

Competition is on the rise: to what extent does traditional fundraising performance research apply in competitive environments?

Abstract

Research on fundraising performance links organizational size, professional donor engagement, and legitimacy with fundraising outcomes. But can we assume the same factors will positively impact fundraising performance in light of increasing competition among nonprofits? This study explores whether and how traditional factors known to impact fundraising performance perform in the context of online fundraising tournaments, an environment that is explicitly competitive as those who lose drop out. Our analysis draws on data from 596 US nonprofits that participated in such tournaments. This inquiry addresses increasing competitive pressures placed on nonprofits as they likely cannot avoid competition in the future.

Keywords

Fundraising performance, competition, nonprofits, tournament

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Introduction

Fundraising research suggests that larger organizations (Erwin, 2013), those with professional donor engagement (Erwin, 2013; Hager et al., 2001), and those perceived as legitimate (Paarlberg et al., 2017) are likely to raise more dollars. Current research does not test whether these assumptions will positively impact fundraising performance in light of increasing competition among nonprofits. A recent study finds that not even half of U.S. households donated to charity in 2018, declining from 66% in 2000. Those who donate, however, tend to give more (\$306 billion in total) resulting in the second highest amount ever recorded (Lilly Family School of Philanthropy, 2021). If fewer individuals give more money, the competitive pressure on nonprofits to secure a sufficient slice of this pie increases.

Barman (2002, p. 1195) notes that “competition has emerged as a salient and pressing issue for nonprofit organizations” as they are competing with one another not only for donations (Chetkovich & Frumkin, 2003) but for other resources as well. These include grants (Ashley & Faulk, 2010), fee-based services (Chetkovich & Frumkin, 2003), clients (Ritchie & Weinberg, 2000), or volunteers and board members (Tuckman, 1998). Nonprofits, however, shy away from acknowledging competition, viewing competition as a “dirty word” (Sharp, 2018, p. 772) and “necessary evil” (Racine, 2003, p. 308).

Despite a recent push to acknowledge the role of competition in nonprofit environments (Paarlberg & Hwang, 2017), collaboration has been the modus operandi in the nonprofit context since the early 1980s (Gazley & Guo, 2020). However, competition has distinct benefits and can lead to more effective and better performing organizations (Barman, 2002; Chetkovich &

Frumkin, 2003). For instance, Hou and colleagues (2014) find that as competition between nonprofits increases, donor identification with the organization increases, leading donors to give more.

To increase market share, nonprofits must “convince other actors that they, rather than their competitors, deserve resources” (Barman, 2002, p.1192). Competition tends to be regarded as an environmental constraint (Barman, 2002), meaning nonprofits interact with competition implicitly and do not actively incorporate competition into their strategy. As the external environment is becoming increasingly competitive, this might suggest that organizations must alter their existing organizational practices and strategies to perform well. However, Curley and colleagues (2021) identified that nonprofit leaders tend to display cognitive dissonance when actively faced with competitive pressures. This raises questions as to what happens when the operating norms are explicitly competitive, and leaders must recognize that competition for their organizations to perform well.

This study explores what happens when competition is acknowledged and needed as a strategy to perform well (Barman, 2002; Curley et al., 2021), removing the implicit assumption that collaboration is the norm. We utilize a case of directly competitive online fundraising tournaments, an environment in which organizations who perform better get to stay in the tournament while those who lose (aka raise fewer funds) drop out. The goal of this study is to explore whether traditional factors in the fundraising performance literature hold when direct competition is the modus operandi of the fundraising effort. As such, the purpose of this research note is not to falsify existing hypotheses, but rather to open a line of inquiry that seeks to develop

theory related to operational strategies and consequences of the increasingly competitive nonprofit arena. To demonstrate that this line of inquiry is a worthwhile pursuit for future research, we analyze data from 596 US nonprofits that participated in a competitive online fundraising tournament. This study adds to emerging research on competition and explores how explicit competition might require modifying our current theoretical conceptualizations in the study of nonprofits. This inquiry is important as competitive pressures on nonprofits increase and they likely cannot avoid competition in the future.

Fundraising Performance

Fundraising performance describes a management approach that seeks to effectively balance the expenses and income from activities aimed to raise money from donors (Helmig et al., 2004). Fundraising performance constitutes one vital indicator of organizational effectiveness and performance (Erwin, 2013; Herman & Renz, 2008). Previous research suggests a series of factors such as human resources, investment in fundraising, legitimacy, and social media as important to predicting fundraising performance, which we will review below.

Human Resources

Employees and volunteers are important resources allowing nonprofits to perform well (Walk et al., 2014). A more professionalized human resource function (e.g., through HR policies or size of staff) is linked to enhanced fundraising performance (Ni et al., 2017; Scherhag & Boenigk, 2013; Proper et al., 2009). One rationale is that larger staff size allows for more specialized employees such as fundraising professionals (Erwin, 2013). Volunteers also represent an essential component of the nonprofit workforce and contribute significantly to the success of

nonprofit organizations (Englert & Helmig, 2018) and, depending on their role, to fundraising performance (O'Connor, 1997).

Investment in Fundraising

Fundraising performance is generally enhanced if organizations strategically invest in fundraising through targeted expenses. Generally, more professional donor outreach yields more efficient performance outcomes (Erwin, 2013; Hager et al., 2001). Further, organizations tend to use a multifaceted approach in their fundraising activities (e.g., direct mail, online outreach, special events) as different activities yield different returns (Sargeant & Kähler, 1999; Proper et al., 2009). Similarly, organizations utilizing external fundraising consultants tend to improve their fundraising performance. This is, however, not the case across all nonprofits—arts and human service nonprofits do not see an added benefit (Marudas & Jacobs, 2010). This finding is consistent with other research suggesting that fundraising performance is context-dependent and that organizations with similar causes perform more like one another compared to organizations across sub-sectors (Hager et al., 2001).

Legitimacy

Donors direct donations towards organizations they perceive as legitimate (Erwin, 2013; Peasley et al., 2018). Organizational age, which is related to fundraising performance (Hager et al., 2001), has been used as one measure of legitimacy (Paarlberg et al., 2017). Another signal of legitimacy is whether an organization belongs to an affiliated system (Ford, 2015; Paarlberg et al., 2017). Specifically, Ford (2015) suggests that fundraising differences may be driven by affiliation with umbrella organizations, increasing donor perception of legitimacy.

Social Media

Fundraising is one of the most important functions of social media use among nonprofits (Seo & Vu, 2020). Indeed, research has established that social media presence and use can facilitate accessibility and awareness and, thus, increase fundraising performance (Sargeant et al., 2007). For instance, Saxton and Wang (2014) find that nonprofits that reach larger audiences through their Facebook presence positively impacts total donations raised. The online environment has also increased the proliferation of fundraising events such as online Giving Days. The research on these platforms, while limited, emphasizes the role of social media in determining fundraising outcomes. For instance, Bhati & McDonnel (2020) show that nonprofits with more likes on Facebook and Giving Day-related posts yielded more total donations and donors.

Fundraising events such as Giving Days heighten competition between organizations by allowing them to compare outcomes against one another. However, these events do not usually position nonprofits in direct competition; instead, they work by bringing awareness to the philanthropic community at large. To illustrate the context of this study, imagine if nonprofits were directly positioned against one another and asked to compete, via dollars raised, to move on to subsequent rounds. Organizations that raise more funds are allowed to continue in the tournament while the others drop out. This type of direct benchmarking makes competition an explicit condition that could be utilized to ‘win the game’. As summarized above, the existing research on fundraising performance has not explicitly acknowledged the increasingly competitive environment in which nonprofits operate but rather emphasized an internal focus.

Thus, this study adds to research by exploring how traditional factors known to impact fundraising performance fare in an environment designed to foster explicit, direct, head-to-head competition with other organizations. Direct competition, rather than implicitly competitive fundraising environments, requires nonprofits to pay attention to the fundraising performance of their direct competitor(s).

Context, Methods, and Data Analysis

We use data from an Indianapolis-based 501(c)3 nonprofit, Brackets For Good (BFG), which hosts bracket-based online fundraising tournaments in which nonprofits compete against each other to ‘out-fundraise’ others with whom they are matched. Inspired by the NCAA March Madness tournament, these online fundraising tournaments include 64 participating nonprofits each. In 2018, the year for which data are available, BFG ran eight city-wide and five state-wide tournaments. These tournaments are single-elimination tournaments, where only the winners get to play in the next round (Baumann et al., 2010). Tournaments are used as resource allocation devices where the winner usually receives a prize. During elimination tournaments, participants are expected to outperform competitors to continue into the next round (McClure & Spector, 1997).

BFG utilizes a pre-tournament survey capturing organizational level information used to determine participation in the tournament. BFG calculates a division and rank score, based on the answers organizations are selected into the tournament and matched with their competitors. Seeding based on those scores ensures that nonprofits are competing with similar organizations aiming to maximize performance (Baumann et al., 2010). The division score ensures that

organizations within a division are similar (e.g., number of paid employees/volunteers, annual operating budget). Once organizations are placed in these divisions, they are then ranked by weighing age, number of beneficiaries, online fundraising success, and social media presence. The top 16 teams within each division are selected for participation. This is done to decrease the chances of one participant being stronger than others, so participants maintain rather than reduce efforts (Baumann et al., 2010; McClure & Spector, 1997).

Data and Variables

This study uses the 2018 survey data (N=627) to construct independent and control variables. Dependent variables consist of the results of the tournaments: the performance of the organizations (N=606). A matched data set (N=596) forms the data source for this paper.

Dependent Variables:

We operationalize our dependent variables to capture quantitative success, realistic goal setting, and survival (see table 1). Those measures capture different aspects of fundraising performance in the context we study.

[table 1 here]

Quantitative Success: First, fundraising performance is operationalized as quantitative success (*funds raised in round 1-3*) to predict how much was raised during the first rounds of the tournament (in US dollars). We also use *total funds raised* to capture overall donations. We

divide the total funds raised by the number of rounds played to account for the length of tournament participation.

Realistic Goal Setting: We created the variable—*realistic goal setting*—by subtracting the fundraising goal set prior to the tournament from the total amount of funds raised during the tournament.

Survival: We construct three survival variables (*survival to round 1-3*) by observing whether the organization won in round 1-3 (1=organization played in round 2-4, 0=organization did not play in round 2-4) respectively. Another aspect of survival is the length of time organizations stay in the tournament, which we capture by the *total number of rounds* (1=organization played 1 round to 6=organization played 6 rounds).

Independent Variables

To predict fundraising performance, we focus on the core constructs discussed in the literature review—human resources, investment in fundraising, legitimacy, and social media presence.

Human Resources: Given the importance of human resources for fundraising performance (Erwin, 2013; Englert & Helmig, 2018), we asked organizations to indicate how many paid, full-time equivalent employees (*number of employees*) and how many active volunteers (donating 10 hours or more per month; *number of volunteers*) they have. Open response options were provided for both questions. Both variables were log-transformed before analysis.

Investment in Fundraising: More professional donor outreach positively contributes to fundraising performance (Erwin, 2013; Hager et al., 2001). We use four measures to capture organizational investment in fundraising. First, we construct *professional marketing* by asking respondents “To indicate your organization’s commitment to marketing efforts”. Response options were 1=board member responsibility, 2=committee-based responsibility, 3=entirely dedicated employees, 4=partially dedicated employees, 5=shared responsibility among paid staff, 6=volunteer-based responsibility (recoded categories involving paid staff (3, 4, 5) to professional marketing 1=yes, categories not involving staff to 0=no). Second, organizations were asked whether they use a *donor management software* (1=yes, 0=no). Third, familiarity with *online donations* is captured by asking “Are you currently accepting online donations through your website?” (1=yes, 0=no). Following Sargeant and Kähler (1999), we captured multifaceted *fundraising activities* by asking “To what degree does your organization invest resources to solicit individual donations in the following ways?”. Response options were online, fundraising events, direct mail, over the phone, in person each rated on a scale from 1=never to 5=always.

Legitimacy: Following Paarlberg and colleagues (2017), we adapt two indicators of legitimacy: age and affiliated organizations. *Organizational age* was assessed by asking “When did your organization open its doors in this community?” (open-ended). This variable was log-transformed before analysis. legitimacy was also captured through a measure of whether an organization is *part of an affiliated system* (1=yes, 0=no) such as local councils of Keep America Beautiful or the YMCA.

Social Media: Social media presence, which can increase fundraising performance (Bhati & McDonnel, 2020; Saxton & Wang, 2014), was captured by asking nonprofits which social media channels they use. Response options were Facebook, Twitter, Instagram and other summed to the *number of social media accounts*.

Control Variables

Being a *repeat attendee* is captured to control for experience gained in past tournaments. Since organizational mission can impact fundraising performance (Hager et al. 2001), we control for an organizations' *primary cause*. The organizations spanned 22 different policy areas with human services (17.79%), education (15.60%), and youth development (11.91%) comprising the three largest categories. All remaining categories were rather small (<7%) and, thus, combined into the category other (54.70%).

Data Analysis

We use ordinary least squares (OLS) regression, logistic regression, and Tobit regression to explore predictors of fundraising performance (see table 1). The quantitative success models (models 1-4) are tested using Tobit regression since the dependent variables are left-censored with up to 12% of nonprofits not having raised funds at all. The realistic goal setting model (model 5) and total rounds played (model 9) are tested using OLS. The remaining survival models are tested using logistic regression (models 6-8). For all models, we use the same set of independent and control variables while the respective dependent variable changes.

Findings

Descriptive statistics are presented in table 2. The average amount of funds raised increased throughout the tournament from \$985 in round 1 to \$1,304 in round 2 and \$3082 in round 3. The mean funds raised/total rounds played was \$1400. Realistic goal setting has a negative mean value (-\$11,895, SD=\$37,045) indicating that organizations tend to overestimate their tournament performance.

[tables 2-4 here]

The first set of models is presented in table 3. To help with the interpretation of the coefficients in the Tobit models (models 1-4), we present marginal effects for those organizations that raised any money in the respective round (see table 4). Across models, only repeat attendance is consistently related to performance. This indicates that experience helps to raise more funds in this competitive environment. Amongst those organizations raising money, organizations with a donor management software raise \$226 ($p=.070$) more in the first round of the tournament and those with more social media accounts raise \$113 ($p=.093$) for every additional channel. Both coefficients, however, are only marginally statistically significant. Model 3, predicting funds raised in round 3, suggests that human resources matter as both employees and volunteers were related to the dependent variable. Particularly, a 1% increase in the mean value of employees is associated with \$389 in more funds raised ($p=.013$). Similarly, a 1% increase in the mean of volunteers is associated with an additional \$387 raised ($p=.001$). Education nonprofits were performing worse when compared to human service organizations. On average, human service organizations raised \$1846 ($p=.001$) more. Model 4 suggests that organizations investing resources in fundraising events raise more funds (\$137 per each one-unit

increase on the scale, $p=.046$). None of the independent variables are related to realistic goal setting (model 5). One reason may be that organizations have difficulties setting attainable goals given the newness of the tournament-based fundraising context.

[table 5 here]

Models 6-8 display survival from round to round (see table 5). There are no variables that are consistently related to survival to the next round. Certain fundraising activities, however, seem to matter at different points in the tournament. Investing resources into fundraising via phone increases the odds of surviving round 1 ($OR=1.35$, $p=.006$). This variable also matters for the total number of rounds played (model 9); per one unit increase in investing resources via phone, the likelihood of playing in the next round increases by .14 ($p=.020$). Similarly, investing into resources to solicit donations online seems to matter for the survival of round 2 ($OR=1.34$, $p=.029$). It seems that there is a direct pay-off from investing resources with regards to survival in the tournament. Moreover, being affiliated with a system increases the likelihood of playing longer in the tournament ($b=.43$, $p=.050$). Although not as consistently as in the quantitative success models, being a repeat attendee matters for survival. Specifically, organizations having participated in a tournament previously have two times the odds for surviving round 1 ($OR=2.12$, $p<.0001$) and tend to stay in the tournament for more rounds ($b=.33$, $p=.001$).

Discussion and Conclusion

This study explores how findings from traditional fundraising literature—operating under an implicit assumption of collaborative environments—are violated in explicitly competitive

contexts. This research note serves as an opportunity to explore the ways in which explicit competition might require modifying current theoretical conceptualizations. We hope that the exploration conducted here opens a new line of inquiry that further addresses the implications of an increasingly competitive nonprofit sector. In this new line of inquiry, we ask the field to consider the implications on the nonprofit sector when competition is accepted, rather than vilified (Barman, 2002; Curley et al., 2021). The following will discuss what we see as consistent with the existing literature in our exploration, what deviates, and then take a look toward the future of research addressing competition in nonprofits.

Consistency with Literature

Our findings show that not all nonprofits perform equally well in a competitive environment. Previous research suggests human resources, investment in fundraising, legitimacy, and social media as important to predicting fundraising performance; we partly confirm those relationships. Echoing others (Erwin, 2013; Ni et al., 2017; Scherhag & Boenigk, 2013; Proper et al., 2009), our findings indicate that organizations with larger numbers of employees and volunteers performed better; but human resources mattered only in later parts of the tournament. This is likely because BFG paired similar organizations when starting the tournament, while more heterogeneity in pairs appeared in later stages. This suggests that the design of competitive activities among nonprofits may influence outcomes. Like prior research (Proper et al., 2009; Sargeant & Kähler, 1999), different fundraising activities were related to raising more total funds (hosting fundraising events), playing more rounds (fundraising through phone), and surviving round 1 (fundraising through phone) and round 2 (engaging in online fundraising). Notably

though, this is where the similarities end and where our findings deviate from the existing literature.

Deviations from Literature

Other indicators of fundraising investment (e.g., online donations, donor management software, or professional marketing) did not distinguish nonprofits in their fundraising performance. Unlike in previous research (Bhati & McDonnel, 2020; Saxton & Wang, 2014), social media was only marginally related to fundraising performance. Likewise, legitimacy played a minor role in our models except that those in an affiliated system raise more total funds and play more rounds. Whereas there were some differences in performance by type of nonprofits—human services nonprofits performed better than education nonprofits in later rounds and better than youth development nonprofits regarding total funds raised—one would expect to see starker differences based on the existing literature (Hager et al., 2001; Herman & Renz, 2008). This may be a product of online fundraising, rather than competition, as seen in Bhati and McDonnel’s (2020) study of fundraising performance during online Giving Days.

Finally, the findings indicate that experience matters. Across 7 of our 9 models, organizations with previous experience with competitive fundraising performed better in the current tournament. This finding suggests that exposure to competitive environments is important and may enhance familiarity, thus, positively impacting fundraising performance. This finding should be encouraging for nonprofit practice; fundraising performance increases if competition is acknowledged and if nonprofits show willingness to engage with it. We reason

that the context of the tournament, where competition is the expected strategy, mitigates the effects of cognitive dissonance (Curley et al., 2021).

Looking to the Future: Competition in Nonprofits

These deviations from the literature suggest a need to move beyond our standard assumptions about nonprofit operations. We find five key avenues that may influence--or be influenced by—a competitive environment: 1) social media usage, 2) the changing role of legitimacy, 3) the influence of online platforms in giving, 4) the role of design features in competition, and 5) experience in explicitly competitive environments. Perhaps the most relevant findings across these models are the role of previous experience in competitive fundraising tournaments and the tendency to overestimate goals. This likely suggests that strategy development in competitive environments is unique and potentially outside of perceived operational norms. While we may not yet know what is most meaningful for nonprofits to do to enhance their competitive approach -- we do know that by trying and learning -- nonprofits can improve their performance. Future research needs to explore the specific operational strategies (e.g., differences in social media usage) that organizations take under explicitly competitive environments. This line of inquiry has the potential to help nonprofits mitigate cognitive dissonance around competition and improve their participation, achieve their goals, and hone their ability to ‘play the game’ inherent in competition.

While the context of this study is unique, readers may wonder, “fair enough, but what does that mean for practice?” We argue that nonprofits tend to view competition as an environmental constraint (Barman, 2002) rather than engaging directly with it. This means the

context of fundraising tournaments makes competition salient and unavoidable while also deemphasizing collaboration as the expected norm. While this context may seem artificial, it enables us to study how nonprofits behave once they are freed from negative connotations that competition may have (Racine, 2003; Sharp, 2018) and when cognitive dissonance should be minimized (Curley et al., 2021). Our study has implications not just for fundraising, but also for other areas in which nonprofits compete with others. For instance, competitive pressures increase in the grants marketplace where “resource scarcity leads to high, and increasing, levels of competition among organizations as the sector expands” (Faulk et al., 2017, p. 262). Similarly, nonprofits compete for talented employees not just with nonprofits but also public and private organizations while the draw to work for nonprofits has decreased, especially among the younger workforce (Walk et al., 2021). This reiterates the need to understand how nonprofits can alter operational strategies under competitive conditions to improve outcomes including, but not limited to, fundraising. Our findings have, therefore, implications for nonprofit practice. Whereas nonprofit practitioners may be hesitant to try something new by engaging in competitive fundraising, our paper makes clear that the only way out is through: nonprofit practitioners need to grapple with the significance of competition for their organizations and specifically address it as it may have tangible consequences on fundraising performance. One strategy would be to engage in a SWOT-analysis to identify the organization’s “strengths, weaknesses, opportunities, or threats,” in light of the specific environment in which they operate. Since organizational learning matters as our findings indicate, considering what competition means may have positive impacts on future fundraising performance.

Racine (2003) makes clear “that competition is not just a reality, but a necessity—a necessity we are better off acknowledging and managing in pursuit of excellence than trying to downplay” (p. 311). Given shifting donation patterns (Lilly Family School of Philanthropy, 2021) and increasingly scarce resources, it is likely that competition will become more central and unavoidable for nonprofits. Therefore, a shift in scholarly thinking from competition as an implicit, environmental constraint to the forefront of organizational strategy is necessary. This shift is perhaps most easily seen by extending the example of fundraising performance highlighted in this paper. Extant fundraising performance research focuses on improving the individual organization’s success, however, organizational leaders may shift to ensure continued success in fundraising, which may require a detailed analysis of the competitive environment to best position their organization within the nonprofit market (Saxton, 1996).

Given the limitations of the study setting of artificially created competitive tournaments, this research note will leave you with more questions than answers, and hopefully, inspire inquiry related to whether the implicit assumption of collaborative environments holds as we move toward an increasingly explicit competitive nonprofit environment. We see through our exploration that organizations embracing competition improve performance through experience in competitive environments. Achieving competitive advantage outside of the tournament context may, similarly, improve outcomes, if organizations develop necessary strategies (e.g., setting targets, resource development). This may be an uncomfortable truth for a sector that tends to operate on collaboration and downplays competition (Curley et al., 2021). However, our study sheds light on the benefits that occur when organizations overcome this dissonance and create an environment in which everybody wins through competition.

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Table 1: Dependent Variables and Analysis

| Construct | Variables | Model # | Analysis |
|------------------------|---|----------------|-----------------|
| Quantitative Success | Funds (\$) raised per round (rounds 1-3) | 1-3 | Tobit |
| | Total funds raised (\$)/number of rounds | 4 | Tobit |
| Realistic Goal Setting | Total funds raised–target funds | 5 | OLS |
| Survival | Advancement to next round (yes=1, rounds 1-3) | 6-8 | Logistic |
| | Total # of rounds (1-6) | 9 | OLS |

Table 2: Descriptive Statistics

| Construct | Variables (N) | M (SD)/% | Range |
|---------------------------|---|-------------------------------|----------------------|
| Quantitative Success | Funds round 1 (N=510) | \$985.06 (\$1,961.28) | \$0–\$22,610 |
| | Funds round 2 (N=350) | \$1,303.85 (\$2,369.82) | \$0–\$20,355 |
| | Funds round 3 (N=176) | \$3,081.70 (\$5,431.80) | \$0–\$31,346 |
| | Total funds raised/round (N=606) | \$1400.39 (\$2735.85) | \$0–\$19,309.83 |
| Realistic Goal Setting | Realistic goal (N=564) | -\$11,894.59 (\$37,044.89) | -\$500,000–\$106,830 |
| | Survival | Won round 1 (N=510) | .50 (.50) |
| Legitimacy | Won round 2 (N=350) | .50 (.50) | 0-1 |
| | Won round 3 (N=176) | .51 (.50) | 0-1 |
| | Total # of rounds (N=606) | 1.96 (1.27) | 1-6 |
| | Age (N=583) | 27.38 (28.98) | 0-167 |
| Human Resources | Affiliated system (N=623, 1=yes) | .08 (.27) | 0-1 |
| | Number of employees (N=567) | 61.00 (648.13) | 0-14,819 |
| Social Media | Number of volunteers (N=567) | 2066.56 (42013.62) | 0-1,000,000 |
| | Social media accounts (N=627) | 2.12 (1.03) | 0-3 |
| Investment in Fundraising | Professional marketing (N=558, 1=yes) | .75 (.43) | 0-1 |
| | Online donations (N=596, 1=yes) | .91 (.28) | 0-1 |
| | Donor management software (N=596, 1=yes) | .60 (.49) | 0-1 |
| | Fundraising Activity: Online (N=570) | 3.86 (1.03) | 1-5 |
| | Fundraising Activity: Events (N=570) | 3.81 (1.08) | 1-5 |
| | Fundraising Activity: Direct mail (N=570) | 3.01 (1.39) | 1-5 |
| | Fundraising Activity: Phone (N=570) | 2.24 (1.11) | 1-5 |
| | Fundraising Activity: In person (N=570) | 3.36 (.98) | 1-5 |
| Controls | Repeat Attendee (N=623, 1=yes) | .37 (.48) | 0-1 |

Primary cause (N=596, 1 = 0.18, 2=0.16,
1=human services, 3=0.12, 4=0.55
2=education, 3=youth
development, 4=other)

Note: We present statistics before log-transforming volunteers/employees and age to ease interpretation.

Table 3: Quantitative Success and Realistic Goal Setting Models

| Constructs | Variables | Quantitative Success | | | | Realistic Goal Setting |
|----------------------------------|------------------|----------------------|--------------------|-------------------------|---|---------------------------------|
| | | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 ^a |
| | | Funds round 1 | Funds round 2 | Funds round 3 | Total funds raised (in \$)/number of rounds | Total funds raised–target funds |
| Legitimacy | Affiliated | 635.05 (412.90) | 642.03 (510.92) | -1,604.05 (1,302.24) | 949.23+ (497.23) | -3,696.93 (6,097.02) |
| | Age(ln) | -24.63 (104.11) | 49.00 (144.75) | .82 (391.48) | -115.49 (127.29) | -2,375.39 (1,531.89) |
| Human Resources | FTE(ln) | 43.01 (78.68) | 95.65 (105.42) | 744.99* (295.60) | 125.59 (97.23) | 453.11 (1,193.17) |
| | Volunt(ln) | 77.18 (54.51) | 26.54 (75.20) | 739.89** (216.46) | 69139 (68.36) | 31.95 (837.34) |
| Social Media | SMcount | 241.55+ (143.44) | 133.31 (196.33) | -335.89 (534.82) | 166.48 (182.38) | 1,927.80 (2,211.33) |
| Investment in Fundraising | Online donations | 95.72 (547.72) | 309.84 (919.32) | -612.50 (2,516.89) | 238.67 (732.92) | -4,332.91 (8,373.42) |
| | Donorsoftware | 483.01+ (266.32) | 262.07 (369.91) | 622.58 (1,054.03) | 218.33 (340.71) | 5,609.78 (4,550.24) |
| | Marketing | -132.77 (297.35) | 82.33 (417.09) | -405.17 (1,198.29) | -54.66 (373.07) | 5,609.78 (4,550.24) |
| | | | 166.34 | 234.74 | 59.44 | -2344.31 |
| | Activity: Online | -166.71 (114.57) | | | | |
| | | | | 152.23 | 271.64 | 290.88* |
| | Activity: Events | 40.46 (115.60) | | | | |
| | | | (157.99) | (444.14) | (145.57) | (1759.32) |

| | | | | | | |
|-----------------|--------------------------------|------------------------|--------------------------|---------------------------|--------------------------|--------------------------|
| | | -171.68 | -337.00 | 73.57 | 1013.59 | |
| | Activity: Mail | 145.08 (99.24) | (137.48) | (391.03) | (125.71) | (1544.37) |
| | | | -117.08 | -208.84 | 63.88 | -1170.71 |
| | Activity: Phone | 39.69 (109.76) | (154.74) | (445.24) | (140.99) | (1733.91) |
| | | | 211.35 | -7.91 | 76.55 | -3342.78+ |
| | Activity: In Person | 107.49 (122.80) | (171.74) | (463.78) | (155.97) | (1897.00) |
| Controls | Education [#] | -360.57 (290.82) | -266.56 (386.10) | -3,533.79** (1,063.47) | -442.83 (361.35) | -435.46 (5,660.49) |
| | Youth Development | -573.73+ (309.42) | -596.56 (398.04) | -1,282.03 (1,106.58) | -763.29* (382.42) | -3,899.05 (6,002.74) |
| | Other | -482.73 (326.39) | -77.53 (477.42) | -1,194.42 (1,325.09) | -243.70 (414.49) | -2,590.76 (4,441.08) |
| | Repeat Att. | 929.07**** (210.40) | 1,121.08**** (278.47) | 2,191.30** (784.46) | 1,545.53**** (262.01) | 5,828.26+ (3,242.87) |
| | Constant | -769.81 (687.25) | -1583.23 (1021.83) | 709.34 (2,768.51) | -1,993.02* (899.21) | -1,214.23 (10,976.59) |
| | Variance | 4376451 (314096.4) | 5915568 (487879.6) | 2.36e+07 (2596982) | 8251298 (543821.3) | |
| | Observations | 446 | 325 | 169 | 536 | 551 |
| | (Pseudo-)R ² | 0.009 | 0.006 | 0.014 | 0.008 | 0.037 |
| | Log- Likelihood | -3619.73 | -2767.46 | -1647.08 | -4460.66 | |
| | Left-censored observations | 51 | 27 | 3 | 66 | |
| | Uncensored observations | 395 | 298 | 166 | 470 | |
| | Right-censored observations | 0 | 0 | 0 | 0 | |

Note: Standard errors in parentheses. ****p<.0001 *** p<0.001, ** p<0.01, * p<0.05, +p<.01. #Human Services is reference category.

Table 4: Marginal Effects for Organizations raising Money

| Constructs | Variables | Quantitative Success | | | | |
|----------------------------------|---------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| | | Model 1 dy/dx (s.e.) | Model 2 dy/dx (s.e.) | Model 3 dy/dx (s.e.) | Model 4 dy/dx (s.e.) | |
| Legitimacy | Affiliated | 297.387 (193.529) | 309.997 (246.819) | -837.973 (681.377) | 445.768+ (233.741) | |
| | Age(ln) | -11.534 (48.753) | 23.657 (69.890) | 0.429 (204.514) | -54.237 (59.792) | |
| Human Resources | FTE(ln) | 20.142 (36.846) | 46.186 (50.919) | 389.193* (155.463) | 58.980 (45.675) | |
| | Volunt(ln) | 36.145 (25.544) | 12.817 (36.310) | 386.529** (114.337) | 32.492 (32.115) | |
| Social Media | SMcount | 113.117+ (67.225) | 64.367 (94.797) | -175.473 (279.488) | 78.180 (85.656) | |
| Investment in Fundraising | Online donations | 44.822 (256.494) | 149.601 (443.849) | -319.976 (1314.931) | 112.082 (344.188) | |
| | Donorsoftware | 226.188+ (124.768) | 126.539 (178.649) | 325.242 (550.779) | 102.529 (159.948) | |
| | Marketing | -62.175 (139.262) | 39.753 (201.401) | -211.664 (626.055) | -25.667 (175.198) | |
| | Activity: Online | -78.068 (53.658) | 80.314 (76.625) | 122.6326 (245.381) | 27.912 (67.513) | |
| | Activity: Events | 18.946 (54.131) | 73.501 (76.309) | 141.9072 (232.159) | 136.598* (68.399) | |
| | Activity: Mail | 67.938 (46.519) | -82.894 (66.428) | -176.054 (204.493) | 34.547 (59.048) | |
| | Activity: Phone | 18.585 (51.392) | -56.533 (74.713) | -109.100 (232.651) | 29.998 (66.206) | |
| | Activity: In Person | 50.334 (57.521) | 102.049 (82.961) | -4.130 (242.283) | 35.950 (73.249) | |
| | Controls | Education# | -168.850 (136.304) | -128.706 (186.537) | -1846.089** (561.524) | -207.959 (169.846) |
| | | Youth Development | -268.673+ (145.029) | -288.042 (192.347) | -669.748 (578.752) | -358.450* (179.648) |
| Other | | -226.057 (152.958) | -37.436 (230.530) | -623.980 (578.752) | -114.445 (194.686) | |
| | Repeat Att. | 435.074**** (99.081) | 541.304**** (135.358) | 1144.7583** (412.902) | 725.795**** (124.100) | |

Note: Standard errors in parentheses. ****p<.0001 *** p<0.001, ** p<0.01, * p<0.05, +p<.01.

#Human Services is reference category.

Table 5: Survival Models

| Constructs | Variables | Survival | | | |
|----------------------------------|---------------------|--|--|--|--|
| | | Model 6 ^a Won round 1 | Model 7 ^a Won round 2 | Model 8 ^a Won round 3 | Model 9 ^b Total # of rounds |
| Legitimacy | Affiliated | 1.19 (0.48) | 1.97 (0.87) | 1.69 (1.02) | 0.43* (0.22) |
| | Age(ln) | 0.91 (0.09) | 1.10 (0.13) | 0.91 (0.16) | -0.04 (0.06) |
| Human Resources | FTE(ln) | 0.89 (0.07) | 0.88 (0.08) | 1.00 (0.13) | -0.06 (0.04) |
| | Volunt(ln) | 1.01 (0.05) | 1.00 (0.06) | 0.91 (0.09) | -0.01 (0.03) |
| Social Media | SMcount | 0.87 (0.12) | 1.03 (0.17) | 1.43 (0.34) | -0.01 (0.08) |
| Investment in Fundraising | Online donations | 1.78 (0.92) | 0.57 (0.42) | | 0.22 (0.31) |
| | Donorsoftware | 0.81 (0.21) | 1.01 (0.31) | 1.09 (0.49) | -0.12 (0.15) |
| | Marketing | 1.33 (0.38) | 1.20 (0.41) | 0.81 (0.43) | 0.17 (0.16) |
| | Activity: Online | .97 (.11) | 1.34* (.17) | 1.35 (.28) | 0.06 (0.06) |
| | Activity: Events | 1.10 (.12) | 1.11 (.14) | .92 (.18) | 0.08 (0.06) |
| | Activity: Mail | .97 (.09) | .96 (.11) | 1.30 (.22) | 0.01 (0.05) |
| | Activity: Phone | 1.35** (.15) | 1.01 (.13) | 1.02 (.20) | 0.14* (0.06) |
| | Activity: In Person | .92 (.11) | 1.00 (.14) | 1.19 (.25) | -0.03 (0.07) |
| | Controls | Education [#] | 0.88 (0.33) | 0.92 (0.37) | 1.49 (0.85) |
| | Youth Development | 0.60 | 1.07 | 1.00 | -0.09 |

| | | | | |
|-------------------------|----------|--------|--------|--------|
| | (0.23) | (0.49) | (0.65) | (0.22) |
| Other | 0.74 | 0.83 | 1.39 | -0.05 |
| | (0.21) | (0.27) | (0.63) | (0.16) |
| Repeat Att. | 2.12**** | 1.24 | 1.11 | 0.33** |
| | (0.44) | (0.29) | (0.38) | (0.11) |
| Constant | 0.68 | 0.34 | 0.06* | 1.08** |
| | (0.47) | (0.30) | (0.07) | (0.40) |
| Observations | 445 | 325 | 164 | 536 |
| (Pseudo-)R ² | 0.050 | 0.032 | 0.069 | 0.062 |

Note: Standard errors in parentheses. ****p<.0001 *** p<0.001, ** p<0.01, * p<0.05, +p<.01.
 #Human Services is reference category. a=odds ratios, b=beta coefficients. Online donations omitted for model 8 (predicts DV perfectly).