

An Evaluation of Galaxy, inc.'s Fundraising Strategy

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Executive Summary

The Galaxy, ink is a non-profit organization in Grinnell, IA dedicated to providing youth (grades 5-12) with a safe communal space which allows them to grow and develop life-skills. The programs offered are free of charge, and include cooking classes and entrepreneurial courses in which the youth are able to develop their own low-budget businesses in town.

In order to continue to expand these programs, the Galaxy needs additional financial support from Grinnell community members. They would like to know how the organization can adjust fundraising efforts in order to increase donor support. The Galaxy requested an evaluation of its current fundraising efforts, and an assessment of how it could increase its donor population. Financial support for the Galaxy has declined in the past three years. The Galaxy also requested an outline of specific initiatives that it should take in order to increase donor support

The Galaxy currently operates a three-tier fundraising system. The first is grant writing, in which the Galaxy submits applications to private and public institutions requesting funding. The second consists of letter-writing campaigns. The Galaxy's solicitation letters describe the specific youth programs offered and illuminate the benefits of such programs to youth and the entire Grinnell Community. They then request financial support as a means of helping these beneficial programs thrive (McNaul 2012). The Galaxy also holds small events in which community members partake in solicitation letter signing. The third part of the fundraising program consists of Galaxy-organized public events including auctions and the annual Duck Derby, in which individual community members can purchase a rubber duck for \$5 to be placed in a small body of water, and raced against the others. Grinnell community businesses donate prizes for race winners, which can include hotel accommodations, used cars or mopeds, etc. On average, approximately 10,000 individuals partake in the event. Additionally, since opening up their new temporary location, they have also held multiple open houses in order to raise awareness to their cause and new space.

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This project sought to evaluate the efficacy of the Galaxy's fundraising efforts and to understand future policy adjustments that would increase the Galaxy's fundraising success. It includes components of a program evaluation and of a needs assessment.

Respondents generally stated that though they do not perceive the Galaxy as underfunded relative to other non-profits, it is underfunded relative to its mission. Interviewees cited several key strengths to the Galaxy's current fundraising efforts: the new Main Street location, Shannon's passion and solicitation skills, the Galaxy's visibility at town events, and the uniqueness of the annual Duck Derby. Informants also noted aspects of the Galaxy which they perceive to be detrimental to the Galaxy's fundraising efforts: the perception that the Galaxy serves only a small number of youth, the perception of the Galaxy as a "hangout place" rather than an enrichment program, and a lack of effective branding and marketing strategies. Interviewees provided suggestions for addressing these issues.

The data indicate that the majority of the fundraising problems derive from either marketing or programming inefficacy. We first suggest that the Galaxy determine whether or not it is truly lacking the programming and structure that several interviewees perceive. If lack of programming structure is indeed a misconception, we suggest that the Galaxy market its current activities to the Grinnell community. This new marketing strategy could include email updates to donors regarding the direct use of their money, creating a consistent branding that matches its mission and activities, and sharing success stories of youth who have benefited from the Galaxy's services.

If the critiques of the Galaxy's programming and structure hold true, in order to broaden and enrich its programming, we suggest that the Galaxy make staff adjustments and implement more life-skill style programming such as job-shadowing, and computer classes. We recommend that the Galaxy also hire more college students who could help design innovative courses. The addition of reliable college students to the Galaxy staff could help enrich their youth programming as well as its social media outreach. Thus, the Galaxy should re-evaluate its programming, and market its mission and programs offered more effectively.

Evaluation Methods

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Description of Respondents

We based our methodology on a key-informant style approach. We sought to interview persons within the Grinnell Community with knowledge about the non-profit sector. These individuals include persons affiliated with various Grinnell not-for-profit organizations, donors and potential donors, and persons who have been affiliated with the Galaxy through both volunteer and business relationships.

We initiated these contacts via emails and phone calls after suggestions from our client, our faculty adviser, and college affiliated community outreach personnel. We also asked some key informants for suggestions of more persons to contact and for up-to date contact information.

Data Collection Methodology

We began our research with a focus group, which consisted of three Grinnell community members familiar with fundraising and the Grinnell non-profit sector. The focus group helped us contextualize the Galaxy within the Grinnell non-profit community. The participants brain stormed about the Galaxy's strengths and weaknesses as they relate to its fundraising efficacy. The focus group data provided a baseline for the rest of our research, and served almost as a template of variables that other interview data addressed. The information that we learned from the focus group also aided us in altering our interview questions so that they most accurately addressed our research problem.

We then conducted fourteen interviews with thirteen individuals between November 20th and December 11th. Each interview lasted between twenty and forty-five minutes. We guided our interviews based on pre-formulated interview guides (see appendix A). To maximize the relevance of interviewees' responses, we adjusted the questions to 1) match each interviewee's specific position within the Grinnell community, and to 2) to prompt the interviewee to continue speak to a particular matter that he/she previously alluded to.

Data Analysis Methodology

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We began with a qualitative approach for data analysis. We coded our data by hand: we thoroughly reviewed notes from each interview, and then we identified key themes in responses to each question. We extracted key quotations and, using a Microsoft Word document, we placed these quotations in various thematic categories. Next, we sought a quantitative analysis of our results. We conducted this analysis by counting the number of respondents who identified various individual themes in their answers to each question. Based on this quantitative analysis, we created two bar graphs and multiple sequential tables. Our results break down into 1) a graph representing the respondents' perceptions of which Galaxy characteristics are beneficial to its fundraising strategy and 2) a graph representing the respondents' most cited critiques of the Galaxy in regards to its fundraising efficacy. The sequential explanations and tables elaborate and provide quotes to support each element in the graphs.

Data Limitations

We are generally pleased with the volume and quality of data that our project produced. However, as with most research projects, our data have limitations. Not all of the persons who we contacted about interviewing responded. We received some critiques of our initiation email which suggests that a more nuanced email could have warranted increased responses. Additionally, if we had had more time, we could have used other methods such as more participant observation in order to obtain a better understanding of the Galaxy's current curriculum, and the youth that they serve.

Results

Our research project is based upon the notion that the Galaxy is an underfunded organization, thus we think it is important to present the respondents' perception of the Galaxy's financial straits.

A. "Is the Galaxy underfunded relative to other nonprofits in Grinnell?"

Top Responses:

1. No, but yes for its mission:
 - "I think she could do more program staffing, materials and expertise. In that sense, they're underfunded."
 - "The Galaxy is funded adequately in comparison to other non-profits in Grinnell, but it's underfunded for its mission."
2. No:
 - "All [of the non-profits in Grinnell] are underfunded."

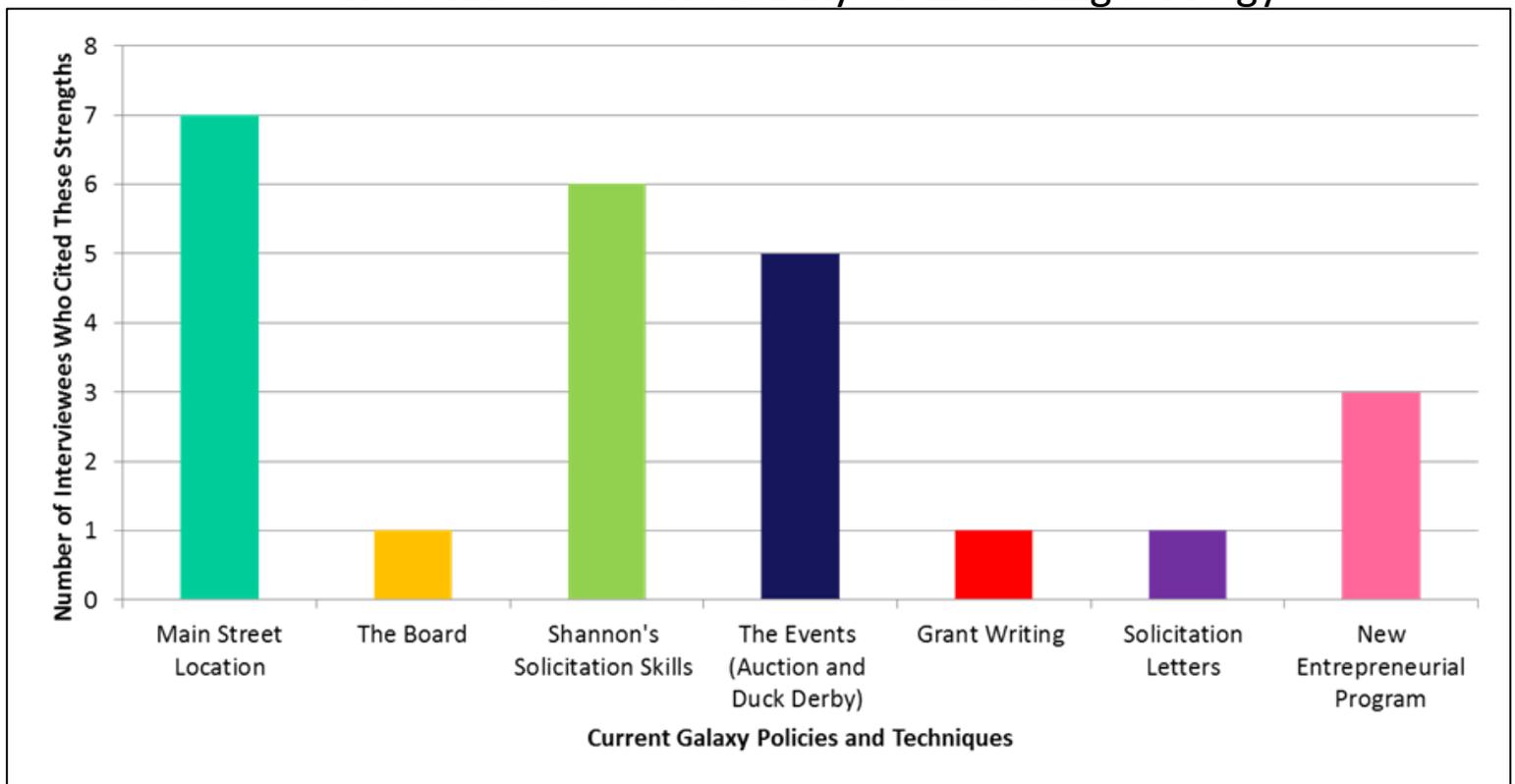
3. Not sure:

- “I have no idea how much money it takes to run the galaxy. I don’t think I’m alone in that. There are so many more overhead costs than I would think...”
- “I can’t imagine they get too much money.”

We sorted responses regarding the Galaxy’s fundraising strategy into noted strengths of the current program, and weaknesses of the current program/adjustments which would increase the Galaxy’s fundraising efficacy.

B. The Galaxy’s Fundraising Strengths

Noted Assets to the Galaxy’s Fundraising Strategy



Relevant Quotations that Speak to Strengths of the Galaxy’s Current Fundraising Efforts:

I. Main Street Location:

- “They moved to a store front. Before they were kind of this hole in the wall. Now they’re right there.”
- “The new location will help with visibility. This will change the perception by improving the entrance into the Galaxy. It will look more friendly and attractive.”

II. The Board:

- “Their board is a great strength! Keeping a strong board is so helpful!”

III. Shannon’s Solicitation Skills:

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- “She can talk to the millionaires and to families that need her service... She has a way with all sorts of people.”
- “Shannon’s personality is the strength of Galaxy’s fundraising.”
- “Shannon makes a strong business case. She tells you what she does with the money. She contacts you directly. I will continue to donate... She tells you: with \$1000, I’m going to do this this and this.... She tells you her goal and how they’re gonna get there. When she is in front of people, things happen.”
- “I give to auctions. I donate about 2-3 times per year ever since the galaxy has been here. I donate whenever Shannon comes. Shannon convinced me to donate.”

IV. The Events (Auction and Duck Derby):

- “The people active in Galaxy fundraising are not stereotypical. It’s a different niche of different people. There is not always the same group of people at their events.”
- “The Galaxy is a very good fundraiser. I’ve seen the fundraising has gotten stronger. She pulls more people in. At her events, there are people from a lot of socio-economic groups.”
- “[Duck Derby is] so good at advertising.”
- “[Duck Derby is] neat, different, fun.”

V. Grant Writing:

- “Shannon’s very good at grant writing, and meeting the budget through these resources.”

VI. Solicitation Letters:

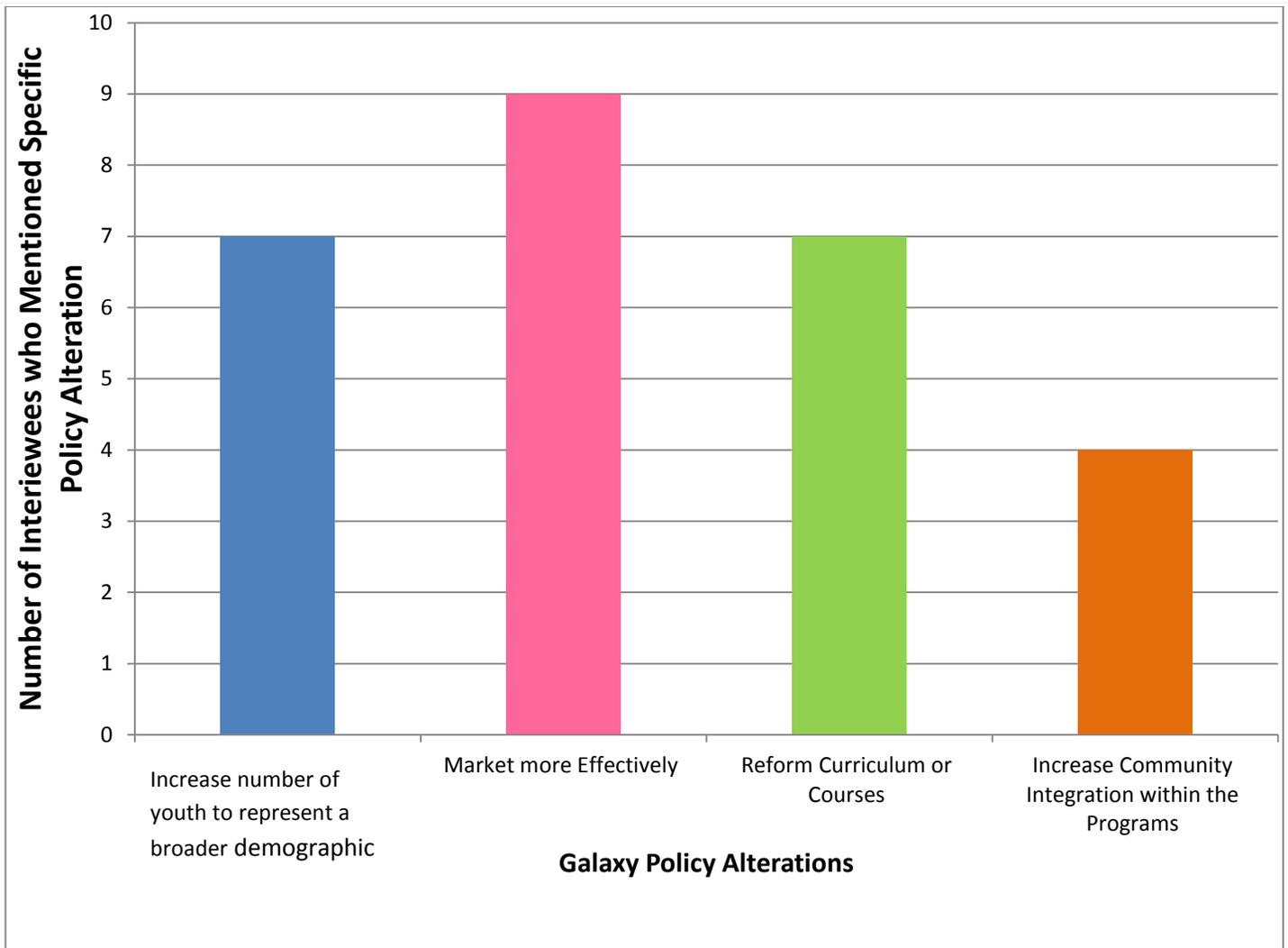
- “Getting kids to sign the letters [is a great idea]”

VII. New Entrepreneurial Program:

- “The entrepreneurship thing is a great idea!”

C. Alterations in the Galaxy’s policies that would increase fundraising efficacy

Suggested Strategy Adjustments for Increasing Fundraising Efficacy



1. Perception of Galaxy clientele’s demographic and this perception’s influence upon its fundraising efficacy

The Galaxy has a word-of-mouth reputation in Grinnell for being a place for kids to go when they have nowhere else to go. Interviewees held passionate and unique opinions as to the truth behind this reputation, and the influence that the reputation has upon their fundraising efficacy.

I. The Galaxy is just for underprivileged individuals?

- “My children have not used the service... It’s for kids that need a structured and safe place, and supervision... It’s an afterschool program for kids to hang out at. It’s for single moms... [My kids have] different economic backgrounds [than those kids who go to the Galaxy]. Their lives are harder... My kids’ friends are a different group of kids...”
- “It provides for dual income families. Maybe medium to lower class families. For free or reduced lunch kids. It’s weighted toward those people—free or reduced lunch kids.”

- “In a small town, this is the reputation that those are the only kids being served [kids with troubled childhoods]. That’s not entirely accurate. Bankers’ kids have been there.... But changing a reputation in a small town is easier and harder because things get so ingrained.... A small town relies on word of mouth, which is tough.”
- “Traditionally the Galaxy has served people without social capital. They are outliers. After school. It’s home when home isn’t good. [there are a lot of] foster kids... [a lot of them have] parents working 3 jobs]. [Or they’re] kids with troubled childhoods. Shannon would bring meals and is connected with that world.”
- There are not very many kids at the Galaxy. There are maybe 10. It’s always the same kids. Sometimes the kids will bring friends too though.

II. The Galaxy should focus its mission on serving under-privileged youth, and should adjust its funding solicitations to market this specific niche.

- “The Galaxy has the potential to serve children with limited resources... they should target the group that will impact the most: these same kids...They can give them a good self-identity and good social skills and a good sense of self... The other families have adequate resources.”
- “The Galaxy provides extra parenting to elementary through high school students. It’s a safe place that helps with homework and teaches life skills. It’s for kids whose parents work (so that the kids aren’t all alone). It helps a lot of children of single parents. I... see the changes in the kids. My son is a special ed teacher at Davis. I see that Shannon is a mother to kids. She helps them learn right from wrong. I will continue to donate...”
- “[I choose to donate because the Galaxy] provides a place for a child to go after school... I know that people don’t have options... [I want to help them] have options... I like knowing kids...have a safe place to go”

III. The Galaxy’s reputation as serving under-privileged youth is detrimental to its goals

- “The Galaxy is misunderstood. People think it doesn’t serve a lot of kids—it’s detrimental to them....”
- “[I don’t know whether] it’s true or not, but [the galaxy has the reputation of helping] court ordered children—children who have been ordered to have supervision by someone outside of the home. That is the perception. There will be no [fundraising] success if they don’t broaden it more.”
- “I have kids in middle school who wouldn’t go there. The kids who go there are trouble makers.

2. Market More Effectively

Several informants did not know the extent of the Galaxy’s current programming and activities. Respondents cited this ambiguity as a possible deterrent for donating to the Galaxy. They noted suggestions for fixing the issue.

Top Interviewee suggestions for Improving Marketing Strategies
1. Describe how donation money is specifically utilized. "A pie graph would be helpful [in understanding where donation money will go]"
2. Share Success Stories "They need to share success stories... The fact that kids come back and see [Shannon] is a success story! [The] foster kids [who have gone to the Galaxy] have gone through great things!"
3. Use fast and convenient communication "Send donor's emails to let them know what your up too...its not very labor intensive."
4. Branding "I would like to see consistent branding. They [should] never waver the message. They need a duck everywhere. And a tag line like "Building Better kids.." or "buy a duck for building better kids..." Maybe it could be "teaching life skills." The tag line should be short and simple... The duck is brilliant She needs consistency—she needs to repeat it 7 times. [Grinnell community members] need to see, hear, feel it. And this takes money and time."
5. When marketing, remember to take the other locations (Montezuma and Brooklyn) into account. "The mission statement must be short and universal. It must apply to Grinnell, Montezuma and Brooklyn. They need to build trust that the money will stay here in the bank here. Or else, they need to say "what's wrong about giving to kids in Montezuma?" Shannon's husband is from Montezuma. She's respected in both locations but she needs to separate the organization from her own personality. She needs to realize that there's a rivalry."

3. Reform Curriculum and Courses

Several informants noted a perceived bland-ness in the Galaxy's program offerings as a detriment to attracting kids from a broader socio-economic spectrum. Respondents provided suggestions, which, in their opinion, would increase kids' interest in utilizing the Galaxy and its services.

Most Cited Suggestions for Increasing an Appeal in the Galaxy's Curriculum	
1. Increase Program Structure.	"It needs more structure. I understand the 'hang out group' thing, but structure programming is the way to go... Donors are looking for innovation and skill-building."
2. Integrate Sports into the Galaxy	"I've heard kids say that if there were sports there, they would go."
3. Incorporate more fieldtrips into programs	"The kids should visit manufacturing plants... This is the place where the most corn meal is exported on the whole planet!"
4. Language Programs	"They need to have after-school language programs. They will attract a different group of kids."
5. Cooking	
6. Technological Programs	"I would send my son to a graphic design class. Technology skills are so important in the workforce..."
7. Get Nationally Recognized Accreditation	"The Galaxy should look at the National Association for the Education of Young Children. For credited programming. There's so much online stuff."
8. Increase College Student Involvement in the Galaxy	"I want kids to work with college students. College students are worldly, smart and compassionate.... That age kid wants to be around high schoolers and college students."

4. Youth/Community Integration

Several interviewees suggested that if they felt a stronger personal connection with the group of youth who attend the galaxy, they would be more likely to donate.

Suggestions for Strengthening the Galaxy's Connection with the Community as a Whole	
1. Work with community in service projects	"[The Galaxy youth should work] side by side with the community. [They could] read to elders..."
2. Fieldtrips/Internships	"They should have cooking classes where the kids go to restaurants. They could go behind the scenes" "Could a kid come shadow with a vacuum service downtown?"
3. Collaborate in programming with schools, Drake Library, and the Arts council	

Discussion

Our results suggest that many interviewees agreed that the Galaxy is not underfunded relative to other non-profits in the Grinnell community; however, most of our interviewees also stated that it was inadequately funded for achieving its

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objectives, which include aiding youth in developing life-skills. Therefore, we can conclude that it is essential for the Galaxy to reform its fundraising strategies currently in place.

However, before investigating what policies need to be altered to increase fundraising efficacy, we must first recognize what current policies are effective, and thus should be maintained. Almost all of our interview and focus group participants acknowledged the benefit of the Galaxy's newly-acquired Main Street storefront space, located right in the center of town. Multiple individuals stated that the new location would increase visibility while also helping to alter Grinnell community members' misinformed perceptions of the Galaxy. Interviewees also stated Galaxy executive director, Shannon McNaul's passion and solicitation skills as another chief strength of the Galaxy's current fundraising strategy. Interviewees noted Shannon McNaul's incredible ability to speak to individuals of different societal roles. Furthermore, due to this talent, they explained that she is able to draw donations from individuals of different parts of the community and different socio-economic statuses. Likewise, for this reason, McNaul is also able to gather a variety of Grinnell community members at Galaxy events, such as the auctions and the Duck Derby.

The Duck Derby was also referred to as a great addition to the Galaxy's fundraising strategy. According to interviewees, the Duck Derby is innovative, and very well advertised. Informants also cited the Galaxy's board and Shannon's grant writing as fundraising strengths. Furthermore, one individual mentioned the success that came from having children participate in writing and signing the solicitation letters. Finally, many interview and focus group participants reacted very positively to the newly-established entrepreneurial program.

Although interviewees spoke about the Galaxy's entrepreneurial program with much admiration, the general perception of the Galaxy's programming seems to harm the Galaxy's fundraising efficacy. Our data indicate that individuals from the Grinnell community view the Galaxy's curriculum as unstructured and lacking in specific courses and activities. Community members said that they would not send their own children to the Galaxy unless more and higher quality courses were offered. Interviewees explained that they would like to see the Galaxy establish language programs, cooking classes, sports classes, computer classes, etc. Additionally, some interviewees mentioned that there should be more college students involved in teaching classes at the Galaxy. According to some key informants, individuals do not donate to the Galaxy because they do not

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perceive the programs to be successful in achieving the Galaxy's mission of transmitting life-skills to the youth served. Further, through our literature reviews, we discovered that there are many donors who donate solely when there is a possibility of reciprocity. In other words, individuals will only donate when they or their family may eventually benefit in some fashion (Wolpert; Reiner 20120). Therefore, the fact that Grinnell community members do not anticipate sending their children to Galaxy programs due to the perceived lack of structure and high-quality courses seems to greatly harm fundraising efficacy.

Similarly, according to our data, interviewees perceive the demographic of youth served to be very limited. Many respondents stated that they thought that the Galaxy does not serve many youth. Further, they believe that of the youth that the Galaxy does serve, a large portion is financially and socially underprivileged. For this reason as well, many participants explained that although they admired the Galaxy's mission, they would once again never send their own children to the programs.

Ultimately, the core reason for fundraising inefficacy is people's inability to comprehend how the entire community will benefit, rather than just those few individual youth who are perceived to attend Galaxy programs. Based off of our data, there are three potential solutions that could alleviate some of the Galaxy's reputation that negatively impacts fundraising efficacy.

Firstly, some of our key informants suggested that the Galaxy make its overall community value more clear. For instance, one individual suggested that the youth from the Galaxy read to elders in Grinnell. Others suggested that the Galaxy collaborate more with other community organizations, such as the Drake Library, the Grinnell Middle and High Schools and the Arts Council. Additionally, some informants suggested increasing the number of community based fieldtrips, in which youth would go to different places in Grinnell in order to learn about various career options. To summarize, informants suggested incorporating more experiential learning programming, similar to the Galaxy's new entrepreneurial ship program.

Interviewees also suggested that to broaden the demographic of youth attending the Galaxy, the organization should increase curriculum structure. Key informants noted that individuals from higher socio-economic classes would prefer their children enroll in structured courses rather than just "loiter" in an unstructured environment. However, there were also

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interview participants who felt as if the perceived underprivileged Galaxy youth population was exactly what the Galaxy should continue to strive for.

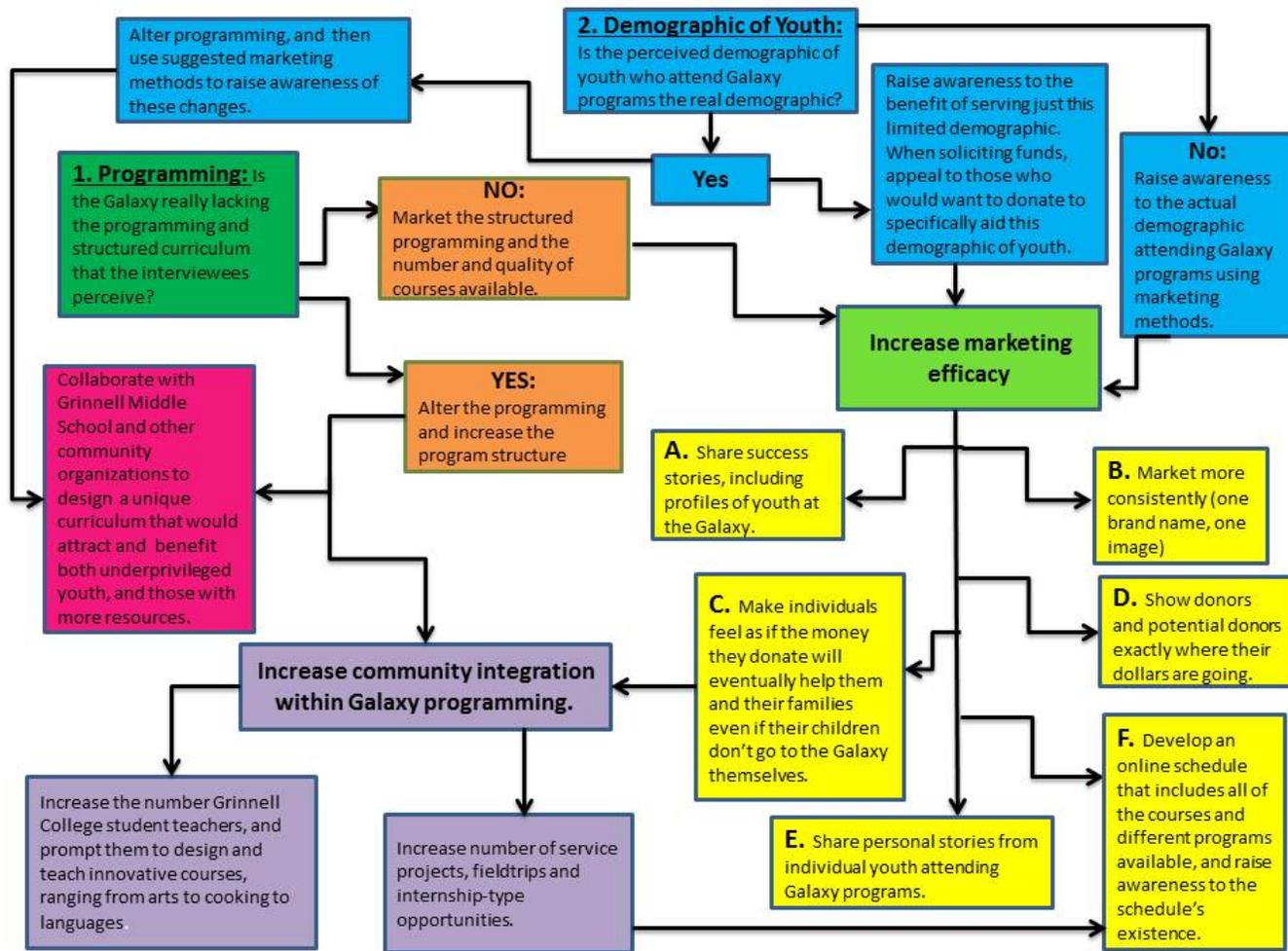
However, our interviews with McNaul indicate that some of the community's perceptions of the Galaxy's programming and youth demographic are not true. For example, the Galaxy does have cooking classes and language programs. Moreover, according to one key informant, there is a wider demographic of youth than there is thought to be. Therefore, a portion of the fundraising inefficacy derives from ineffective marketing strategies. Though, because we have not conducted research on the Galaxy's daily-schedule and on individuals attending the Galaxy programs, we are unable to identify to what extent these perceptions reflect reality. Nevertheless, in order to alleviate some of the Galaxy's negative reputations, most of the interviewees suggested that the Galaxy alter its marketing strategies in a variety of fashions. One way in which it could do so, is through publically sharing more success stories—individual profiles of youth. On the one hand, this could further demonstrate how effective the Galaxy is in changing lives. And on the other hand, it could also help to debunk misconceptions regarding youth demographics represented in the Galaxy. Furthermore, according to another interviewee, the Galaxy should send regular email updates to community members, informing them of current programs and daily schedules. Another marketing strategy that could alleviate misconceptions surrounding the Galaxy's programming is to brand more consistently and consequently more effectively. One interview participant stated that the Galaxy should have one simple, short, and universally powerful tag line and image. Lastly, interviewees suggested the Galaxy show exactly how donation money is distributed and utilized, perhaps in a visual representation like a pie graph. This allows donors to feel as if they are contributing to aiding the individual youth themselves as well as could help clear up misconceptions about the daily-activities of Galaxy youth. For instance, if there was a pie graph that demonstrated that 10% of donations went to fieldtrips and 40% went to a variety of classes, the Galaxy could debunk misconceptions regarding programming and the Galaxy curriculum.

Thus, data reveal the strengths and weaknesses of the Galaxy's current fundraising strategy, and there exists a noted misconception between the perceived activities of the Galaxy and its real goals and programs.

Recommendations

The Data indicate that the majority of the fundraising problems derive from marketing or programming inefficacy. Due to our limited knowledge of the Galaxy's current policies, however, it remains unclear whether or not the majority of the fundraising problems derive from marketing or programming inefficacy. In other words, based off of our current data, we cannot conclude whether or not our interviewee's perceptions are accurate, or are just products of the lack of effective marketing strategies. Furthermore, we do not know the specific desired mission of the Galaxy. Therefore, we designed a flowchart list of recommendations that will allow the Galaxy staff members to obtain recommendations based off of specific objectives as well as its current policies.

Instructions for recommendation flow-chart: Begin at number 1, and follow flow chart to the end of its progression. Afterwards, begin with number 2 and follow chart once again to the end of its progression.



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-Our Interviewees and Focus Group Members

-Professor Roper

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Appendix

A.

Interview Guide: Focus Group

What is your impression of the Galaxy's place within the Grinnell non-profit sector?

How do you think a non-profit organization can effectively fundraise within the Grinnell community?

What is your impression of the Galaxy's current fundraising strategy?

Do you think that the Galaxy is underfunded relative to other non-profits in the Grinnell Community? Why/Why not?

How do you think its reputation affects the fundraising efficacy?

What do you think the donors look for when making their funding decisions?

Do you have any suggestions for further contacts?

Do you have any suggestions for questions that we should be considering?

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Do you have anything else you'd like to share with us?

Interview Guide: Donors and Potential Donors

Would you please give us context as to what role you hold in the Grinnell community?

How did you hear about the Galaxy?

Have you ever been affiliated with the Galaxy in any way? If so how?

What comes to mind when you think of the Galaxy? What do you know about the organization?

Do you view the Galaxy as a valuable member of the Grinnell non-profit sector? Why/why not?

If not, what would the Galaxy need to change for you to view it as a community asset?

Do you think that the Galaxy is underfunded relative to other non-profits in the Grinnell Community? Why/Why not?

Have you or your family or party you are affiliated with ever donated to the Galaxy?

If so, how many times (approximately)?

What year(s) were these (approximately)?

What factors influenced your decision whether or not to donate?

If you have previously donated, will you continue to do so? Why/why not?

Interview Guide: Key Informants

What is your own perceived position within the Grinnell non-profit sector?

What is your impression of the Galaxy's place within the Grinnell non-profit sector?

How do you think a non-profit organization can effectively fundraise within the Grinnell community?

What is your impression of the Galaxy's current fundraising strategy?

Do you think that the Galaxy is underfunded relative to other non-profits in the Grinnell Community? Why/Why not?

How do you think its reputation affects the fundraising efficacy?

Who are the main donors? What do you think the donors look for when making their funding decisions?

Do you have any suggestions for further contacts?

Do you have any suggestions for questions that we should be considering?

Do you have anything else you'd like to share with us?