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## **Increasing Nonprofit Effectiveness by Fundraising in Diverse Communities.**

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# Increasing Nonprofit Effectiveness by Fundraising in Diverse Communities.

By

Celia Hagerman

A thesis submitted in partial fulfillment of the requirements of the University  
Honors Program  
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May 4, 2020

Thesis Director: Karin Braunsberger, Ph.D.  
Professor of Entrepreneurship, Muma College of Business

University Honors Program  
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CERTIFICATE OF APPROVAL

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Honors Thesis

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This is to certify that the Honors Thesis of

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Has been approved by the Examining Committee

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As satisfying the thesis requirement

Of the University Honors Program

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## **ABSTRACT**

Nonprofit organizations are faced with the need to evaluate their current business model, in order to survive and even flourish in the future. Nonprofits are impacted by a number of external forces that are currently undergoing systematic changes and will therefore have a strong impact on the effectiveness of these types of organizations. The state of the economy, the reach of globalization, changes in population demographics and socio-cultural changes in traditional giving, are some of those external forces that have an extreme impact for nonprofit organizations.

Most nonprofits are financed mainly by a donor base that provides stable and continuous income to support the role of these organizations in our communities. Therefore, maintaining and growing relationships with donors is a primary necessity for nonprofits. All donors have certain expectations when they support financially an organization, and the nonprofit's development department is in charge of meeting and surpassing such expectations. This is extremely important if an organization is to maintain its current supporters, look for new donors and be efficient raising necessary funds. Therefore, this is fundamental for a nonprofit that aims to be effective, survive and thrive.

This research paper will examine the stated external forces and their impacts on nonprofits as well as at how effective nonprofits are in growing and serving society by fulfilling their mission, thanks to their increase in fundraising effectiveness.

Research in three different areas are the basis of academic support for this thesis: First, a study and definition of organizational effectiveness as it relates to nonprofit management. Next, a summary of fundraising best practices and data regarding trends of giving in the United States. Third, an overview of projected demographic changes in the country, and the need for nonprofits to embrace necessary change to adapt to such changes.

The methodology used for this research focuses on a literature review with the goal to analyze and appraise theoretical and empirical findings of numerous academic and professional published papers, articles and books as well as public data from reliable sources that create a good overview of the external forces that impact the third sector (i.e. the nonprofit sector), and the need for organizations to adapt and improve their business model by increasing their outreach to diverse communities.

### **STATEMENT OF RESEARCH**

The main goal of this research is to understand how the projected changes in demographics can influence nonprofit fundraising and organizational ability to secure the funds needed for the organization to be effective as a force for good in society. In order to be successful in reaching out and working with diverse communities, fundraisers will need to be aware of cultural differences and adapt to the target groups' preferences. If fundraisers are not able to establish trust and to build relationships in those communities, their ability to create and maintain an effective relationship with these donors will be hindered and the organization will be negatively impacted.

### **NONPROFIT EFFECTIVENESS RESEARCH**

The next question this research is looking to answer is how the organization's climate and its ability to hire and retain a diverse pool of professional fundraisers impacts its fundraising effectiveness.

The classic static organizational culture will not be effective any longer, due to our current complex and rapidly changing environment. This makes the organization's leadership ability to recognize change and implement rapid and efficient adjustments a necessity for any type of

organization in general, and for nonprofits in particular. When management is effective in implementing change organizations are able to adapt to its dynamic environment. Donald R. Brown defines organizational culture as “a system of shared values and beliefs that interact with an organization’s people, structure, and systems to produce behavioral norms.” Brown considers behaviors, assumptions, performance, rituals and a set of beliefs, so common in a community that they are perpetuated over time. Brown also explores how a variety of social sources, mostly subtle, facilitate learning a group’s norms and values, and implements a system of rewards for those that accept them or punishment for those that do not.<sup>1</sup> This is known as socialization, the process by which organizational members learn the norms of an organization and internalize these unwritten rules of conduct. Through socialization, organizations encourage employees to develop standardized or innovative responses to any given situation. Managers face challenges when looking for the best ways to use rules, norms and standard operating procedures (SOPs) to standardize employee behavior while maintaining a certain degree of mutual adjustment to give employees the opportunity to be innovative looking for more effective ways to achieve organizational goals.<sup>2</sup>

The structure of any given organization has a strong influence on the internal culture of the organization. Corporate level managers are in charge of corporate strategy, and organizational design. They evaluate the organizational structure that will better fit the strategy and help the organization to achieve its goals. In the meantime, the structure of an organization is directly influenced by its hierarchical levels and the design of authority (tall or flat organization), the need for differentiation and integration in any given organization, the centralization or decentralization

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<sup>1</sup> D.R. Brown, *Experiential Approach to Organization Development* (Antelope Valley College, Pearson Education, Inc.)

<sup>2</sup> Gareth R. Jones, *Organizational theory, Design, and Change* (Texas A&M University, Pearson Education, Inc., 2013), 108

of authority and decision making and the use of standardization or mutual adjustment to control how employees perform their organizational roles and to provide behavior control to management among other factors. Overall, organizations will follow either a mechanistic or organic structure.

Mechanistic structures are used to encourage people to behave in a predictable, accountable way. They centralize decision making, increase direct supervision of employees by managers with information flowing in a top-down vertical hierarchy, tasks and roles are clearly defined and coordinated mostly by standardization, using rules, norms and SOPs.

Organic structures promote flexibility and allow people to initiate change and adapt quickly to changing environmental conditions. Authority is decentralized and the ability to make decisions is found anywhere in the organization's hierarchy; roles are not strictly designed which allows employees to acquire new skills during their daily functions. This type of organization requires a high level of integration in order to effectively share information and avoid possible problems caused by a subunit orientation, common in organic structures.<sup>3</sup>

Managers influence culture with their management style, actions and words, and they define how employees, customers and other organization's stakeholders are treated. Furthermore, in most organizations, top management is trusted to clearly articulate the organization's mission and vision, as well as to define the organization's core values and desired behavior and use all of these tools to influence behavior and promote a specific organizational culture.

Management style and corporate culture are the main factors influencing the success of a company and the most critical for establishing organizational strategy and influencing communication, decision making and leadership for the entire organization.

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<sup>3</sup> Jones, *Organizational*, Ibid

For an organization to be effective, its culture must help the organization to achieve goals and satisfy the needs of stakeholders. Organizational culture influences how managers and workers approach problems, deal with customers, react to competition and, above all, perform. At the heart of an organization's success there is a strong, widely internalized corporate culture. Competitors can replicate a successful organization's strategy, provide similar products and/or services at the same or lower cost and recreate its structure, but will not be successful in trying to replicate the organizational culture. A strong and highly effective organizational culture is, therefore, the strongest differentiation tool and strategic advantage for an organization's success. Organizations with a strong and effective culture tend to share the following characteristics: strong member identity and team emphasis, being people focus, autonomy, control and risk tolerance.

Brown describes how an organization's culture provides a strong competitive advantage by setting it apart from others and playing a main role in implementing strategy. Therefore, defining, implementing and strengthening the right organizational culture, should be the priority for top management and executive leadership.<sup>4</sup>

Next, it is important to understand how organizational culture and climate have a strong influence on nonprofit overall effectiveness and fundraising effectiveness in particular. Fundraising is a top strategic competence for nonprofit effectiveness, since the success of the nonprofit directly depends on how efficient its fundraising program is in securing funding to preserve the organization. Like all organizations, if a nonprofit has an organizational climate that is less than ideal, its ability to secure funding will be hinged. Unhappy employees make unhappy and unsuccessful fundraisers.<sup>5</sup>

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<sup>4</sup> Brown, *Experiential*, Ibid

<sup>5</sup> Matthew G. Johnson, *Successful Fundraising Through Improved Organizational Climate*, (Colorado Technical University)

Organizational climate is defined as the way in which organizational members perceive and characterize their environment in an attitudinal and value-based manner.<sup>6</sup> Many times, the terms culture and climate are used interchangeable. Matthew G. Johnson sees climate as the outward expression of culture; what outsiders and organizational members see about the organization. Studies about the impact of climate on organizational performance and effectiveness, including nonprofits, establish that organizations with a better climate are able to perform better, providing more efficient services for their clients.<sup>7</sup> This applies to the ability of the organization to secure funding. After all, potential donors will perceive a nonprofit as more effective based on the amount and quality of services provided to its clients, and the donor's personal relationship with the fundraising professional. Many donors will base their support on this type of perception.<sup>8</sup> Fundraising professionals build relationships with potential donors and sometimes even mend misconceptions and fix broken relationships between a nonprofit and its donors.

Nonprofit organizations are constantly looking for ways to increase funding acquisition, and Johnson believes that creating a better climate within the organization will affect its ability to acquire better funding, and therefore increase its effectiveness and help fulfill its role. Organizational climate is extremely relevant in creating an effective organization by improving how the organization is viewed and perceived by its members and affecting staff behavior when representing the organization in front of potential funders and donors.

Numerous studies about the impact of organizational climate on organizations feature topics such as productivity, effectiveness, customer perception, employee involvement and

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<sup>6</sup> D.R. Denison, *What Is the Difference Between Organizational Culture and Organizational Climate? A Native's Point of View on a Decade Of Paradigm Wars* (Academy of Management Review, 21 (3))

<sup>7</sup> Johnson, *Successful* Ibid.

<sup>8</sup> Adrian Sargeant, *Relationship Fundraising: How to Keep Donors Loyal* (Nonprofit management & Leadership, 12 (2), 177-192.

retention. Most of these studies show that companies performing above or below an average will show different climate measurements, and corporations were more effective when the perception of employees' involvement in decision making, information sharing, and management support was greater. For example, Johanssen investigated the relationship between organizational climate, productivity and employee satisfaction. The research showed that when employees were involved in decision making, their level of commitment, information sharing and understanding of their role and expectations increased. Also, when managers showed appreciation for employee involvement and recognized their successes the result was an increased in the perception of the organization as being effective.<sup>9</sup>

This thesis summarizes some findings from the Advancing Nonprofit Organizational Effectiveness Research and Theory Nine Thesis, by Robert D. Herman and David O. Renz, to answer some important questions regarding research for improving nonprofit organizational effectiveness. The articles refer to a limited set of organizations in the United States, publicly supported charities, or 501(c) 3.

The authors establish that organizational effectiveness is a matter of comparison either of the same organization during different times, similar organizations, or a combination of both. Organizational effectiveness is multidimensional, and nonprofit organizations have multiple and often independent criteria to measure effectiveness. The most utilized criterion is efficiency, measured by looking at the input-output ratio, as well as other nonfinancial criteria. Based on the findings, the authors established that nonprofit organization's effectiveness cannot be assessed

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<sup>9</sup> R.D. Johanssen, T.W. Johnson, J.E. Stinson, *Organizational Climate and Productivity* (Journal of Management, 2, 1976), 65.

with a single indicator, which limits how to examine the impact of just one single criterion on a nonprofit's overall efficiency.<sup>10</sup>

Herman and Renz also looked at Boards of Directors as a tool to increase effectiveness and make a difference in nonprofits. Multiple studies using various types of organizations and measures found a relationship between board effectiveness and organizational effectiveness. Frequently there is an assumption of causation from board to organizational effectiveness, but only one study, the one performed by Jackson and Holland (1998) supports with evidence that board effectiveness is a cause of organizational effectiveness.<sup>11</sup>

Most studies show that organization executives and board members consider the financial condition of the nonprofit the main measure of board and organization effectiveness. Studies also show a direct correlation between board member prestige and funder perception of board effectiveness, which could be misguided. However, a study by Brown with using numerous statistical measures and regression analysis of net revenue, found that when considering organizational size and age, board performance had no statistical effect on net revenue Brown established that such results are supported by numerous theoretical perspectives such as agency theory, resource dependence theory, and group process theory.<sup>12</sup> This result is consistent with Herman and Rentz's findings suggesting that boards may be evaluated by various stakeholders as correlating with an organization's financial performance, but how often the board actually directly affects financial performance is unclear.

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<sup>10</sup> R.D. Herman, D.O. Renz, *Advancing Nonprofit Organizational Effectiveness Research and Theory, Nine Thesis* (Nonprofit Management & Leadership vol.18, no 4, Wiley Periodical, 2008), Page 307-400

<sup>11</sup> D.K. Jackson, T.P. Holland, *Measuring the Effectiveness of Nonprofit Boards* (Nonprofit and Voluntary Sector Quarterly, 27 (2), 1998) Pages 159-182

<sup>12</sup> W.A. Brown, *Exploring the Association Between Board and Organizational Performance in Nonprofit Organizations* (Nonprofit Management and Leadership, 15 (3), 2005), Pages 317-339

A different study by Preston and Brown found that emotional commitment by board members has a positive relationship to board performance, and that the length of membership, frequency of board attendance, and the hours spent on organizational activities are better related to board performance. This study also showed the relationship between board member competence and performance and certain board recruitment and orientation best practices, such as clear expectations and time demand, formal agreements and job/role descriptions.<sup>13</sup> There needs to be more research done on the relationship between board effectiveness and performance and organizational effectiveness to have a better understanding of this relationship.

Many cross-sectional studies show that the most effective organizations, including nonprofits, are those that use correct management practices. Galaskiewicz and Bielefeld established that an increased use of selected managerial tactics such as investment in personnel, training and benefits, led to increased growth in expenditures and workforce. Although such increases are not appropriate indicators of organizational effectiveness for nonprofits, for certain stakeholders, size may be an indicator of success and therefore of effectiveness.<sup>14</sup>

Organizational effectiveness is merely a social construction and for nonprofit organizations material and measurable elements such as annual reports, program outcome reports, reports by the CEO to the Board, funders and others are used to construct an image of an effective organization. These elements don't necessarily have meaning on themselves until somebody interprets, judges, compares or acts upon such a judgement.

Herman and Renz also stated how unlikely it is that universal best practices can be prescribed for all nonprofits, and that most sources that claim to offer best practices for nonprofit

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<sup>13</sup> J.B. Preston, W.A. Brown, *Commitment and Performance of Nonprofit Board Members* (Nonprofit Management and Leadership, 15 (2), 2004), Pages 221-238.

<sup>14</sup> J. Galaskiewicz, W. Bielefeld, *Nonprofit Organizations in an Age of Uncertainty* (New York: Aldine de Gruyer, 1998)

boards and management are not able to provide any support to such assertions. Furthermore, if we define best practices as those that help organizations to improve effectiveness, there is a lack of support that specific board or management best practices increase the organization's effectiveness. Keehley, Medlin Longmire, and MacBride in their research publication identify certain criteria for best practices: 1) be successful over time, 2) show quantifiable gains, 3) be innovative, 4) be recognized for positive results, 5) be replicable, 6) have relevance to the adopting organization, and 7) be generalizable or not linked to unique organizational characteristics.<sup>15</sup> No best practices have been found that are close to meeting the previously mentioned criteria. It is better to use the term "promising practices" for nonprofit leaders to examine which could bring potential value to the organization. Furthermore, best practices may be applicable to techniques or processes for a setting, mostly for some common administrative functions, many associated with external mandated standards.

The more effective organizations tend to be more responsive to stakeholder demands, and able to adapt to change caused by external and internal forces. Nonprofit stakeholders want to see a return on their investment of time and funds in the way of an effective organization, with efficient management and programs that address specific needs in society and make changes and facilitate outcomes to society's problems that are dear to them. Stakeholders want to see results and to be able to measure organization effectiveness by seeing the organization's competitive edge as it applies to its perceived value, increased differentiation and sense of uniqueness, and recognition by donors and the public in general as being results oriented. They want to see their funds in action.

Hernan and Renz also highlighted the importance of measuring effectiveness at all levels of the organization (program, mission delivery, management, fundraising) and how relevant it is

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<sup>15</sup> P. Keehley, S. Medlin, L. Longmire and S.A. MacBride, *Benchmarking for Best Practices in the Public Sector: Achieving Performance Breakthrough in Federal State, and Local Agencies*. (San Francisco: Jossey-Bass, 1997)

for nonprofit leaders to improve management practices and reach organizational effectiveness. It is hard to evaluate the organization's effectiveness by merely measuring the efficiency of its programs, and it may be more practical to use its fundraising results as the measure of efficiency.<sup>16</sup>

More recent analytical research helps to better describe a multilevel model of measuring effectiveness for nonprofits. The integration of program and management effectiveness by using hierarchical linear models to estimate how variation in a dependent variable can reflect the characteristics at the individual and organizational level. This type of analytical approach has been utilized in evaluating programs, but it is still unable to measure effectiveness in organizations unless we assume that organizational effectiveness is directly linked to program effectiveness, and we use benchmarking to compare effectiveness of an organization's programs to those of similar organizations.<sup>17</sup>

### **FUNDRAISING EXCELLENCE AND BEST PRACTICES RESEARCH**

The second part of this research aims to define excellence in fundraising, fundraising best practices and giving trends in the United States, with an emphasis on the coming demographic changes, and their impact on nonprofit effectiveness.

The book *Achieving Excellence in Fundraising*, defines the following basic tenants in fundraising:

- The importance of mission for fundraising
- The reason why the organization exists, the needs in society that the organization meets, is more important than what it does, the type of programs

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<sup>16</sup> Herman, *Advancing*, Ibid.

<sup>17</sup> J.E. Sowan, S.C. Selden, and J.R. Sanford, *No Longer Unmeasurable? A Multidimensional Integrated Model of Nonprofit Organizational Effectiveness*. (Nonprofit and Voluntary Sector Quarterly, 2004), Page 711-728

- The importance of integrating fundraising as a necessary part of the organization
- Changing apology for pride in the organization

Fundraising depends on the organization's mission, and it is a means to an end. The mission and the main cause of the organization is the main motivation for donors to give, and the mission has to be defined in terms of the societal needs that it fulfills. Fundraising asking for philanthropic support must have a clear explanation of the need that the organization is trying to meet, the problem to solve. A clear definition of the mission is the best tool to help fundraisers to increase donor support, and to explore new sources of income such as social enterprise opportunities and market-based activities, and to attract venture philanthropists to invest in the organization.<sup>18</sup>

The importance of the organization's board as stewards of the nonprofit's resources cannot be overstated. The board increases the public's trust in the organization and promotes transparency and accountability. There cannot be philanthropy without public trust.

To increase organizational effectiveness, fundraising must be a main part of the nonprofit management's responsibilities. Fundraising management must interact with managers and personnel in other departments to be more aware of innovative ways in which the organization is achieving goals related to its mission, and to assist building trust with donors and the public. They also need to become recipients of volunteer and client's stories to help explain the mission to donors. Fundraising is a profession, and professional fundraisers must be committed to the organization, representing it with integrity and professionalism. Professional fundraisers must place donor engagement and satisfaction as their top priority in order to retain donors and increase their philanthropic support.

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<sup>18</sup> E.R. Tempel, T.L. Seiler, D. Burlingame, D., eds., *Achieving Excellence in Fundraising, 4<sup>th</sup> Edition. Chapter 1*, Rosso, H.H. New Jersey: John Wiley & Sons, Inc.

The book, in its first chapter, also highlights the need for fundraisers to be professional, in part due to the growth in the number of nonprofits and donors. Professional fundraisers are trained and practice recognizing the integrity of the profession, the need for ongoing professional development and the relevance of the organizational mission. This is what it means to change apology for pride, as one of the basic tenants of fundraising, presented in this book. Professional fundraisers are accountable, trustworthy, leaders for volunteers and able to implement new fundraising approaches in their efforts and to directly work with high net-worth individuals to assist them with their philanthropic interests and decisions.<sup>19</sup>

American Fundraising professionals and practices are well admired and known abroad and lead the world in the philanthropic profession. In part, this is a result of the American philanthropic spirit and Americans' long tradition of giving. Americans are truly generous in sharing their time and their treasure. The Corporation for National & Community Service highlighted that 62.6 million Americans volunteered nearly 7.7 billion unpaid hours in 2014, which has an estimated value of US \$173 billion. Also, Giving USA during the same period of time showed a total of US \$358.38 billion was donated to nonprofits.

Nonprofits exist mostly to respond to specific human or societal needs, and to support these necessary services they provide opportunities for philanthropists to invest in their cause and for volunteers to provide services aligning their skills with an organization's programs and strategies responding to those societal needs. It is the organization's privilege to work with such generous and philanthropic individuals and to provide opportunities for such individuals to support the organization's mission. Fundraisers need, therefore, to be aware of the need to be transparent,

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<sup>19</sup> Tempel, *Achieving*, Ibid

trustworthy and very effective. Organizations that follow such guidelines, will be able to maintain their donors, attract new funders and maintain a high level of organizational excellence.

Success in any fundraising or development office is directly related to effective planning and a remarkable execution of such a plan. Fundraising is an ongoing process and the fundraising cycle of planning and asking for charitable support, followed by effective stewardship to establish an ongoing relationship with donors is the professional way to be successful.

To be successful in fundraising, organizations must effectively apply common marketing principles. Timothy Seiler explains the fundraising cycle in chapter 3 of *Achieving Excellence in Fundraising, Plan to Succeed*.

The Fundraising cycle as described by Mr. Seiler has 14 basic steps:<sup>20</sup>

1. Planning revolving on examining the nonprofit case for support and creating a compelling case showing how it meets society's needs, serves the community, provides benefits and adds value in general.
2. Assessment of market needs in order to provide the most compelling presentation of the nonprofit's mission matching a specific target market. Messaging will be somehow different when targeting individuals, corporations or foundations. The organization will benefit of running broad testing in each market target.
3. Create a needs statement to explain how the organization carries out its work, fulfill its mission and fulfills specific societal needs. Have program plans that can cover long-term and annual needs that incorporate financial plans identifying existing resources or necessary ones to carry out the programs. The financial plans should detail potential

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<sup>20</sup> Tempel, *Achieving*, Ibid

sources of revenue that can cover the cost of implementing programs and guides fundraising needs for the organization.

4. A clear definition of objectives to measure the programs of the organizations that aim to solve existing social needs and that match the nonprofit mission statement. The organization's mission statement describes the reason for the organization's existence and becomes the organization's brand. It is vital that the organization's Board of Directors and executives get the mission statement right, clear and well understood by all its stakeholders. Goal statements help the organization answer what needs to be done for the organization to achieve its mission. Setting objectives helps the nonprofit to achieve goals to fulfill the mission. Like in any other organizations and businesses, nonprofits' goals or objectives need to be SMART (Specific, Measurable, Achievable, Relevant and Timely).
5. Involvement of volunteers at all levels, including the nonprofit's governing board, with a call for action to develop and carry out effective fundraising strategies. It has been shown that peer-to-peer fundraising is one the most effective ways to successfully raise funds to support the organization.
6. Selecting the appropriate fundraising vehicles and strategies to match the target donor market. Common fundraising vehicles are direct mail, special events and galas, grants, personal solicitations, donor recognition groups, email and social media peer-to-peer solicitation strategies are good examples. Common existing fundraising programs are annual funds, principal or major gifts, capital campaigns, and endowment programs. Planned gifts have a special and significant place in capital campaigns and endowment programs.

Effective fundraising programs evaluate and test the various methods and strategies before deciding, using a cost-effective analysis that looks more promising to be successfully implemented. In order to effectively fundraise in the long-term various methods will match giving sources to assist in implementing a better and stronger fundraising program.

7. Refine and evaluate the philanthropic market by identifying prospective gift sources and listing prospective donors before qualifying them following three criteria:
  - a. Linkage to the organization
  - b. Ability to make gifts at the desired level
  - c. Interest in the mission and work of the organization
8. Elaborate a Fundraising Plan that gathers and analyzes information and sets out to following the previous steps. This will create a call to action that creates the proper execution and the allocation of the resources necessary for implementing the plan. Effective fundraising plans include opportunities to evaluate and modify as necessary to maintain relevance and assist the organization in successfully raising the necessary funds.
9. Create a Communications Plan that matches the Fundraising Plan and stirs emotions and arouses the imagination of potential donors, by showing them the changes that their support can make in the communities, or the world. An effective Communications Plan will touch the heart and head of donors and help them to understand why the nonprofit exists, and to create a desire to assist the organization to achieve its mission. Communication with donors for nonprofits, like any other form of organizational communication, needs to be a two-way interaction in order to be effective.

10. Implement the Fundraising and Communication Plans. The execution of the plans requires allocating the necessary resources, including managerial control to monitor and evaluate results, and to modify the plan if needed.
11. Continue to implement the right Communications Plan to continuously stir the emotions and interest of prospects and donors. The best communication plan touches both hearts and heads. This will increase the strength of the Fundraising Plan and continue to reach and bring donors to support the organization.
12. Activate volunteer and professional fundraisers. Effective organizations are able to utilize its professional fundraising force to secure principal, major and planned gifts, while expanding its volunteer base to recruit and expand the donor pool.
13. Solicit donations as the end result of the Fundraising Plan. Successful solicitation requires the existence of an already engaged donor and volunteer base that personally identifies, visits and helps to solicit prospective donors. To be effective, this should be a proud effort by the volunteer and the professional fundraiser, to ask for new philanthropic support to sustain and carry on the important mission of the nonprofit.  
  
Soliciting and receiving a donation is but the beginning of a deep and personal relationship between the nonprofit and the donor. Expressing gratitude, showing an attitude of appreciation and being a good steward of the donor's money are the most important pieces to successfully implement the Fundraising Plan.
14. Renew the gift is a direct result of a close personal relationship with the donor, having been appropriately thanked and shown the impact of the donation, following an effective stewardship plan.

As stated before, fundraising is an important measure of the organization's effectiveness, and investing in adopting and improving management practices that closely impact fundraising is a good business idea. Improving the use of an organization's procedures, establishing the right strategies to seek new sources of revenues, enhancing the organization's legitimacy and empowering its volunteer leaders may assist in improving the effectiveness of the organization, as well as the judgement of effectiveness by the organization's outside stakeholders.

Improving management in the organization as a whole, its mission delivery and brand recognition are all very important elements to increase any nonprofit's effectiveness, but without successfully implementing the correct fundraising processes and techniques, recruiting the best in the field and creating a strong fundraising strategy for the organization it will be very hard for the organization to succeed.

### **CHANGES IN DEMOGRAPHY WILL IMPACT NONPROFITS**

A major area of strategic importance for nonprofits as a whole and for fundraising and development departments, relates to the drastic changes in the United States demographics. If we look at the projections for the near future, our country will be a very different one, and nonprofits must create the right strategies and implement the best procedures to reach diverse populations.

The U.S. Department of Commerce projects a population increase that will reach 400 Million in 2051. The U.S. Census Bureau establishes that by 2030, one in five Americans is projected to be 65 and over and that by 2044, more than half of all Americans are projected to be part of a minority group, defined as any group other than non-Hispanic white alone. By 2060, nearly one fifth of the country's total population is projected to be foreign born. The projections are based on the 2010 Census and official estimates through 2013 and based on past trends. The base population

is calculated annually by using projected survival rates and net international migration, while applying the annual projected fertility rates to the female population.<sup>21</sup>

These population changes are driven by the projected number of births, deaths, and net international migrants. The United States is projected to become more racially and ethnically diverse in the near future. Currently, the “majority” of the population is non-Hispanic White, being the largest racial and ethnic group and accounting for more than 50% of the country’s total population. By 2060, this group’s share is projected to drop to just 44%, with a population fall from 198 million in 2014 to 182 million in 2060. This change has been described as the point at which the country will become a “majority minority” nation, and the crossover is expected to take place in 2044. Although the non-Hispanic White demographic is projected to remain the largest single group, no group will have a majority share and the country will become a “plurality” of racial and ethnic groups.

Based on the U.S. Census projections, the population identifying as being of Two or More Races, is projected to be the fastest growing over the next half a century, it is expected to more than triple its current size or a resulting in a growth of 226%. This group will grow from 8 million to 26 million between 2014 and 2060.

The second fastest growing group is projected to be the Asian population, with an increase of 128% for Asian alone and of 143% for a combination group. The Asian alone group was projected to account for 5.4% of the total population in 2014, seeing its share of the total nearly double and accounting for 9.3% of the total population in 2060.

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<sup>21</sup> Sandra L. Colby and Jennifer M. Ortman, *Projections of the Size and Composition of the U.S. Population: 2014 to 2060* (Washington, D.C.: Census Bureau, Current Population Reports, 2014) Pages 25-1143

The third fastest growing group is the Hispanic population, with a projected increase from 55 million in 2014 to 119 million in 2060, or an increase of 115%. By 2060, 29% of the country is projected to be Hispanic, which translates into more than one quarter of the total population.

Native Hawaiian and other Pacific Islander population is projected to increase 63% for this group alone, and 101% when considering the group's presence in a combination of two or more races. This group is projected to represent less than 1% of the nation's total population in both 2014 and 2060.

Black and American Indian and Alaska Native expect a modest growth in their populations for the next 46 years. Between 2014 and 2060, the Black alone population is projected to increase from 42 million to 60 million, a 42% increase.

We can see from these projections what a tremendous impact accounting for multiple races will have for some of the less populous race populations.<sup>22</sup>

A major force impacting such a dramatic population change is immigration, which will continue to be a major force in U.S. life. The United Nations estimates that about 2 million people a year will move to developed nations over the next 40 years, and the projection is that over half of those will be coming to the United States. This is the preferred destination for educated, skilled immigrants. With a continuation of such trends, immigrants will play a leading role in the future of the U. S's economy. Between 1990 and 2005, as an example, immigrants started one out of four venture-backed public companies. In 2007, 15 of the Fortune 100 CEOs were people with roots in foreign countries.

Projections also show that suburbia will continue to be a staple of American life. A 2009 study by the Brookings Institution, between 1998 and 2006 jobs shifted away from the center and to the

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<sup>22</sup> Colby, *Projections*, Ibid

periphery in 95 out of 98 leading metropolitan regions. As a reflection of what many consider the American dream, suburbs host a large number of minorities. By 2050 immigrants, their children and native-born minorities will become a strong element impacting suburbia.<sup>23</sup>

Because large cities are becoming increasingly expensive for middle class Americans of all races, focus on urban life will shift to cities that are spread out which facilitates upward mobility and directly competes with large cities for finance, culture and media industries.

This can be observed in small Midwestern or flyover cities that are benefiting from this trend and experiencing a high population growth and increased complex economies that are based on energy, technology and agriculture industries, as well as an increase in entrepreneurs, small businesses and self-employed workers that add to the projected expansion of these areas.<sup>24</sup>

Although today race remains almost synonymous with poverty, the projections for the future seems to diminish economic distinctions that are merely based on ethnicity or racial distinctions. Currently, roughly 50% more African Americans live in the suburbs, compared to 1980. Most of those minorities living in the suburbs are middle and some more affluent class.

Such drastic and fast demographic changes projected to impact the United States in the near future, impacting upward mobility for minorities make it essential for nonprofits to look for ways to engage, attract and cultivate affluent and middle-class individuals from diverse communities.

### **PHILANTHROPY IN DIVERSE COMMUNITIES**

To better understand how diversity impacts fundraising this research will first clarify some main definitions and concepts that will be utilized when studying different groups' approaches to philanthropy.

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<sup>23</sup> Joel Kotkin, "The Changing Demographics of America," *Smithsonian Magazine*, August 2010, 3.

<sup>24</sup> Kotkin, *The Changing*, 4.

Wilson, Hoppe, and Sayles stated that culture strongly influences a person's behavior and how we understand the behavior of others, which varies in different cultures. External culture is noticeable in outward behaviors and traditions that are easy to observe. Internal culture is harder to identify, as it relates to how people think. In general, culture can be described as people's way of life. People from different cultures construct and experience reality in different ways. Beliefs and behaviors are specific to communities and cultures that may not be shared or even understood by those outside of a community or group. Anthropologists define culture as the complex whole which includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society.<sup>25</sup>

Walter P. Zenner's defines ethnicity as "seeing oneself and being seen by others as part of a group on the basis of presumed ancestry" with common shared features by ethnic groups like race, religion, language, occupation or region.<sup>26</sup>

Sokolovskii and Tishkov examined three approaches to define ethnicity:<sup>27</sup>

- The primordialist, identifying ethnicity based on primordial attachments to a specific group.
- The instrumentalists, describing ethnicity as a political instrument exploited by leaders pursuing their own interests.
- The constructivist, believing that total ethnic identity is fluid and made in specific social and historical contexts.

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<sup>25</sup> Meena S. Wilson, Michael H. Hoppe and Leonard R. Sayles, *Managing Across Cultures, A learning Framework*. Center for Creative Leadership (Greensboro, North Carolina, 1996)

<sup>26</sup> D. Levinson and M. Ember (eds) *Encyclopedia of Cultural Anthropology*. 4 vols. New York: Holton, 1996. Walter P. Zenner. "Ethnicity."

<sup>27</sup> Levinson (eds) *Encyclopedia*. S. Sokolovskii and V. Tishkov. "Ethnicity."

Finally, Jill Moss Greenberg identified six forms of bias that are detrimental when trying to understand diverse populations:<sup>28</sup>

- Exclusion and invisibility are the most fundamental form of bias and the most difficult to detect. When diverse populations' philanthropy is ignored labeling a specific group as poor givers, or incapable of giving, fundraisers are using this distinctive form of bias.
- Stereotyping by portraying members of a group as sharing common characteristics, either negative or positive creates a false sense of homogeneity in the group, instead of seeing the individual members of the group, with their own roles, beliefs, preferences and behaviors.
- Imbalance and selectivity when only presenting one and therefore skewed interpretation of a specific issue, situation or group. Fundraisers need to move past generalizations and better understand individual donors.
- Unreality as the tendency to exclude facts or issues that clarify something. This can be done by restricting information or glossing over controversial topics. Such an act hurts the full understanding and respect of a specific population or group and the differences with other existing donor groups.
- Fragmentation and isolation of minority groups' experiences compared to the experiences of the majority population and therefore leading to exclusion and invisibility.
- Linguistic bias that is mostly caused by perceptions, perspectives and attitudes impacted by language, such as using slang and slurs.

All of the previously defined concepts are very relevant for professional fundraisers who need to consider donors' culture, communities and traditions before engaging in any significant way, in order to avoid approaching donors with fundraisers' own prejudices and perspectives

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<sup>28</sup> Tempel, et al. Chapter 16, Global and Cross-Cultural Fundraising.

which will be detrimental to building a necessary relationship and be successful in raising funds to support nonprofits. Concepts like gift and giving, financial assistance, sharing and distribution of income and wealth have very different meanings for different communities and cultures.

Major Gift prospect research is necessary to build a strong relationship with a prospective major donor, but an emphasis to acknowledge and respect the ethnic and cultural background of prospects is a necessity when approaching diverse donors. Without such acknowledgement and respect there can't be trust. To increase the opportunities to succeed in cultivating and soliciting philanthropists of ethnical and culturally diverse backgrounds, fundraisers will need to embrace studying the prospect's "cultural collateral." The cultural collateral aggregates information concerning the donor's ethnicity, age, gender, educational level and social position, to better understand the individual donor.<sup>29</sup>

There is a lack of diversity within nonprofits, from a diverse board and executive leadership to a diversity in fundraisers that is counterproductive for organizations aiming to reach diverse communities to increase their donor base. The number of diverse fundraisers has not significantly changed in the past 10 years. In the United States, fundraising has mostly been influenced by Western traditions, which limits organizations' efforts to understand and successfully enter diverse communities.

### **Women in Philanthropy**

We will begin our evaluation of how minority groups see philanthropy by studying women in philanthropy. Debra J. Mesch and Andrea Factor, in *Achieving Excellence in Fundraising*, explore this topic. Women offer new energy to invigorate communities and accelerate needed

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<sup>29</sup> Sanae S. Tokumura. "Fundraising Mores in Diverse Communities: The Role of Ethnicity and Culture." *New Directions for philanthropic Fundraising*, No.34, (Winter 2001): 7.

change in the third sector. Female donors offer an untapped resource to charities and engaging women in nonprofits should be one of the main strategic priorities for organizations that have been leading transformational change for the past few years.

Women's role in the labor force and in leadership positions has dramatically increased since the 1960s. In 2011, women were the primary breadwinner in 40% of all households with children and the gender pay gap is continually narrowing, specially for young women entering the labor force. Although there is still a gap, it is becoming narrower as more women are part of the active workforce, and as the share of women in top leadership jobs has risen. Americans believe that women are as capable as men of being good leaders, but a large number of them think that women are held to higher standards making it more difficult for them to succeed.<sup>30</sup>

About 30 years ago, women have emerged as important donors and have been changing philanthropy and transforming the world. When women's place in society became more relevant increasing their economic power and education, women secured a place in the philanthropic sector. Today, women have access to wealth not merely because they've married into or inherited it but because they have created wealth themselves.

Women's philanthropic interests tend to be somewhat different from men's because they approach philanthropy with different motivators and goals. Males and females behave differently in general, and it starts with their upbringing, and socialization and expectations placed upon them. Such early life differences directly impact the manner in which they engage in their communities. Relationships are a main driver for women, who prefer to take care of the individual while men

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<sup>30</sup> D'Vera Cohn and Andrea Caumont, "10 Demographic Trends Shaping the U.S. and the World in 2016", Pew Research Center, Factank News in the Numbers. 2016.

are more non-relational driven. It is easy to see how fundraisers would need to create specific strategies to approach women as donors.<sup>31</sup>

Women who are fully engaged as donors are likely to be more loyal and generous giving their time, talent and treasure to the organization. Women volunteer more hours, and the relevance for women to support nonprofits increases with education and income. Women that volunteer are also more likely to financially support the organization.<sup>32</sup> As a rule, women volunteers have a deeper and more personal knowledge of the organization, which translates into more engagement and therefore increases the likelihood of supporting the mission. Providing ways for women to become more engaged with the organization, and better yet, in volunteer and leadership roles, translates into an increased opportunity for women to achieve full philanthropic potential.

A study by the Women's Philanthropy Institute at the Center on Philanthropy explored the differences in motivations for giving between men and women. Women are more empathetic expressing more concern for less fortunate people and they tend to be more proactive in supporting others in need, and more willing to care and assist others in need.<sup>33</sup>

The Center on Philanthropy established additional differences in motive for giving by gender as:<sup>34</sup>

- Men are motivated to make the community a better place
- Men are motivated to provide services in areas where government lacks services
- Women strongly feel a responsibility to help the less fortunate

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<sup>31</sup> Tempel, et al., eds., *Achieving*, Chapter 10: Gender and Philanthropy, Debra J. Mesch and Andrea Pactor,

<sup>32</sup> Tempel, Ibid.

<sup>33</sup> Mesch, Moore, and Brown, 2009

<sup>34</sup> Eleanor Brown and Patrick M. Rooney, *Men, Women; X and Y: Generational and Gender Differences in Motivations for Giving*. Indianapolis: IN, 20<sup>th</sup> Annual Symposium: Proceedings from the Center on Philanthropy at Indiana University., 2008.

Women are strongly motivated to donate because they identify with a certain cause and because helping individuals is a way to meet women's personal needs.

The same study revealed that men were less likely to give to charities, and when analyzing the differences across generations as well as by gender it showed that Boomer women and Silent Generation women were more likely to donate than any other group.

As shown by these studies, and of relevance to fundraisers and nonprofits leaders, there are numerous differences in the way women and men donate, as well as in the way different generations embrace charitable giving. Organizations need to adapt their communication and marketing strategies and train their fundraisers to be aware of such differences and look for ways to create stronger links with the charity's supporters to increase financial outcome and loyalty.

In the book "Married Couples' Charitable Giving, Who and Why" Eleanor Brown highlights the existence of three different scenarios for household decision making regarding charitable giving: when the couple makes a joint decision, when the wife decides and when the husband decides. When the wife is the only decision maker, donations tend to support health, education and religious organizations, and she gives smaller amounts of money to more charities. Brown believes that this could be a reflection of "women's egalitarian nature and sense of fairness." When the couple makes a joint decision, it tends to follow the husband's preferences and again is impacted by education and income levels.<sup>35</sup>

During interactions with donors, effective fundraisers should add simple steps or questions to learn how the donor, or the couple, makes decisions in charitable giving. It is beneficial to give some consideration to factors such as age, their attitude toward money and who is the influencer when making charitable giving decisions. The donor's attitude about money is of vital relevance,

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<sup>35</sup> Eleanor Brown, *Married Couples' Charitable Giving, Who and Why*. In Martha A. Taylor and Sondra Shaw-Hardy (eds), *The Transformative Power of Women's Philanthropy*, (San Francisco, CA: Wiley Periodicals Inc.2006). 69-80

more so when dealing with a women donor. Women who did not earn their wealth but inherited or acquired it by marriage or divorce tend to feel uneasy when disposing of the money. Women that earn their own wealth are more financially literate and confident philanthropists.<sup>36</sup> Proactive women donors may still be reluctant to talk about money or may lack confidence in identifying themselves as philanthropists. There are more female than male donors that chose to remain anonymous in their giving.

Organizations are becoming more aware and reaching out to engage women across race and culture, but they need to be aware and avoid generalizations. Women of color have a mixed perspective as women and as a person of color, and organizations need to respect this multiple identity.

Nonprofits have successfully engaged women and diverse women by utilizing giving circles, engaging women of all races and socio-economic backgrounds in philanthropy.

Hali Lee, founder of the Asian Women's Giving Circle in New York City asks every member to raise \$2,500 annually to engage the members and to share with Asian women the joy of philanthropic giving by encouraging them to sign a check and help to raise money. Lee feels that the circle is training future major givers and philanthropic leaders and getting women ready to actively participate in nonprofit boards and other governing bodies. Similarly, Jane Fox-Johnson, member of the African American Women's Giving Circle part of the Washington Area Women's Foundation feels that their circle empowers women showing what a group of powerful black women can do.

A common desire by women in communities of color is to support organizations that reflect the diversity in their own communities. For this group of women, board diversity and true

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<sup>36</sup> Debra Mesch et al. *Achieving*, Ibid

representation of their community in the organization's marketing and communication materials is very important.

The impact of women's giving in philanthropy has been tremendous, and it continues to grow. This is noticeable in the abundance of women in philanthropy circles and affinity groups embraced by many nonprofit organizations for example:

- The Women's Philanthropy Institute, part of the University of Wisconsin Foundation which started the first women's philanthropy major gift initiative in higher education in 1988, shows that the impact of women giving has been an increased engagement of alumnae participation, with women feeling appreciated and valued by the University. The Foundation encourages development officers to engage more women, to complement all other development efforts.
- The United Way of America's National Women's Leadership Council was launched in 2004 to assist the organization in increasing annual funds given by women donors across the country. By 2007, more than a hundred women councils represented over 40,000 women that raised \$105 Million, showing what a powerful tool is to incorporate women in philanthropy.
- The American Red Cross Tiffany Circle program was launched in eight cities in 2007, with a minimum annual gift of \$10,000. The Tiffany Circle has proven to be one of the organization's most successful efforts, with a total amount raised during the first year of \$3 Million. The Tiffany Circle attracted different and new donors to the organization, and 40% of those engaged with the circle have never before given at the \$10,000 level. The American Red Cross provide engaging activities and opportunities for the Tiffany ladies

to become more involved and learn more about the Red Cross' mission, and therefore to become major donors for life.

- The Women's Funding Network developed the Women Moving Millions campaign in 2007 to raise the bar for women giving by raising million-dollar gifts from female donors. By 2009 the campaign had raised \$174 Million from over 90 women.

As society around us continues to change, organizations' need to engage women will continue to increase, in order to successfully leverage all available resources to address challenges in our communities. Women are the majority in the U.S. and more than half of the world population. Recognizing women's roles in society and philanthropy is therefore necessary for nonprofit organizations to become more effective. As women have more access to education and increase their financial independence and secure higher income, organizations need to embrace these women leaders that are becoming a powerful group. The much-anticipated intergenerational transfer of wealth will have a big impact in promoting women in philanthropy. Empowering women donors helps organizations to take advantage of the upcoming transformative change, by embracing new ideas, visions and perspectives to help transform society.

Lilya Wagner, in Chapter 16 of *Achieving Excellence in Fundraising*, evaluates the impact of ethnicity and diversity in the way organizations will raise funds in the near future. Wagner states that the growing diversity will have a tremendous impact in the nonprofit sector, and therefore there is an extreme need for organizations to embrace new strategies and tactics to appeal to our increasingly multicultural society.<sup>37</sup>

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<sup>37</sup> Tempel, et al. *Achieving*, Chapter 16, Global and Cross-Cultural Fundraising by Lilya Wagner.

Hank Rosse emphasized the relevance of understanding the interests of donors in general, and to fulfill the needs of diverse donors in particular. Currently, charitable organizations continue to advance the embracing of diverse populations, and to add diversity to the organization's mission and organizational core values. Nonprofits embracing diversity is not only the right thing to do, but it is also the best venue to access the economic growth and power of current minority groups in the U.S.

Embracing diversity forces organizations to change their strategy and the way in which they approach donors. The current idea that "one size fits all" when approaching donors is becoming obsolete in our current changing environment. Diverse groups have specific philanthropic characteristics and traits, and to be successful today's fundraisers need to tailor their approach and appeals to match the prospective donor's values and customs.

As previously described, the demographic changes will have a tremendous impact in how organizations operate and where to raise the funds to support nonprofits.

### **Philanthropy in the African American Community**

Samuel N. Gough, Jr. states in *Cultivating Diversity in Fundraising*, Chapter 1, that African Americans' philanthropy includes gifts of time, service, knowledge and love. This community has a strong tradition of caring for each other and deep historical roots, tracing back as far as the seventh century in West Africa. During slavery in America, families were broken up and new families of women with children and orphaned children were formed, sharing meager resources to survive. This directly influenced the sense of community for African Americans.<sup>38</sup>

African American early philanthropy thrived in churches, mutual aid societies and fraternal groups. The church has historically been the catalyst for social, civic, economic and educational

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<sup>38</sup> Pettey, et al. *Cultivating*, Samuel N. Gough, Chapter 1. African Americans.1.

action for this community. It represents the only institution that has been traditionally owned and controlled by blacks, and therefore benefits from the support and trust of the community.<sup>39</sup> Although the community had very little to give, a strong desire to provide aid and assistance translated into volunteering as the main vehicle for black philanthropy. Dr. Emmett D. Carson better describes this as “for 200 years most black giving was crisis driven.”<sup>40</sup>

There has been an improvement in socioeconomic status as well as a growth in the number of strategic givers in the African American community with people that wanted to see and even influence where their money is used. African Americans today decide how much and where to give their time and money. This community is becoming sophisticated in their giving. Historically, black churches were the main beneficiaries of black giving, as the main driver for social, civic, educational and economic action in the black community. African Americans historically support religion and education due to their influence in empowering and supporting the black community. The increased disposable income and the increase in economic opportunities in the African American community are fueling this group’s philanthropic giving.

There is certainly a lack of formal research on current African America philanthropy, with very few studies and research work that highlights this community. Cheryl Hall-Russell and Robert H. Kasberg studied the historical and cultural relevance of the African American giving traditions in the Midwest, with the goal of identifying patterns of giving and of serving in this community. Their study found that African American philanthropy arises from a notion of family as a strong and inclusive institution and therefore it permeates in the community giving and serving of family, neighbors, and needy strangers as a general obligation. There is a dominant effort to improve the

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<sup>39</sup> Pettey, *Cultivating*, 10.

<sup>40</sup> Emmett D. Carson, Ph.D., *The History of Alpha Phi Alpha: A Development in College Life*, (Washington, D.C.: Howard University Press, 1957), xxiii-xxiv.

black community and to value contributions of time more than donations of money. This community prefers to give through the church and their giving is influenced in their need to help the black community and to improve the conditions of all its members. Interestingly, this research established that African Americans in the south were more charitable donating time and money than their northern counterparts. The research also found an interesting pattern in African American giving: Black females charitable behavior has a strong maternal influence, while black males charitable behavior has a strong paternal influence.<sup>41</sup>

### **Philanthropy in the Asian American Community**

Asian Americans are a growing and diverse group in the United States, with a large number living in California, Hawaii, New York, Texas and Illinois, in urban, suburban and rural communities. Members of this diverse group speak different languages, multiple dialects and subsets of their languages. Asian Americans practice different religions and their customs and traditions vary from group to group. There is a large representation in this group of immigrant and refugee populations, as well as a significant number of United States nationals. Due to the diversity and size of this particular demographic group, it is relevant to understand some of the major subgroups and their views of philanthropy.<sup>42</sup>

US Census advisor Juanita Tamayo Lott stated during a keynote presentation at the 1997 Conference on Asian Pacific Americans and the Nonprofit Sector that two other demographic groups exist, in addition to Asian immigrants and their descendants. The two groups are the southeast Asian refugees and their children, at about 10% of the total Asian Pacific American population, and the native or indigenous pacific Islanders, about 5%. A main difference between

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<sup>41</sup> Cheryl Hall-Russell, Robert H. Kasberg, *African-American Traditions of Giving and Serving: A Midwest Perspective*, (Indianapolis: Indiana Center of Philanthropy, 1997) 3-4.

<sup>42</sup> Stella Shao, *Asian American Giving: Cultures of Giving II*, (San Francisco: Jossey Bass, Summer 1995) 54.

Asian immigrants and refugees and natives is based on the fact that immigrants entered the United States voluntarily, in order to improve their livelihood and opportunities for their children.<sup>43</sup>

Since the mid-1970, Asian immigration has been refugee centered, with refugees from Vietnam, Laos, Cambodia, Democratic Kampuchea, China and Hmong people, demonstrating the great diversity among Southeast Asian refugees, with diverse backgrounds, history and cultures but sharing similar skills and experiences. And yet, Westerners tend to lump all Asians in one larger group together.

The US Census of 1990 identified the following characteristics of the South Asian immigration population, that still is relevant today:

- 58% were college graduates, versus 20% in the US population
- 47% were managers, professionals, executives, versus 24% in the white population
- 92.7% of all Asian Indian children under 18 lived in a two-parent household, versus 82.9% white and higher than any other Asian American group
- Asian Indian households are small on average, 2.9 people per household<sup>44</sup>

### **Chinese American History**

This is the group with the longest history of Asian immigration in the United States, with many believing that the origin of Chinese immigrants started with the California Gold Rush of the 1800s, but in reality the first Chinese immigrants arrived to the United States shortly after the Declaration of Independence was signed.

During the Gold Rush of the 1800s, Chinese men made the journey to the US to work as laborers, although a main wave of Chinese immigration can be linked to the Opium War of 1839

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<sup>43</sup> Juanita Tamayo Lott, *Speech delivered at Conference on "Asian Pacific Americans and the Nonprofit Sector"*, Institute for Nonprofit Organization Management, (San Francisco: University of San Francisco, June 19, 1997)

<sup>44</sup> Pettey, *Cultivating*, 21-23

between China and England, followed by the Taiping Uprising of 1851 to 1864 and the estimated 20 million of Chinese killed. Such hopelessness caused a massive exit from China and a large migration wave.

Upon completion of the Transcontinental Railroad in 1869, many Chinese laborers settled in Mississippi, looking for work in the sugarcane plantations and shrimp farms of Mississippi and Louisiana. They intended to be temporary labor, hoping to return to China. Another major area for Chinese settlement during the nineteenth century was California, but there were Chinese settlements in other parts of the West, the Southwest, New England and the South.<sup>45</sup>

Early Chinese immigrants were overwhelmingly males, and most of them came from the Canton province in China. These early immigrants worked as laborers, cooks, laundry workers, lumberjacks, and a majority of the labor building the Transcontinental Railroad. They were often targets of discrimination and racism, as can be seen by the passing of the foreign miner's tax by the California legislature in 1852, looking to reduce the number of Chinese laborers, and requiring a three-dollar monthly payment by all foreign miners that were not citizens. Chinese were not allowed to become citizens, as the 1790 federal law reserved naturalization for white residents only. The foreign miner's tax was in effect until the 1870 Civil Rights Act was signed.<sup>46</sup>

During the 1800s, Chinese laborers were constant targets of racial harassment, in part due to labor resentment during difficult economic times. In many cases, anti-Chinese riots took place throughout California, in many ways encouraged by President Rutherford Hayes, who warned about the Chinese problem and the Chinese invasion.<sup>47</sup> In 1882 the Chinese Exclusion Act was

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<sup>45</sup> Pettey, *Cultivating*, 22-24

<sup>46</sup> Charles J. McClain, Jr. *The Chinese Struggle for Civil Rights in Nineteenth Century America: The First Phase, 1850-1870*, (California Law Review, Vol. 72. 1984), 544-555.

<sup>47</sup> Stuart Creighton Miller, *The Unwelcome Immigrant: The American Image of the Chinese*, Berkeley, CA: University of California Press, 1969), 190.

enacted, and Chinese were denied entry into the country. This Act was extended indefinitely in 1902.

Between 1910 and 1940, hundreds of thousands of Chinese entered the United States via Angel Island in San Francisco. Angel Island was modeled after Ellis Island and used as the detention center for Chinese waiting for their immigration papers. Other groups waited less time and Chinese immigrants resented their mistreatment in Angel Island.<sup>48</sup>

By 1965, Congress relaxed immigration quotas, and passed a more open immigration law and the number of immigrants from Asian and Pacific Island countries dramatically increased.

A refugee resettlement movement that started in 1975 included many Chinese leaving Southeast Asian countries and looking for asylum in the United States. Chinese refugee resettlement was harder than other Asian immigrants' settlement, with Chinese-speaking refugees landing in a foreign environment and lacking any preparation or means to adapt quickly. Many Chinese also chose to leave Hong Kong and immigrate to the United States for economic reasons, and the West Coast experienced an increase in the number of wealthy immigrant Chinese investors, that acquired hotels, real estate and banks and provided funding for start-up businesses many in the Silicon Valley. This new wave of wealthy immigrants was a turning point in immigration demographics. However, Chinese Americans continue to fight poverty, poor education, and crime even if there are numerous signs of high achievement by Chinese immigrants. As an example, two of the first 100 people to be highlighted on Forbe's 1983 richest Americans were Chinese: Wang, founder of Wang Laboratories and worth about \$1.6 billion, and Kyupin Philip Hwang, head of TeleVideo Systems and worth about \$575 million.<sup>49</sup>

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<sup>48</sup> Miller, *The Unwelcome*, 17.

<sup>49</sup> Harry H.L. Kitano and Roger Daniels, *Asian Americans: Emerging Minorities*, (Upper Saddle River, NJ: Prentice-Hall, 2000), 51.

## Chinese American Philanthropy

All cultures have different beliefs and practices relating to philanthropy and some traditions are very unique to each culture like gift giving, financial assistance, and recognition of key events. For example, among Chinese Americans, traditional clans in the numerous Chinatowns originated following the lineage communities of southeastern China. As immigrants entered the United States, they reflected clanship with their use of surnames. Later generations of Chinese Americans have been moving away from this clanship system because of the influence exerted by Americans' individualism. Individuals in these late generations decide to form their own nuclear families instead of maintaining their connection with clanship.

A similar association, Hui Kuan, originally provided financial aid and support to recent immigrants. Clans and Hui Kuan also had the role of arbitrators and mediators for differences among between members and between members and the outside community. Hui Kuan was a strong influence in the creation of the Chinese Consolidated Benevolent Association, which is commonly known in San Francisco as the Chinese Six Companies. The Chinese Consolidated Benevolent Association acts as an unofficial supragovernment as the most important voice of the Chinese-speaking to American officials, with a strong control of the community inside Chinatown.

In *Philanthropy in Communities of Color* a list of traditional customs involving giving and sharing in the Chinese community shows:<sup>50</sup>

- Yeuhng ga based on shared responsibility to care for families, traced to immigrant men that sent money back to family and community in China.
- Heung yaih and chil sinh gam, donations to build schools in the donor's village in China, to provide schools and education for the young.

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<sup>50</sup> Bradford Smith et al., *Philanthropy in Communities of Color*, (Bloomington: Indiana University Press, 1999)

- Bong relates to giving financial and material support to new immigrants to the United States. Most recipients were members of the donor's family or close community.
- Daahih sang yaht celebrating an elder's 50<sup>th</sup> birthday which is the first significant milestone for aging, with gifts of laih sih offered to the guest of honor at the dinner banquet. Formal public donations to organizations are often made at these events.
- Baaj nihh during the celebration of the Lunar New Year with exchanges of food when visiting family and friends during the New Year.
- Jaahk faan, a custom of giving something back, mostly food, to visitors during Baaj nihh.

Within Chinese Americans, reciprocity is central to giving and sharing. For example, during deaths and funerals there are traditions of giving and sharing to help the family cover the funeral costs. These are unsolicited and reciprocal gifts, that are rooted in strong traditions. For example, at a funeral, guests receive a white paper wrapped coin, with a piece of wrapped candy as they enter the church or funeral home. Traditional Chinese uses white to represent death and the candy is used as a tool to take away the bitterness of the event. Attendees donate to public organizations such as the Heart Association, the Cancer Society, hospitals, health organizations and the Salvation Army in honor of the deceased during the banquet. Friends and family frequently send memorial contributions in honor of the deceased in lieu of flowers or sympathy cards.<sup>51</sup>

In general, Chinese Americans continue to use clans and mutual benefit associations as a vehicle of their philanthropy efforts. Chinese give to mainstream nonprofits as well as to Chinese ones, often as part of ceremonial events as previously shown.<sup>52</sup>

## **Filipino American History**

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<sup>51</sup> Pettey, *Cultivating*,

<sup>52</sup> Pettey, *Cultivating*, 113.

Due to the U.S. control of the Philippines during the twentieth century, Filipinos are considered nationals, and this is the main difference with other Asian Americans. Ferdinand Magellan was the first known explorer to visit the Philippine Islands in 1521, followed by Spain's acquisition of the land and its rule as a Spanish colony in 1565, which lasted 333 years. Most Filipinos converted to Catholicism, with the exception of the Mindanao island residents, that are mostly Muslim. Visayan (Cebano and Ilongo), Filipino and Ilocano are the main languages spoken by the indigenous, but most Filipino immigrants speak English as well.

Strong family ties, satisfaction with their status and a repressive ruling by Spain, translated into little immigration of islanders. Following the Spanish American War of 1898, the Philippines became a United States possession, just like Puerto Rico and Guam. The Philippine desire for independence resulted in the Philippine-American War during the time of U.S. occupation of the island (1898-1946). During this occupation, democratic government, public education and more opportunities for native Filipinos were common. The United States sponsored a program, the pensionados, that permitted selective Filipino students to attend school in the U.S. and thousands of young Filipinos studied in America, mostly in the Midwest, between 1910 and 1938. Most of those that graduated returned to the Philippines and most of those that stayed in the United States became manual laborers.

There was a surge of immigration to Hawaii during the early 1900s, caused by the need for workers in sugar plantations, and many of those immigrating were leaving the Philippines, for the opportunity to make more money and have a better life. Filipinos, Chinese and Japanese immigrants worked as laborers in sugarcane fields under spare conditions. The Tydings-McDuffie Act of 1934 put a stop to Filipino wives and children immigrating to the U.S. to join the males. This law excluding Filipino was more grievous than the restrictions previously mentioned on

Chinese and even Japanese immigration. The only way for Filipino immigrants to see their families was to go back to the Philippines and this created an increase in the number of intermarriages with non-Filipino women. In 1933, California approved an amendment to an already existing miscegenation statute to specifically forbid marriages between whites and persons of Malay race.

The Immigration Law of 1965 changed the regulation of quotas by country of origin, with family members of U.S. citizens not included in the totals and therefore free to enter the country. A major factor to the increase in immigrants from the Philippines was the abusive ruling of Ferdinand Marco in the 1980s. Filipino Americans is the fastest-growing Asian population in the United States, with many first-generation highly educated nurses to make up for the deficit of skilled nurses in the country, as well as Filipinos trained as doctors and teachers in the Philippines. However, the credentialing requirements for both of these professions in the U.S. caused many of them to work in other fields.

### **Filipino American Philanthropy**

Filipino philanthropic traditions are based on familial support and a sense of responsibility for the extended family influenced by the Catholic Church during the years under Spanish rule in the Philippines. Spain strongly influenced Filipino philanthropy. Compadrazgo is a ritual including a godfather or ninog and a godmother or ninang, better known as compadres or godparents. Usually, compadres are successful individuals in their communities, and they are expected to provide financial support for their godchild.

Filipino Americans send annually large amounts of money on remittances back to the Philippines, most often to support family members that still live in the country, to help a neighborhood or town, to build or support hospitals, schools and other public institutions. Due to strong family ties being very important for Filipino Americans, in many cases the community

doesn't need external support. Families live close and family members spend most of their free time with each other. Those from the same specific town or region in the Philippines remain in close contact with each other in America, providing a security net of financial support and temporary housing and other essentials to the new arrivals.

Filipino expressions of charitable acts are:

- Pasalubong, gifts of money and goods upon new arrival.
- Tulong, assistance to those in need within immediate and extended families whenever somebody is sick or has a special need.
- Patimkim, gifts of jewelry, clothing or money from godparents for a baptism or wedding.
- Pahinaw, monetary gifts for newborn infant typically during the godparent's visits.
- Pahandeha, gift from parents of infant to show appreciation for godparents' generosity.
- Abuloy, religious donations like memorial gifts to cover funerary costs, or to assist immediate family members in need.

The Filipino culture is highly social, and this community's giving is one more way in which members socialize. Filipino's prefer to raise money by holding special events such as a dinner or dance than to make a direct donation. In this culture, recognition and reciprocity are very important, and there is a strong correlation and similarity in the structure of giving patterns between Filipino Americans and Mexican Americans, probably based on the Spanish influence on both cultures. Much of this group giving is based on reciprocal obligation, with large amounts of money, material goods, and food sent and taken to relatives in the Philippines.<sup>53</sup>

## **Japanese American History**

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<sup>53</sup> Pettey, *Cultivating*, 113.

Japanese started immigrating to the United States and Hawaii in the 1880s, a few years after Commodore Matthew C. Perry went to Japan to open trade relationships between the U.S. and Japan. Japan restored the Meiji Empire in 1868, creating a strong centralized government, internal industrialization and heavy taxes. Japanese farmers were hurt by this heavy taxation, in some cases even losing their land and suffering from hunger. Opportunities in Hawaii and the United States tempted many farmers to go and work the plantations, and between 1884 and 1924, over 380,000 Japanese left for the U.S. in general, and to Hawaii in particular. In the Hawaiian plantations, Asian workers were used to create divisions between laborers and to increase management control. First Chinese and Japanese laborers were pitted against each other and when Japanese workers asked for higher wages, Koreans were added to the workforce replacing the Japanese laborers. Following the Spanish-American War, Filipino laborers were added to the plantation workforce, maintaining the competition between the diverse Asian laborers.

Upon the addition of Filipino immigrants to the workforce in the plantations, Japanese and Filipino laborers realized that it was in their best interest to work together. The Japanese Federation of Labor formed the Hawaii Laborers' Association encouraging all workers, regardless of ethnicity, to cooperate to improve their standard of living. This was the first interethnic working-class aggregate in Hawaii.

In the plantation camps, living arrangements were grouped by nationality and class, and Japanese established Buddhist temples and Japanese-language schools celebrating traditional Japanese holidays. Sharing among ethnic groups was common, and Japanese children traded sushi for fish with Hawaiians, who traded lunch items for peanut butter and jelly sandwiches with the Portuguese. Over the years and encouraged by planters that wanted laborers to learn some English,

a type of English mixing Chinese, Japanese, Hawaiian and Portuguese, “pidging English” surfaced, and this is still commonly used in Hawaii today.

The experience of Japanese immigrants that lived on the West Coast was very different from those in Hawaii. Japanese were a small percentage of the population on the West Coast and they felt isolated and were the target of racial hostilities by Caucasians. As with those that immigrated to Hawaii, Japanese in California and the West Coast dreamed of owning land and in order to acquire land they used contracts, shares, leases and ownership. By 1910 Japanese farmers in California produced over 70% of the strawberry crops, and by 1940 they grew 95% of fresh snap beans, 67% of tomatoes, 95% of celery, 44% of onions and, 40% of green peas. Many of these Japanese farmers thought that their agricultural skills would be a vehicle for acceptance in American society, but that was not the case. In 1908, forced by the U.S. government, Japan forbid more immigration of laborers into the United States, and soon after many states prohibited Japanese immigrants from owning and leasing land. Furthermore, by 1924 a new immigration law targeting Japanese by including a specific denial of entry of aliens ineligible to citizenship was enacted by U.S. Congress. These measures effectively ended the dreams of first-generation Japanese immigrants. This generation had hopes for their U.S. born children (Nisei) to carry on with their dreams. Citizenship and education didn't protect the Nisei generation from discrimination, with many of them becoming adults during the Depression and been victims of hatred due to the lack of jobs, and a deep cultural misunderstanding by Americans. Japanese Americans retained a strong affinity for their homeland, and maintained their traditions and cultures learned in Japan while longing for acceptance in the U.S. Their hope to balance their Japanese identity with their American attitude was abruptly ended December 7, 1941.

During World War II, the internment of Japanese Americans took place, and had a tremendous and very traumatic impact in the community. After declaring war on Japan December 7, 1941 over 40,000 Japanese on the Pacific Coast, as well as their 70,000 American-born children, were placed in relocation camps. Japanese Americans had less than a week to dispose of their belongings and they sustained great losses of personal property. Japanese living in Hawaii were excluded from the relocation order, because of the inconvenience of having to transport large numbers of them to the mainland using ships needed during the war and of fear of the economic impact of such a measure. The internment effects on families were immense, and the Issei generation (first generation) lost their power and suffered straining of familial ties as a result of communal living. During internment, families were not sharing meals together and young Japanese spent more time with each other than with their families. Nevertheless, Japanese traditions and customs were still celebrated, and in many ways such interment increased Japanese identification and decreased the American assimilation. In 1942, Executive Order 9066 was signed by President Roosevelt which authorized the secretary of war to designate to “exclude all persons as deemed necessary or desirable from designated military areas”, followed by a California State Board dictating that all descendants of enemy aliens be barred from civil service positions. Los Angeles County enforced this regulation only against Japanese Americans. This executive order was not rescinded until 1976, over 30 years after the end of the war.

### **Japanese American Philanthropy**

Japanese Americans’ giving is strongly influenced by their Buddhist and Confucian religions, and therefore a core Buddhist believe in compassion which especially influences philanthropy. Japanese American culture is characterized by a strong commitment to family and community, donation intent is usually motivated by a strong desire for harmony and benefiting members of the

family or close community. The internment of Japanese Americans in World War II has a strong influence in how this community sees philanthropy. The internment created a reshaping of family roles inside relocation camps which created a generational gap. The lack of privacy, family time and an increase of group activities were characteristic in Internment Camps. Nevertheless, the Japanese sense of duty to care for elder's didn't diminish, and Sansei (third generation Japanese Americans) value respect and care for their elders and have a strong sense of support for kin and community. Among Japanese Americans there is an expectation for social benefit when donating time and money, and a strong need to see the results of their support. Japanese Americans also follow traditions and customs involving giving around special occasions such as the Lunar New Year and other popular holidays like:

- Nenshimarwari: Walk around visiting elders and family during the New Year
- Otoshidama: Monetary gift to unmarried children during the New Year presented in a white envelope with a red band representing good luck
- Ominai: Buddhist tradition that demonstrates caring and helping others and it includes donations to victims of fire, floods, earthquakes and other natural disasters
- Kodon: Monetary gifts to help the family of the deceased to pay funeral expenses. It is usually given in a white envelope with yellow and white bands on it, and not giving Kodon results in a loss of face, one of the most important characteristics in the Japanese culture. Kodon can also be donated to charitable organizations in honor of the deceased. This can be a significant donation.
- Orei: Special thanks to those who attended a funeral and provided help.
- Ofuse: Offering given to a church or temple.
- Gobutzen: Funeral donation given to the temple.

- Goreizen: Special family offer of food or incense for the soul of the deceased.

Japanese have a strong sense of payback, and for this group donating time and money are of equal value to do one's part to support the community. They donate to mainstream nonprofits, as well as to Japanese organizations, such as Japanese mutual aid associations.<sup>54</sup>

### **Korean American History**

The history of Korea during the nineteenth and twentieth centuries is marked by occupation, with the Meiji government of Japan reaching a deal with China regarding Korea and followed by the Sino-Japanese War in 1894. Japan won that war, and Korea was under Japanese control until 1945, when it was liberated, and a new independent government was established. By the end of World War II, the Korea peninsula entered an internal conflict with a North Korean/China faction pushing into South Korea. The Korean Conflict ended in 1953, with the division of Korea into two countries: North Korea as a communist-led country, and South Korea as a republic. This division is still in place today, and family separation that took place during the conflict is still ongoing, with a limited reunification effort that started in 2000. A number of Korean political exiles immigrated to the U.S. by 1885, with a small part of them going to Hawaii to work on the sugar plantations in the early 1990s. Another wave of Korean immigration to America was the result of the ending of the Korean Conflict in 1953.

Currently, Koreans represent one of the larger Asian immigrant populations in the United States, and with the Immigration Act of 1965 the number of Korean Americans has grown exponentially. Many Korean American families arrived in the U.S. as family units and still have a first-generation immigrant as the head of the household.

### **Korean American Philanthropy**

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<sup>54</sup> Pettey, *Cultivating*, 114.

Westerners generally know very little about a significant country like Korea. Throughout centuries Koreans self-isolated and developed a set of unique traditions. In modern history, though, the country was occupied by Japan, Russia, China and the United States. Such occupations influenced Korean's personality and culture. Koreans speak a common language although there are a series of regional dialects in the country.

The Immigration Act of 1965 gave Koreans the opportunity to immigrate to the United States, and Korean Americans are therefore new arrivals when compared to other Asian American groups. Many Korean American parents are first generation immigrants with children quickly becoming assimilated to the United States.

Like other Asian American groups, Korean Americans have a tremendous loyalty to immediate and extended family, and this influences their way of giving and sharing. A village system and structure influence Korean Americans and the group is family and community centered valuing self-sufficiency.

The community historically forms membership associations for mutual assistance, with dues assessed and funds available to members in need, and to support ongoing struggles for Koreans back in their mother country. Christianity was very influential in the development of modern Korea, with churches having an integral role in the development of schools, social services, and political and economic matters. Korea is home of the second largest population of Christians in Asia, closely following the Philippines. In the United States, about 70% of Korean Americans are Protestant.

The influence of family and community to Korean American giving is obvious in the amount of remittances to support elderly parents and extended family. These remittances are known as sang hwal bi.

Other expressions of giving and sharing in Korean society are:<sup>55</sup>

- Yong don and po jo bi: Translates as helping money. Older Korean Americans live with their children and provide helping money to help the family.
- Chee won bi and gib u kum: Money used to help others on special occasions.
- Mo kum: Collecting money to assist during disasters or to help those in need.
- Paek il: Translates as 101 days and it celebrates a newborn with money and gifts given to the baby.
- Dol: Family celebration of baby's first birthday.
- Hwan gap jan chi: Significant milestone celebrating an elder's 60<sup>th</sup> birthday.
- Ye dan: Wedding gift from bride's family to groom's family before the wedding.
- Jul gap: Wedding monetary gift from groom's parents to the newlyweds.
- Ip sa or chui jig: Graduation gifts of money or clothes to prepare youth for first job.
- Che sa: Ritual honoring of ancestors on the anniversary of their death. It is the son's responsibility, and it is celebrated for up to five generations.
- Hun kum: Money offer to church or temple.
- Chin mok hoe: Social club source of kye groups that can include business associations.
- Kye: Traditional rotating credit group, a way to acquiring enough money to start a business.
- Cho pa il: Monetary donations to celebrate Buddha's birthday to buy lanterns to honor ancestors and help wishes to come true.
- Cho ui kum: Money given at funeral to help family with expenses.
- Chul san: Gifts of money, food or clothing to the family of a newborn.

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<sup>55</sup> Smith et al., *Philanthropy*, 135-145

In summary, much of Korean philanthropy and support is oriented to aid the extended family, with first-generation Koreans giving mostly to Korean ethnic organizations and Protestant churches. Philanthropy in this community is strongly influenced by social relationship.<sup>56</sup>

### **South Asian American History**

The term South Asian includes Asian Indians, those of Indian and Pakistani background as well as Sri Lankans, Bangladeshis, Pakistanis and other immigrants from the entire South Asia region. The largest number of immigrants from South Asia come from India and Pakistan. Karen Leonard states in *The South Asian Americans* that Asian Indians in the 90s moved to be the third largest Asian American groups (LEAP 1993), standing out from others in the group for the balanced ratio by gender.<sup>57</sup> South Asian Americans are a diverse group, large and populous with different religions, politics, languages and traditions. Many South Asians are Muslim or Hindus (including Sikhs and Jains) and Hindi is the language that is spoken by most immigrants from the area.

Early immigrants were from the province of Punjab, and were laborers looking for opportunity in the agricultural field in California, fitting into the regional economy in many ways. These immigrants helped to develop rice fields in Northern California, grew grapes and other crops in central California and established cotton fields in the southern Imperial Valley region. Many of them moved up the ladder, despite discrimination and prejudice based on their ethnicity. The Punjabi were mostly Sikh with a low number of Muslims among them. Most Americans, even today, erroneously refer to them as Hindus.

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<sup>56</sup> Pettey, *Cultivating*, 114

<sup>57</sup> Karen Isaksen Leonard, *The South Asian Americans* (Westport, CT: The Greenwood Press, 1997), 69

In 1946 citizenship by naturalization and the use of an Indian quota was allowed with the Luce-Celler bill, but it was the Immigration and Naturalization Act of 1965 what caused the largest migration of Asians to the U.S., including South Asians, most of them responding to family unification, the global political economy, international capitalism, harsh differences in wages between countries and political instability in South Asia.

Recent South Asian immigrants came from all over South Asia and the languages spoken on the Indian subcontinent are present in the U.S. For example, in New York in the early 80s, the most numerous language groups were Gujaratis (34%), Hindi (20%), and Dravidian speakers (24%). Most South Asians do well in the United States and in the 1990 Census, immigrants born in India had the highest median household income, family income and per capita income of any foreign-born group.<sup>58</sup> Of interest for fundraisers is the fact that a 1991 Survey of five Asian American groups highlighted that Indians held the most IRA accounts and stocks, and were the most highly educated of the group. Indian born immigrants also have the highest percentage of bachelor's degree or higher and careers in managerial and professional fields.<sup>59</sup>

Leonard also states that a recent estimate has over 20,000 of doctors being of Indian ethnicity, which is the largest ethnic group of doctors in the U.S. Similarly, the number of Indian engineers is only second to Chinese engineers.<sup>60</sup>

There is less available information about other South Asian immigrants from Nepal, the Parsis, Sri Lanka, Bangladesh and Afghanistan.

### **South Asian American Philanthropy**

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<sup>58</sup> Pettey, *Cultivating*, 35-37.

<sup>59</sup> Leonard, *The South Asian*, 77.

<sup>60</sup> Leonard, *The South Asian*, 80.

Tradition of giving by South Asians is directly linked to religion.

Hindu:

A complex array of beliefs and practices with five types of Hinduism is noticeable in America: Secular Hinduism, Nonsectarian Hinduism, Bhakti, Reformist Nationalist Neo-Hinduism, and Guru-Internationalist-Missionizing Neo-Hinduism. Generally, Asian American Hindus follow three types of practices: Puja, which is the family or personal practice in the home; Astrology, determining times or seasons for important activities; and celebration of holidays. Many Hindus celebrate holidays by making monetary gifts to honor the gods and goddesses and to attract good luck, such as:

- Worship of the Goddess Sarasvati, honoring the great goddess of learning, this is a festival for students and teachers
- Shiva's Night
- Holi, named after the goddess/demon Holika this is a lively celebration of fertility
- The Ninth Day of Rama that celebrates the birth of Lord Rama
- The Guru's Full-Moon Day
- The Bracelet-Tying for Protection festival: Brothers commit to protecting their sisters, who tie a special bracelet around their brother's wrists.
- The Fourth Day of Ganesh celebration: Businesspeople, students and others ask Lord Ganesh to bless their work.
- The Nine Nights: Mostly celebrated by Bengalis recognizing the struggle between Lord Rama and the demon Ravana.
- The Tenth Day: Celebrates the victory of Lord Rama over Ravana

- The Festival of Lamps: Lighting candles or colored lights as a symbolism of the reappearance of the sun and prosperity during the long rainy season.<sup>61</sup>

### Muslims:

More than 5 million Muslims live in the United States, which makes Islam the second largest religion in the country. It is a common misconception to think that the majority of Muslims came from the Middle East. Most Arabs are Muslims, but most Muslims are not Arabs. The majority of the over 1 Billion Muslims in the world are Asian and African, with Bangladesh, Pakistan, India, Central Asia, and Nigeria having the largest Muslim communities.

For Muslims, Islam is more than a religion, it is a way of life and the separation of church and state in America can be confusing. Muslims believe that Muhammad was the master prophet and through a series of revelations, Muhammad served as the moral compass for his community. The Quran is the written interpretation of Islamic Law, and the Holy Book for Muslims. It covers all areas of Islamic Life with the five pillars of Islam: Shahada, or the Profession of Faith; Salat, or Prayer/Worship; Zakat, or Almsgiving; Sawm/Siyan, or Fasting; and Haji, or the pilgrimage to Mecca.

Zakat refers to individual and community responsibility for others, and strongly recognize and encourages charity. Financial capable Muslims are expected to pay an annual 2.5% wealth tax, to assist covering the needs of those less fortunate. Islam emphasizes the need for giving to help others, including those outside of the Muslim community.

More than half of the American Muslim population are immigrants or second-generation immigrants, including those from South Asian Muslim countries.<sup>62</sup>

### Sikh

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<sup>61</sup> Pettey, *Cultivating*, 52-53

<sup>62</sup> Pettey, *Cultivating*, 53-54.

The founder of Sikhism was Guru Nanak who had a revelatory experience and traveled and taught in India, Ceylon, Tibet and some of the Arab world. Those following him were Hindus and Muslims, that are known as shishya or disciples. In Sikhism, life cycle events are recognized with ceremonies like gurdwara (newborns), marriage, and funerals (cremations). Sikhism forbids any type of funeral monument, rejects the caste system and practice principles of equality of gender, race, religion and social class. It is interesting to highlight how Sikh names are gender-neutral and adding the name Singh (lion) to all Sikh men and Kaur (princess) to women distinguishes between the genders, since Sikhs don't use last names to emphasize equality. Sikhs promote equality in many ways, including the langar, a communal meal shared by a congregation, with sharing food as a social equalizer.

A main component of Sikh faith that relates to philanthropy is the concept of Seva, the selfless service and monetary support to the community that extends to all people and not just Sikhs.<sup>63</sup>

### **Philanthropy in the Hispanic/Latino American Community**

This research is going to spend more time analyzing the Hispanic and Latino communities, since this is the group that will experience a largest growth based on the projections in the US Census. That means that this group will be a good place for fundraisers to start when trying to reach out to diverse communities and communities of color. The influence of the Hispanic and Latino community and culture in the United States is already noticeable, and with the projected increase in numbers of Hispanic Americans in the near future, understanding and exploring this group will be a necessity for nonprofits to survive.

### **Cuban American History**

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<sup>63</sup> Pettey, *Cultivating*, 54.

Following the arrival of Christopher Columbus to the shores of Cuba in 1492, the country has been highly influenced by Spanish culture. Cuba's strategic location was a big magnet for the Spanish conquistadores. African slaves were brought to work in the fields during the 10-month period of English rule in Cuba (1762).<sup>64</sup> African slaves were treated differently in Cuba than in other Spanish colonies and featured a higher number of free colored people. This was due to two main reasons:

- White Spanish slave owners usually freed their illegitimate children
- Cuban slaves had the right to purchase their freedom and the freedom of their children, which was known as coartacion.

Spanish view Africans not as people to be possessed but more as a commodity, as cheap labor.<sup>65</sup> They believed that if people looked white, they were white. Even if their heritage included a person of color. Cuba abolished slavery in 1845, and all slaves brought to Cuba after 1820 were given their freedom. In 1865, the Reformist Party of Cuba demanded from the Spanish parliament the abolition of slavery, having representation in the parliament, reform of tariff codes and equal rights for white Cubans of Spanish blood.<sup>66</sup>

When the United States won the Spanish-American War, Puerto Rico, the Philippines, Guam, Wake Island, and Cuba became American territories, but Cuba was under U.S. control just until 1902. During the Fulgencio Batista dictatorship, the gap between rich and poor widened and citizen unrest was common. In 1959, a guerrilla movement led by Fidel Castro succeed in taking down the Batista government and Fidel Castro took control of the government. Under Castro, communism prevailed, and American property was nationalized, Batista's supporters were jailed

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<sup>64</sup> Himilce Novas, *Everything You Need to Know About Latino History* (New York: Penguin Group, 1998), 171-72.

<sup>65</sup> Ibid, 172.

<sup>66</sup> Ibid, 178.

or killed, and land was redistributed among peasants. The United States' embargo of the island fomented the discontent among independent farmers, businesspeople and corporate employees in Cuba, and promoted a large number of migrants to the United States. Many of the earlier Cuban immigrants were middle class and educated. The Cuban Adjustment Act of 1966 granted all Cubans seeking asylum a special political refugee status which was terminated in 1995 by President Clinton.<sup>67</sup>

The reason behind this short review of history as it relates to Cuban immigrants, is to highlight their influence on the Florida population. More than one third of Miami is Cuban and Little Havanas can be found all over the state. Cuban immigrants have a strong entrepreneurial spirit that flourished in the United States. In Miami alone, there are more than 20,000 independent Cuban business owners, and more than 40,000 throughout the state. Cubans are patriotic, very grateful to the United States and conservative, with a sense of nostalgia for the Island.

### **Cuban American Philanthropy**

Hispanics in general, and Cubans in particular are generous by nature but need to be approached, with opportunities that are appealing to them. Cubans, as many Latinos, believe that giving will bring them closer to God, influenced from the Spanish Catholic roots in the countries. In fact, the Catholic Church receives a large majority of Latino giving. -Cuban Americans tend to be more conservative than other Latinos, and often better educated and more affluent.

Cuban Americans use philanthropy as a bridge, a tool to become more mainstream. This group wants to be seen as givers and not as takers, in the American society, as contributors to the American dream, and society in order to feel like they belong.

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<sup>67</sup> Novas, *Everything*, 204.

Cuban Americans develop family foundations more frequently than other Latino groups, since they see them as a way to increase and more personally engage in their community philanthropy. They are interested and have strong inclinations to fund causes that support self-sustainment and self-sufficiency due to their desire to work with the mainstream American community while maintaining their identity as immigrants that take care of themselves.

This group is well educated and interested in philanthropic opportunities that address Latino issues, interests and problems addressing civil rights issues that are relevant for their community.<sup>68</sup>

### **Salvadoran American History**

Pedro de Alvarado was the Spanish conquistador that landed on El Salvador in 1524. Under Spanish rule cacao, indigo and coffee were cultivated and major sources of commerce. Spain granted the power to control agricultural development in the country to fourteen families, known as los catorce grandes. El Salvador declared independence from Spain in 1856 although the country's early governments were originated and controlled by los catorce grandes. The country thrived through exporting coffee and exploiting mestizo workers who were denied from owning land.<sup>69</sup> Although El Salvador was one of the most prosperous Central American countries by the early 1900s, the rising discontent among those exploited by the ruling class saw its gruesome culmination during La Matanza (The slaughter) of 1932.<sup>70</sup> A combination of falling coffee prices during the Depression, leadership struggles and discontent among the working poor drove the country to the civil war in 1980, between the military and the Farabundo Marti National Liberation Front. As a result of the historical unrest, the 1990 Census reported 565,000 Salvadorans living in

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<sup>68</sup> Marybeth Gasman, *Engaging Diverse College Alumni: The Essential Guide to Fundraising*. New York: Routledge, 2013.53-54

<sup>69</sup> Ibid, 5.

<sup>70</sup> Novas, *Everything*, 235

the US, with many more undocumented and uncounted ones, and with about every 1 out of 6 Salvadoran Americans been born in the US. Salvadoran immigrants send payments of over \$1 Billion in remittances back home annually, and this makes them the largest source of foreign exchange revenue in El Salvador.<sup>71</sup>

### **Salvadorans Philanthropy**

Salvadoran Americans are consistent in their financial support for family members living in El Salvador whenever it is needed. Families are very close-knit with children providing monetary support to their parents most of their lives. Salvadorans don't think that caring for their elders is an obligation, but a gift of love and a show of respect.

Salvadorans celebrate Santos (religious icon images of Saints), especially the town or church patron saint. Making donations in honor of Santos is a frequent practice for both groups.

Despedida parties to wish farewell to those moving elsewhere are traditions, and guests will offer money to support the sojourner.

Ofrendas are altars that some families build to accept gifts of food from neighbors and friends.<sup>72</sup>

In summary, most Salvadorans give to support the extended family and ethnic community, and they prefer to give to individuals and usually distrust large nonprofits, and only a small number volunteer and give to mainstream nonprofits. Salvadorans send and bring money and goods to family and friends in El Salvador, and they provide shelter to other Salvadorans free or for very little money.<sup>73</sup>

### **Mexican American History**

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<sup>71</sup> Novas, *Everything*, 240

<sup>72</sup> Pettey, *Cultivating*, 17-18

<sup>73</sup> Pettey, *Cultivating*, 122

Deriving from the Aztec civilization and influenced by centuries of Spanish dominance, Mexican culture has a tremendous presence and influence on the southwestern United States. Mexicans have an important role in the US society, as one of the fastest growing populations in the country.<sup>74</sup>

Manuel Gonzalez in his book describes how the centuries of pre-Columbian civilization were thriving before European explorers arrived in the Americas. The tribes of Mesoamerica are key to understanding the Mexican Indian legacy and its influence through centuries. The Olmec society and the growth of Oaxaca and the Valley of Mexico turning into the largest metropolis in Mesoamerica are examples of such influence. The Mayan society was the most advanced of all the New World and like the Greeks in the Old World, the Mayas were unable to overcome political differences and by the time the Europeans arrived in Mexico their culture was in rapid decline.

Such a decline caused a large migration north to the Yucatan peninsula, where the Aztecs trace their origins. The Aztec empire was large. The Spanish arrival and conquest in 1519 caused much destruction and only some Aztec relics survived. Mexicans rebelled supported by their Indian allies, only to be defeated again by the Spaniards. This alliance created strong bonds and Mexicans and Mexican Americans celebrate their Indian roots today.<sup>75</sup>

For more than 300 years Spain controlled Mexico and looked to expand its territory with expeditions into the Caribbean shores of North America, including Cuba and Florida, as well as the Sonoran Desert (current Arizona) and as far north as Kansas. Wherever the Spanish went, they set up missions to fulfill their missionary order of converting natives to Catholicism. The Franciscans and the Jesuits were the most active monastic orders. Spain also moved East into

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<sup>74</sup> Pettey, *Cultivating*, 64.

<sup>75</sup> Manuel G. Gonzales, *Mexicanos: A History of Mexicans in the United States*, (Bloomington: Indiana University Press, 2000)

Texas, to stop the advancement of the French who had established themselves in Louisiana and the Mississippi Delta, and into Alta California where they established missions during the late eighteenth and early nineteenth centuries.<sup>76</sup>

In 1821, Mexico declared independence from Spain and by 1848 Mexico lost its northern territories to the United States, signing the Treaty of Guadalupe Hidalgo. The relationship between Mexico and the United States deteriorated upon signing the Treaty. Also, during the early 1830s a move for Texas independence gained ground, and following the terrible defeat at El Alamo, Texans fought back and gained independence. Discrimination, racial violence and mistreatment were frequent in the treatment of Tejanos (Spanish Southwestern living in Texas).<sup>77</sup>

During the twentieth century, the central aspect of the relationship between Mexico and the United States was dominated by immigration. Almost every decade has seen significant incursion of Mexican immigrants into the US and it is generally accepted that more than 1 million Mexicans entered the US between 1900 and 1930, and by the mid-1990s Mexican immigrants had traveled to settle as far as Alaska.<sup>78</sup>

Mexicans immigrating to the US maintained their ties with Mexico, and strong family bonds and other sentiments kept them closely attached to their mother nation.

During the Second World War big changes impacted the Mexican American population, with middle-class Mexican American communities growing and reflecting the children of immigrants, instead of immigrants alone. During the mid-sixties and seventies immigration increased and changes in the political and psychological field were noticeable. Many Mexicans identified themselves as Chicanos or Chicanas and promoted campaigns to improve

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<sup>76</sup> Pettey, *Cultivating*, 66

<sup>77</sup> Gonzales, *Mexicanos*, 75

<sup>78</sup> Gonzales, *Mexicanos*, 134

socioeconomic conditions, pride in their ethnic roots and a tendency to minimize the need to assimilate into the American mainstream.<sup>79</sup> Although the Chicano movement hosted hundreds of organizations, the main one was the United Farm Workers led by Cesar Chavez and Dolores Huerta. Cesar Chavez practiced a nonviolent philosophy, and he was a driving force in the civil rights and human rights movement, beyond the Mexican American community.<sup>80</sup>

### **Mexican American Philanthropy**

Mexican Americans center their traditions of giving around family which is the heart, refuge and security net for Mexicans in times of trouble.<sup>81</sup> Familia is essential to understanding giving among recent immigrants and generations of Mexican Americans. For these groups, family includes extended family such as aunts, uncles, grandparents, cousins and other relatives. In many cases, even those without a biological relation but part of a close-knit group are also considered part of the family, in many cases it extends to include all Mexicans and all Hispanics. The family's main obligation is to provide aid and comfort, to support the members of the family in whichever way it is necessary. Mexican American families are expected to offer housing, food, money, services and jobs or any needed assistance to family members, not just one's children or parents, but any other member in the United States. Mexican Americans also contribute to their families back in Mexico sending money and gifts to support them.<sup>82</sup>

Mexicans traditional giving around celebrations, illness and death as well as religious giving, such as:

- Padrinos or godparents are required to have a significant role in their godchild's life

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<sup>79</sup> Gonzalez, *Mexicanos*, 190-195

<sup>80</sup> Pettey, *Cultivating*, 69-70

<sup>81</sup> Smith et al. *Philanthropy*, 29.

<sup>82</sup> Smith et al, 15.

- Compadres are expected to assist in religious and educational needs of their ahijado/godchild.
- Baptism, first communion, confirmation and marriage are very important for Mexican Catholics, and they are big celebrations with gift exchanges commemorating these Catholic milestones.
- Bolos are coins that have different value and are given to children during family celebrations, usually by the padrino and father of the child celebrating. It can be a baptism, birthday, first communion or other childhood milestone commemoration.
- Quinceanera is a celebration of the fifteenth birthday for Mexican girls, a type of coming-out party for girls.
- Donating to the church is a strong tradition for Mexican Catholics and this is taught to children at a young age. Some families donate 15 to 20% of their income to help the church with repairs, and to distribute to those in need.<sup>83</sup>
- Mexican Americans support those in need in Mexico sending money through remittances. They also respond generously to natural disasters like floods, earthquakes, hurricanes and other disasters.
- Mexican Americans support organizations in Mexico like orphanages, youth-serving organizations, community centers and other associations.
- For Mexican Americans, gifts of time and volunteering are as valuable contributions as monetary donations.<sup>84</sup>

## **Puerto Ricans History**

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<sup>83</sup> Smith et al, 40

<sup>84</sup> Pettey, *Cultivating*, 69-70

In 1493, Columbus claimed the island of Puerto Rico, and named it San Juan Bautista, but in 1508 Ponce de Leon exploring the island renamed it to Puerto Rico (Rich Port).<sup>85</sup> He was the island's first governor. The Arawaks or Taino were the indigenous inhabitants of Puerto Rico and after suffering under Spanish rule, they rebelled in 1511 and 6000 of them were shot and killed during this uprising. Ponce de Leon requested African slaves in 1513 to assist with labor.<sup>86</sup> The hard labor by the Taino and African slaves helped the development of the island and the production of tobacco and ginger. In 1873 slavery was abolished in Puerto Rico. After those centuries of slavery and having established roots in the communities, Africans chose to stay. Common interracial marriage created a racial diverse population that is still a main part of Puerto Rico today. The Spanish American war in 1898 ended with the Treaty of Paris and the liberation of Cuba, Puerto Rico, Wake Island, Guam, and the Philippines which became US possessions. In 1900 Puerto Rico was declared a US Territory, a governor was appointed by the President of the United States and the Foraker Act establishing that Puerto Ricans were neither US citizens, nor citizens of another nation, was signed. In 1917, President Woodrow Wilson signed the Jones Act, granting Puerto Ricans citizenship.<sup>87</sup> During the 1920s, the island suffered high unemployment while its population continued to increase. A constant migration to cities on the mainland, specially to New York took place between 1940s and the 1960s.

There has been a long-standing debate regarding the issue of statehood for Puerto Rico, and multiple votes and unsuccessful referendums looking to confirm this.

One in three Puerto Ricans living on the mainland lives in poverty. Although a large number of them are white-collar employees, only 53% have finished high school. A large

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<sup>85</sup> Novas, *Everything*, 133-134.

<sup>86</sup> Novas, 136

<sup>87</sup> Novas, 148-150.

concentration of underprivileged Puerto Ricans live in New York. Some of the challenges facing Puerto Ricans living on the US mainland are being exposed to discrimination, and suffering from language barriers, differences in culture, welfare and education.<sup>88</sup>

James Olson also highlighted the unique influence of the Hispanic culture that emphasizes the uniqueness of human nature, the innate quality of life without consideration of race, religion, or class, as well as the strong sense of compassion and empathy strengthened by the mixed race of Puerto Rican nationals. When Puerto Ricans arrived on the mainland, they were surprised by the existing racial divides that create a fracture between white and black Puerto Ricans. Most of them were Spanish speakers and continued to use this language instead of English. This could be part of the discrepancy in the educational success of Puerto Ricans, far below national averages. In 1961, the organization ASPIRA was established with the purpose to help Puerto Ricans to attend college, as a path out of poverty for the community. ASPIRA was the first Puerto Rican agency in New York City to receive funds from outside and nonfederal monies, such as the Rockefeller Brothers Fund, Field Foundation, Taconic Foundation, Nathan Hefheimer Foundation and the New York Foundation.<sup>89</sup>

Puerto Rican organizations in New York city build on the Civil Rights Act of 1964 and the Voting Rights Act of 1965 to further the cause to develop their community, fight poverty and the major barriers faced by the community.<sup>90</sup> Fighting poverty had a strong influence on the role of Puerto Ricans' nonprofit organizations, with funding designated to support social services and self-sufficiency in the community. Even today, the Puerto Rican community in the United States continues to lag in socioeconomic indicators behind other Hispanic groups, and there is a strong

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<sup>88</sup> James Olson, *The Ethnic Dimension in American History*, New York: Brandy-wine Press, 1999)

<sup>89</sup> Herman E. Gallego and Michael O'Neill, *Hispanics and the Nonprofit Sector*, (New York: The Foundation Center, 1991),41

<sup>90</sup> Gallego and O'Neill, *Hispanics*, 43

effort on Puerto Ricans nonprofits to build and strengthen a coalition and diversify funding obtained from foundations and corporations.<sup>91</sup>

### **Puerto Rican Philanthropy**

Puerto Ricans often use giving and volunteering to gain credibility and access to mainstream leaders and organizations, looking to impact how these leaders become aware to the issues and needs of their community, and to eliminate and reduce misconceptions that are frequent toward Puerto Ricans and other Latino groups. The group uses nonprofits as a main way to assimilate into American culture, as previously stated, by their use of mutual aid societies supporting their people, especially in New York.

Puerto Ricans provide support for emergency assistance, and disaster relief. Hurricanes and natural disasters frequently impact their island, Puerto Ricans on the mainland tend to reach out and support those in need back home. Those on the mainland also help newcomers to get acclimated to their new community assisting with food, lodging and shelter and employment.<sup>92</sup>

This group also knows the impact of education on the wellbeing of the community, and they support education. They are aware of the impact of education on their success or lack of success in the level of education reached. They support education initiatives that promote their community success.

Puerto Ricans support those less fortunate with donations to help the poor, because poverty was an important issue in the Island, and for those that first move into New York.<sup>93</sup>

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<sup>91</sup> Gallego and O'Neill, *Hispanics*, 44

<sup>92</sup> Gasman, *Engaging*, 49-50

<sup>93</sup> Gasman, *Engaging*, 49-53.

## CONCLUSIONS

The ability to build and maintain effective relationships and to secure funding, is directly related to the climate within the nonprofit organization. For nonprofits to become more effective, improving their fundraising results is a necessity. Without strong fundraising results, nonprofits would not be able to provide their services to society and fulfill their mission.

Although other areas of nonprofit management have direct influence on the organization's effectiveness, fundraising is the most relevant and a highly critical operation to ensure nonprofit survival and growth. Other areas of the organization directly impact effectiveness of the organization overall, and the fundraising department in particular. Quality of leadership and management as well as the efficiency, involvement and quality of the nonprofit board directly impact results. Other factors impacting effectiveness are the quality and efficiency of services provided by the organization; having strong departments like marketing, finances, operations and human resources' and the overall professionalism of staff, and efficient stewardship of donor dollars directing the resources to the right programs and reporting back results.

In the nonprofit industry, there is strong competition for survival. The number of small, medium size and large nonprofits in our country today is astonishing, and most of them directly compete in providing services to cover the same social needs, and in securing the funds necessary for the organization to survive. In such an uncertain and saturated market, it is of extreme importance for organizations looking to survive and flourish to emphasize effectiveness at all organizational levels. The nonprofit market has a high population density and the number of organizations approaching individuals, foundations and corporations soliciting support can be overwhelming. As the availability of resources necessary for nonprofit survival continue to decrease, the number of organizations that are created diminish, and the survival of existing ones

is at risk. Following the population ecologists' model of organizational birth, we can see how nonprofits tend to operate as k-specialist organizations. In other words, the majority of existing nonprofits were created after the market/environment was already established by some of the large national nonprofits and tend to concentrate their skills pursuing a narrow range of resources in a single niche. Studying the mission of nonprofits, it is easy to see how individual organizations are specializing in meeting needs of a specific nature or niche market such as education, arts, social services, hunger, housing, health, disaster relief and other.

Nonprofits currently in the organizational growth stage should be looking at acquiring and developing value creation skills and strategic competences that could make a difference in their ability to compete. Like any other organization, nonprofits that are able to increase the division of labor and specialization to develop stronger competitive advantages in order to increase their ability to acquire more resources and therefore develop a surplus will grow faster and further. Therefore, investing in increasing the skills and competences of fundraisers is a survival and a winning strategy for nonprofits, since fundraisers are the ones acquiring and securing resources.

The nonprofit industry has been using organizational isomorphism for many years. It is not unusual to see multiple nonprofits operating in exactly the same way, copying each other's strategies, structures and trying to adopt similar cultures and behaviors thinking that if something worked well for a successful organization, it will also work well for other organizations. A certain level of coercive isomorphism will always prevail, due to the strong regulations and controls that society places on nonprofits, and this is a positive type of isomorphism, and a good control tool. Normative isomorphism in the nonprofit industry is certainly helpful as well as hard to avoid. Those working in the nonprofit field move from organization to organization and bring previous employers' ideas, operations, processes and procedures with them. This can have a positive effect

n a nonprofit, if the ideas that are brought are effective and were, indeed, a point of differentiation and effectiveness to the other organization. But it is a common observation in nonprofits that “trash moves around.” On many occasions, those that change organizations too frequently were hardly able to absorb any of the differentiation factors of former employers and may be changing jobs in order to avoid poor performance reviews or even have been fired. Such employees will bring a lot of baggage to the new organization, and most of it with no real value for the organization to grow.

Managers in nonprofit organizations are responsible for the correct use of organizational resources to increase the organization’s ability to create value. In nonprofits, value is created in the services and programs that the organization provides to society, as well as in the amount of funding that it is able to secure, in order to maintain its operations. Nonprofit managers need to successfully measure control, innovation and efficiency as the most important processes to establish organization’s effectiveness.

Organizational effectiveness can be measured following the External Resource Approach, the Internal Systems Approach and the Technical Approach. The External Resource Approach reflects the level of control that the organization has over the external environment, and its ability to secure, manage, and control scarce and valued skills and resources. An organization that is effective in managing and controlling its external environment will be able to lower the cost of providing its services and programs, hire high quality employees, increase the organization’s market share in the nonprofit industry and increase the support of organization’s stakeholders (government, foundations, individuals and corporations).

The Internal Systems Approach reflects the level of innovation evaluating the nonprofit’s ability to be innovative and to respond quickly and responsively, by improving its skills and capabilities to discover new ways of delivering the mission and new and improved ways to raise

funds. This can also be achieved by designing, modifying and developing new organizational structures and cultures improving the organization's ability to change, adapt and avoid inertia and irrelevancy. The organization can measure its efficiency in the Internal Systems Approach by its effectiveness in reducing the amount of time needed for making decisions, increasing the rate of program and fundraising innovation, increasing the satisfactory coordination and motivation of its employees, reducing or eliminating conflict, and providing services and programs that continue to be relevant for its stakeholders and clients.

The Technical Approach measures how efficient the organization is in its processes to convert skills and resources into services and programs, as well as into strengthening the support of current donors, and finding new sources of funding. The organization can measure the increase of program quality and of fundraising results, the reduction of errors in providing services, programs and dealing with funders, the reduction of unnecessary overhead cost that doesn't directly impact mission delivery and fundraising, and the improvement of customer service.

For a nonprofit organization to be effective, and to be able to deliver its services and fulfill its mission, the organization's fundraising must be effective and excel in finding new ways to raise funds, while maintaining its current supporters and fundraising vehicles. An adaptive culture will be the best to achieve such fundraising effectiveness. Valuing and encouraging innovative ways to build and strengthen relationships with existing donors, and to reach groups that have yet to participate in the organization's fundraising will make the biggest impact in the organization's survival and future. Nonprofit managers need to design and implement an organizational structure that facilitates communication and cooperation between fundraising, mission delivery and marketing. This would build on a sharing vision and create a model for all employees to use to frame problems and find solutions, and to share acquired knowledge. Fundraisers need to be very

aware of all service, programs and mission delivery changes, innovations and outcomes. This will facilitate sharing information with donors in order to gain their trust, and to better match donor areas of interest with the organization's activities.

After reviewing the projected changes in the U.S. demography -and learning about the diverse ethnic and cultural groups that will become large influencers in the country- it is my believe that nonprofit organizations must invest in promoting diversity among their employees, add diversity to their managerial levels as well as to their boards, and promote continuous learning about diverse groups, their history and their attitudes toward philanthropy. The best way to guarantee sustainable growth for nonprofits, is to be successful in engaging donors from diverse backgrounds. In order to build relationships and trust with donors of diverse backgrounds, fundraisers will need to be very aware of the donor's "cultural baggage", their history and philanthropic preferences, and their preferences to engage with organizations. As a former Major Gifts Officer with the American Red Cross, I would have benefitted from knowing a few interesting facts about some ethnic groups like:

- The Buddhist tradition of caring for others that includes making donations to support those suffering from a disaster like fire, earthquake, hurricanes and floods, known as Ominai.
- Mexican Americans monetary support of natural disasters, not just for those back in Mexico, but for people in the U.S. and other South American countries.

Learning about the different groups and their culture and history of giving made me realize that the nonprofit profession needs to evaluate its current business model, and to invest in learning about diverse communities and diversity fundraising. This seems to be the logic way to adapt to the projected demographic changes if the profession wants to continue to be relevant and successful in raising funds to support nonprofits organizations now, and in the near future.

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