Comparison of Information Technology Implementation and Non-Profit Organization Contributions

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Introduction:
Non-profit organizations have historically avoided information technology as a means of achieving goals. Rather than embrace the Internet, many non-profit organizations continue to avoid it or launch a website with little regard to design or strategy. To better understand use of Internet technology by non-profit organizations, we conducted a two-phase study.

Phase 1

The purpose of Phase 1 of the research was to define what types of non-profit organizations were using the Internet and how they were using it.

Methods:
• Accessed stratified random sample (23%, N=259) of Wisconsin-based non-profit organization websites (identified via the Associations Unlimited Database).
• Examined for presence of 33 variables divided into 4 categories of e-government technology sophistication (resulted in 8547 data points).
  – Distribute information
  – Support two-way communication
  – Support transactions
  – Support outreach

• Non-profit organizations are starting to adopt an Internet presence.
• Few non-profit organizations utilize the Internet to solicitation funds.

Results:
• Over 50% of the sampled non-profit organizations had an Internet presence.
• The percentage of organizations with websites varied by SIC code from labor organizations (30%) to business organizations (80%).
• The primary use of websites was to publish information such as events and contact information.
• A secondary use was to promote membership.
• Only 27% of the organizations used their websites to solicit funds.

Conclusions:
• Non-profit organizations are starting to adopt an Internet presence.
• Few non-profit organizations utilize the Internet to its fullest potential, especially with regard to fundraising—a common goal that relates to most non-profits.

Phase 2

The purpose of Phase 2 was to compare level of technology implementation on organization websites with reported level of organization revenue. Based on Phase 1, two SIC categories of organizations were selected for evaluation: Membership Organizations and Civic and Social Associations.

Hypothesis: Non-profit organizations with a higher level of technology implemented on their websites will report a higher revenue.

Methods:
• Accessed 100% of websites published under SIC categories of Membership Organizations and Civic and Social Associations.
• Examined websites for presence of 4 variables based on a revised model of technology sophistication:
  – Support two-way communication
  – Support secure online transactions
  – Support restricted access for members
  – Support outreach
• Compared level of technology with 2005 IRS revenue figures reported for each organization.

• Providing stakeholders convenience for online giving may increase fundraising returns.
• Providing members with additional privileges may increase fundraising returns.
• Increased revenue provides non-profit organizations a means to achieve their very diverse missions/goals. Non-profits, in general, are typically behind the curve in reference to utilizing technology (The NonProfit Times, April 2007). Effective implementation of stakeholder-focused technology may help non-profit organizations increase their revenue and achieve their goals.

Results:
• Nearly 100% of all non-profit organizations supported 2-way communication via email, downloadable/printable documents and online (non-secure) applications.
• Nearly 10% supported outreach and relationship building via online forums/chats.
• There was a statistically significant difference in revenue reported by organizations that supported online donations (p = 0.037) and provided restricted access to member benefits (p = 0.009) in comparison to those that did not.
• There was no statistically significant difference in revenue associated with technology implementation when assessed within revenue-based-size categories.

Conclusions:
• Providing stakeholders convenience for online giving may increase fundraising returns.
• Providing members with additional privileges may increase fundraising returns.
• Increased revenue provides non-profit organizations a means to achieve their very diverse missions/goals. Non-profits, in general, are typically behind the curve in reference to utilizing technology (The NonProfit Times, April 2007). Effective implementation of stakeholder-focused technology may help non-profit organizations increase their revenue and achieve their goals.

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