

## Giving Season Coincides with New Research on How \$15 Billion Can Be Moved to Higher-Performing Nonprofits

*GuideStar and Hope Consulting Partner on New Research, "Money for Good II," That Looks at the Information That Will Allow Donors to Make More Informed Giving Choices*

Washington, DC—November 30, 2011—[GuideStar](#), the leading source of nonprofit information, and [Hope Consulting](#), a boutique strategy consulting firm, today announced the [results of a new study](#), Money for Good II (MFGII), that shows if nonprofits and information providers are able to provide donors, advisors, and foundation grant-makers with the information that they want, where and how they want it, these donors would consider shifting up to \$15 billion in charitable dollars to higher-performing nonprofits.

Every day, almost every American is touched by a nonprofit organization in some way, whether a loved one is treated for a health concern or uses a service that is being offered in their community. Almost all Americans make a contribution each year, and half of all Americans volunteer.

In this tough economic climate, when people are struggling to make ends meet and nonprofits are dealing with declining funding even as demand for their services is growing, it's imperative that hard-earned dollars result in the most value. [MFGII](#) provides actionable information that nonprofits, information providers, and others who care about giving can use to provide Americans with the right information on nonprofits, where and how they want it.

"As Money for Good II concludes, if we can change just five percent of charitable giving behavior, we can potentially move \$15 billion to those nonprofits that deserve it most," said [Bob Ottenhoff](#), president and CEO of GuideStar. "This research gives an organization like ours, which provides comprehensive, trusted nonprofit information, an opportunity to do a better job in presenting and prioritizing the data."

### **Money for Good II Findings**

[MFGII](#) shows that while just a third of individual donations are researched today, more donors could be influenced to research if they had better information in more transparent and clear formats. The research shows that it is possible to influence about five percent of donations each year, which can lead to a shift in \$15 billion in charitable donations. Some of the key findings of the research:

- Individual donors research only a third of their charitable donations, whereas those that advise donors and foundation grant-makers research almost every donation they make;
- Despite these different behaviors, the groups have similar preferences for research. Specifically:
  - They want a broad range of information on nonprofits' impact, financials, and legitimacy.
  - They want data provided in transparent formats or portals that provide them with several pieces of information. They prefer these formats more than 2:1 to simple seals or ratings.
  - They want this information from third-party portals that provide information on nonprofits. Specifically, 53 percent of donors want to use such sites, though few know they exist today; and
- Of all the information they are looking for, impact and effectiveness data are seen as the greatest unmet need for each group – and the most urgent need for the sector.

These findings present a wonderful opportunity for nonprofits to better connect with donors by providing more – and more detailed – information about their organizations. At the same time, it's an opportunity to educate donors about the need to research before donating. MFGII provides actionable recommendations, including:

- more -

- How individual donors can take a few easy steps to make better charitable gifts this giving season by reflecting, researching, and rebalancing;
- What high-performing nonprofits can do to increase their fundraising and operations through an intentional focus on impact, effectiveness, and efficiency; and
- How nonprofit information portals can better address user needs and create a more efficient philanthropic market

“We live in a world of reactive giving, where we give to our brother-in-law to support his marathon; to our friend hosting a fundraiser; to a phone call or mailing we receive,” said [Greg Ulrich](#), director of advisory services at Hope Consulting. “Nonprofits need to show just how effective they are in meeting their mission – and most importantly, donors need to look for that impact information before they make a charitable gift. Changing the system will be hard, but not impossible.”

### **About Money for Good II**

The Money for Good II project was made possible through the generous support of the [Bill & Melinda Gates Foundation](#), the [William and Flora Hewlett Foundation](#), and [Liquidnet](#). Both qualitative and quantitative research was examined across three audiences: individual donors, persons who advise donors on philanthropic decisions, and foundation grant-makers.

Specifically, the research included seven focus groups of approximately 10 people each, and a quantitative survey that included 5,227 individual donors, 873 advisors to donors, and 727 foundation grant-makers. The individual donors all had household incomes over \$50,000 (wealthiest 50 percent of the US population), with an oversample of 1,000 donors with household incomes over \$300,000. The survey covered three main elements for each population group: their current giving/granting behavior; their preferences for different types of information, format and channel; and how much money they would consider giving/granting differently if their preferences were met. The project also benefited from an industry-leading advisory council, including:

- Katya Andresen, Network for Good
- Laura McKnight, Greater Kansas City Community Foundation
- Katherina Rosqueta, Center for High Impact Philanthropy, University of PA
- Cynthia Strauss, Fidelity Charitable Gift Fund
- Kim Wright-Violich, Schwab Charitable

For more information about the Money for Good II findings, please visit <http://www.guidestar.org/moneyforgood>.

### **About Hope Consulting**

Hope Consulting ([www.hopeconsulting.us](http://www.hopeconsulting.us)) is a boutique strategy consulting firm with a social sector focus. We craft effective strategies for addressing major social sector issues, and bring the correct set of players to the table to drive those solutions forward. Our practice areas include market analysis and customer research, growth strategy and strategic planning, program strategy and design, and organizational development. Our work has attracted attention in the *New York Times*, the *Economist*, and other media outlets.

### **About GuideStar**

GuideStar, [www.guidestar.org](http://www.guidestar.org), connects people and organizations with information on the programs and finances of more than 1.8 million IRS-recognized nonprofits. GuideStar serves a wide audience inside and outside the nonprofit sector, including individual donors, nonprofit leaders, grant-makers, government officials, academic researchers, and the media.

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