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ONLINE FUNDRAISING TRENDS AMONG SELECTED BUSINESS SCHOOLS
IN THE UNITED STATES

by

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A dissertation submitted in partial fulfillment of the requirements
for the degree of Doctor of Education
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ABSTRACT

Many business schools in the United States have experienced a decrease in funding. To compensate for the reduced revenue and remain competitive, a number of these institutions have discovered new and creative ways to raise money, such as using the Internet. This study examined the impact that the Internet has on business school philanthropy and identified online giving trends among randomly selected AACSB International accredited institutions in the United States.

A 20-item questionnaire was used to measure the results. Of the 107 business schools that participated in this study, 36.4% (n=39) raised money online. Data also revealed that 66.7% of the business schools that raised money online reported that the average size of an individual online gift was \$250 or less, and nearly 80% of the respondents claimed that online donations accounted for 10% or less of the total amount they received in annual donations.

This study also explored other variables such as the type of institution (public or private) that accepted online donations as well as the type of fundraising office a business school had (decentralized, centralized, or combined). Donor characteristics and marketing strategies used by business schools to promote their online fundraising programs were also examined. The results revealed that many business schools did not accurately track the demographics and characteristics of their online donors.

Findings from this study indicated that advancements in technology have increased the opportunities for obtaining financial support to business schools. The results can be used as a benchmark for future investigations.

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A former doctoral student once warned me that writing your dissertation was actually a lonely journey. While that turned out to be true, I could not have completed this journey without the help of some very special people.

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CHAPTER 1 INTRODUCTION

The world's first business school was created in 1881 as a result of a philanthropic gift. Joseph Wharton, an industrialist from Philadelphia, donated \$100,000 to establish the Wharton School of the University of Pennsylvania (Wharton, 2006). Initially, the school struggled financially and sought ways to seek more money (Wren & Van Fleet, 1983). Thus, Wharton's charitable donation not only marked the birth of the business school, but it also illustrated how fundraising played a significant role from the start.

Crainer and Dearlove (1999) stated "fundraising is the competitive lifeblood of the modern business school" (p. 138). Much like the early days at Wharton, contemporary business school administrators are still challenged to find creative ways to obtain financial support. Institutions have always depended on large endowments to be successful. For example, in 2006, Wharton was the largest global business school with an endowment of nearly \$548 million (Wharton, 2006). Shinn (2005) argued that "with sufficient funds, a school can attract world-class faculty, invest in state-of-the-art facilities, enroll the best students, and score high in the rankings" (p. 25).

At the time of this study, many public business schools faced a decrease in state funding, which increased the demand for private funding (Farmer, Coleman, & Lampton, 2003). Colleges and universities compensated for the reduced revenue and remained competitive with other institutions by exploring innovative ways to raise money from

external sources. One such method was to develop an online giving program that used the Internet as a fundraising tool.

During the past decade, the Internet has become a major source of information and communication in the United States. According to the *Kintera/Luth Nonprofit Trend Report*, as of 2005, approximately 139 million adults that lived in the United States, or 63% of the adult population, used the Internet regularly (Feig, 2005). As technology continues to advance, this number is expected to grow. A study entitled *A Nation Online: How Americans are Expanding Their Use of the Internet* released jointly by the U.S. Department of Commerce, the Economics and Statistics Administration and the National Telecommunications and Information Administration in 2002, claimed that within the United States, approximately two million additional people began using the Internet each month, and more than half the households had Internet connections. Data collected for the report came from the September 2001 U.S. Census Bureau's Current Population Survey and was considered among the most reliable figures gathered on the Internet to date.

While Internet use increased, so did the amount of donations made to colleges and universities. Sausner (2005) claimed that after three years of decline, "surveys show that donations to educational institutions are on the rise" (p. 60). Many business school deans and fundraising staff capitalized on the fundraising trends and began offering donors the opportunity to make donations online in addition to making their donations using

traditional methods such as direct mail or telephone solicitation. Hart (2001) stated, “these two societal streams – one philanthropic, the other technological – are converging, creating an opportunity to expand and strengthen American philanthropy” (p. 22).

As a greater number of organizations used the Internet to raise funds, a new term emerged: *ePhilanthropy*. Hart (2005) defined *ePhilanthropy* as:

A set of efficiency-building Internet-based techniques that can be used to build and enhance relationships with stakeholders interested in the success of a nonprofit organization. *ePhilanthropy* is the building and enhancing of relationships with volunteers and supporters of nonprofit organizations using the Internet. It includes the contribution of cash or real property or the purchase of products and services to benefit a nonprofit organization, and the storage of and usage of electronic data and services to support relationship building and fundraising activities (p. 2).

The word *ePhilanthropy* is widely accepted as an umbrella term for nonprofit and philanthropy activity online (W.K. Kellogg Foundation, 2001). The term was used to describe online fundraising methods throughout this study.

While many fundraising techniques have changed since Joseph Wharton created the first business school in 1881, the need for additional funding remained the same. Business schools have always depended on the support of their alumni and friends to provide the best education possible. Advancements in technology have increased the potential for obtaining that support. This study examined the impact that online giving programs had on the ever-changing world of the business school.

Statement of the Problem

This study was conducted to determine the impact that the Internet had on business school philanthropy and identified online giving trends among randomly

selected AACSB International accredited institutions in the United States. While some studies have examined online fundraising programs that applied to colleges or universities as a whole, this study focused specifically on business schools. The desired outcome of this investigation was to produce valuable information for those business school deans who sought innovative ways to obtain external funding from private sources.

Definition of Terms

During the course of this study, the following terms were used. The researcher developed all definitions not accompanied by a citation.

AACSB International – The Association to Advance Collegiate Schools of Business: An international accrediting agency for degree programs in business administration and accounting. On first reference, correct usage is the full name; on second and continuing references, it is acceptable to use AACSB International or AACSB (AACSB International, 2006c).

Alumni: (as it relates to a business school) Students who have graduated from a business school.

Annual Gift: Financial donations that are made on an annual basis and are used to support the institution's current operating needs. Annual gifts are usually solicited through an organized campaign or program (Worth, 1993).

Blog: Abbreviated term for Weblog, a blog is a Web page that serves as a publicly accessible personal journal for an individual or group. Blogs are updated regularly and often reflect the personality of the author(s) (Webopedia, 2006).

Centralized Fundraising Office (as it relates to a business school): Although the fundraising staff solicits donations for the business school, they report to an external development team usually located in an institution's foundation. The central office maintains authority over all fundraising policy decisions and approves fundraising priorities (Worth, 1993).

Decentralized Fundraising Office (as it relates to a business school): In contrast to a centralized fundraising office, fundraising staff in a decentralized organization are employed by individual schools, colleges, or other units of an institution. These units have considerable autonomy in setting fundraising policies and priorities (Worth, 1993).

E-flash (or flash e-mail): A multi-media flash presentation that is distributed electronically. Fundraising organizations can send an e-flash as a video link and invite viewers to give money at the conclusion of the presentation.

E-mail: An abbreviated term for electronic mail. E-mails are messages sent from one user to another via a computer network.

E-newsletter: An abbreviated term for electronic newsletter.

ePhilanthropy (also e-Philanthropy): The building and enhancing of relationships with supporters of nonprofit organizations using an Internet-based platform, the online contribution of cash or real property or the purchase of products or services to benefit a nonprofit organization, and the storage of and usage of electronic data or use of electronic methods to support fundraising activities (Hart, 2005, p.2).

Fiscal Year: Time period covering 12 consecutive months in which a company determines earnings and profits. A fiscal year usually differs from a calendar year and may differ from organization to organization.

Homepage: The first page of an organization's Web site. The homepage serves as an introduction and provides direct links to other parts of the Web site.

Instant Messaging (IM): A form of real time, text-based communication between two or more people. IM requires that both parties be logged onto their IM service at the same time. Instant messaging differs from e-mail in that IM is immediate. Since e-mails are not immediate, there can be delays of several minutes (Techweb, 2006).

Message Boards (also called Discussion Boards): A place on the World Wide Web that allows people with shared interests to engage in virtual discussions by posting and responding to messages with other members of the group.

Online Donation: A financial contribution that is made to an organization using the Internet.

Pledge: A commitment or promise to give a specified amount of money over a specified amount of time (example: \$100 per year, for five years). A pledge differs from a donation, which is a one time, lump-sum gift.

Podcast: An audio broadcast that has been converted to an audio file format for playback in a digital music player or computer. Instead of reading the feeds on a computer screen, subscribers listen to the content (Webopedia, 2006).

RSS Feeds (also RDF Site Summary, Rich Site Summary, or Really Simple Syndication): Summaries of Web site content, such as headlines or news stories that are published in the RSS format for download from an online publisher to a Web user.

Spam: Electronic junk mail or junk newsgroup postings (Webopedia, 2006).

Web site: A site or location on the World Wide Web available 24 hours a day. A Web site consists of a homepage and usually includes many other pages.

The History of ePhilanthropy

Stein and Kenyon (2004) claimed that the Rainforest Action Network, League of Conservation Voters, and the World Wildlife Fund were among the first organizations that began using the Internet to raise funds during the mid-1990s. The groups included printable donation forms on their Web sites. However, not all nonprofit organizations were quick to embrace this innovative fundraising technique. At the start of the new millennium, many organizations were still unaware of the ways modern technology could be used to support the fundraising process (Kercheville & Kercheville, 2003).

That all changed on September 11, 2001. The terrorist attacks on New York's World Trade Center and the Pentagon had a profound effect on online giving (Johnston, 2005b). After the tragedy, people from around the world wanted to make donations. To accommodate this overwhelming response, many nonprofit organizations turned to the Internet. Johnston claimed that it was during the intense period immediately following the attacks that many charitable organizations learned they could raise money "efficiently and effectively" (p. 309) through their Web sites.

In the following weeks, the amount of money raised online was astronomical. On September 12, 2001, just one day after the attacks, the American Red Cross reported that it received nearly one online donation per second, totaling over \$1 million in just 12 hours (Irby, 2001). At the time, that figure amounted to the largest number of online donations in the organization's history. Johnston (2005b) reported that in a televised address shortly after the tragedy, President George W. Bush urged supporters to make contributions online to www.libertyunites.org. Johnston declared:

This moment marked a change in giving culture. An important political leader, in a high profile event, centered media attention on online giving in a way that had never happened before. The reference to the Web site was the key legitimizing event in the history of ePhilanthropy. (p. 309)

Since 2001, ePhilanthropy has flourished. Nonprofit organizations raised at least \$911.9 million dollars online in 2005 (Wallace, 2006). Professor James E. Austin of the Initiative on Social Enterprise at the Harvard Business School predicted that ePhilanthropy would continue to grow and that nonprofit organizations should be prepared (Austin & Wendroff, 2001). Austin forecasted:

The e-philanthropy revolution is here to stay, and it will transform charitable giving in as profound a way as technology is changing the commercial world. Charities that have dismissed e-philanthropy as a fad, or run from it in confusion, will, sooner or later, need to become reconciled to it. If they don't, they risk losing touch with donors and imperiling the vitality of their work. (p.72)

Regulating ePhilanthropy

Greenfield (2002) claimed that the Internet was “growing rapidly—too rapidly—as it has gotten ahead of itself and its users” (p. 318). As a result, industry-wide standards, laws, and regulations were slow to be developed or enforced. To further complicate matters, Forcht and Fore (1995) stated “no one individual, company, government agency,

region, country, or association controls the Internet; therefore no one has authority to dictate policies or actions that would promote ‘secure’ usage of the Internet” (p. 25). At the time of this study, at least one professional organization attempted to promote an effective and safe use of the Internet for philanthropic purposes.

The ePhilanthropy Foundation was founded in 2000 to “foster the secure, private, and ethical use of the Internet for philanthropic purposes” (ePhilanthropy, 2006). The foundation developed guidelines in an “effort to promote high ethical standards in online fundraising and to build trust among contributors in making online transactions and contributions with the charity of their choice,” (Hart, Greenfield, & Johnston, 2005, p. 321). The foundation’s code of ethical guidelines was first approved in 2000, but they were revised four times, most recently in 2005, to keep current with technological advancements (ePhilanthropy). The *ePhilanthropy Code of Ethical Online Philanthropic Practices* contained five sections (Hart et al., 2005):

1. Section A explained the *philanthropic experience*. This section advised an organization to clearly describe its identity on its Web site and produce a site that exhibits “integrity, honesty, and truthfulness and seek to safeguard the public trust” (p. 321).
2. Section B discussed *privacy and security issues*. This area included recommendations on how to earn the trust of potential donors and protect their privacy by allowing them to have their names and e-mail addresses removed from unsolicited communications if they wished. Additionally, the foundation advised that organizations should provide a privacy policy on its Web site that tells

visitors “at a minimum, what information is being collected, how this information will be used, and who has access to the data” (p.321).

3. Section C stated that all *disclosures* must be revealed. This part encouraged an organization to include their official names and logos on all correspondence and include all contact information.
4. Section D concerned visitor *complaints*. This portion persuaded organizations to respond to all customer complaints within a reasonable amount of time.
5. Section E examined *transactions*. This final segment detailed the importance of following all laws and regulations when accepting financial transactions.

The foundation not only promoted the *Code of Ethical Online Philanthropic Practices*, but also provided educational services, seminars and workshops to organizations that wished to learn more about ePhilanthropy.

Research Questions

The research questions addressed in this study were:

1. What trends, if any, can be found among AACSB International accredited business schools in the United States, that accept online donations as part of their overall fundraising strategy?
2. For those business schools that raise money online, what is the average size of a gift donated online?
3. For those business schools that raise money online, what percentage of the total amount raised from annual gifts is donated online?
4. What are the characteristics and demographics of an online donor?

5. What marketing strategies, if any, do business schools use to publicize their online donation Web sites?

Population

At the time of this study, 530 business schools had achieved accreditation by AACSB International. Of those institutions, 449 of them were located within the United States. A sample of 211 business schools in the United States was randomly drawn from that population. A 20-item questionnaire was sent to the deans of those 211 randomly selected business schools.

Instrumentation

The primary methodology of this study was descriptive questionnaire research. Data were collected by means of a self-administered electronic questionnaire that was developed by the researcher and designed using the Form Manager software program (Appendix A). The questionnaire was sent to 211 deans at randomly selected AACSB International accredited business schools in the United States. The questionnaire included 20 multiple-choice questions and took approximately 15 minutes to complete.

The questionnaire included four sections:

1. The first section was *Business School Profile* and included questions one through six. All participants were asked to complete this section, even if they did not currently have an online fundraising program. The purpose of this section was to address the first research question of the study. Information received from this section helped determine what type of business school was most likely to have an

online fundraising program. For those institutions that had not yet implemented an online fundraising program, the data from this section identified the percentage that planned to start online fundraising efforts in the future.

2. The second section was *Online Fundraising Programs* and included questions 7 through 13. This section addressed Research Questions 2 and 3. Results from this section helped determine which business schools had experienced an increase in donations since they began offering an online fundraising program.
3. The third area was *Donor Profiles* and included questions 14 through 17. The purpose of this section was to answer Research Question 4 by identifying the characteristics of an online donor and determining who was most likely to make an online donation.
4. The final section was *Marketing Strategies* and included questions 18 through 20. Responses from this last area addressed Research Question 5 and identified which marketing strategies, if any, business schools used to publicize and promote their online donation Web sites.

A more comprehensive review of the instrumentation and survey implementation techniques are detailed in Chapter 3 of this study.

Data Collection and Analysis

Data for this study were collected between November 2006 and February 2007. All data were collected and stored on a secure Web site located in the College of Education at the University of Central Florida. Responses from the questionnaire were entered into the Statistical Package for Social Sciences (SPSS) 14.0. Since the study was

designed to report categorical data, descriptive statistics were used to analyze the results. The findings were depicted by accompanying tables and graphs. A more comprehensive review of the data analysis is detailed in Chapter 4.

Assumptions

The following assumptions were made in this study:

1. It was assumed that all AACSB International accredited business schools had a Web site.
2. It was assumed that all AACSB International accredited business schools solicited donors and conducted fundraising campaigns.
3. It was assumed that all business school deans were familiar with the fundraising activities that occurred within their business school.
4. It was assumed that all business school deans had access to an e-mail address and were able to receive the questionnaire electronically.
5. It was assumed that participants of this study provided accurate and reliable information.

Limitations and Delimitations

The following limitations and delimitations were acknowledged in this study:

Limitations

1. The number of respondents determined the statistical significance of the study.

2. Findings were dependent on the accuracy of the data provided by the business school deans.
3. Some business school deans may not have had the technological capabilities to accurately identify the characteristics of their donors.

Delimitations

1. Although there are thousands of business schools throughout the world, the data were restricted to randomly selected AACSB International accredited institutions located in the United States. There was no attempt to compare the findings to a larger population including non-accredited or international institutions.
2. Participants were asked to base their responses on financial estimates from their last completed fiscal year. Research from additional fiscal years may provide different findings.
3. To ensure the most accurate results, the survey instrument used multiple-choice items with a minimal amount of open-ended responses.

Significance of the Study

This study provided valuable information that identified online giving trends among business schools in the United States. For those that have already implemented an online giving program, this study: (a) explored how much money was raised online, (b) established the average gift size, (c) determined who was most likely to donate, and (d) identified some of the marketing strategies used to encourage potential donors to contribute online.

Findings from the study can be used to assist business school deans and development officers with their overall strategic planning. The outcomes may also help them make staffing and budget decisions. The anticipated benefits of this study were to: (a) contribute to the existing literature on business school philanthropy and online giving (b) disseminate valuable research results that will assist business schools wishing to implement or modify an online giving program and, (c) identify areas of future research in this relatively new field of study.

Organization of the Study

This study was organized as follows: The first chapter served as an introduction and discussed the statement of the problem, research questions, definition of terms, design of the study, assumptions, limitations, and the significance of the research. The second chapter consisted of a literature review relevant to the study. The third chapter explained the methodology used, and included information on the population, instrumentation, data collection and analyses. The fourth section examined the results of the study, and the final chapter presented the conclusions and identified areas for future research.

CHAPTER 2 REVIEW OF THE LITERATURE

Introduction

Chapter 2 consists of a review of the literature and includes five topics. The first section traced the origins and history of business schools and described how they have played a significant role in the evolution of colleges and universities in the United States. The second section discussed the importance of fundraising and philanthropy in business schools and examined why external funding was essential. The third section explored the emergence of online fundraising and examined the influence the Internet had on making donations. The fourth section focused on the need for business schools to have a well-designed and effective Web site. The final section explained the benefits of marketing college Web sites and online fundraising programs.

Historical Development of the Business School

The first nine colonial colleges in the United States were established prior to 1781. These institutions were Harvard, William and Mary, Yale, Princeton, Columbia, Brown, Dartmouth, Rutgers, and Pennsylvania (Thelin, 2004). Thelin claimed that in the early years of American higher education, less than one percent of the population attended college and that a degree was not necessary to work in professional trades, including law or medicine. The author stated, “Going to college was not a prerequisite to the practice of the learned professions. Learning often took place outside the academy in various forms of apprenticeship” (p. 31). As a result, businessmen were not encouraged

to pursue a formal college education and it actually took 245 years after the founding of Harvard University in 1636, before the first business school was created.

It was the vision of Joseph Wharton, a wealthy entrepreneur and successful Bethlehem Steel Corporation executive from Philadelphia, PA, that led to the establishment of the first business school in 1881 (Sass, 1982). Sass stated that Wharton was a devout Quaker, and although he had not attended college himself, “he had a liberal education equal to that of any college-trained gentleman” (p. 20). Sass further noted that Wharton had no sons of his own and felt responsible for preparing his apprentices to become the nation’s next generation of leaders. However, Wharton felt that the business world was rapidly changing and that “if the next generation of business leaders were to receive a proper preparatory education, it would have to be done outside the business firm” (p.19).

Sass (1982) observed that while commercial colleges existed in the 1880s and trained approximately 50,000 men in business each year, Wharton felt these schools “trained men to become clerks, not business leaders” (p. 19). Therefore, in 1881, Wharton offered the trustees at the University of Pennsylvania \$100,000 to create the first school of business. In his letter to the trustees, he wrote, “To commemorate a family name which has been honorably borne in this community since the foundation of the city, I desire that the School shall be called, ‘The Wharton School of Finance and Economy’ ” (p.23).

Not everyone was supportive of the concept of a separate business school within a college and initially the idea was met with some resistance. Wren and Van Fleet (1983)

claimed that faculty members from the arts and sciences department were upset because they were accustomed to “classical, rather than practical, education” and “there was serious concern that the business school would lower the level of scholarship” (p. 29). During the first few years, the enrollment remained low, faculty often disagreed about curriculum, and the school struggled financially (Wren & Van Fleet). Despite all the problems, in June 1884, the first five men graduated from the Wharton School of Finance and Economy with Bachelor of Finance degrees (Sass, 1982). To encourage more men to enroll in the business school, Curti and Nash (1965) cited Joseph Wharton from his 1890 address, when he declared, “a very small proportion of the successful business men of this country have been college graduates, and a very small proportion of the college graduates successful business men,” (p. 74).

It took 17 years before any other institutions took a chance on starting a business school. In 1898, business schools at the University of Chicago and the University of California at Berkeley were established (Wren & Van Fleet, 1983). Soon after, other colleges and universities began offering business degrees but only at the undergraduate level. That changed just after the turn of the century. William Jewett Tucker was serving as president of Dartmouth College in 1900 (Tuck, 2006). During that era, commerce and industry were beginning to prosper in the United States. President Tucker wanted Dartmouth to capitalize on this tremendous growth by establishing a graduate degree in business. At that time, it was a vision that was considered both “bold and unorthodox” (Tuck).

To help finance this new graduate business program, President Tucker contacted his old college roommate Edward Tuck, an international financier and philanthropist, and a Dartmouth graduate (Tuck, 2006). Tuck initially donated 1,700 shares of preferred stock worth approximately \$300,000, in the Great Northern Railway Company of Minnesota to create a new graduate business school (Tuck). The school was named the Amos Tuck School of Administration and Finance in memory of Tuck's father, also a Dartmouth graduate (the name was changed to the Amos Tuck School of Business Administration in 1941). Dartmouth's Amos Tuck Business School opened in 1900 with an enrollment of four male students and a tuition fee of \$100 (Daniel, 1998). Initially students received a Master of Commercial Science (MCS) degree, but in 1953, the school changed to an MBA (Tuck). In addition to his original investment, Tuck also donated more than \$600,000 to the school between 1901-1929 (Tuck).

While Tuck was officially the first college to offer a graduate degree in business, the Harvard Business School (HBS) has often been credited with creating the actual MBA program. The HBS opened on October 1, 1908 with 15 faculty members and 33 students (Harvard, 2006). From the very beginning, Harvard was considered a pioneer in graduate business education and research. Daniel (1998) noted:

The single boost to the movement to get business programs introduced in colleges was not the actions of individual spokesmen. It was the creation of the Harvard Business School in 1908. A dozen other universities had taken the step first, but when an institution of Harvard's prestige did so it conferred a dignity and legitimacy that broke down the last barriers of resistance. After Harvard, university schools of business came in a deluge. (p 39)

Daniel observed that by 1910, the American public was beginning to support business schools, and that “business studies in college, and even in two graduate schools, were a fact of life in the United States” (p. 42).

With the development of business schools, came the development of professional business organizations to help support them. The Society for the Advancement of Management was created in 1912, The American Marketing Association was established in 1915, the American Accounting Association began in 1916, and the American Management Association formed in 1923 (Daniel, 1998). Perhaps the most significant organization relating to business schools that originated during this time period however, is what is known today as AACSB International–The Association to Advance Collegiate Schools of Business.

Organized in 1916, AACSB International is the premier accrediting agency for bachelor’s, master’s and doctoral degree programs in business administration and accounting. Its founding members include Columbia University, Cornell University, Dartmouth College, Harvard University, New York University, Northwestern University, The Ohio State University, Tulane University, University of California at Berkeley, University of Chicago, University of Illinois, University of Nebraska, University of Pennsylvania, University of Pittsburgh, The University of Texas, University of Wisconsin-Madison, and Yale University. (AACSB International, 2006b)

The agency adopted its first accreditation standards in 1919, and additional standards for accountancy were adopted in 1980 (AACSB International, 2006c). According to the AACSB International Web site (2006c), “AACSB International is the world’s largest accreditation association for business schools....Earning AACSB International accreditation places an institution among the world’s elite business schools” (AACSB International, 2006c).

By 1920, men with business degrees began gaining respect. Prior to the development of separate schools dedicated to business, the most revered professions for men were usually clergymen, physicians, or lawyers (Daniel, 1998). However, as more men graduated from business schools, the number of white-collar workers increased. These men were drawing great admiration because “they were clean, well-educated, prosperous and happy, and it was suddenly hard to demean them as mere merchants” (Daniel, p.73). It was not long before women wanted to attend business schools as well.

According to Daniel (1998), the University of Georgia admitted women as early as 1919, offering a program to train them for secretarial careers. The author also noted that in 1924 the University of Oregon offered a program in Business Administration and Household Accounts “specifically for young women, so they could be prepared for careers either in business, or as wives” (p. 93). It should be noted however, that these programs were the exception. Daniel observed that it was not common for women to attend a business school during the early to mid 1900s, particularly at the graduate level, and that by 1927, just 10% of business students were female. Harvard did not admit women into their MBA program until 1961, and Dartmouth waited until 1968 (Daniel).

Between 1930 and 1949 the United States experienced war and depression. While the economy suffered, business schools did not. In fact, Daniel (1998) stated that “business enrollments actually rise in bad economic times” (p. 124). He noted that employed people desired to earn business degrees to learn more skills to maintain their jobs, while unemployed people wanted to use their time off to gain knowledge and make themselves more marketable. Enrollments surged right after the war, as many business

schools made special arrangements to encourage returning veterans to earn their degrees. Some gave college credit to soldiers, and some provided generous tuition breaks. The University of South Dakota actually offered free tuition to all returning residents who served in the war (Daniel).

Daniel (1998) noted that by 1950, business schools were growing in popularity, and were “the largest single part of many universities” (p. 144). Daniel observed that in 1900, less than 1% of all baccalaureate degrees awarded in the United States were in business, but by 1920, the number grew to 3.2%, in 1940 it increased to 9.1%, and by 1950 it was 15.3%.

Until the 1950s, most business schools were still only offering degrees at the undergraduate level. In 1919, there were just 110 master’s degrees awarded, but by 1949, approximately 4,335 degrees had been granted (Daniel, 1998). Daniel explained while that was a 3,840% increase, it only accounted for 5% of the total number of all business degrees. The number of undergraduate degrees outnumbered graduate degrees by a ratio of 15 to 1 (Daniel). Many considered the MBA just an extension of the bachelor’s degree, allowing for business majors to specialize in one subject that interested them. Things were about to change, however.

To stay competitive with other institutions as well as the changing business environment, business schools began placing an emphasis on the MBA program and started adding more classes. Daniel (1998) argued that new courses such as banking, investments, and real estate were added, and new terms such as critical thinking, decision theory, information systems, and organizational behavior were incorporated. Contrary to

most of today's MBA programs, there was an emphasis on individual, not teamwork, and a general, as opposed to specialized, course of study. The expanded MBA curriculum proved to be successful, and business schools saw an increase in enrollment. Daniel (1998) stated that by the end of the 1950s, approximately 5,601 MBA degrees had been awarded, which was 15% of all master's degrees. He stated that "students were racing to get one in increasing numbers, and the corporations were hiring them as never before" (p. 158). An MBA degree was becoming prestigious. This growing trend continued during the 1960s.

Throughout the 1970s, MBA programs experienced an unprecedented growth in enrollment. During this decade, more than 387,000 MBA degrees were awarded, which was more than all of the previous seven decades combined (Daniel, 1998). There was a tremendous increase in the amount of female students as well. Approximately 8% of students taking the national admission test in 1971 were women, but by 1975 that figure had jumped to 22% (Daniel). This decade also experienced an increase in minority and international student enrollment. Daniel stated, "Florida A&M University began a drive to become the country's leading center for black students' business education and achieved national attention for its efforts" (p. 198).

Business schools have continued to grow throughout the years. The Global Foundation for Management Education (GFME), a joint initiative of AACSB International and the European Foundation for Management Development (EFMD) reported that in 2003, approximately 1.3 million undergraduate students and 350,000 graduate students were enrolled in business and management programs in the United

States which when combined, accounted for one in 10 students in American colleges and universities (Global Foundation for Management Education, 2006). The organization announced:

U.S. institutions awarded about 300,000 Bachelor's degrees and 129,000 Master's degrees in business and management in 2003. That means one in five Bachelor's degrees and one in four Master's degrees were awarded in business and management. About 50 percent of all business Bachelor's degrees and 36 percent of all business Master's degrees are awarded to women. (GFME, 2006)

Further, at the time of this study, GFME (2006) estimated that there were 1,500 institutions that offered accredited undergraduate business degree programs, 850 institutions offering accredited business master's degree programs, and 130 institutions that have accredited business doctoral degree programs in the United States.

The Role of Fundraising in Business Schools

Crainer and Dearlove (1999) claimed there were three basic goals of a business school: "(a) improve the effectiveness of individuals, the organizations they work for, and their national economies through promoting best practice; (b) legitimize management as an academic discipline and to support it as a profession; and (c) carry out research (knowledge creation)" (p. 19). To achieve these goals, philanthropy had to play a significant role in business schools. Deans and administrators must "...invest in resources, faculty, facilities, technology and infrastructure to keep ahead of the competition" (Crainer & Dearlove, p.135). The authors contended that obtaining external

funding was often challenging because:

Compared with other providers of education and even within their own universities, most business schools are wealthy institutions. Much of their money comes from donations from private citizens and corporations, or is income generated by selling services to corporate clients through executive education programs. (pp. 131-132)

According to the results of a 2003 AACSB International survey, business school deans spent nearly 30% of their time raising money since “Donors are more likely to give money if they can associate a familiar face with the institution—and most of the time, that face is the dean’s” (Farmer et al., 2003, p. 40). The survey was sent to 394 business school deans and 164 deans responded. Farmer et al. added:

Because state support for many public institutions continues to decrease, the need for private funds increases every year. To raise money from private sources, it appears that deans must be visionary individuals with a strong sense of the business school’s mission and values, and they must be able to convey their own enthusiasm to the donors they contact. (p. 40)

Farmer et al. further reported that the survey results revealed that the top three fundraising priorities for deans were: (a) to fund endowed chairs, (b) increase student scholarships and, (c) hire and retain faculty. Respondents acknowledged that they continuously re-evaluated their fundraising goals and priorities and usually increased their efforts when they wanted to establish the school’s brand, improve rankings, or when they experienced budget cuts. Survey results disclosed that the average business school received approximately \$1.7 million in annual donations, excluding endowments that were already established.

To assist deans in obtaining external funding, business schools should hire successful fundraisers with proven track records. Business school development officers

and fundraising staff “must identify potential donors, understand the donors area of interest, and keep those donors deeply involved in the life of the school” (Shinn, 2002, p. 46). Business school fundraising or development offices are often organized differently from institution to institution. Some institutions have centralized fundraising offices, some are decentralized, and some are a hybrid of both. Evans (1993) explained:

In a *centralized* program, all development officers and programs are organized under a central development office. In a *decentralized* program, development efforts are divided by units—schools, colleges, or other programs within the university—with development officers reporting to the deans or program directors of the units they serve. (p. 280)

According to the *AACSB International Business School Development and Fundraising Fact Sheet* (2006a), a study conducted by the organization in 2002-2003 regarding the development/fundraising activities at 127 business schools, revealed that the development activities at 50% of the schools were combined, meaning that they were centralized at the institution level with dedicated staff for the business school, 25% had centralized development activities, but without the benefit of dedicated staff for the business school, and the remaining 25% of the respondents were decentralized and had their own business school development office. Findings from the study also revealed that the median number of full-time staff members working in a business school development office was two.

Development officers often seek major gifts from individuals or corporations that can be endowed. Worth (1993) claimed that these gifts have a “significant, lasting impact on the institution” (p. 95). Tyson (2003) added:

Raising endowment is especially important to long-term stability. Yet with a typical annual payout of 4 to 5 percent, it takes at least \$1 million to generate enough income for a named faculty chair. (p. 26)

Three criteria are generally used for soliciting someone for a major gift: (a) financial capacity (b) interest or potential interest in an organization, and (c) history of charitable giving (Dunlop, 1993). Dunlop explained that the definition of a major gift differed vastly from institution to institution, and stated “There is no precise dollar figure that defines a major gift; each institution must determine for itself the size of the gift toward which it directs its top level of fund raising,” (p. 97). According to AACSB International (2006b) business school endowments totaled \$8,459,494,726 during 2004-2005. Tables 1 and 2 depict the distribution of endowments at AACSB International business schools.

Table 1
Business School Endowments (2004-2005) - U.S.

	(in USD)
Total	8,459,494,726
Mean	19,402,511
Standard Deviation	46,988,254
Maximum	592,000,000
75%	14,391,970
Median	4,336,435
25%	739,505
Minimum	0

Source: AACSB International Guide to Business Education (2006b), p.37

Table 2
 Distribution of Business School Endowments (2004-2005) - U.S.

			(USD)
>	< or =	No.	%
		62	14.2
0	1,000,000	53	12.2
1,000,000	5,000,000	115	26.4
5,000,000	20,000,000	114	26.2
20,000,000	50,000,000	44	10.1
50,000,000	100,000,000	29	6.7
100,000,000	200,000,000	14	3.3
200,000,000	300,000,000	2	0.5
300,000,000	400,000,000	1	0.2
400,000,000	500,000,000	1	0.0
500,000,000	600,000,000	1	0.2
n		436	100

Source: AACSB International Guide to Business Education (2006b), p. 37

Table 3
Business School Donations of \$40 Million or More Since 1998

Donation Amount	Business School	Donor	Year
\$105 million	Graduate School of Business- Stanford University	Philip H. Knight	2006
\$100 million	Stephen M. Ross School of Business, University of Michigan	Stephen M. Ross	2004
\$62 million	Darden Graduate School of Business Administration, University of Virginia	Frank Batten, Sr.	1999
\$60 million	Thunderbird, The Garvin School of International Management	Samuel S. and Rita Garvin	2004
\$50 million	W.P. Carey School of Business, Arizona State University	William Polk Carey	2003
\$50 million	Red McCombs School of Business, University of Texas at Austin	Red McCombs	2000
\$50 million	Walton College of Business Administration, University of Arkansas	The Walton Family Charitable Support Foundation of Bentonville, Arkansas	1998
\$40 million	C.T. Bauer College of Business, University of Houston	Charles T. Bauer	2000
\$40 million	The Wharton School, University of Pennsylvania	Jon M. Huntsman	1998

**may not be all inclusive, not cumulative per donor*

Sources: AACSB International, Web site (2006c) and Ross School of Business, (2006)

Major gift endowments often served as a large source of funding for business schools. Tyson (2003) stated:

Megagifts can propel business schools in the rankings, which can also influence a school's strategic growth. After Walton received \$50 million, it began to rise in the *U.S. News & World Report* rankings, and currently the magazine lists it as a top-50 business school. Two years after Mendoza received its \$30 million pledge, it broke into the 2002 top-30 *BusinessWeek* ratings. (p.27)

Typically, most major gifts are not received online. Johnston (2005c) stated: "Without a doubt, larger charitable gifts can be secured through a more personable, face-to-face approach, but not every donor is the same" (p. 222). Even though a donor might not make a major gift online, it is still possible to use the Internet to help secure a donation, or get a potential donor interested in the organization. It is impossible to predict the future, but with advanced technology, this trend could change one day.

Not every business school receives such large gifts as depicted in Table 3, so many colleges and universities must depend on their annual fund program to help offset costs. Nichols (1986) noted that the first annual fund office began at Yale University in 1890, and that the three characteristics associated with annual giving were still in existence at the time of this study. The author argued that annual giving: (a) assisted with operating support of an institution, as opposed to providing resources for capital funds; (b) sought funds on an annual basis and hoped donors developed a habit of giving each year; and (c) was an organized effort. Nichols explained that gifts from the annual fund were not the total amount of money received in a 12-month period, but a "formal, active program for which there are clear guidelines and patterns for maximizing gifts of crucially needed annually budget dollars" (p. 253). Worth (1993) added that annual

giving programs helped donors develop their habit of giving and were the “incubator for major donors, whose cumulative impact on the institution can be substantial” (p. 67).

Gifts received through the annual fund were usually unrestricted, and could be used to support the overall operations or wherever funding was necessary (Louden, 1993).

Johnston (2005a) stated that “there is no doubt that online giving is a good match with the objectives of annual fund giving” (p. 177). He further added that the annual fund theory can be broken down into three central points:

(1) use the annual fund plan to *renew* as many donors as possible (2) use the annual fund plan to *acquire* as many donors as possible (3) use the annual fund plan to harness an organization’s limited human resource, financial, and organizational resources increasing the *annual fund’s ability to renew and acquire donors*. (p. 176)

In sum, Johnston noted that “the annual theory has traditionally tried to renew as many repeat donors as possible while simultaneously trying to find a maximum number of new donors” (p. 176).

Louden (1993) theorized that annual fund donors were usually found in one of seven groups: (a) members of the governing board, (b) alumni, (c) current and past parents, (d) corporations, (e) foundations, (f) friends, or (g) church constituency for religious institutions. Louden speculated that the most difficult prospects were those that are labeled *friend of the school*. Louden stated, friends often included:

Individuals who have relatives associated with the institution, those who live near campus, those who may have a nostalgic interest because of particular programs (for instance a community theater, continuing education seminars, or an athletic team), or simply those who harbor good feelings for your institution. (p.71)

Alumni have a vital role in an annual giving program. Shinn (2002) observed that business school administrators realize that the people most likely to support them are “the people that truly care about their schools: alumni and other donors who feel a deep connection with the institution” (p. 46). Webb (1993) declared that “a college or university has no greater source than its alumni...higher education institutions cannot buy the support the alumni can provide” (p. 303).

There should be a mutual support between alumni and members of the development team. Webb (1993) contended that “alumni professionals should be visible at development activities, and development professionals should be visible at alumni activities” (p. 309). The author listed 13 ways in which alumni were directly involved with development efforts:

1. Alumni are donors.
2. Alumni help to secure gifts from other alumni and non-alumni friends.
3. Alumni serve on development boards and on the institution’s governing board.
4. Alumni are instrumental in securing major corporate gifts.
5. Alumni are instrumental in securing major foundation gifts.
6. Alumni are the key component of a capital campaign.
7. Alumni assist with capital campaign feasibility studies.
8. Alumni serve as volunteers for phonathons.
9. Alumni contribute their professional services.
10. Alumni organize special events for fundraising.

11. Alumni serve as professional consultants for clients interested in making planned gifts.
12. Alumni are essential to the success of the major donor clubs.
13. Alumni assist in local business community solicitations (pp. 308-309).

According to the results from the *2006 Voluntary Support of Education Survey* conducted by the Council for Aid to Education (CAE), contributions to colleges and universities in the United States totaled \$28 billion, an increase of 9.4% from the previous year. (Kaplan, 2007). Kaplan stated, “Historically, alumni and foundations contribute the largest portions of charitable support of higher education institutions. Following this pattern, alumni giving represented 30 percent, and foundation support represented 25.4 percent of the dollars contributed in 2006,” (p. 2).

Online Fundraising

Powell (2005) proclaimed that the “Internet has the potential to revolutionize philanthropy” (p. 17). Professor James E. Austin of the Initiative on Social Enterprise at the Harvard Business School has conducted significant research on online giving trends. His research showed that online giving was on the rise. According to their data, approximately 4% of donors contributed online in 1999, totaling about \$10 million. The number of online donations increased exponentially, and in 2000, online donors gave an estimated \$250 million. The Initiative on Social Enterprise projected that by 2010, one-third of money donated will be received online.

Results from a survey conducted by *The Chronicle of Philanthropy (The Chronicle)* in 2006 revealed that online donations were increasing among U.S. higher

education institutions. *The Chronicle* collected data from 167 fundraising organizations located in the United States for the 7th Annual Survey of Online Fundraising (Wallace, 2006). Wallace reported that a total of \$911.9 million was raised online during Fiscal Year 2005. Part of the total amount raised can be attributed to the large sums of money that were earmarked to provide relief after Hurricane Katrina and the tsunami in South Asia. However, *The Chronicle* reported findings that included all the survey participants, and then ran separate results that included only those groups that did not collect money for disaster relief. Wallace argued:

Among the 127 organizations in the survey that did not raise money for either emergency, the median increase in online giving was 50.5 percent, meaning half of the organizations reported bigger gains and half had smaller increases or declines. The median increase for all groups was 60.4 percent. (p. 19)

Wallace (2006) observed “charities have long recognized the Internet’s potential for better tailoring their appeals to individual donors, but only recently have they been able to start putting that promise into practice” (p. 21). Many of the organizations that have experienced online fundraising success included institutions of higher education. Moreover, three of the five charities that experienced the largest increases in online donations during the past five years were universities. Between the years 2001-2005, Pennsylvania State University (University Park) increased 7,768.5%; the University of Cincinnati increased 4,067.1%, and the University of Texas at Austin had an increase of 3,296.9% (Wallace). Further, at least three universities reported that they raised more than \$1 million online during 2005. Pennsylvania State University (University Park) raised \$7,253,373; University of Iowa (Iowa City) received \$1,401,072; and the University of California at Berkeley raised \$1,706,795 (Wallace).

Why did some organizations turn to the Internet to help them with their fundraising campaigns? Fuisz (1999) argued that organizations used the Internet to send their messages to more people because “audiences are no longer local – they are immediately international just by the very nature of the Internet medium” (p. 24). Anyone with computer access has the potential to access an organization’s information 24 hours a day, seven days a week. Fuisz added that no matter how big or small an organization is, everyone is now able to compete on a “level playing field regarding competition” (p. 23).

The emergence of ePhilanthropy has forced many development professionals to “learn new skills and reevaluate how they approach nearly every aspect of fundraising” (Hart, 2005, p. 1). Communication and relationship building are two elements, however, that remained key to any fundraising campaign – whether online or offline. When an organization formed a bond with a prospective donor, they increased their chances of successfully soliciting a gift (Hart). Hart stated that the Internet has boosted the ability for organizations to “communicate, educate, cultivate and solicit their supporters” (p. 2).

Despite all the advances in online giving, not all nonprofit organizations anticipated that the Internet would play a significant role in their future fundraising efforts. Many fundraising officials hesitated to invest in the development of online giving programs until more data were available (Lajoie, 2002). The author stated:

Online gifts amount to less than 1 percent of total fundraising at most institutions. Many development officers say they are hesitant to jump to conclusions regarding their current returns or invest any further in the venture until more data are available and their constituents provide more feedback on their experiences. (p. 16)

According to *The Chronicle's 7th Annual Online Fundraising Survey*, only \$263,100 of the \$111.1 million in donations raised in 2005 by the University of Texas M.D. Anderson Cancer Center in Houston, was raised online (Wallace, 2006). As a result, the organization did not actively solicit online gifts. Hart (2005) warned:

Although some have predicted that ePhilanthropy will replace many traditional approaches to soliciting support, this will not be the case. Just as television failed to kill radio, yet changed it significantly, so too, will the Internet change traditional forms of fundraising, not by eliminating them but by changing their utility and increasing their effectiveness. (p. 9)

The Importance of Web Sites

According to the *Kintera/Luth Nonprofit Trend Report*, the Internet played a significant role in influencing donors (Feig, 2005). The report was based on findings from a research partnership between Kintera, Inc., a technology provider for nonprofit organizations, and Luth Research, an online market research firm. The organizations jointly distributed a survey in both March and April 2005 regarding the online donation habits of people living in the United States. The surveys yielded approximately 3,142 responses. Results from the studies revealed that more than 65% of donors visited at least one of the Web sites of the nonprofit organizations or fundraising events they supported *before* making their donations, and more than 40% of donors always go online before making a donation. Further, more than 75% of the donors that go online before making a donation acknowledged that going online made some impact on their decision whether or not to give, and more than 25% said that impact was significant (Feig). These findings supported the theory that any business school that chose to implement an online fundraising program must have an efficient, easy-to-use Web site because both donors

and potential donors may visit frequently. Allen, Lubkowitz, Stanionis and Stein (2002) stated “A web site that provides valuable information and engages visitors will help ensure that visitors return to your site, tell their friends, and feel compelled to make a contribution” (p. 37).

Hart (2001) argued that the layout, design, and ease of navigation of a Web site had a direct impact on a visitor’s impression of an institution. The author stated:

When people visit a Web site, they make a judgment about it (and therefore your organization) in the first few seconds. If the site is hard to load, if its navigation is less than intuitive, if it contains broken or outdated links, if it has features that visitors and donors find hard to understand, they will leave, in most cases, never to return. (p. 24)

A way to distinguish one Web site from another was through the use of logos. Irish (2005) advised that logos should be displayed in a prominent position on the homepage and throughout the entire Web site so an organization can brand itself effectively online.

Irish stated:

Your Web site visitors should be able to recognize your organization even before they read the first word. That means your logo should be displayed prominently, and the colors used in the overall homepage design should integrate well with the colors in your logo. You should have some images and pictures on your site that are representative of the work you do, and also the beneficiaries of your work, if that’s possible to show. (p. 72)

Prior to developing a Web site, an organization should define their audience.

(Allen et al., 2002). People interested in visiting a business school Web site may include potential students, current students, faculty and staff, alumni, and other supporters of the institution. Allen et al. noted that audience members should be able to find what they need as soon as they enter the Web site. The authors suggested that one way an

organization can meet the needs of their audience when planning a Web site is to “think from the outside-in, not from the inside-out”(p. 37).

The most important part of a Web site was the content or message (Allen et al., 2002). The Internet is fast-paced and therefore, writing for a Web site differed from writing for printed materials (Bradbury, 2000). Allen et al. argued that visitors to a Web site often scanned the pages instead of carefully reading them. Bradbury added “You can increase the chances that the reader is going to stay with you and read what you have to say by updating your writing style” (p.24). Bradbury offered eight writing tips for a Web site:

1. Remember that Web copy is not the same as hard copy. This may sound obvious, but it is tempting to squeeze as much text onto the screen as you would into a hard copy document. Use less text and write more concisely to make your Web document easier to read.
2. Write in small "chunks," not in long paragraphs. Web users skim for data rather than stopping to read a whole page. Make the information easy to see and easy to digest.
3. Use bulleted items and lists to guide your reader to the "meat" faster.
4. Emphasize quality over quantity. Write what is relevant. Don't use "fluff" to fill up your article or document. Online documentation is harder to read than hard copy, so don't use more words than you need to make your point.
5. Think like a reader. Put the most important points in the first two paragraphs. People tend to read the first part of a page, and then skim (or skip!) the rest. Don't expect that everyone will read everything you write.
6. Trim your words. Give readers the most information in the fewest number of words you can manage.
7. Break up your text. Use graphic elements and photos, but don't overdo it. A full page of 12-point type is really hard on the eyes. Well-chosen photos and graphics break up the text and give the reader's eyes a rest.

8. Optimize your graphics and photos for the Web. That way, they don't take forever to load. Many users get impatient waiting for site graphics to load and just move on. Educate yourself on image optimization (p. 24).

Irish (2005) observed that visitors often go to a Web site to find an organization's contact information. Therefore, the author suggested that an organization should include their physical address and phone number at the bottom of every Web page. Irish also recommended including a Frequently Asked Questions (FAQ) page on a Web site because oftentimes visitors are looking for general information about an organization. A FAQ page helps them find answers quickly, without having to search the entire Web site.

Bisoux (2005) said that as schools "realize that their traditional four-color printed brochures may survive only minutes before going from mailbox to trashcan, they know their Web sites will be their best opportunity to reach users where they now so often live – online" (p. 35). Bisoux listed six factors webmasters should focus on when creating their business school Web sites:

1. *Webmasters should avoid the "Too Much Information (TMI) Syndrome."* The author recommended that the top-level pages incorporate "quick-read sound bites and a limited number of links" (p.33). If visitors want more information, they can click on one of the links.
2. *Business school web sites should have simplified searches.* Searches related to business school topics are not as common as other subjects, so it is important to list with the right search engine so visitors can find your school.
3. *It is important to build traffic to a web site so prospective students, alumni and corporate stakeholders will visit.* One way to get them to visit is to "send e-mail

messages that target a business school's many audiences on an ongoing basis"

(p.33).

4. *Business schools need to track usage.* Administrators should track the number of users and research which pages are the most and least viewed. The information is valuable so Web site developers can see what works and what does not.
5. *Webmasters should benchmark search results.* While no one currently ranks business school Web sites, "webmasters are beginning to watch their placement on top search engines such as Google and Yahoo more closely than ever" (p.33).
6. *Web designers must have a consensus when creating a new design.* Designated faculty and staff throughout the college should be involved and have a voice in the Web site design and content since so many departments access the site.

While advancements in technology have allowed donors to support their favorite nonprofit organizations in new ways, one thing remains the same: most supporters will not make a contribution unless they are contacted directly by the organization. Allen et al. (2002) claimed that an organization should not hesitate to ask for a gift on their Web site, and stated "giving opportunities should be visible, easy, and compelling" (p. 40). Hart (2005) added:

...would be ePhilanthropists are much more likely to be inspired to contribute based on the mission, the stated need, and the opportunity to give, presented by a charity they have likely already supported offline. But to obtain their support, *they must be asked!* (p. 6)

One way to assure that a Web site visitor is asked to donate is to include giving information right on the homepage of the site. It is essential to post the form in a prominent position so donors see it immediately and do not have to spend time searching

the entire site for the information. Allen et al. (2002) stated that a button that said “donate now is NOT a solicitation...you have to make an appeal..”(p.40). Allen et al. recommended that an organization should make the process as easy as possible by keeping the donation form to one page and minimize the number of steps or clicks needed to complete the giving process.

Business schools that accept online donations on their Web site should spend considerable time planning and designing the actual forms. Online giving forms are among the most difficult forms to design (SupportingAdvancement, 2006). Some tips and techniques on designing effective forms include: (a) the easier the form is to complete and submit, the more likely a donor will make an online donation; (b) development staff should keep monthly statistics of the number of donors and gift amounts; (c) matching gift information should be included; and (d) a link to a printable form in either a PDF or Microsoft Word program should be available as an alternative to donors who are not comfortable making their donation online. By including this alternative, donors can print out the form and send it back by mail or fax. (SupportingAdvancement).

Krug (2000) observed that visitors to a Web site do not always read instructions thoroughly or learn how to complete or submit forms. Therefore, how can business school administrators be certain that online giving forms are designed effectively? Krug recommended that any organization that had a Web site should test the form prior to posting it. He explained that there was a substantial difference between using a focus group as opposed to performing a usability test to research a new site. Krug explained that a focus group consisted of a small group of people that looked through the Web site

and gave their opinions. Since it is a group method, “much of its value comes from participants reacting to each other’s opinions” (p. 141). Participants in a usability test on the other hand, viewed the Web site on an individual basis and were asked to look through the pages and perform tasks alone without any input from the rest of the participants. Krug explained that focus groups were:

Not good for learning about whether your site works and how to improve it. The kinds of things you can learn from focus groups are the things you need to learn early on, *before* you begin designing the site. Focus groups are for EARLY in the process. You can even run them late in the process if you want to do a reality check and fine-tune your message, but *don’t* mistake them for usability testing. They *won’t* tell you whether people can actually use your site. (p. 141)

To obtain an objective viewpoint, Irish (2005) suggested that an organization should have someone that was not familiar with their services visit their Web site, and answer the following questions:

1. What kinds of programs did this organization offer?
2. Who was the target group or audience of this organization?
3. What was the mailing address and telephone number of this organization?
4. How can I volunteer or make a donation to this organization? (p. 79)

Irish proclaimed that if a usability tester cannot answer all four questions in a quick manner, then it was possible that first-time visitors to a Web site will not be able to either. Visitors may become frustrated, exit the site, and never return for another visit.

Organizations must also decide if they want to design a Web site internally or hire an outside vendor. Irish (2005) advised: “it is almost always money well spent to hire a professional design firm to develop the look and feel of your homepage, rather than relying on in-house nonspecialized staff” (p. 72). Bisoux (2005) acknowledged that

hiring outside firms was a growing trend and stated “To best achieve that balance between simplicity and usefulness, many business schools are turning to external vendors to redesign their websites with their users in mind” (p. 32).

Hiring an external firm to design a Web site has many advantages. Oftentimes, an outside web development firm has a large staff comprised of technical savvy designers that have more experience to design a Web site than internal staff (Allen et al., 2002). Additionally, using an external vendor may be quicker because internal computer departments often work on many projects and do not have enough staff to dedicate to work on the Web site full time. On the other hand, there are some disadvantages to hiring an external firm. Meyers (2004) said that some of the problems with outsourcing include: potentially higher costs, vendor stability is not guaranteed, a dedicated search is required, it locked an institution into a contract period, and the pricing model could have changed.

Using an in-house firm also has advantages and disadvantages. Internal staff members understand how the organization works, they keep the data secure, it is easier for them to obtain administrative approval since they are on-site, and the overall project was likely to be less expensive (Meyers, 2004). Additionally, internal staff members were more likely to be available immediately and were able to make quick changes if necessary (Allen et al., 2002). On the other hand, many business schools do not have someone on staff full-time that has the experience or the skills required to build or redesign a Web site (Allen et al.). The decision to use an internal or external vendor is up to each individual institution and often involves factors such as budget, scheduling,

personnel, and deadlines. To make the best decision possible, an institution should conduct a thorough needs assessment (Meyers).

Once a Web site has been designed, it is essential that it is maintained and updated regularly. Frick, Su, and An (2005) claimed that “every website is like a city or town. Someone needs to manage it – to maintain it and to make needed improvements as the city grows and changes over time” (p. 25). Kercheville and Kercheville (2003) argued that the value of an organization’s Web site was greatly diminished if the content and information on it was outdated and “allowed to grow stale” (p. 375).

Marketing an Online Donation Program

According to a survey conducted by Netcraft, a company that tracked technology trends and data, as of November 2006, there were an estimated 101,435,252 Web sites on the Internet, which surpassed the 100 million mark for the first time in history (Nielsen, 2006). There had been a continuous and tremendous increase in the amount of new Web sites launched each year since 1991. Nielsen divided the growth pattern into three time periods: “1991-1997: Explosive growth, at a rate of 850% per year; 1998-2001: Rapid growth, at a rate of 150% per year; and 2002-2006: Maturing growth, at a rate of 25% per year” (¶ 4). Nielsen predicted that if the number of additional Web sites per year kept increasing at the current pace, there will be approximately 200 million sites on the Internet by 2010. With so many Web sites available, fundraising organizations need to make certain their sites stand out to attract visitors as well as potential donors.

Business schools must aggressively market their Web site if they hope to solicit visitors and potential donors. Irish (2005) stated that organizations must “go to your

audience, don't wait for them to come to you" (p. 74). Allen et al. agreed and contended "even if you've built a rich, interactive site, the reality is that you have to work to drive traffic to your web site" (p. 57). Nonprofits should give supporters a reason to visit them online. Hart (2005) said, "the supporter controls the mouse – and therefore, controls the interaction and the relationship" (p. 3). Hence, organizations must identify their target audience and research the reasons why potential donors would visit their site. In addition to posting updated information on the organization, the Web site should inform visitors on how to make an online donation.

Hart (2005) warned that creating and launching a Web site was not enough to increase donations. Organizations interested in implementing an online donation program should integrate their marketing strategies with traditional fundraising methods. Hart gave some tips on how nonprofits can successfully combine their online and offline marketing strategies:

1. *Fundraisers can use direct mail and telemarketing appeals to help increase online donations.* All direct mail pieces should offer supporters the option of mailing in a gift or making a pledge online. Further, telemarketers should be prepared to direct potential donors to the Web site.
2. *Communications staff should include online donation information in all print material and literature.* All printed brochures and publications should include the organization's Web site address. Additionally, publications such as annual reports ought to be posted on the Web site and available for visitors to download as a PDF file. "Directing donors and supporters to download and print the file not only

saves money but also expands the number of people who can access the report” (p. 9).

3. *Web sites can help create brand building and promotional opportunities.* All marketing efforts including those on television, radio, and print should direct supporters to the organization’s Web site. “By directing those hearing or viewing these messages to a Web site, the nonprofit is able to make a more comprehensive appeal for support of their mission” (p. 10).
4. *Online resources can be promoted through the press.* An organization’s public relations staff should promote the Web site at press conferences, television and radio appearances, public speaking engagements, and during presentations. Moreover, a Web site should include a section that provides downloadable information on the organization so the media can have access at all times, 24 hours a day, seven days a week.

There were several basic principles an organization can follow to help market their online fundraising programs (Irish, 2005). To begin with, Irish suggested that an organization should register with a search engine such as Google or Yahoo so potential visitors can find their Web site while searching the Internet. Additionally, he recommended that an organization should select a Web site address that is logical. The author suggested that when choosing an address “you should keep in mind that people often find Web sites they are looking for by guessing the address, so try to make your Web site address something that people could guess” (p. 71). Many institutions used the name of their business school as part of their address. Once an organization chose a Web

site address, it was necessary to include it on marketing tools such as business cards, stationery, and advertisements (Irish).

An organization should communicate using multiple methods. Hart (2005) announced that “getting information and services into the hands of the right supporters at the right time and in the right place is as important to ePhilanthropy as creating the message itself” (p. 4). An organization should conduct research to determine which method or methods of communication such as e-mail, Web site, e-newsletters, direct mail, telephone, or printed materials, was best to use for each message. An organization must interact with supporters; not just send messages. Hart declared, “Your supporters *read* newspapers, they *watch* television, but they *use* the Internet” (p.4). The Internet allowed an organization to initiate dialogues and can encourage two-way communication, which may further enhance relationships with their supporters.

In addition to Web sites, organizations can use e-mails as a marketing and communications tool to help solicit online donations. Olsen, Keevers, Paul, and Covington (2001) stated that “e-mail is quickly becoming the future of philanthropy” (p. 369) and observed that e-mail communications were a fast and simple way for an organization to disseminate information. The authors noted that e-mails were the “primary mode of communication” (p. 366) for many people, and offered the opportunity for immediate interaction and dialogue between a donor and an organization.

Prior to developing an online donor cultivation and fundraising program, an organization should acquire e-mail addresses from the intended stakeholders (Olsen et al., 2001). Organizations should ask donors for their e-mail addresses at “every point of

contact, especially on donation and renewal forms” (Allen et al., 2002, p. 18). While creating and maintaining an e-mail database of supporters, alumni, donors and volunteers for a business school can be challenging, it is often worth the effort and can be a cost-effective way to recruit and cultivate donors (Love & Reardon, 2005). Allen et al. stated:

Sending email to your supporters and constituents is indeed one of the most effective ways to build relationships, keep interested people informed, and drive traffic to your web site. Without email, you’re dependent on people remembering to visit and revisit your web site. (p. 25)

Olsen et al. advised that all e-mail communications should include an opportunity for readers to give online. The solicitation to give should be as easy as clicking on a button, and should allow a donor to contribute immediately by credit card.

Since alumni often move to new locations, sending e-communications are frequently the best way to keep in touch with recent alumni and younger people. Olsen et al. (2001) stated “the use of e-mail can have significant results in building relationships with younger populations, therefore increasing their lifetime value to an organisation (sic)” (p. 369). Rowe (2006) added:

E-mail can play an important role during the often nomadic periods many potential postgrads go through before settling down. Direct-mail campaigns might not be able to keep up with the apartments, condos, hostels, and campgrounds young alumni call home, but chances are they’re stopping somewhere long enough to go online and check e-mail. (p. 56)

Allen et al. (2002) declared that fundraising groups should collect e-mail addresses from both donors and non-donors. It is critical to stay in touch with donors to keep them informed of news and information, but it is just as important to communicate with non-donors because they could become supporters once they are more familiar with an organization.

After donors make a gift online, it is imperative that an organization sends a prompt e-mail thanking them for their contribution (Olsen et al., 2001). Olsen et al. stated the manner in which an organization “communicates with the donor following the receipt of a gift is one more opportunity to strengthen the relationship”(p. 368). The message the organization sends should include information on how the gift would help and should be signed by the appropriate person. Olsen et al. cautioned that an organization should not send a message that is too long or technical. After a donor is recognized for their generosity, Olsen et al. recommended that the organization find creative ways to keep the donors linked to the group. For example, they said, “acknowledge donors on birthdays, holidays and special life events. Build the relationship by keeping in touch with them, even if they do not send another gift right away” (p. 369).

Many organizations distribute an electronic newsletter, often referred to as an e-newsletter, as a proactive way to communicate with constituents. As an alternative to sending a printed newsletter to a physical address, an e-newsletter is distributed electronically and is sent to a computer e-mail address. Instead of relying on stakeholders to visit a Web site to learn about the latest news, an e-newsletter enables the news to come directly to the stakeholder on a regular basis and includes hyperlinks to the Web site (Allen et al., 2002). Johnston (2005a) remarked that an e-newsletter “should primarily be a communications vehicle, but each issue should have a strong fundraising element” (p. 188). E-newsletters often include links to a Web site and can direct a reader straight to the online donation form.

Allen et al. (2002) recommended several techniques that can be used to maximize the effectiveness and success of an e-newsletter. Some of them included:

1. *Each issue should include both headers and footers that are branded with the name of the organization.* The header should indicate that this is an official publication. It is important to include the name of the newsletter, the name and Web site address of the organization, the date of the publication, and contact information.
2. *The content in an e-newsletter should be written with the audience in mind.* E-newsletter stories are shorter than printed newsletter articles, but can include links to additional information on an organization's Web site. Writers should include news about the organization, dates of upcoming events, fundraising and volunteer opportunities, announcements, or any other information that may be of interest to stakeholders.
3. *Organizations must decide on the frequency of the e-newsletter.* Most e-newsletters are sent either weekly, monthly, or quarterly, depending on the target audience. Whichever schedule an organization decides upon, it is important to stay consistent. "Consistency is a guarantee of brand recognition and supporter loyalty" (p. 28).
4. *Designers must choose between plain text or HTML.* Currently, most e-newsletters are designed in plain text or in HTML format. Plain text is easy to create and can usually be read by all recipients, no matter what Internet service or software program someone uses to read their e-mail.

HTML e-mails on the contrary, look like Web pages and often include images. HTML e-mails are more difficult to create and since not everyone has the same software programs, HTML e-mails may be slower to download and look different from computer to computer, depending on the software program a reader uses to open it.

5. *Readers should be allowed to subscribe or unsubscribe to the e-newsletter.* The footer of the e-newsletter should include a place to unsubscribe if someone does not wish to remain on a mailing list. Additionally, there should be a section of the Web site that includes the opportunity for new visitors to submit their e-mail address and subscribe to the newsletter if they are not already receiving one.

There are some challenges involved in sending e-newsletters. Organizations often have difficulty maintaining accurate e-mail addresses as they change frequently, spam filters continually improve, and readers often skim articles and don't read them in their entirety (Rowe, 2006). Further, some readers have difficulty downloading the e-newsletter and give up before ever receiving the information (Rowe).

Organizations that solicit funds should continuously measure results and examine ways to improve. Greenfield (2005) stated, "After the results are tabulated, analyzed, and understood, the true purpose of measurement emerges – what to do about it" (p. 292). As part of their overall marketing strategy, organizations should define their desired outcomes, identify which results to measure, and demonstrate whether they achieved the objectives or made any difference (Greenfield). It is often difficult to measure qualitative

data, but one way to evaluate the success of an e-newsletter campaign is to keep track of the number of people that are subscribed, determine the number of new subscribers, and identify the number of cancellations (Allen et al., 2002). If an organization does not have the staff or budget to hire someone to help with the tracking, many external technology vendors can provide performance evaluations. These vendors collect and analyze data and determine if an e-mail message or newsletter has been opened, which attachments were opened, what portions of the text were viewed, and how long a visitor remained on a Web site (Greenfield). It is important to look at both immediate results as well as the long-term impact of future activities when planning an evaluation or assessment of online fundraising strategies.

Summary

This review of literature revealed that many colleges and universities are benefiting from technological advancements and are using the Internet to seek donations. Three universities reported that they raised more than \$1 million online during 2005. However, raising money online is a relatively new method of fundraising and the short time frame has not fully allowed researchers to track trends, conduct longitudinal studies, or publish an abundance of literature. Several organizations mentioned in this study such as AACSB International, *The Chronicle of Philanthropy*, Kintera and the U.S. Department of Commerce have conducted relevant studies that have generated valuable information that can serve as benchmarks for future investigations. At the time of this study, much of the literature was from industry publications rather than peer-reviewed academic journals. However, as online fundraising programs continue to increase, it is

probable that the amount of literature produced in this area will as well. Chapter 3 examines in detail the methodology that was used in this study.

CHAPTER 3 METHODOLOGY

Introduction

This chapter defines the methods and procedures used to determine: (a) online fundraising trends among AACSB International accredited business schools in the United States, (b) the average size of a gift donated online, (c) the percentage of the total amount raised annually that is contributed online, (d) the characteristics and demographics of an online donor, and (e) the marketing strategies used by business schools to publicize their Web sites and online fundraising programs.

This chapter consists of six topics. The first topic defined the statement of the problem and outlined the desired outcome of the investigation. The second topic identified the five research questions that guided this study. The third area discussed the research population and the number of people that received the questionnaire. The fourth section addressed the data collection process. The fifth area discussed the reliability and validity of the study and explained the pilot study. The final area explained the survey instrument and design. The coding used in the data analysis is included in Appendix G.

Statement of the Problem

This study was conducted to determine the impact that the Internet had on business school philanthropy and identified online giving trends among randomly selected AACSB International accredited institutions in the United States. While some studies have examined online fundraising programs that applied to colleges or universities as a whole, this study focused specifically on business schools. The desired

outcome of this investigation was to produce valuable information for those business school deans who sought innovative ways to obtain external funding from private sources.

Research Questions

The research questions addressed in this study were:

1. What trends, if any, can be found among AACSB International accredited business schools in the United States, that accept online donations as part of their overall fundraising strategy?
2. For those business schools that raise money online, what is the average size of a gift donated online?
3. For those business schools that raise money online, what percentage of the total amount raised from annual gifts is donated online?
4. What are the characteristics and demographics of an online donor?
5. What marketing strategies, if any, do business schools use to publicize their online donation Web sites?

Population

At the time of this study, 530 business schools had achieved accreditation by AACSB International. Of those institutions, 84.7% (n=449) of them were located within the United States. Since currency varies from country to country, this study focused only on those business schools that accepted online donations in the United States. A sample of 211 U.S. business schools was randomly selected from the population prior to

launching the survey. Contact information was obtained by visiting each institution's Web site. The researcher entered all e-mail addresses and the names of the deans into a database.

Data Collection

Data for this study were collected between November 2006 and February 2007. Survey implementation techniques outlined in Dillman's (2000) tailored-design method were applied, but modified for this study. Due to the online nature of this investigation, a self-administered, electronic questionnaire was selected as the best method for the initial contact (Appendix A). The questionnaire was e-mailed directly to the deans of the 211 institutions. Although the questionnaire was sent directly to the deans, they were encouraged to consult with their fundraising staff to provide the most accurate financial data possible.

An e-mail that included a link to the questionnaire was sent to all 211 business school deans on November 28, 2006. The e-mail included a brief, personalized cover letter because researchers are more likely to get a higher response rate if an e-mail message is sent individually and not part of a mass mailing that lists multiple recipient addresses (Dillman, 2000). The e-mail cover letter alerted the deans that their business school was selected for this study and requested their participation. To boost the chances of a higher response rate and to emphasize the significance of the investigation, the e-mail cover letters were signed electronically by Dr. Thomas Keon, the dean of the College of Business Administration at the University of Central Florida, one of the

largest AACSB International accredited business schools (Appendix B). The first request yielded a return rate of 30 responses.

A follow-up e-mail that included a reminder cover letter with Dean Keon's signature and a link to the questionnaire, was sent on December 7, 2006 (Appendix C). The 30 institutions that already responded to the survey were removed from the mailing list to prevent duplication. This follow-up reminder yielded an additional 30 completed responses. A third, and final e-mail reminder with a link to the questionnaire was sent on January 8, 2007. Once again, Dean Thomas Keon signed the e-mail cover letter (Appendix D). The 60 institutions that had already responded to the survey were removed from the mailing list. An additional 31 institutions responded to this request.

In a final attempt to increase the response rate, a fourth contact was made to encourage the deans that had not yet completed the questionnaire to do so. On January 16, 2007, the researcher mailed a hard copy of the questionnaire to the remaining business school deans that had not participated in the study. The mailing included a cover letter from the researcher (Appendix E), along with a self-addressed, postage-paid envelope, so the deans would not have to use their own postage to submit the questionnaire. Dillman (2000) claimed a "different mode of contact" distinguished it from previous attempts (p. 151). This fourth contact brought in an additional 16 responses.

A total of 115 colleges and universities responded to this study, yielding a 54.5% response rate. Of the 115 responses, five institutions declined to participate, and three were received after the deadline (one electronically and two hard copies) so they were not

included in the results. Thus, the actual number of usable questionnaires for data input in this study was 107, or 51%. Of the 107 institutions that responded, 69% (n=74) were public institutions, 31% (n=33) were private, and 41 states as well as the District of Columbia were represented.

Reliability and Validity

Since online fundraising has a short history, minimal research has been conducted in this area, specifically in regards to business schools. As such, the researcher sought guidance from several experts prior to beginning the investigation. During the development stages of the questionnaire, the researcher met individually with three people from an AACSB International accredited business school, including the director of major gifts, the director of testing and evaluation, and the dean. Additionally, the researcher consulted with the director of annual funds at a university foundation, and received substantial advice and suggestions from her dissertation committee. This group of experts helped the researcher formulate the questions that would produce the most beneficial information and provided content reliability and validity for this particular study. These questions served as the foundation for the electronic questionnaire. Additionally, nine of the 20 items on the questionnaire were based on two pre-existing questionnaires concerning online fundraising programs but were modified for this study. The first questionnaire was used in the published dissertation, *Key Components of Successful Higher Education Online Fundraising Programs* (Sheridan, 2004) and the second one was from the Annual *Chronicle of Philanthropy's* Fundraising Survey (2005). The source of each question is illustrated in Table 4.

Table 4
Research Questions

Item	Source
Questions 1, 2, 3, 4, 9, 10, 11, 12, 13, 17, 20	Researcher
Questions 5, 6, 7	Chronicle of Philanthropy
Questions 7, 8, 14, 15, 16, 18, 19	Sheridan

Once the questionnaire was developed, a small pilot study was conducted. According to Dillman (2000), results from pilot studies often lead to substantial revisions being made to the design of the instrument. The pilot study was conducted in November 2006. Pilot study participants included three university fundraising professionals, four university administrators, and four deans from AACSB International accredited business schools that were not randomly selected to participate in the actual study. All participants received the questionnaire electronically and submitted their responses back to the researcher within one week. In addition to completing the questionnaire, pilot survey participants were asked to e-mail the researcher any recommendations or suggestions for improvement. Based on the results of the pilot study, several revisions were made before the actual questionnaire was sent to the target group.

Instrumentation

The final version of the questionnaire included 20 questions and was divided into four sections. An informed consent for research form approved by the Institutional

Review Board of the University of Central Florida preceded the 20 questions (Appendix F). The letter explained that all responses to the questionnaire were confidential and participation in the study was voluntary. Respondents were able to indicate their informed consent by clicking on the “next” button on the bottom of the page. After the button was selected, participants were automatically taken to the first page of the questionnaire. Table 5 depicts how each section related to the research questions.

Table 5
Questionnaire Design

Section	Item Numbers	Research Question
Business School Profile	1, 2, 3, 4, 5, 6	1
Online Fundraising Programs	7, 8, 9, 10, 11, 12, 13	2, 3
Donor Profiles	14, 15, 16, 17	4
Marketing Strategies	18, 19, 20	5

The questionnaire included four sections. The first section was the *Business School Profile*, and included questions one through six. All participants were asked to complete this section even if they did not currently have an online fundraising program. Information received from this area helped determine what type of business schools were most likely to receive gifts online. This section, specifically question five, addressed research question one, “What trends, if any, can be found among AACSB International

accredited business schools in the United States that accept online donations as part of their overall fundraising strategy?”

The second section of the questionnaire was *Online Fundraising Programs* and included questions 7 through 13. This section addressed the second research question, “What is the average size of a gift donated online?” as well as the third research question, “What percentage of the total amount of annual donations received by a business school are received online?” Results from this section were used to determine if business schools experienced an increase in donations since they began offering an online fundraising program.

The third area was *Donor Profiles* and included questions 14 through 17. The purpose of this section was to answer Research Question 4, “What are the characteristics and demographics of an online donor?” Information gathered from this section may help business school deans and development professionals determine who is most likely to make an online donation.

The final section was *Marketing Strategies* and included questions 18 through 20. The responses from this last area helped address Research Question 5, “What marketing strategies, if any, do business schools use to publicize their online donation Web sites and online fundraising programs?”

After submitting the questionnaire, respondents were thanked for their time and offered the opportunity to receive the results from the study. If they chose to obtain the results, they were asked to include their contact information at the end of the questionnaire. The researcher will send the results to all interested participants.

Data Analysis

All data were collected and stored on a secure Web site located in the College of Education at the University of Central Florida. Responses were coded and entered into the Statistical Package for Social Sciences (SPSS). The 20 questions were labeled and coded. The coding method is included in Appendix G.

Summary

Chapter 3 outlined the procedures and instrumentation used in this investigation regarding online fundraising trends at selected AACSB International accredited business schools in the United States. An electronic questionnaire was sent to 211 randomly selected business school deans, and yielded a 54.5% response rate. Prior to sending out the questionnaire, the researcher made several revisions based on the input of experts in the field. Data collected from the questionnaire is further analyzed in Chapter 4.

CHAPTER 4 ANALYSIS OF DATA

Introduction

Chapter 4 provides a demographic profile of the respondents and data analysis relevant to the five research questions addressed in this study. The results are represented by accompanying tables and figures. The conclusions, as well as recommendations for further research, are discussed in Chapter 5.

Survey Instrument

The survey instrument was a 20-item questionnaire that was divided into four sections. The first section of the questionnaire was the *Business School Profile* and included items 1 through 6. All participants were asked to complete this section even if they did not have an online fundraising program. Results from this section addressed the first research question and provided demographic information on the 107 business schools that participated in this study.

The second section of the questionnaire was *Online Fundraising Programs* and included items 7 through 13. Results from this section addressed Research Questions 2 and 3 and provided information on the amount of money raised online by business schools.

The third area was *Donor Profiles* and included items 14 through 17. This section addressed Research Question 4. The purpose of this section was to identify the types of individuals that were most likely to make an online donation.

The final section of the questionnaire was *Marketing Strategies* and included items 18 through 20. This section addressed Research Question 5. The results from this section explored the types of marketing strategies business schools used to promote online fundraising programs.

All data were collected and stored on a secure Web site located in the College of Education at the University of Central Florida. Since this study was designed to report categorical data, descriptive statistics were used to analyze the results.

Analysis of Data

This section is arranged according to the five research questions that guided this study. The research questions are stated, followed by a discussion of the data. A section on the future of online fundraising programs in business schools follows the research questions.

Research Question 1

What trends, if any, can be found among AACSB International accredited business schools in the United States, that accept online donations as part of their overall fundraising strategy?

The first seven items of the questionnaire addressed this research question. Of the 107 business schools that responded to this study, 36.4% (n=39) accepted online donations as part of their overall fundraising strategy, while 63.6% (n=68) did not. The frequency counts and percentages, as well as institution type, are presented in Table 6.

Table 6
Business Schools That Accepted Online Donations (2006)

Type	Accepted		Did Not Accept		n	
	F	%	F	%	F	%
Public	28	26.1	46	43.0	74	69
Private	11	10.3	22	20.6	33	31
n	39	36.4	68	63.6	107	100

A Pearson chi-square test was computed to determine if there was a statistically significant difference between the two variables *type of institution* and *whether or not a business school accepted online donations*. The data were cross-tabulated and tested for independence. The resultant chi-square, $\chi^2 (1, n=107) = .200, p=.655$ was non-significant at the .05 level, indicating that the two variables were independent of each other and that there was no statistically significant relationship between the type of institution (public or private) and whether or not a business school accepted online donations.

Items 2 and 3 of the questionnaire asked respondents to state the undergraduate as well as graduate enrollment of their business school in Fall 2006 (totals included both part-time and full-time students). Undergraduate and graduate enrollments were separated because not every business school offered both degrees. The results are shown in Tables 7 and 8.

Table 7
Business School Undergraduate Enrollment – Fall 2006

Had Online Fundraising Program												
Type	Did not offer degree		>1,000 students		1,001-3,000 students		3,001-5,000 students		<5,000 students		n	
	F	%	F	%	F	%	F	%	F	%	F	%
Public	0	0	2	1.9	20	18.6	3	2.8	3	2.8	28	26.1
Private	2	1.9	6	5.6	2	1.9	1	.93	0	0	11	10.3
n=39	2	1.9	8	7.5	22	20.5	4	3.7	3	2.8	39	36.4
Did Not Have Online Fundraising Program												
Public	0	0	11	10.2	28	26.1	4	3.7	3	2.8	46	43.0
Private	0	0	15	14.0	6	5.6	1	.93	0	0	22	20.6
n=68	0	0	26	24.3	34	31.8	5	4.7	3	2.8	68	63.6
TOTAL (n=107)	2	1.9	34	31.8	56	52.3	9	8.4	6	5.6	107	100

Table 8
Business School Graduate Enrollment – Fall 2006

Had Online Fundraising Program												
Type	Did not offer degree		>500 students		500-1,000 students		1,001-1,500 students		<1,500 students		n= business schools	
	F	%	F	%	F	%	F	%	F	%	F	%
Public	1	.93	21	19.6	5	4.7	0	0	1	.93	28	26.0
Private	0	0	5	4.7	4	3.7	2	1.9	0	0	11	10.3
n=39	1	.93	26	24.3	9	8.4	2	1.9	1	.93	39	36.4
Did Not Have An Online Fundraising Program												
Public	4	3.7	33	31.0	7	6.5	2	1.9	0	0	46	43.0
Private	4	3.7	14	13.1	3	2.8	0	0	1	.93	22	20.6
n=68	8	7.4	47	44.1	10	9.3	2	1.9	1	.93	68	63.6
TOTAL (n=107)	9	8.3	73	68.4	19	17.7	4	3.8	2	1.9	107	100

The organization of a business school fundraising office varies from institution to institution. As defined in Chapter 1 of this study, the fundraising staff in a centralized office solicited donations on behalf of the business school, but they reported to an external development team and were usually housed in an institution's foundation, not within the business school. The central office maintained authority over all fundraising policy decisions and approved fundraising priorities (Worth, 1993). In contrast to a centralized fundraising office, staff in a decentralized environment were employed by

individual schools, colleges or other units of an institution. These units have considerable autonomy in setting fundraising policies and priorities and were usually housed within a business school (Worth, 1993). A combined fundraising office was defined as one in which a business school housed staff responsible for fundraising, but they reported to the foundation or other fundraising organization. Of the 107 business schools that responded to the study, nearly one-half (49.5%, n=53) had a combined fundraising office. The results are presented in Table 9. Business schools that had online fundraising programs are in the row labeled yes, while those institutions that did not are labeled no.

Table 9
Business Schools By Type of Fundraising Office (2006)

Online Program	Decentralized		Centralized		Combined		No staff		n	
	F	%	F	%	F	%	F	%	F	%
Yes	5	4.7	10	9.3	24	22.4	0	0	39	36.4
No	6	5.6	27	25.3	29	27.1	6	5.6	68	63.6
n	11	10.2	37	34.6	53	49.5	6	5.6	107	100

A Pearson chi-square test was computed to determine if there was a statistically significant association between the variables *whether or not a business schools accepted online donations* as part of their overall strategy and the *type of fundraising office*. The resultant chi-square, $\chi^2(3, n=107) = 7.03, p=.071$ was non-significant at the .05 level, indicating that the two variables were independent of each other and there was no statistically significant relationship between business schools that accepted online

donations and the type of fundraising office a business school had. However, the p value is close to significant and a larger sample size may provide different statistical results.

Institutions that did not have an online fundraising program were asked only to complete the first six questions and then submit the questionnaire. Item 7 asked respondents to state what year they were first able to accept donations online. Of the 107 respondents, 4.7% (n=5) business schools accepted donations online prior to 2000, but by 2006, 36.4% (n=39) had online fundraising programs. Table 10 gives a breakdown of how many business schools started online fundraising programs each year since 2000. The cumulative percent provides the total percentage of the 107 respondents who accepted donations online each year since 2000.

Table 10
Business School Online Fundraising Programs Per Year (2006)

Type	<2000	2000	2001	2002	2003	2004	2005	2006
Public	3	4	6	3	3	3	3	3
Private	2	0	2	1	2	1	2	1
n	5	4	8	4	5	4	5	4
Cum. n	5	9	17	21	26	30	35	39
Cum. % n=107	4.7	8.4	15.8	19.6	24.2	28.0	32.7	36.4

Research Question 2

For those business schools that raise money online, what is the approximate size of a gift donated online?

Item 8 of the questionnaire directly addressed this research question and asked, “What is the approximate size of an individual online donation at your business school?” Respondents were given seven choices to select from: (a) less than \$100; (b) \$101 to \$250; (c) \$251 to \$500; (d) \$501 to \$750; (e) \$751 to \$1,000; (f) \$1,001 or more; and (g) we do not track this information. All 39 institutions that had online fundraising programs responded to this question, but one institution did not track this information. Of the 38 business schools that recorded the size of individual online donations, more than one-half (66.7%, n=26), revealed that their average online gift size was \$250 or less. Five of the institutions (all public) reported that their average online gift size was more than \$1,000. The results, categorized by public and private schools, are shown in Figure 1.

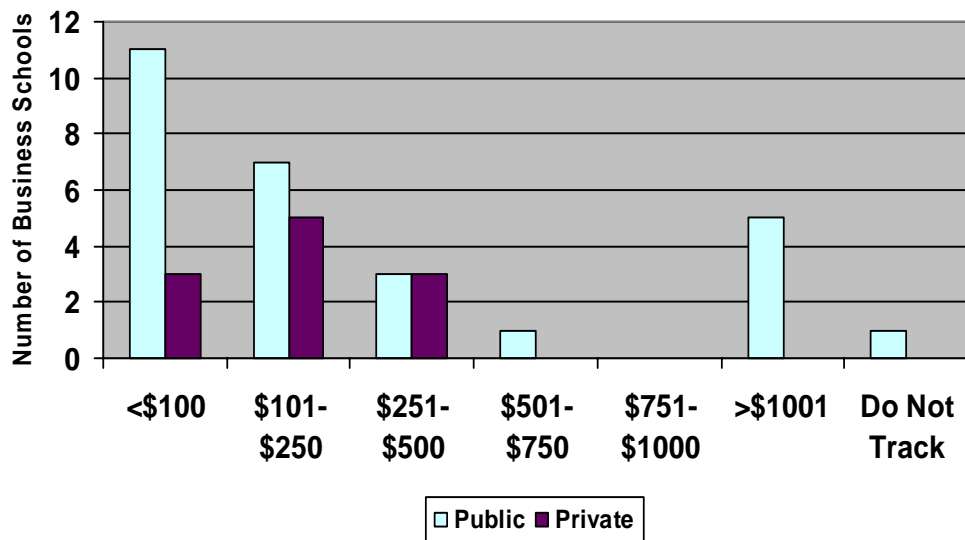


Figure 1
Size of Individual Online Donation (2006)

Research Question 3

For those business schools that raise money online, what percentage of the total amount raised from annual gifts is donated online?

The purpose of this question was to determine if the amount of money raised online had any impact on the total amount of money raised in a fiscal year. Item 9 of the questionnaire directly addressed this research question and asked: “Of all the donations your business school received during your last completed fiscal year, what is the approximate percentage received online?” Respondents were given seven choices to select from: (a) less than 10%, (b) 10% to 20%, (c) 21% to 40%, (d) 41% to 60%, (e) 61% to 80%, (f) 81% to 100%, and (c) we do not track this information. All 39 business schools that raised money online responded to this question, however, 12.8% (n=5) of the institutions did not track this information. Of the 34 business schools that did keep records, online donations accounted for less than 20% of the total amount of donations they received during their last completed fiscal year at all 34 institutions. Further, when institution type was separated, the public business schools that recorded this information reported that online donations accounted for less than 10% of the total amount of donations received during their last fiscal year. Figure 2 shows the percentage of annual gifts raised online, separated by institution type.

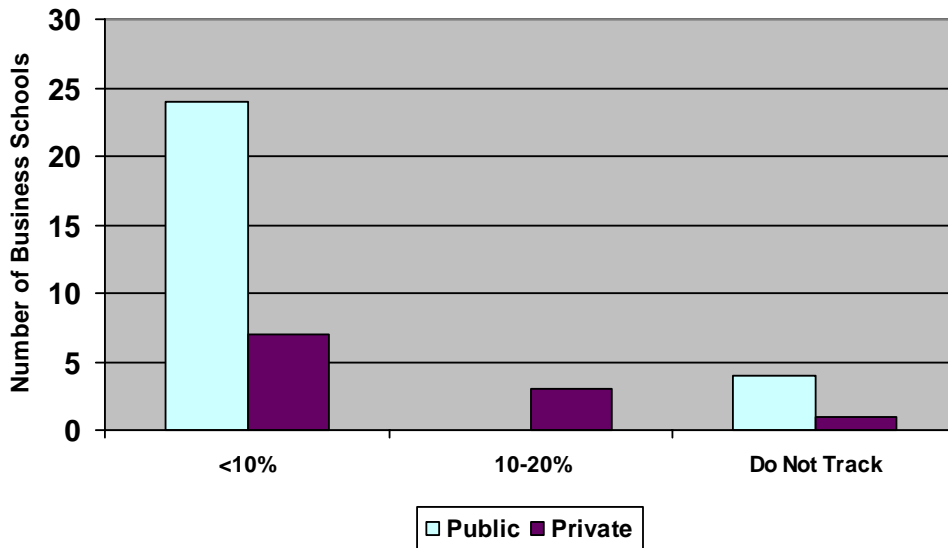


Figure 2
Percentage of Annual Gifts Raised Online (2006)

Items 10 and 11 of the questionnaire also provided information regarding the amount of money raised by a business school online. Item 10 of the questionnaire asked respondents if they accepted pledges for future payments online. In addition to accepting standard contributions online, some business schools accepted pledges. In Chapter 1 of this study, a pledge was defined as a commitment or promise to give a specified amount of money over a specified amount of time (example: \$100 per year, for five years). A pledge differed from a donation, which is a one-time, lump sum payment. Based on 39 responses, 56.4% (n=22) accepted pledges online for future payments, while 43.6% (n=17) did not.

Item 11 asked respondents if their business school experienced an increase in annual donations since they began offering an online fundraising program. Respondents had three choices to select from: (a) yes, (b) no, or (c) the total is approximately the same. Based on 39 responses, the results showed that 43.6% (n=17) said they experienced an increase in annual donations, 25.6% (n=10) did not, and 30.8% (n=12) responded that the

total amount was approximately the same. The results, separated by institution type, are presented in Figure 3.

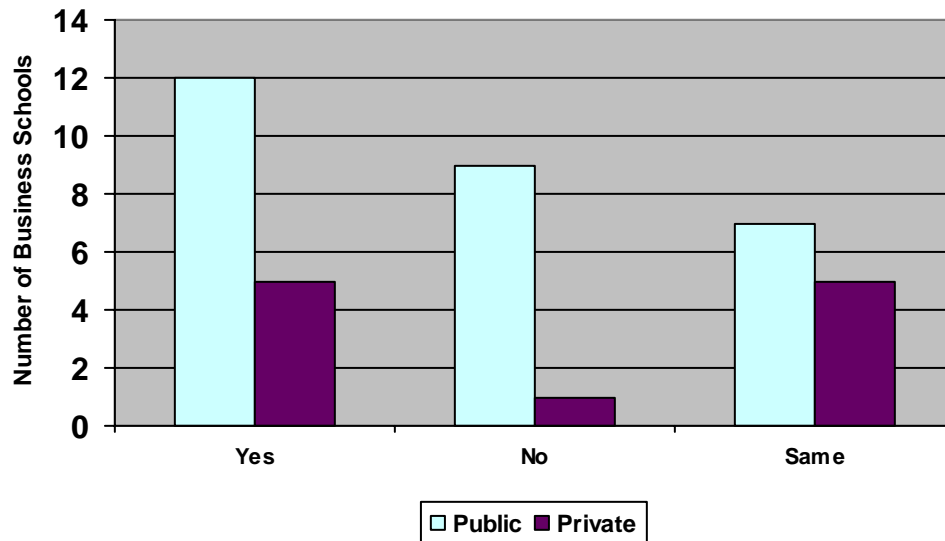


Figure 3
Increase In Annual Donations (2006)

Research Question 4

What are the characteristics and demographics of an online donor?

Items 14 through 17 of the questionnaire were directly related to this research question. Item 14 asked respondents to identify what type of donor was most likely to make an online donation. Respondents were given three options to choose from: (a) first time donors, (b) repeat donors, or (c) we do not track this information. Based on 39 responses, the results showed that more than half of the respondents, 51.3% (n=20) stated that they did not track this information; 25.6% (n=10) reported that their online donations came from first-time donors, and 23.1% (n=9) reported that the donations came from repeat donors.

The purpose of items 15 and 16 of the questionnaire was to identify what type of individual (as opposed to a company or organization) would most likely make an online donation to a business school. Item 15 asked respondents to choose the most likely individual, while item 16 directed respondents to identify the second most likely type of individual to make an online donation. Respondents were given the same eight options to choose from in both questions: (a) graduate of your business school, (b) faculty member, (c) staff member, (d) friend of the college, but not a graduate of your business school, (e) current student, (f) parent of a current student, (g) we do not track this information, or (h) other. If they selected “other,” they were asked to specify whom that was in the text box provided.

The results from item 15 are presented in Table 11. More than two-thirds of the respondents, 82.1% (n=32) said that a graduate of their business school was the most likely person to make an online donation, 12.8% (n=5) did not track this information, and 5.1% (n=2) stated that a faculty member was the most likely person to make an online donation. In addition, one respondent commented in the text box: “Alumni donors=78 % of online donors.”

Table 11
 Individual Most Likely To Make A Donation (2006)

Type	F	%
Graduate of school	32	82.1
Did not track	5	12.8
Faculty member	2	5.1
n	39	100

The results from item 16 of the questionnaire, regarding the individuals that were second most likely to make a donation, are depicted in Table 12. Based on 39 responses, one-third of the schools (33.3%, n=13) did not track this information. Both of the respondents that selected “other” wrote comments in the text box. The first respondent said, “Have only had graduates,” and the other respondent said “none.”

Table 12
 Second Most Likely Individual Type To Make A Donation (2006)

Type	F	%
Did not track	13	33.3
Friend of the college	7	17.9
Faculty member	6	15.4
Current student	4	10.3
Parent of student	4	10.3
Staff member	2	5.1
Other	2	5.1
Graduate of school	1	2.6
n	39	100

The final question relating to the characteristics of online donors was item 17 of the questionnaire which asked, “Of your business school alumni that made online donations during your last completed fiscal year, would you identify them as (a) having graduated within the last 5 years, (b) having graduated between 6 and 20 years ago, (c) having graduated more than 21 years ago, or (d) we do not track this information?” One respondent left this answer blank. Of the 38 responses, 34.2% (n=13) did not track this information. Of the remaining 25 responses, the results showed that 28.9% (n=11) stated that the donors were alumni that had graduated within the last five years; 34.2% (n=13) graduated between 6 and 20 years ago, and 2.6% (n=1) graduated more than 21 years ago.

Research Question 5

What marketing strategies, if any, do business schools use to publicize their online donation sites?

Items 18 through 20 of the questionnaire were directly related to this research question. To determine the most common methods business schools used to market an online fundraising program, item 18 asked, “Do you use any of the following marketing tools to promote your online fundraising program: (a) articles in an alumni magazine, (b) e-mails to alumni, (c) your business school Web site, (d) direct mail campaign, or (e) phone campaign?” Respondents had three choices to select from: (a) yes, (b) no, or (c) not applicable. All 39 respondents answered this question, and the results showed that more than one-half of the schools used at least one of the marketing tools listed. The most common tool the 39 institutions used to promote online donation information was their own business school Web site, followed closely by articles that appeared in an alumni publication. Results showed that 87.2% (n=34) used their own Web site to promote their online fundraising program; 82.1% (n=32) used articles in an alumni publication; 74.4% (n=29) used a direct mail campaign; 74.4% (n=29) sent e-mails to alumni; and 59% (n=23) marketed their program in a phone campaign. The results, separated by institution type, are presented in Figure 4.

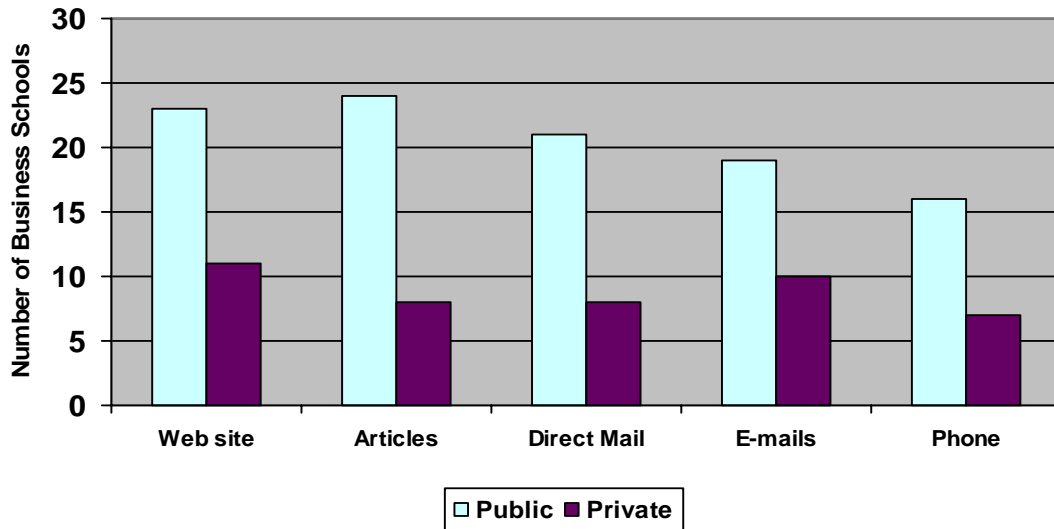


Figure 4
Marketing Tools Used for Online Fundraising Program (2006)

At the time of this study, online fundraising was still considered a new method of fundraising and some institutions experienced problems with technology and resources. Item 19 of the questionnaire asked, “Have you experienced challenges with any of the following in your online fundraising program: (a) difficulty obtaining sufficient e-mail addresses for donors, (b) difficulty tracking institution’s online giving performance, (c) limited fiscal resources, (d) limited technological resources, (e) limited personnel resources to commit to an online fundraising program, or (f) other challenges?” Respondents had three choices to select from: (a) yes, (b) no, or (c) not applicable. Additionally, respondents could select “other.” If a respondent selected other, there was a text box to list any additional challenges not given as one of the five choices. Only 37 of the respondents answered this question as two left this response blank. Three respondents commented in the text box. The first respondent commented, “Please note: direct mail continues to be the primary fundraising solicitation methods at our college. There was only one online gift made to the school of business in the last calendar year.” The second

respondent stated their biggest challenge was, “coordinating with the overall university,” and the final respondent stated, “Marketing the program has been difficult.” The biggest challenges were limited personnel resources and obtaining e-mail addresses, followed closely by limited fiscal resources. Frequency counts and percentages of the challenges are ranked from highest to lowest and are presented in Table 13.

Table 13
Challenges With Business School Online Fundraising Programs (2006)

Challenge	F	%
Limited personnel resources	26	70.2
Obtaining e-mail addresses	26	70.2
Limited fiscal resources	25	67.5
Limited technological resources	14	37.8
Tracking online giving performance	12	32.4
n=37		

Business schools that had online fundraising programs must have effective and up-to-date Web sites to be successful. As stated in Chapter 2, many business schools hired outside firms to design their sites (Bisoux, 2005). Item 12 of the questionnaire asked, “How does your business school maintain your online donation Web site?” Respondents had two choices to select from: (a) internally, using your institution’s staff and resources, and (b) externally, using an outside provider. Based on 39 responses, the

majority of the respondents, 87.2% (n=34) maintained their Web site internally, and used the institutions' staff and resources, while 12.8% (n=5) used an external, outside provider.

The review of literature in this study revealed that many organizations published an electronic newsletter, often referred to as an e-newsletter, as a proactive way to communicate with constituents and promote an online fundraising program. Johnston (2005a) remarked that an e-newsletter "should primarily be a communications vehicle, but each issue should have a strong fundraising element" (p. 188). Item 20 of the questionnaire asked, "Does your business school publish an online newsletter?" Of the 39 respondents, more than one-half, 56.4% (n=22), stated that they published an online newsletter, while 43.6% (n=17) did not. The results, separated by type of fundraising office, are shown in Table 14.

Table 14
E-newsletters at Business Schools With Online Fundraising (2006)

Published e-newsletter	Decentralized Office		Centralized Office		Combined Office		n	
	F	%	F	%	F	%	F	%
Yes	2	5.1	4	10.2	16	41.1	22	56.4
No	3	7.7	6	15.4	8	20.6	17	43.7
n	5	12.8	10	25.6	24	61.7	39	100

The Future Of Business School Online Fundraising

At the time of this study, some nonprofit organizations were beginning to integrate modern technologies into their fundraising efforts (Wallace, 2006). As of 2007, it was too early to determine the long-term success rates of these technologies, but it was not too early to determine if some business schools had embraced them. The data revealed that business schools with online fundraising programs were beginning to use additional technological tools in their fundraising strategies. Item 13 of the questionnaire listed seven tools and asked respondents, “Does your business school currently use any of the following technologies in your online fundraising efforts?” The technologies included: (a) blogging, (b) instant messaging, (c) message boards, (d) podcasting, (e) e-newsletters, (f) RSS Feeds, or (g) e-flash. A definition of each of these terms is provided in Chapter 1. All 39 business schools that had online fundraising programs responded.

According to the results, in addition to an institution’s Web site, the most common technology used for fundraising was the e-newsletter, followed by e-flash messages and message boards. None of the 39 respondents used instant messaging in their fundraising efforts at the time of this study. The results, separated by institution type, are shown in Figure 5.

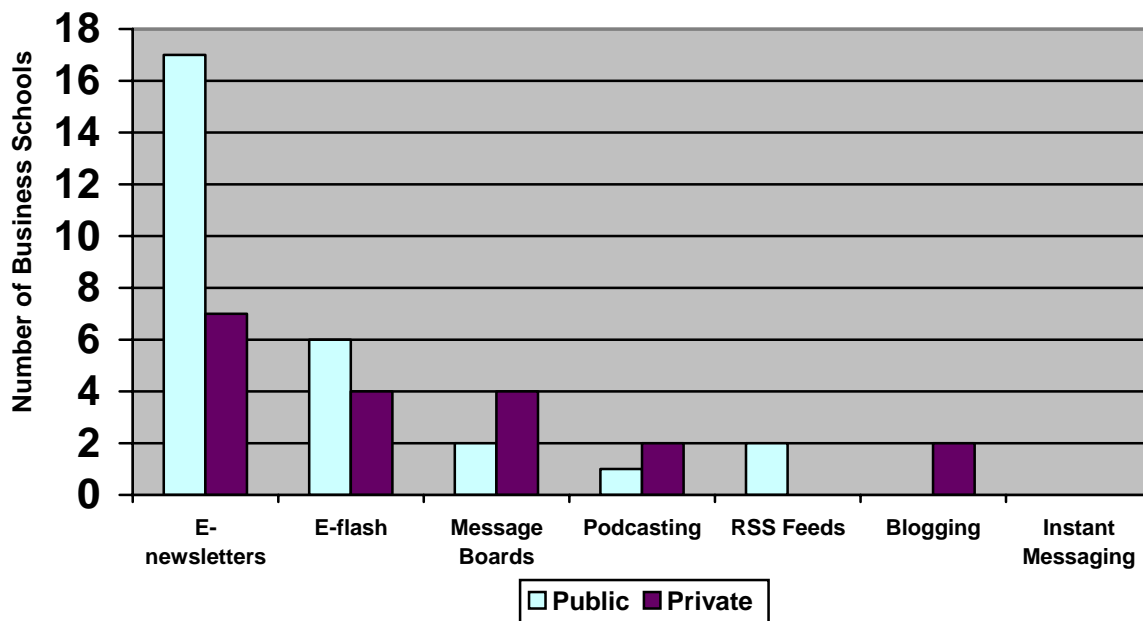


Figure 5
Technologies Used by Business Schools in Online Fundraising (2006)

The fact that 61.5% (n=24) of the respondents to item 13 of the questionnaire stated that they used e-newsletters in their fundraising efforts is noteworthy because the results from item 20 showed that 56.4% (n=22) of the respondents stated that their business school also published an online newsletter. To clarify, items 13 and 20 asked for different information. In item 13, it was possible that the 61.5% of institutions that used e-newsletters in their fundraising efforts may not have produced them within the business school. An alumni association, university marketing department, or some other unit may have produced the e-newsletters. On the other hand, item 20 specifically asked the deans if their business school published an online newsletter.

While the purpose of this study was to identify trends among those business schools that had an online fundraising program, data were also collected to determine how many institutions did not have a program in 2006, and of that number, how many

planned to start a program in the future. Only those business schools that did not have an online fundraising program were requested to answer item 6 of the questionnaire, which was “If you did not receive any online donations during your last completed fiscal year, which of the following statements most closely applies to your plans?” Respondents were given five choices to select from: (a) we are discussing whether to start an online fundraising program, (b) we plan to start an online fundraising program during the next fiscal year, (c) we plan to start an online fundraising program within five years, (d) we have no plans to start an online fundraising program, or (e) we have discontinued all our fundraising efforts. Those respondents that selected the last option were asked to explain why in a text box.

Of the 68 business schools that did not have an online fundraising program, 67 of them answered item 6 of the questionnaire. One respondent did not answer the question, but instead, commented in the text box:

The Office of Advancement collects donations online but there is no such program, face-to-face, or online in the business school. If a donor sends a donation to the university and designates the business school, we could get such funds.

Of the 67 business schools that responded to item 6, more than one half of them, 55.2% (n=37), had no plans to start an online fundraising program; 19.4% (n=13) were discussing whether to start an online fundraising program, 14.9% (n=10) planned to start an online fundraising program within the next five years, and 10.4% (n=7) planned to start an online fundraising program during the next fiscal year. Figure 6 shows the results, separated by institution type.

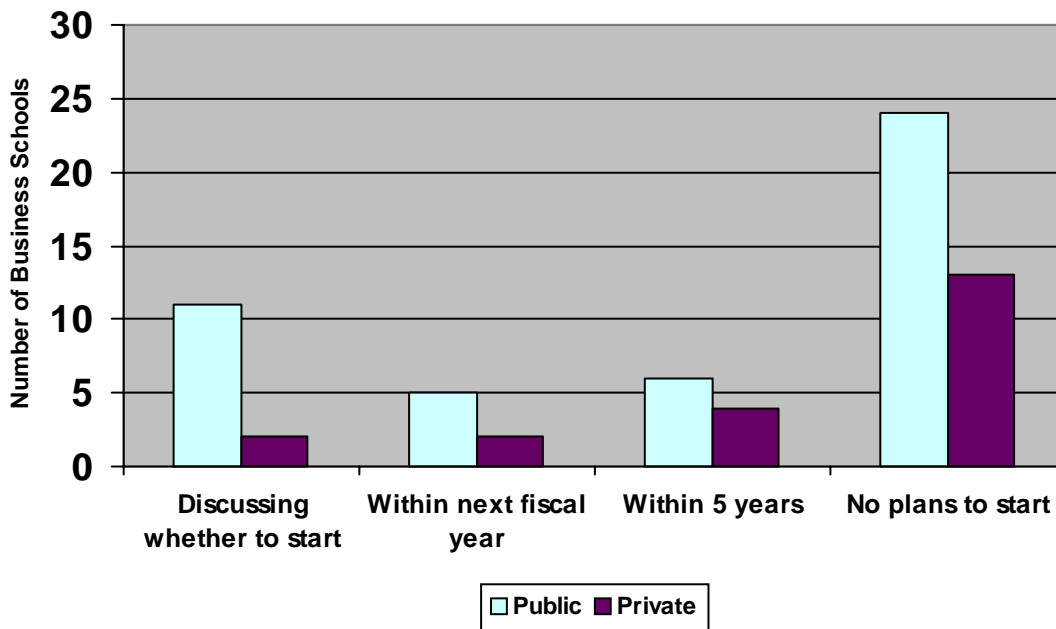


Figure 6
 Future Plans For Business Schools Without Online Fundraising (2006)

Three additional respondents provided comments in the text box included with item 6. Two of the respondents commented that they were starting an online fundraising program within the next fiscal year. One of the respondents commented, “Our online program just became operational.” Therefore, they did not have enough data to provide for the online fundraising portion of this study. The second respondent commented:

I know we receive online donations through the university online tool because that is how I make my end of year contributions. We are just getting to the point of evaluating how this tool is working for the school itself so I'm not in a position to generate the data below in a timely fashion. We still rely on a significant amount of personal attention.

The final comment came from a business school dean who responded that he had no plans to start an online fundraising program. He stated in the text box, “Having raised \$13 million in the last six months, who has time for fiddling with an online approach? Go after the deep pockets, not the small change.”

Summary

Chapter 4 presented demographic information and an analysis of data obtained from the 20-item questionnaire. Five research questions provided the framework for the data analysis. A discussion of the results, as well as conclusions, implications for practice, and recommendations for future research follow in the next chapter.

CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS

Introduction

Chapter 5 provides the results and conclusions of the study and discusses how the data presented in Chapter 4 relate to each of the five research questions.

Recommendations, implications for practice and topics for further research are also included in this section.

Statement of the Problem

This study was conducted to determine the impact that the Internet had on business school philanthropy and to identify online giving trends among randomly selected AACSB International accredited institutions in the United States. While some studies have examined online fundraising programs that apply to colleges or universities as a whole, this study focused specifically on business schools. The desired outcome of this investigation was to produce valuable information for business school deans as they continue to seek innovative ways to obtain external funding from private sources.

Data Collection

At the time of this study, 449 business schools in the United States had achieved accreditation from AACSB International. A sample of 211 business schools was randomly chosen from that population. A 20-item questionnaire was sent directly to the deans of those randomly selected institutions. To provide the most accurate data, the business school deans were encouraged to consult with their fundraising staff. Data were

collected between November 2006 and February 2007. A total of 115 colleges and universities responded yielding a 54.5% response rate. Of the 115 responses, five institutions declined to participate in the study. Additionally, three questionnaires were returned after the deadline so their results were not included in the study. Thus, the actual number of usable questionnaires for data analysis was 107, or 51%.

Reliability and Validity

Since online fundraising has a short history, minimal research has been conducted in this area, specifically with regard to business schools. As such, the researcher sought guidance from several experts prior to beginning the investigation. During the development stages of the questionnaire, the researcher met individually with three people that worked at an AACSB International accredited business school, including the director of major gifts, the director of testing and evaluation, and the dean. Additionally, the researcher consulted with the director of annual funds at a university foundation, and received substantial advice and suggestions from her dissertation committee. This group of experts helped the researcher formulate the questions and responses that would produce the most beneficial information and provided content reliability and validity for this particular study. Additionally, nine of the 20 items on the questionnaire were based on two pre-existing surveys mentioned in Chapter 3, and were modified for this study.

Once the questionnaire was developed, a small pilot study was conducted. According to Dillman (2000), results from pilot studies often lead to substantial revisions being made to the design of the instrument. The pilot study was conducted in November 2006. Pilot study participants included three university fundraising professionals, four

university administrators, and four deans from AACSB International accredited business schools that were not randomly selected to participate in the actual study. All participants received the questionnaire electronically and submitted the results back to the researcher within one week. In addition to completing the questionnaire, pilot survey participants were asked to independently assess the questionnaire and contact the researcher with any recommendations or suggestions for improvement. Based on the results of the pilot study, several revisions were made before the actual questionnaire was sent to the target group.

Summary and Discussion of the Findings

Five research questions were used to guide this study. The following section discusses the results of the data analysis for each of those research questions.

Research Question 1

What trends, if any, can be found among AACSB International accredited business schools in the United States, that accept online donations as part of their overall fundraising strategy?

Of the 107 business schools that participated in this study, the results showed that 36.4% (n=39) of them raised money online. Further, 67 of the 68 business schools that did not have an online fundraising program responded to item 6 of the questionnaire and indicated that 55.2% (n=37) did not have plans to start an online fundraising program in the future. However, 44.7% (n=30) of them stated that they had discussed whether or not to start a program or planned to start one within the next five years. The percentage of business schools that raised money online, combined with the percentage of schools that did not plan to start a program were noteworthy because it may indicate that business

schools had not fully embraced online fundraising as a valid method for raising money as of 2007.

Perhaps one reason for the hesitation can be summed up by a comment made by a dean that participated in this study, "Having raised \$13 million in the last six months, who has time for fiddling with an online approach? Go after the deep pockets, not the small change." Some business schools and fundraisers may find it more beneficial to spend most of their time and resources on major gifts instead of the smaller type donations that often came via the Internet. For example, in 2006, the top three fundraising universities in the United States were Stanford University, which raised \$911.16 million; Harvard University, which brought in \$594.94 million; and Yale University, which raised \$433.46 million in donations (Kaplan, 2007). Top colleges and universities need major gifts and endowments to conduct research, expand programs and attract top professors. As such, fundraisers often dedicate more time to major gifts than annual fund donations.

A total of 69% (n=74) of the 107 business schools that responded to the study were public institutions, and 31% (n=33) were private. However, the type of institution did not factor into whether or not a business school had an online fundraising program. A Pearson chi-square test revealed that there was no statistical significant relationship between the type of institution (public or private) and whether or not that institution had an online fundraising program. This is noteworthy because most private schools do not receive state funds and must rely heavily on tuition fees and contributions to meet their budgets. Most public or state schools on the other hand, receive public funding and tax dollars in addition to tuition and contributions.

An analysis of the enrollment figures disclosed that all 74 of the public institutions that responded to this study offered an undergraduate program, but five of them did not offer a graduate degree. Of the five public business schools that did not offer a graduate degree, only one of them had an online fundraising program. Two private business schools, both of which had online programs, did not offer an undergraduate degree. Further, four private schools offered only undergraduate programs and did not offer a graduate degree. Those four institutions did not have an online fundraising program.

Twenty-eight of the 74 public institutions (37.8%) that responded to this study had an online fundraising program. Of the 28 business schools with an online fundraising program, the majority, 71.4% (n=20), had an undergraduate enrollment between 1,001 and 3,000 students, and 75% (n= 21), had a graduate enrollment of less than 500 students. Of the 33 private business schools that participated in the study, 33.3% (n=11) of them had an online fundraising program. The private business schools were more likely to have a smaller enrollment than the public business schools at the undergraduate level. Of the 11 private business schools with an online fundraising program, more than one-half, 54.5% (n=6) had an undergraduate enrollment of less than 1,000 students, and 45.4% (n=5) had a graduate enrollment of less than 500 students.

Whether or not a business school had an online fundraising program was not dependent on the type of fundraising office a business school had. A Pearson chi-square test revealed that there was no statistically significant association between the type of fundraising office (decentralized, centralized, or combined) and online fundraising

programs. However, in this study, of the 39 business schools that raised money online, 12.8% (n=5), had a decentralized fundraising office; 25.6% (n=10) had a centralized office, and more than half, 61.5% (n=24), had combined efforts. The fact that more than one-half of the business schools that had online fundraising programs had combined fundraising efforts is not surprising. Fundraisers that work in development offices with combined efforts can use foundation resources, yet still have the support and accessibility of business school administrators.

Six of the business schools in the study actually had no fundraising staff at all. None of those six institutions had an online fundraising program and they all were small, private colleges. Five of the six institutions had an undergraduate enrollment of less than 1,000 students and three of them did not offer a graduate business program at all. It is not surprising that a business school without a fundraising staff does not have an online fundraising program.

Item 7 of the questionnaire asked respondents to disclose what year they were first able to receive online donations. According to the results, there did not appear to be a rapid rise in the number of new online fundraising programs being developed in business schools. Based on 39 responses, the results showed that 54% (n=21) or more than one-half of the online fundraising programs began in 2002 or before, meaning that there does not appear to be a big increase of the number of schools starting an online program each year. Four schools started an online fundraising program during the last fiscal year. The most popular year for beginning an online fundraising program was 2001, when eight business schools established their program. It is interesting to note that

online fundraising really flourished in 2001, perhaps due to the September 11 attacks on the World Trade Center, as mentioned in Chapter 1 of this study. It is possible that the business schools that began an online fundraising program in 2001 modeled their program after the success of non-profit organizations such as the Red Cross.

The age of a program may factor in the success of an online fundraising program. Of the five business schools that stated that their average gift size was more than \$1,000, four of them began in 2001 or before. The other one began in 2005. Their success may be due to the longevity of their program. They have had some time to promote and market their online fundraising program. Additionally, they have had time to build online relationships and may have repeat donors.

Research Question 2

For those business schools that raise money online, what is the approximate size of a gift donated online?

Item 8 of the questionnaire asked respondents to declare the approximate size of an individual online donation they received during the last completed fiscal year. Of the 39 respondents, the results showed that more than one-half of all online donations (66.7%) were less than \$250. However, five institutions reported that the average size of their online gifts were more than \$1,000. All five of those business schools were public universities with an undergraduate enrollment between 1,001 to 3,000 students, and a graduate student body of less than 500. Additionally, all five of the schools had a combined fundraising office, where they had staff responsible for fundraising, but they reported to the foundation or other fundraising organization at the institution.

One institution did not keep track of this information. The response *does not track* is of importance because if the institution had recorded this information it would change the final percentages to this question. However, even if that business school had recorded this information, it may not have had a significant impact on the results since so many business schools reported the average gift size as \$250 or less.

Research Question 3

For those business schools that raise money online, what percentage of the total amount raised from annual gifts is donated online?

Item 9 of the questionnaire addressed this question: “Of all the donations your business school received during your last completed fiscal year, what is the approximate percentage received online?” Nearly 80% (n=31) of the schools that raised money online reported that online donations accounted for less than 10% of the total amount of money they raised from annual gifts during their last completed fiscal year. Further, 7.7% of the respondents stated that between 10% and 20% of the total amount raised from annual gifts was donated online, and 12.8% (n=5) of the schools did not track this information. All of the public institutions stated that their total percentage was 10% or less, meaning that all of the respondents that selected between 10% and 20% were from private institutions.

The response *does not track this information* is important because if the five institutions that chose that response had recorded this information it would change the final percentage of this outcome. However, even taking that into consideration, the most

common answer would still be under 10% of the total amount raised from annual gifts was donated online.

These results may indicate that many donors were still more comfortable making their donations in more traditional ways such as postal mailing or through a telephone pledge. Further, while all the business schools that participated in the study had Web sites and Internet access, it is possible that not all of their donors or potential donors had Internet access or even knew how to make online donations.

Results from items 10 and 11 also provided information that addressed Research Question 2. Item 10 of the questionnaire asked respondents if they accepted pledges for future payments online. The results to this question revealed that more than one-half of the institutions did accept pledges online. Based on 39 responses, 56.4% (n=22) accepted pledges online for future payments, while 43.6% (n=17) did not. This is important information because many donors prefer to make a pledge for a future donation instead of making a one-time, lump sum contribution.

Results from item 11 of the questionnaire also provided information related to characteristics of online fundraising programs and asked, "Overall, has your business school experienced an increase in annual donations since you began offering an online fundraising program?" Based on the 39 responses, the results showed that 43.6% (n=17) experienced an increase, 25.6% (n=10) did not, and 30.8% (n=12) responded that the total amount was approximately the same. More specifically, these combined results showed that even though the majority of the business schools reported that online fundraising accounted for less than 10% of the total amount raised from annual gifts,

more than one-half (74.4%) reported that they had either experienced an increase in annual donations, or the total amount was approximately the same since they began offering an online fundraising program. These results are important to any institution that is considering an online fundraising program.

Research Question 4

What are the characteristics and demographics of an online donor?

Hiser (2007) stated, “Finding out as much as possible about your donor base is Development 101, but it’s surprising how many institutions don’t thoroughly complete this step,” (p. 49). Unfortunately, the results to the four items in this section showed that Hiser’s statement is often the case. Many business schools that participated in this study did not accurately record donor information, which made it hard to establish precise profiles of donors and potential donors. Therefore, it was difficult to reach many conclusions about the demographics and characteristics of an online donor based on the results from questionnaire items 14, 15, 16, and 17. The following discussions are based upon the data that were provided.

Item 14 of the questionnaire asked respondents to identify what type of donor was most likely to make an online donation, first-time or repeat. As stated in Chapter 2, the “annual fund has traditionally tried to renew as many repeat donors as possible while simultaneously trying to find a maximum number of new donors,” (Johnston, 2005a, p. 176). The results from this study showed that more than one-half of the respondents stated that they did not track this information. Of the 19 remaining respondents that answered this question, 25.6% (n= 10) reported that their online donations came from

first-time donors, and 23.1% (n=9) reported that the donations came from repeat donors. The results to this question would be significantly altered if the other 20 institutions tracked this information. There may be a higher percentage of either first-time donors or repeat donors. However, it was not possible to determine that information with these data since such a large percentage of institutions did not keep accurate profiles. By not tracking this information, fundraisers were not able to determine if their donors continued to make donations after their initial contribution.

The purpose of items 15 and 16 was to identify what type of individual (as opposed to a business or organization) would most likely make an online donation to a business school. Item 15 asked respondents to choose the most likely individual, while item 16 directed respondents to identify the second most likely type of individual to make an online donation. Respondents were given the same eight options to choose from in both questions: (a) graduate of your business school, (b) faculty member, (c) staff member, (d) friend of the college, but not a graduate of your business school, (e) current student, (f) parent of a current student, (g) we do not track this information, or (h) other. If they selected other, they were asked to specify whom that was in the text box provided.

Of the 39 business schools that responded to item 15, more than two-thirds, 82.1% (n=32), said that a graduate of their business school was the most likely person to make an online donation, while 12.8% (n=5) did not track this information, and 5.1 (n=2) stated that a faculty member was the most likely person to make an online donation. Once again, the response *does not track this information* is important because if all schools monitored this information, it would change the final results to this question. However,

even taking that into consideration, there were only five institutions that did not track this information so the most common answer would still be graduates of the business school. Based on the data, the results from this study showed that the individual most likely to make an online donation was a graduate of a business school that gave back to his or her alma mater.

While most institutions were able to predict who the most likely type of individual to donate to a business school was, many had a difficult time choosing who the second most likely person would be. Based on the 39 responses to item 16, one-third of the schools (33%, n=13) did not track this information. Of the other 26 respondents, 17.9% (n=7) selected friend of the college; 15.4% (n=6) chose faculty member; 10.3% (n=4) chose current student; 10.3% (n=4) selected parent of a student; 5.1% (n=2) chose staff member; 5.1% (n=2) selected other, and 2.6% (n=1) picked a graduate of the school. The two respondents that selected “other” left comments in the text box. The first respondent said, “Have only had graduates,” and the other respondent said “none.” Again, the response *does not track this information* is important in item 16 because of the large number of respondents that selected it. If more schools tracked this information the results would be much different. While all five schools that did not track what type of individual made an online donation in item 15 also chose the same answer for item 16, so did eight additional schools. This suggested that while some respondents knew that graduates were the most likely to make an online donation, they were not able to distinguish what other types of individuals made online donations.

It was not surprising that alumni were identified as the individuals most likely to make an online donation. Historically, alumni giving is the “primary source of charitable support of higher education institutions...therefore, it would be a mistake to understate the role of alumni in today’s giving picture and their important role in future scenarios” (Kaplan, 2007, p. 4). According to the results of the 2006 Voluntary Support of Education (VSE) Survey released by the Council for Aid to Education, just over half of the \$28 billion raised in total contributions to colleges and universities in 2006 came directly from individuals, not corporations or foundations. Alumni represented 30% of that total, and 20.4% came from non-alumni individuals (Kaplan). The VSE considered a person who attended a college to be an alumnus, whether or not that person actually graduated from that institution. Further, results from the VSE survey showed that:

Individuals are more likely to support the institution that granted them an undergraduate degree than they are to support an institution they attended but did not graduate from, or than they are to support the institutions from which they received graduate degrees. (Kaplan, p. 3)

Item 17 of the questionnaire asked respondents to estimate the length of time an online donor, that was a graduate of their institution, had been out of school. Of the 38 responses, 34.2% (n=13) or one-third, did not track this information. Of the remaining 25 responses, the results showed that 28.9% (n=11) stated that the donors were alumni that graduated within the last five years; 34.2% (n=13) graduated between 6 and 20 years ago, and 2.6% (n=1) graduated more than 21 years ago. Once again, the response *does not track this information* is important in item 17 because of the large number of respondents that selected it. If more schools tracked this information the results would be much different and fundraisers would have a better idea if the alumni making online donations

to their business schools were recent graduates or those that had been out for a number of years.

Many people assume that younger alumni were more technologically advanced than the older ones because they grew up with the Internet and unlike the older generation, they learned computers in school. However, this assumption that was not always true. Hiser (2007) warned, "Be sure not to typecast your donors. Not all major donors are older and nontechnical; not all younger donors are tech-savvy. Know your database and know your donors," (p. 51).

The results from this section clearly indicated that many business schools were not tracking their donors. In fact, four of the respondents did not track any of the information requested in items 14 through 17. Hiser (2007) stated:

You may need to hire a research consultant for database profiling. Such consultants have the experience and technical expertise to segment your database for more targeted marketing, to identify the profiles of the people who are connected to your institution, and to dig deep to find more of them. The return will be worth the investment. (p. 50)

Research Question 5

What marketing strategies, if any, do business schools use to publicize their online donation sites?

The purpose of item 18 of the questionnaire was to investigate which marketing tools business schools used to promote their online fundraising program. All 39 respondents answered this question. The most common tool the 39 institutions used to promote online donation information was their own Web site, followed closely by articles that appeared in an alumni publication. Results showed that 87.2% (n=34) used their own Web site to promote their online fundraising program; 82.1% (n=32) used articles in an

alumni publication; 74.4% (n=29) used a direct mail campaign; 74.4% (n=29) sent e-mails to alumni; and 59% (n=23) marketed their program in a phone campaign. A total of 33% (n=13) of the institutions used all five marketing tools to promote their program. However, just one of the five schools that responded that their average online gift averaged more than \$1,000 used all five marketing tools to promote their online fundraising program.

At the time of this study, online fundraising was still considered a new method of fundraising and some institutions experienced problems with technology and resources. Item 19 of the questionnaire disclosed information on those challenges. Only 37 of the respondents answered this question because two left this response blank. Of the 37 responses, the results showed that 70.2% (n=26) respondents had difficulty obtaining sufficient e-mail addresses for donors; 70.2% (n=26) had limited personnel resources; 67.5% (n=25) experienced limited fiscal resources; 37.8% (n=14) had limited technological resources, and 32.4% (n=12) had difficulty tracking an institution's online giving performance. According to the results, two institutions stated they experienced challenges in all five areas, and two business schools indicated that they didn't experience challenges in any of the areas. In addition, three respondents provided comments in the text box. The first respondent commented, "Please note: direct mail continues to be the primary fundraising solicitation methods at our college. There was only one online gift made to the school of business in the last calendar year." The second respondent stated their biggest challenge was, "coordinating with the overall university," and the final respondent stated, "Marketing the program has been difficult."

Item 20 of the questionnaire, asked, “Does your business school publish an online newsletter?” More than one-half of the respondents, 56.4% (n=22), stated that they published an online newsletter, while 43.6% (n=17) did not. The data was further broken down by type of fundraising office. According to the results, more than one-half, 61.7% (n=24) of those business schools that published an electronic newsletter, often used for fundraising purposes, came from a fundraising office that has combined fundraising efforts. This may be because the staff had foundation resources as well as the support and accessibility of business school administrators.

Other Technological Tools Used For Fundraising

The data showed that many business schools experimented with other technological advancements in addition to using their own Web site to raise funds. Item 13 of the questionnaire listed seven tools and asked respondents, “Does your business school currently use any of the following technologies in your online fundraising efforts?” The technologies included (a) blogging, (b) instant messaging, (c) message boards, (d) podcasting, (e) e-newsletters, (f) RSS Feeds, or (g) e-flash. A definition of each of these terms is provided in Chapter 1. All 39 business schools that had online fundraising programs responded to this question.

Of the seven choices, the results showed that the most common technology used for fundraising was the e-newsletter, followed by e-flash messages and message boards. When separated by institution type, the private business schools were likely to experiment with new methods of fundraising. More private business schools than public

used message boards, podcasting, and blogging in their fundraising efforts. Additionally, many of them used e-newsletters and e-flash messages.

Conclusions

This study investigated and identified online giving trends at AACSB International business schools in the United States. The review of literature explained the history of the business school, philanthropy in business schools, and the evolution of online fundraising. Based on the review of literature, as well as the data collected from 107 business schools, the following conclusions were made:

1. At the time of this study, online fundraising was still in its infancy, and not all business schools had programs. Of the 107 overall respondents in this study, 36.4% accepted online donations as part of their overall fundraising strategy. Additionally, 55.2% (n=37), or more than one-half of the schools that did not have an online fundraising program, had no plans to start one. Some business schools may be hesitant to invest resources (both financial and personnel) until more institutions have proven success.
2. There was no statistically significant association between the type of institution and whether or not a business school accepted online donations. Many public business schools were facing a decrease in state funding, which increases the demand for private funding (Farmer, Coleman, & Lampton, 2003). While private schools have always had to rely heavily on contributions, many public business schools now must join them in finding ways to raise funds from external sources.

3. There was no statistically significant association between the type of fundraising office a business school had (decentralized, centralized, or combined) and whether or not they accepted online donations. However, a combined office was the most common type of office associated with online donations.
4. Of the 39 business schools that accepted donations online, 43.6% (n=17) said they experienced an increase in annual donations since they began offering the program.
5. While five of the business schools that raised money online claimed their average gift size was more than \$1,000, the majority of business schools, 66.7% (n=26), reported that their average gift size was \$250 or less. Further, nearly 80% (n=31) said online donations accounted for less than 10% of the total amount of money they raised from annual gifts during their last completed fiscal year. This may indicate that many donors still preferred to make their contributions through other more traditional methods such as direct mail, face-to-face meetings, or telephone campaigns. It was also possible that not all donors had access to the Internet and were not able to make donations online.
6. The results showed that the individual most likely to make an online donation was a graduate of a business school. However, the results also revealed that many business schools did not accurately track the demographics and characteristics of online donors. Some business schools were not able to identify who their donors were, or if they were first-time or repeat contributors. If they were alumni, the business schools were not able to determine how long ago they had graduated.

7. Business schools used their own Web sites as the most common marketing tool to promote their online fundraising program, followed closely by articles that appeared in an alumni publication.
8. Many business schools faced challenges with their online fundraising programs. Of the 39 business schools that had online fundraising programs, more than two-thirds revealed they had limited personnel resources and difficulty obtaining e-mail addresses; more than one-half stated they had limited fiscal resources; a little over one-third revealed they had limited technological resources; and an additional 12 business schools reported they had difficulty tracking online giving performance. One business school respondent also stated that he had lack of support from the overall university.
9. While advancements in technology allowed for business schools to integrate modern methods into their fundraising techniques, only a minimal amount of business schools used blogging, podcasting, RSS Feeds, and message boards at the time of this study. If this investigation was repeated in five or 10 years, it is probable that the number of business schools that used these methods would be much higher as technology continues to evolve.

Implications For Practice

For the business schools that had an active online fundraising program at their institution, the following are suggestions for practice:

1. Business schools and foundations should keep accurate records of their donor base. This includes keeping track of who is making the donations, having up-to-

date contact information including street and e-mail addresses, and monitoring the total amount of money donors contribute each fiscal year.

2. Business schools should be proactive in marketing their online fundraising program and include online donation information and instructions on all printed and marketing materials.
3. Business school fundraisers should not only focus on their alumni as potential donors. When making an annual fund solicitation, they should include all constituents such as friends of the college or university, faculty and staff members, as well as students and parents. If fundraisers only concentrate on their alumni, they are not reaching their entire audience. The size of an alumni base varies from institution to institution. Some institutions are small and do not have a large graduate pool of potential donors.
4. Rankings are critical to business schools. One of the factors considered in the ranking process is the percentage of alumni that donate to their business school. If these institutions added a donation button to their Web sites, they may increase the number of graduates that donate and that percentage could help them in the rankings.

Recommendations For Future Research

Based on the conclusions of this study, the following are recommendations for future research:

1. This study can be used as a benchmark for further research. The same investigation could be repeated in the future and have very different results.

2. A similar study could be duplicated with a focus on a different college within a university such as the College of Engineering or the College of Education.
3. This study was limited to business schools located in the United States. A study could be conducted to explore if international business schools have online fundraising programs, and if so, how they compare to those in the United States.
4. While this study revealed that more than one-half of the respondents, 55.2% (n=37) did not have any plans to begin an online fundraising program, the study did not investigate the reasons why these business schools were not interested in developing an online giving program. A future study could investigate the reasons an institution would not be interested in starting an online fundraising program.
5. This study was sent directly to business school deans. If a similar study is replicated, the response rate may be higher if it was sent directly to the fundraisers or development officers. Information discovered in this investigation is valuable to the development office and college or university foundation.
6. Instead of focusing on the actual business school, a similar study could be designed and sent to business school donors to explore why they do or do not like to use the Internet to make their contributions. It would be beneficial to get the perspective of the donors.

The Future of Online Fundraising Programs

While many fundraising methods have changed since Joseph Wharton donated \$100,000 to create the first business school in 1881, the need for additional funding has remained the same. Business schools have always depended on the support of their

alumni and friends to provide the best education possible. Advancements in technology have increased the potential for obtaining that support.

When online fundraising first began, organizations included a printable donation form on their Web sites and donors had to print it out, complete the information, and mail it back along with a check. By 2007, donors were able to make a donation with their credit card online and the information was sent directly to the fundraising or foundation office, eliminating direct mail altogether. The latter method took less time and was much more convenient. Donors began contributing online, and many business schools started to include online donation pages on their Web sites. The data showed that of the 107 business schools that participated in this study, only five of them even had an online program prior to 2000. By 2006, 39 institutions accepted funds online. Further, the data showed that this number was expected to grow. Of the business schools that did not have an online fundraising program, 44.7% (n=30) of them stated that they were either discussing plans to start one, or planned to start one within the next five years.

The data also showed that many business schools, especially private institutions, experimented with technologies such as blogging, podcasting, and RSS Feeds in their fundraising efforts. At the time of this study, these technologies were still in their infancy. If a similar study were conducted in the future, those numbers would likely grow. Consequently, as technological advancements continue to increase, so will the opportunities for business schools to implement new and innovative fundraising methods.

APPENDIX A
SURVEY INSTRUMENT

Informed Consent For Research:

I am a graduate student at the University of Central Florida (UCF) working on my doctoral degree in Educational Leadership. Additionally, I am the Director of Communications in the UCF College of Business Administration. As part of my dissertation research, I am asking you to complete a questionnaire regarding online fundraising.

The purpose of this study is to identify online giving trends among U.S. business schools accredited by AACSB International. The anticipated benefits of this study are to: (a) contribute to the existing literature on business school philanthropy (b) disseminate valuable research results that will assist business schools wishing to implement or modify an online giving program and, (c) identify areas of future research in this relatively new field of study.

In this questionnaire, you will be asked about your business school's profile and online fundraising data from your last completed fiscal year. **Even if your school did not raise funds online during your last completed fiscal year, please complete questions 1-6 and submit this questionnaire.** If applicable, please consult with your fundraising staff to provide the most accurate data.

All responses to this questionnaire are confidential and will not be linked to any individual respondent or institution. The data will be collected via a secure Web site. The questionnaire will take approximately 15 minutes to complete. Following completion, you will be given the opportunity to request a copy of the results.

Your participation in this study is voluntary. You do not have to respond to any questions that you do not wish to answer. There are no known risks associated with your participation in this research. You must be at least 18 years of age to participate.

If you have any questions about this research, please contact Joanne Chive at (407) 823-5782 or jchive@bus.ucf.edu or my faculty advisor, Dr. Rosemarye Taylor at (407) 823-1469; rtaylor@mail.ucf.edu. Questions or concerns about research participants' rights may be directed to the UCF Institutional Review Board Office, University of Central Florida Office of Research and Commercialization, 12201 Research Parkway, Suite 501, Orlando, FL 32826; (407) 823-2901.

DIRECTIONS:

If your business school has an online fundraising program, please complete the entire questionnaire. If your business school DOES NOT have an online fundraising program, only answer questions 1-6, then submit the questionnaire by clicking "SUBMIT" following question 6.

BUSINESS SCHOOL PROFILE

Institution: _____

1. Type of business school:

- Public
- Private
- Other

2. Total number of undergraduate students (including part-time and full-time) enrolled in your business school during Fall 2006:

- Our business school does not offer an undergraduate program
- Less than 1,000
- 1,000 to 3,000
- 3,001 to 5,000
- More than 5,000

3. Total number of graduate students (including part-time and full-time) enrolled in your business school during Fall 2006:

- Our business school does not offer a graduate program
- Less than 500
- 500 to 1,000
- 1,001 to 1,500
- More than 1,500

4. How would you describe the fundraising efforts in your business school?

- Decentralized (your business school has its own fundraising staff).
- Centralized (all fundraising efforts are conducted through your foundation or other fundraising organization).
- Combined (for example, while your business school has staff responsible for fundraising, they report to the foundation or other fundraising organization).
- We do not have any fundraising staff.

5. Did your business school receive any online donations during your last completed fiscal year?

- Yes (if you select yes, please answer question #7) [Skip to Question 7](#)
- No

6. If you did not receive any online donations during your last completed fiscal year, which of the following statements most closely applies to your plans?

- We are discussing whether to start an online fundraising program.
- We plan to start an online fundraising program during the next fiscal year.
- We plan to start an online fundraising program within five years.
- We have no plans to start an online fundraising program.
- We have discontinued all our online fundraising efforts. If so, why?

********The remaining questions apply to business schools that received online donations during their last completed fiscal year. If you did not receive any online donations during your last completed fiscal year, you may stop here and mail this questionnaire back in the envelope provided.********

ONLINE FUNDRAISING PROGRAMS

Please provide your best estimates for questions 7-13. Responses should be based on figures from your last completed fiscal year.

7. When was your institution first able to receive online donations?

- Prior to 2000
- 2000
- 2001
- 2002
- 2003
- 2004
- 2005
- 2006

8. What is the approximate size of an individual online donation at your business school?

- Less than \$100
- \$101 to \$250
- \$251 to \$500
- \$501 to \$750
- \$751 to \$1,000
- \$1,001 or more
- We do not track this information

9. Of all the donations your business school received during your last completed fiscal year, what is the approximate percentage received online?

- Less than 10%
- 10% to 20%
- 21% to 40%
- 41% to 60%
- 61% to 80%
- 81% to 100%
- We do not track this information

10. Does your business school accept pledges for future payments online?

- Yes
- No

11. Overall, has your business school experienced an increase in annual donations since you began offering an online fundraising program?

- Yes
- No
- The total amount is approximately the same.

12. How does your business school maintain your online donation Web site?

- Internally, using your institution's staff and resources
- Externally, using an outside provider

13. Does your business school currently use any of the following technologies in your online fundraising efforts?

	Yes	No	Not applicable
Blogging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instant Messaging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Message Boards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Podcasting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E-newsletters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RSS Feeds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E-flash	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DONOR PROFILES

For questions 14 - 17, please select the answer that best describes the donors at your business school.

14. During your last completed fiscal year, who was most likely to make an online donation to your business school?

- First-time donors
- Repeat donors
- We do not track this information

15. Who is the MOST likely individual to make an online donation to your business school?

- Graduate of your business school
- Faculty member
- Staff member
- Friend of the college (but not a graduate of your business school)
- Current student
- Parent of a current student
- We do not track this information
- Other (please specify)

16. Who is the SECOND MOST LIKELY individual to make an online donation to your business school?

- Graduate of your business school
- Faculty member
- Staff member
- Friend of the college (but not a graduate of your business school)
- Current student
- Parent of a current student
- We do not track this information
- Other (please specify)

17. Of your business school alumni that made online donations during your last completed fiscal year, would you identify them as:

- Having graduated within the last 5 years
- Having graduated between 6 and 20 years ago
- Having graduated more than 21 years ago
- We do not track this information

MARKETING STRATEGIES

For questions 18 - 20, please select the answer that best describes the marketing strategies used by your business school to promote your online fundraising program.

18. Do you use any of the following marketing tools to promote your online fundraising program?

	Yes	No	Not applicable
Articles in an alumni publication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E-mails to alumni	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your business school Web site	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Direct mail campaign	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Phone campaign	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. Have you experienced challenges with any of the following in your online fundraising program?

	Yes	No	Not applicable
Difficulty obtaining sufficient e-mail addresses for donors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Difficulty tracking institution's online giving performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Limited fiscal resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Limited technological resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Limited personnel resources to commit to online fundraising program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other challenges:

20. Does your business school publish an online newsletter?

- Yes
- No
- We no longer publish an online newsletter. If not, why?

Thank you for taking the time to complete this questionnaire on online fundraising trends in U.S. business schools.

If you wish to receive a summary of the research results from this study, please provide your contact information below:

Name:

Title:

Institution:

Mailing Address:

E-mail Address:

APPENDIX B
FIRST CONTACT COVER LETTER (ELECTRONIC)

November 28, 2006

Dear Dean:

Your institution has been randomly selected to receive an electronic questionnaire regarding online fundraising trends among U.S. business schools. Joanne Chive, my Director of Communications, is conducting this study. She is working on her doctorate degree and this research is part of her dissertation. The questionnaire can be found at <http://edcollege.ucf.edu/surveys/onlinefundraising-consent.html> and will take less than 15 minutes to complete! The desired outcome of this study is to produce valuable information for business school deans as they investigate new ways to compete for external funding from private sources. All responses to the questionnaire will be confidential.

If you have any questions or comments about this study, or would prefer a hard copy of the questionnaire mailed to you, please contact Joanne Chive at jchive@bus.ucf.edu or (407) 823-5782.

Thank you for your time and consideration. By completing the questionnaire you will help ensure that she has the best information possible.

Sincerely,



Thomas L. Keon
Dean
UCF College of Business Administration

APPENDIX C
SECOND CONTACT COVER LETTER (ELECTRONIC)

December 7, 2006

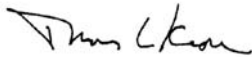
Dear Dean:

You recently received an electronic questionnaire regarding online fundraising trends among U.S. business schools. Joanne Chive, my Director of Communications, is conducting this study. She is working on her doctorate degree and this research is part of her dissertation. Overall results from the study will be published in a dissertation and can be used to assist business school deans and development officers with their overall strategic planning.

If you have not yet completed the questionnaire, it can be accessed by clicking on: <http://edcollege.ucf.edu/surveys/onlinefundraising-consent.html>. The questionnaire will take less than 15 minutes to complete! All responses are confidential.

If you have any questions or comments about this study, or would prefer a hard copy of the questionnaire mailed to you, please contact Joanne Chive at jchive@bus.ucf.edu or (407) 823-5782.

Sincerely,



Thomas L. Keon
Dean
UCF College of Business Administration

APPENDIX D
THIRD CONTACT COVER LETTER (ELECTRONIC)

January 8, 2007

Dear Dean:

Last month a questionnaire was sent to you regarding online fundraising trends at your business school. Joanne Chive, my Director of Communications, is conducting this study. She is working on her doctorate degree and this research is part of her dissertation.

In case you have misplaced my original request, you can access the questionnaire by clicking: <http://edcollege.ucf.edu/surveys/onlinefundraising-consent.html>. The questionnaire will take less than 15 minutes to complete!

Your participation will help generate valuable information. We need to hear from as many institutions as possible in our random sample to ensure the results of the study are representative of the population. Overall results from the study will be published in a dissertation and can be used to assist business school deans and development officers with their overall strategic planning.

If you have any questions or comments about this study, or would prefer a hard copy of the questionnaire mailed to you, please contact Joanne Chive at jchive@bus.ucf.edu or (407) 823-5782.

Sincerely,



Thomas L. Keon
Dean
UCF College of Business Administration

APPENDIX E
FINAL CONTACT COVER LETTER (HARD COPY)

January 15, 2007

Dear Dean:

Last month UCF College of Business Administration Dean Thomas Keon sent you an electronic questionnaire on my behalf, regarding online fundraising trends at your business school. I am his Director of Communications and I am conducting this study as part of my dissertation. In case you have misplaced the original request, I am sending out a hard copy. The questionnaire will take less than 15 minutes to complete! You may return the questionnaire in the enclosed self-addressed envelope.

Your participation will help generate valuable information. We need to hear from as many institutions as possible in our random sample to ensure the results of the study are representative of the population. Overall results from the study will be published in a dissertation and can be used to assist business school deans and development officers with their overall strategic planning. **The survey will be closing on Thursday, February 1, 2007.**

If you have any questions or comments about this study, please contact Joanne Chive at jchive@bus.ucf.edu or (407) 823-5782.

Sincerely,

Joanne Chive
UCF College of Business Administration
Director of Communications

APPENDIX F
INSTITUTIONAL REVIEW BOARD APPROVAL



Office of Research & Commercialization

October 17, 2006

Joanne Chive
c/o Rosemarye Taylor, Ph.D.
University of Central Florida
Department of Educational Research, Technology & Leadership
ED 222L
Orlando, FL 32816-1250

Dear Ms. Chive:

With reference to your protocol #06-3858 entitled, "Online Fundraising Trends Among Selected Business Schools in the United States," I am enclosing for your records the approved, expedited document of the UCFIRB Form you had submitted to our office. **This study was approved on 10/16/2006. The expiration date for this study will be 10/15/2007.** Should there be a need to extend this study, a Continuing Review form must be submitted to the IRB Office for review by the Chairman or full IRB at least one month prior to the expiration date. This is the responsibility of the investigator.

Please be advised that this approval is given for one year. Should there be any addendums or administrative changes to the already approved protocol, they must also be submitted to the Board through use of the Addendum/Modification Request form. Changes should not be initiated until written IRB approval is received. Adverse events should be reported to the IRB as they occur.

Should you have any questions, please do not hesitate to call me at 407-823-2901.

Please accept our best wishes for the success of your endeavors.

Cordially,

Barbara Ward

Barbara Ward, CIM
(FWA00000351 Exp. 5/13/07, IRB00001138)

Copies: IRB File
Rosemarye Taylor, Ph.D.

BW:jt

APPENDIX G
DATA CODING

Question 1 (q01): *“Type of business school.”* Public was coded 1; Private was coded 2; and Other was code 3.

Question 2 (q02): *“Total number of undergraduate students (including part-time and full-time enrolled in your business school during Fall 2006.”* Our business school does not offer an undergraduate program was coded 1; Less than 1,000 was coded 2; 1,000 to 3,000 was coded 3; 3,001 to 5,000 was coded 4; and More than 5,000 was coded 5.

Question 3 (q03): *“Total number of graduate students (including part-time and full-time) enrolled in your business school during Fall 2006.”* Our business school does not offer a graduate program was coded 1; Less than 500 was coded 2; 500 to 1,000 was coded 3; 1,001 to 1,500 was coded 4; and More than 1,500 was coded 5.

Question 4 (q04): *“How would you describe the fundraising efforts in your business school?”* Decentralized was coded as 1; Centralized was coded as 2; Combined was coded as 3; and We do not have any fundraising staff was coded as 4.

Question 5 (q05): *“Did your business school receive any online donations during your last completed fiscal year?”* Yes was coded as 1 and No was coded as 2. If a respondent selected yes, they did not have to answer question 6 and were automatically sent to question 7.

Question 6 (q06): *“If you did not receive any online donations during your last completed fiscal year, which of the following statements most closely applies to your plans?”* We are discussing whether to start an online fundraising program was coded 1; We plan to start an online fundraising program during the next fiscal year was coded 2;

We plan to start an online fundraising program within five years was coded 3; We have no plans to start an online fundraising program was coded 4; and We have discontinued all our online fundraising efforts was coded 5. Respondents that selected the last option were asked to explain the reason why. Any open-ended responses for this question were coded q06text.

Question 7 (q07): “*When was your institution first able to receive online donations?*” Prior to 2000 was coded 1; 2000 was coded 2; 2001 was coded 3; 2002 was coded 4; 2003 was coded 5; 2004 was coded 6; 2005 was coded 7; and 2006 was coded 8.

Question 8 (q08): “*What is the approximate size of an individual online donation at your business school?*” Less than \$100 was coded 1; \$101 to \$250 was coded 2; \$251 to \$500 was coded 3; \$501 to \$750 was coded 4; \$751 to \$1,000 was coded 5; \$1,001 or more was coded 6; and We do not track this information was coded 7.

Question 9 (q09): “*Of all the donations your business school received during your last completed fiscal year, what is the approximate percentage received online?*” Less than 10% was coded 1; 10% to 20% was coded 2; 21% to 40% was coded 3; 41% to 60% was coded 4; 61% to 80% was coded 5; 81% to 100% was coded 6; and We do not track this information was coded 7.

Question 10 (q10): “*Does your business school accept pledges for future payments online?*” Yes was coded 1 and No was coded 2.

Question 11 (q11): “*Overall, has your business school experienced an increase in annual donations since you began offering an online fundraising program?*” Yes was coded 1; No was coded 2, and The total amount is approximately the same was coded 3.

Question 12 (q12): “*How does your business school maintain your online donation Web site?*” Internally was coded 1 and externally was coded 2.

Question 13 (q13): “*Does your business school currently use any of the following technologies in your online fundraising efforts?*” Blogging was coded q13a (a for yes, b for no, and c for not applicable); Instant Messaging was coded q13b (a for yes, b for no, and c for not applicable); Message Boards was coded q13c (a for yes, b for no, and c for not applicable); Podcasting was coded q13d (a for yes, b for no, and c for not applicable); E-newsletters was coded q13e (a for yes, b for no, and c for not applicable); RSS Feeds was coded q13f (a for yes, b for no, and c for not applicable); and E-flash was coded q13g (a for yes, b for no, and c for not applicable).

Question 14 (q14): “*During your last completed fiscal year, who was most likely to make an online donation to your business school?*” First-time donors was coded 1; Repeat donors was coded 2; and We do not track this information was coded 3.

Question 15 (q15): “*Who is the MOST likely individual to make an online donation to your business school?*” Graduate of your business school was coded 1; Faculty member was coded 2; Staff member was coded 3; Friend of the college was coded 4; Current student was coded 5; Parent of a current student was coded 6; We do not track this information was coded 7; and Other was coded 8. Respondents that selected the last option were asked to specify any other donors that may not have been included on the list. Any open-ended responses for this question were coded q15text.

Question 16 (q16): “*Who is the SECOND MOST LIKELY individual to make an online donation to your business school?*” Graduate of your business school was coded

1; Faculty member was coded 2; Staff member was coded 3; Friend of the college was coded 4; Current student was coded 5; Parent of a current student was coded 6; We do not track this information was coded 7; and Other was coded 8. Respondents that selected the last option were asked to specify any other donors that may not have been included on the list. Any open-ended responses for this question were coded q16text.

Question 17 (q17): *“Of your business school alumni that made online donations during your last completed fiscal year, how would you identify them?”* Having graduated within the last 5 years was coded as 1; Having graduated between 6 and 20 years ago was coded as 2; Having graduated more than 21 years ago was coded as 3; and We do not track this information was coded as 4.

Question 18 (q18): *“Do you use any of the following marketing tools to promote your online fundraising program?”* Articles in an alumni publication was coded q18a (a for yes, b for no and c for not applicable); E-mail to alumni was coded q18b (a for yes, b for no and c for not applicable); Your business school Web site was coded q18c (a for yes, b for no and c for not applicable); Direct mail campaign was coded q18d (a for yes, b for no and c for not applicable); and Phone campaign was coded q18e.

Question 19 (q19): *“Have you experienced challenges with any of the following in your online fundraising program?”* Difficulty obtaining sufficient e-mail addresses for donors was coded q19a (a for yes, b for no and c for not applicable); Difficulty tracking institution’s online giving performance was coded q19b (a for yes, b for no, and c for not applicable); Limited fiscal resources was coded q19c (a for yes, b for no, and c for not applicable); Limited technological resources was coded q19d (a for yes, b for no, and c

for not applicable); and Limited personnel resources to commit to online fundraising program was coded q19e (a for yes, b for no, and c for not applicable). Respondents were also given the option to specify other challenges that that may not have been included on the list. Any open-ended responses for this question were coded q19text.

Question 20 (q20): “*Does your business school publish an online newsletter?*”

Yes was coded 1; No was coded 2; and We no longer publish an online newsletter was coded 3. Respondents who selected the last option were given an opportunity to explain why they no longer publish an online newsletter. Any open-ended responses for this question were coded q20text.

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