Boo.

Feingold, M. (1987). Philanthropy, Pomp and Patronage. *Daedalus*. (Proceedings of the American Academy of Arts and Sciences. 116;(1): 155-178.

Feldstein, M., Clotfelter, C. (1976). Tax Incentives and Charitable Contributions in the United States: a Microeconomic Analysis. *Journal of Public Economics, 5* (1,2): 1-26.

Fine, S.H. (1983). Concept Sector Within the Economy. In: Kotler, P., Ferrell, O.C., and Lamb, C., eds. *Cases and Readings for Nonprofit Organizations*. Englewood Cliffs, N.J.: Prentice-Hall, 349.

Gurin, M.G. (1987). Is Marketing Dangerous for Fund Raising? *Fund Raising Management*. January, 1987: 72-76.

Health and Welfare Canada (1986). Directory of National Health-Related Organizations and Associations in Canada. *Health Promotion, 25* (1,2): 10-14.

Heron, M.F. (1986). How to Communicate Your Marketing Plan. *Fund Raising Management*. August, 1986: 28-36.

Ignatief, M. (1986). *The Needs of Strangers*. London: Penguin Books.

Karl, B.D., Katz, S.N. (1987). Foundations and Ruling Class Elites. *Daedalus*. (Proceedings of the American Academy of Arts and Sciences. 116;(1): 1-40.

Kinkhead, G., (1987). America's Best-Run Charities. *Fortune*. November 9, 145-150.

Klein, K. (1986). An Introduction to Marketing Research. *Grassroots Fundraising Journal*. April 1986: 8-11.

Kotler, P., Andreasen, A.R. (1987). *Strategic Marketing for Nonprofit Organizations (Third Edition)*. Englewood Cliffs, New Jersey: Prentice-Hall, Inc.

Martin, S.A. (1985). *An Essential Grace: Funding Canada's Health Care, Education, Religion and Culture*. Toronto: McLelland and Stewart.

Medical Research Council (1988-b). *Evaluation of the MRC Programs for Training Biomedical Scientists: Substudy 6, Research Training Supervised by MRC Grant Holders*. Ottawa: Medical Research Council, Government of Canada.

Medical Research Council (1987). *Reference List of Health Science Research in Canada 1987-1988*. Ottawa: Medical Research Council, Government of Canada.

Medical Research Council (1988-a). *Report of the President 1987/1988*. Ottawa: Medical Research Council, Government of Canada.

Merrill, J.C., Somers, S.A. (1986). The Changing Health Care System: a Challenge for Foundations. *Inquiry, 23*: 316-321.

Ministry of State for Science and Technology Canada (1989). *Final Report: Evaluation of the Matching Policy, Phase 1*. Ottawa: Government of Canada.

Patented Medicine Prices Review Board (1989). *First Annual Report 1989*. Ottawa: Patented Medicines Prices Review Board, Government of Canada

Permut, S.E., (1980). A Survey of Marketing Perspectives of Performing Arts Administrators. In: Mowka, M.P., Dawson, W.M.,and Price, A.E., eds. *Marketing the Arts*. New York: Praeger, 47-58.

Pifer, A. (1987). Philanthropy, Voluntarism and Changing Times. *Daedalus*. (Proceedings of the American Academy of Arts and Sciences. 116;(1): 119-131.

Plambech, D.L., (1985). The Implication of Board Membership for Fund Raising Success. *Journal of Voluntary Action Research, 14* (4): 60-66.

Reilly, M., McCullough, J. (1982). A Survey of Marketing Activity in Nonprofit Organizations. In: Shuptrine, F.K., Reingen, P., eds. *Nonprofit Marketing: Conceptual and Empirical Research*. Tempe, Arizona: Bureau of Business and Economic Research, College of Business Administration, Arizona State University, 40-43.

Reingen, P. (1982). Test of a List Procedure for Inducing Compliance with a Request to Donate Money. *Journal of Applied Psychology, 67* (1): 110-118.

Riggs, H.E., (1986) Fundraising Lessons From High-Tech Marketing. *Harvard Business Review, 86* (6): 64-66.

Rose-Ackerman, S. (1982). Charitable Giving and "Excessive" Fundraising. *Quarterly Journal of Economics, XCVII* (2): 193-211.

Ryten, E. (1989). Financing the Research of Canadian Faculties of Medicine: Comparisons and Trends. *Forum, 22* (2): 1-10. (Ottawa, Canada: The Association of Canadian Medical Colleges).

Salamon, L.M., Musselwhite, J.C.Jr, DeVita, C.J. (1986). Partners in Public Service: Government and the Non-Profit Sector in the Welfare State. Presented at the Research Forum for the Independent Sector, N.Y. (From *Fundraising Management*. June 1986: 78.)

Soukup, D.J. (1983). A Markov Analysis of Fund-Raising Alternatives. *Journal of Marketing Research 20*: 314-319.

Statistics Canada (1989-a). The Regional Distribution of R&D in Canada, 1979 to 1987. *Catalogue 88-001: Science Statistics, 13* (7).

Statistics Canada (1989-b). Estimation of R&D Expenditures in the Higher Education Sector, 1987-88. *Statistics Canada Catalogue ST-89-05*.

Statistics Canada (1989-c). *Canada Year Book 1990*. Ottawa: Statistics Canada.

Statistics Canada (1980). Selected Financial Statistics of Charitable Organizations. *Statistics Canada Catalogue 61-519 Occasional.*

Statistics Canada (1988). Regional Distribution of Federal Expenditures on Science and Technology. *Statistics Canada Calalogue 88-001: Science Statistics, 12* (7).

Thompson, R.W. (1988). Charitable Giving in Canada: a Statistical Record of Charitable Organizations and Donations from 1969 to 1985. In: Gorman, J. ed. *Canada Gives: Trends and Attitudes Towards Charitable Giving and Philanthropy*. Toronto, Ontario: The Canadian Centre for Philanthropy.

Weisbrod, B.A., Dominguez, N.D. (1986). Demand for Collective Goods in Private Nonprofit Markets: Can Fundraising Expenditures Help Overcome Free-Rider Behaviour? *Journal of Public Economics, 30*: 83-95.

Wenocur, S., Cook, R.V., Steketee, N.L. (1984). Fund-Raising at the Workplace. *Social Policy, 14* (4): 55-60.

Wright, T., Rodriguez, F., Waitkin, H. (1986). Corporate Interests, Philanthropies and the Peace Movement. *International Journal of Health Services, 16* (1): 33-41.