

## **Is viral fundraising the new panacea for nonprofits?**

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As a frequent advisor on strategic planning and resource development to nonprofits, the most common phrase I hear from resource strapped board members is, “we should apply for some more grants.” Each time I hear this echoed refrain, I’m stunned. My practical experience in the field tells me that if an organization has a compelling case, focuses on the impact of their good work—and tells their story—that the funding from will follow and, most likely, it will come from individual donors.

In fact, 2015 was America’s most generous year ever.

Donations from America’s individuals, estates, foundations and corporations reached an estimated \$373.25 billion in 2015, setting a record for the second year in a row, as reported by *Giving USA 2016: The Annual Report on Philanthropy for the Year 2015*, an annual research report of the IUPUI Lilly School of Philanthropy.

But that’s not the only big news about charitable giving in 2015. The findings represent more than numbers—they are also symbolic of the American spirit. Americans give a lot, and the choice to give is an individual one. While overall giving increased, donations from individuals were at \$264.58 billion or 71 percent of all giving, following the historical pattern seen over more than six decades.

Online giving from individuals represents the newest frontier in fundraising. More than \$115 million was donated to ALS charities worldwide in an eight-week period in 2014 during the ALS Ice Bucket Challenge, an unorchestrated viral fundraising phenomenon when three young men living with ALS inspired their communities, celebrities and the world to dump buckets of ice water on their heads to raise money to fight the disease.

Why were they doing it?

Working with MPA graduate students, we conducted a survey of JMU faculty, staff and students about their participation in the ALS Ice Bucket Challenge to learn more about the determinants of success in viral fundraising campaigns. Viral fundraising has supplanted “go get more grants” as the new panacea to heal every distressed nonprofit.

The survey measured the impact of respondents’ social media intensity, perceived level of trust in the nonprofit, willingness to promote the cause, and level of commitment in relationship to their intention to donate. Interestingly, we also asked questions to ascertain respondents’ level of knowledge of the disease and their own self-reported awareness of the organization and medical condition.

Almost all the respondents, 97 percent, had watched anywhere between 10 and more than 21 ice bucket challenge videos, 76 percent reported that social media use is a part of their daily routine, and about 62 percent reported social media use of up to an hour per day.

Nearly 60 percent of respondents reported a high level of awareness with the organization and the disease. It is unclear whether the awareness was a result of the viral fundraising campaign or if the respondents had previous knowledge. When asked about their knowledge of the disease, 90 percent gave the correct name, while 55 percent gave an incorrect number of diagnoses per year, and 51 percent gave an incorrect answer on life expectancy. Primarily, the depth of their knowledge of ALS was limited to the name of the medical condition.

Curiously, although more than 99 percent of respondents were familiar with the ALS Ice Bucket Challenge and almost as much had watched several ice bucket challenge viral videos, very few respondents reported speaking favorably about the nonprofit in social situations, and less than a third reported promotion of the cause to their friends, families or co-workers.

Respondents showed a high level of trust in the ALS Association: 65 percent trusted the nonprofit to use fundraising techniques that were appropriate and sensitive, 62 percent trusted the nonprofit not to exploit donors, 66 percent trusted the nonprofit to use donated funds appropriately, almost 70 percent trusted the nonprofit to conduct their operations in an ethical manner, and 61 percent trusted the nonprofit to always act in the best interest of the cause.

Of the respondents who self-reported a donation to the ALS Association, about one-third indicated that they had received some emotional utility or “warm glow” from the giving process. Giving was largely influenced by the friends, family or co-workers knowing about their gift: 63 percent were motivated to give because so many others were giving at the same time, 42 percent reported a level of social approval of their giving, and 53 percent indicated that it felt good to know that other people they knew were aware of their giving.

Our early conclusions suggest that viral fundraising success is most significantly influenced by the extent of social media use by participants, social pressure to donate and the desire of respondents to feel good about their giving. On the contrary, viral fundraising does not have a significant impact on donors’ intention to give in the future, where less than a third reported their intention to give to the ALS Association in the future.

The challenge here for nonprofits is not whether or not they can get people to give in a viral fundraising campaign; but rather, can they get them to give again?