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Understanding NGO's key activities for philanthropic funding

– A journey into the nonprofit's fundraising scheme



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Understanding NGO's key activities for philanthropic funding

- A journey into the nonprofit's fundraising scheme

As the leader of Global Online Democracy, a non-profit organization dedicated to promoting democratic values through digital means, securing funding has been a significant challenge. The motivation behind the research is a personal drive to attain a comprehensive understanding of charitable fundraising to be applied in the organization day-to-day activities. In particular, the research focus is on diverse opportunities, strategies, and methodologies employed in philanthropic endeavours. The study investigates factors leading to successful fundraising by established NGOs, analyzing effective strategies from both philanthropic specialists and donors.

The study collected primary data on the strategic commonalities between NGOs. Three unstructured interviews were conducted with philanthropy experts to identify the challenges, methods, and strategies of well-known NGOs. The data was analyzed using qualitative methods, and real-life examples were used to find similarities in activities and strategies used by these organizations. The selection of participants was based on their professional designation as philanthropy specialists as presented in their LinkedIn profile.

The findings of the research suggest that successful NGO fundraising requires a marketing-focused approach, emphasizing branding, transparency, and impact metrics. NGOs should prioritize a well-resourced funding department

and adapt to evolving donor preferences while building a strong reputation and brand identity.

Keywords:

Fundraising, Philanthropy, Donations, Individual Giving, Cooperate Giving, Grants, Non-Profit, Non-Profit Organizations

Content

List of abbreviations (or) symbols	6
1 Introduction	7
1.1 Research background	7
1.2 Research objective, research questions and scope	9
2 Scope and fundraising methods of NGOs	10
2.1 What is an NGO	10
2.2 NGOs' methods for fundraising	14
2.2.1 Individual Fundraising	17
2.2.2 Corporate Fundraising	17
2.2.3 Philanthropy	18
2.2.4 NGOs fundraising challenges	18
3 Methodology	22
3.1 Data collection method	22
3.1.1 Sample selection	23
4 Analysis and findings	27
4.1 How do NGOs build and maintain trust with donors?	27
4.2 How do NGOs reach potential donors and philanthropists?	29
4.3 How does the NGO support fundraising activities?	31
4.4 What does impact mean for donors?	33
5 Conclusion	35
6 Bibliography	39

Appendices

Appendix 1 - Interview questionnaire	40
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Figures

Figure 2-1. Where did the generosity come from? ("Billion", 2022)	14
Figure 2-2. Where did the charitable dollars go? ("Billion", 2022)	15

List of abbreviations (or) symbols

Abbreviation	Explanation of abbreviation (Source)
ADF	America's Development Foundation
BINGO	Big International Non-Governmental Organization
CBO	Community-Based Organization
CEO	Chief Executive Officer
CO	Charitable Organization
CRM	Customer Relationship Management
DPI	Department of Public Information
ENGO	Environmental Non-Governmental Organization
EU	European Union
GONGO	Governmental Organized Non-Governmental Organization
IMC	International Medicine Corps
INGO	Internationa Non-Governmental Organization
ISO	International Organization for Standardization
NGO	Non-Governmental Organisation
QUANGO	Quasi-Non Governmental Organization
UN	United Nations

1 Introduction

1.1 Research background

As the leader of [Global Online Democracy](#), a young non-profit organization dedicated to promoting democratic values through digital means, I have encountered several challenges in securing the necessary funding to support the Global Online Democracy mission. One of the main obstacles the organization faces is the scattered and inconsistent information regarding funding opportunities for NGOs. While there is a wealth of information available on the internet, there is no centralized or reliable source that provides up-to-date information on funding instruments for NGOs, whether at the national or global level.

In addition, the organization also faced difficulties in raising funds from existing channels such as national and EU establishments. Our organization is not part of an existing consortium or network and do not have sufficient staff to manage the project internally, which limits its eligibility for certain funding opportunities. Moreover, [Sitra](#), one example of many, a national organization, has mandated that case studies must be provided to showcase how the decision-making digital service the organisation is developing will improve the welfare of citizens. Unfortunately, the absence of funding impedes the development of the initial version of the service, which would enable the organization to demonstrate the capabilities of the decision-making platform.

Additionally, social investors who are potential sources of funding can be difficult to reach, and competition for their funds is often fierce. Collecting donations, whether through private sources or crowdfunding campaigns, can also be a complex and challenging process, requiring significant time, legal and financial resources.

Given these challenges, it is essential for the organization to clearly identify the characteristics of a fundable organization and to work diligently to ensure that the organization meets these criteria. This involves not only developing a clear and compelling mission and strategy but also building strong relationships with

potential funders and demonstrating the organization's impact and effectiveness in achieving its goals.

Although information on the funding and financing challenges faced by NGOs can be found, the author has not come across a comprehensive resource that offers a detailed breakdown of the primary funding channels available to newly-formed NGOs and the corresponding efforts and activities involved. Such a resource would be particularly valuable to those starting out in the field, seeking to make a meaningful impact and increase their visibility in comparison to more established organizations. Well-established NGOs typically receive more donations and attention than newly-formed organizations. As a result, emerging NGOs encounter difficulties in securing sufficient funding to promote their novel agendas, which may be more relevant to contemporary challenges.

The thesis aims to provide a comprehensive understanding of the factors that contribute to the success of NGOs in securing funding. Instead of simply presenting a list of available funding opportunities and strategies, the focus is on identifying the key attributes and variables that attract donations and funding from philanthropic activities. By examining the philanthropy activities of NGOs, the thesis seeks to provide actionable insights on how to establish stronger personal relationships and successfully secure funding through donations. The ultimate goal is to provide a positive and practical approach that will help NGOs achieve their fundraising objectives and make a greater impact in their respective fields.

My research is driven by personal motivation to gain a comprehensive understanding of charitable fundraising. Specifically, I am interested in exploring the various opportunities, strategies, and methods that are employed in charitable fundraising for newly formed NGOs. Through my research, I seek to identify fundraising best practices and effective approaches that can be used to improve NGO's fundraising efforts.

1.2 Research objective, research questions and scope

This thesis explores the key factors that contribute to the successful fundraising campaigns of established NGOs. The research aims to identify the efforts and activities that bring NGOs closer to achieving their fundraising goals through the use of fundraising activities and provide real-life examples of their implementation. The study will be conducted from both the perspective of philanthropic specialists and the philanthropists themselves, in order to gain a comprehensive understanding of successful fundraising strategies.

Research questions:

- What methods are used by NGOs for securing philanthropic donations?
- What are the key funding activities of an NGO?
- How do NGOs support internal philanthropic efforts?

The scope and focus of this paper are to provide an overview of philanthropy in small, medium and large-scale national NGOs. The paper address slightly international non-governmental organizations (INGOs) such as GAVI, Amnesty International, Save the children international, etc.

The research will focus exclusively on the currently available funding activities, without exploring trends in funding for NGOs or the growth or decline of specific funding industries. However, the paper will address changes in investors' behaviour. For example, the tendency of many private donors to think more like investors, seeking better value for money and returns on investment in terms of social outcomes, and expecting NGOs to be more accountable and transparent than ever (Lawrence, 2018).

2 Scope and fundraising methods of NGOs

According to Britannica (Karns, 2023), a non-governmental organization (NGO) is an autonomous group of individuals or organizations that function voluntarily and are generally not associated with any government body. The primary objective behind the establishment of such entities is either to provide services or to advocate for a public policy. The Department of Public Information (DPI) of the United Nations (UN) defines a non-governmental organization (NGO) as an independent, non-profit, and voluntary association of citizens that operates at the local, national, or international level to address issues in furtherance of the public good (Leverty, 2008). In a similar manner (Gray, 2006) define NGOs as:

“Autonomous, non-profit-making, self-governing and campaigning organizations with a focus on the well-being of others”.

2.1 What is an NGO

Non-governmental non-profit organizations (NGOs) are increasingly assuming a more significant role as social actors in contemporary society (Branca, 2013). The scope of NGO work encompasses a range of issues, which may include but are not limited to social, political, environmental, and human rights concerns (Devaney, 2022). NGOs have the potential to be organized at the local, national, or international level (Jason, 2021). The formation of an NGO around any issue or cause is feasible for a small group or even an individual with a specific passion, interest, and access to resources. As a result, the diversity of missions and speciality areas among NGOs is truly breathtaking (Coppola, 2015).

NGOs often play vital intermediary roles in activities to democratize societies, facilitating the inclusion of contributions from civil society and establishing opportunities for participation that might otherwise be avoided. NGOs are widely recognized as important contributors to the process of social change, which endeavours to empower individuals, mitigate the marginalization of vulnerable

groups, and promote political structures that prioritize the needs of the population (Giuliana, 2022). For example, the nonprofit sector in the United States holds immense importance across various dimensions of social, economic, cultural, and political life. As of 2012, there were 1.6 million registered nonprofit organizations in the United States, indicating the sector's extensive reach and influence in the country (Francois, 2014). Furthermore, Non-governmental organizations (NGOs) are not just present during humanitarian emergencies but rather are often present well in advance of an emergency and remain after the crises, even after public attention has faded (Shiras, 1996).

There are many different ways to classify the types of NGOs (Masters, 2023). The [World Bank](#) has classified non-governmental organizations into two distinct categories: operational and advocacy. Operational NGOs are primarily concerned with implementing development initiatives, whereas advocacy NGOs concentrate on advocating for particular causes. Although many NGOs, particularly those of significant size, incorporate both types, they often emphasize one area over the other (Malena, 1995).

The World Bank compiled a comprehensive inventory of 47 distinct types of non-governmental organizations (Clark, 1997):

Big International NGO (BINGO), which includes entities such as the Red Cross, and the Environmental NGO (ENGO), represented by Greenpeace and the World Wildlife Fund. Other notable classifications include Government-Organized NGOs (GONGOs), such as the International Union for Conservation of Nature, International NGOs (INGOs), including Oxfam, and Quasi-NGOs (QUANGOs), which encompass organizations such as the International Organization for Standardization (ISO) (Folger, 2022).

An operational non-governmental organization is a group of citizens that focus on designing and implementing development projects and advocacy. NGOs promote and defend particular causes, and operational NGOs fall into two categories: relief and development-oriented organizations. They are classified on whether or not they “stress service delivery or participation.”

Operational non-governmental organizations (NGOs) can be further categorized by the World Bank into three distinct groups. The first category is community-based organizations (CBOs), which offer services to a particular population within a limited geographic area. The second category is comprised of national organizations, which operate exclusively within a single developing country. Finally, international organizations constitute the third category, often based in developed nations and implementing programs across multiple developing countries (Malena, 1995).

An example of an operational NGO is the International Medicine Corps (IMC) in Afghanistan. The IMC installed a vaccination campaign against measles. They trained about 170 Afghani's how to vaccinate children between the ages of 6 and 12, and conducted a two-week-long "vaccination campaign." These efforts assisted 95 percent of children in the capital of Kabul (Montilla, 2019).

Advocacy non-governmental organizations (NGOs) employ various methods, such as lobbying, press work, and activist events, to heighten awareness, acceptance, and understanding of the particular cause they are advocating or defending. One example of an advocacy NGO is America's Development Foundation (ADF), which provides training in advocacy and technical assistance to enhance citizen participation in democratic processes (Montilla, 2019).

In their advocacy work, such NGOs have assumed the role of the ambassador for the world's vulnerable. They see their mission as representing the political concerns of the vulnerable, injecting their voice into international decision-making, facilitating the two-way flow of information and helping to make the world's political and economic institutions more broadly accountable (Nyamugasira, 1998).

International NGOs (INGOs) are sizable entities that function on a worldwide scale and typically concentrate on significant objectives such as reducing global poverty. On the other hand, national NGOs are comprised of organizations that work on initiatives implemented at the national level. Community-based organizations (CBOs) are locally-initiated efforts created at the community level with the aim of tackling problems that impact specific areas (Ion, 2021).

The non-governmental sector is experiencing growth on a global scale. These organizations are assuming increasingly significant roles within the economic and social contexts of their respective nations (Francois, 2014). Nonprofit organizations are dedicated to fulfilling public-service goals, and their effectiveness relies on proficient management of key areas such as personnel and volunteer recruitment, board establishment, strategic planning, stakeholder endorsement, financial resource acquisition, and responsible fiscal and human resource management (Francois, 2014). NGOs enable citizens to work together to promote social values and civic goals, which are important to them (Devaney, 2022).

NGOs promote local initiative and problem-solving. Through their work in a broad array of fields – environment, health, poverty alleviation, culture & arts, education and more. NGOs reflect the diversity of society itself. They also help society by empowering citizens and promoting change at the “grassroots”. In some cases, NGOs become spokespersons for the poor and attempt to influence government policies and programs on their behalf (Lakshyam, 2015). NGOs, INGOs and non-profit organisations require funding for their day-to-day operations as well as growth, like any other profit-driven business. In 2021, profit-driven businesses were able to accumulate a total of 621 billion dollars globally (Chapman, 2022), solely for startups, while non-governmental organizations (NGOs) could only raise a comparatively modest 291 billion dollars worldwide (The Business Research, 2022). Therefore, NGOs have limited funding possibilities although their contribution to society is significant. Non-profit firms depend on various funding sources which keep them going and serve short and long-term goals. Fundraising efforts are imperative for NGO’s success and existence. NGOs receive donations and grants from private individuals, for-profit companies, charitable foundations and governments, whether local, state, federal, or even foreign. Nonprofit entities can also charge membership dues and sell goods and services (Folger, 2022).

All organizations require resources to operate effectively. Non-governmental organizations (NGOs) obtain their resources from two primary sources: public and private. Public sources include public institutions such as central or local

public administration, as well as institutions with specialized competencies. Private sources, on the other hand, refer to individuals or private institutions that contribute to the organization's funding (Branca, 2013).

2.2 NGOs' methods for fundraising

Money is a continuous and significant topic among nonprofit leaders, particularly during tough economic times. However, the answers to questions about the necessary funding and funding sources are often not readily available. This is because nonprofit leaders are typically more knowledgeable about program creation than financial acquisition, and philanthropists may struggle to comprehend the extent of their contribution's impact (Foster, 2009).

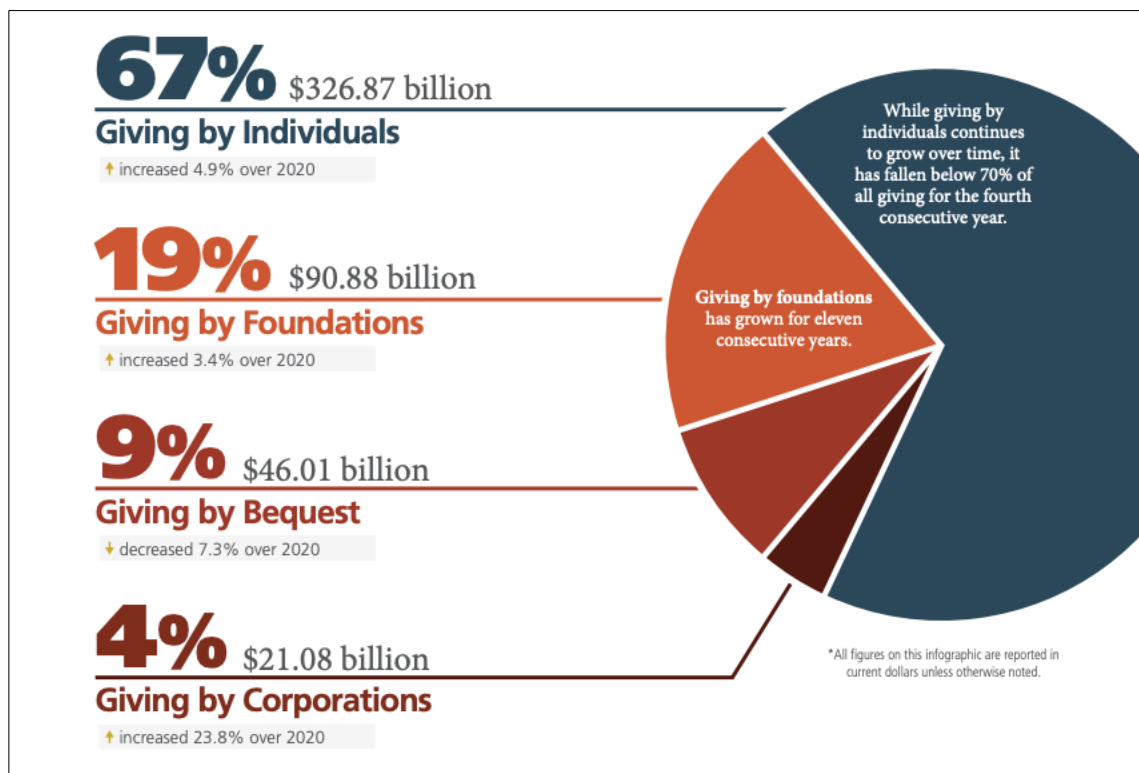


Figure 2-1. Where did the generosity come from? ("Billion", 2022)

In Figure 2-1 it can be seen that in 2021, charitable contributions from Americans amounted to \$484.85 billion, representing a 4.0% rise from the preceding year ("Billion", 2022).

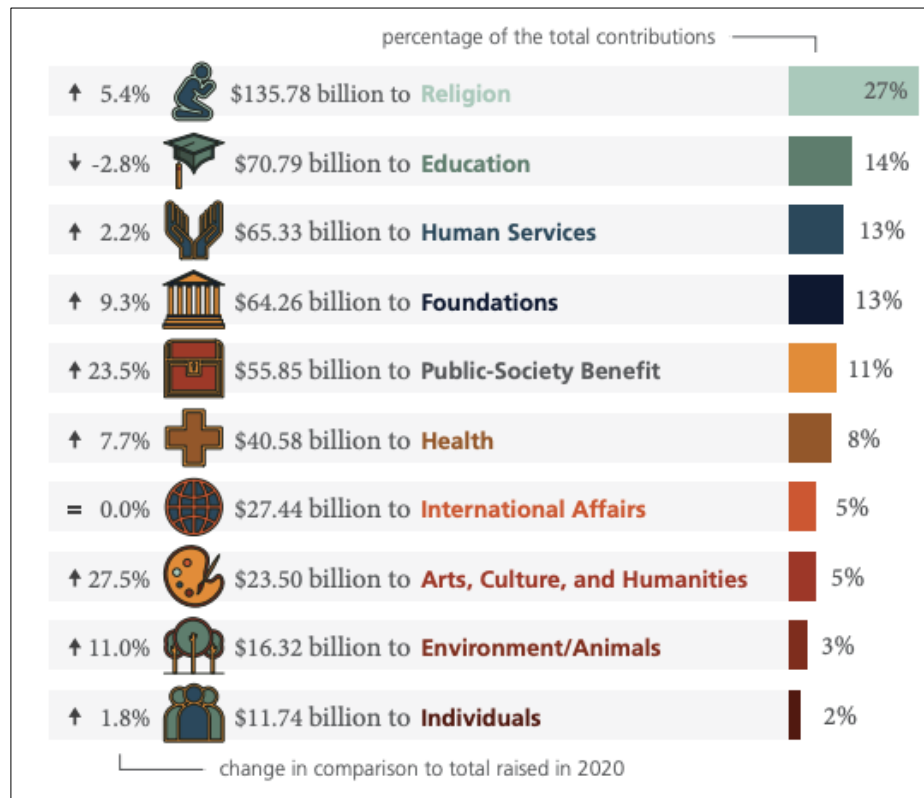


Figure 2-2. Where did the charitable dollars go? ("Billion", 2022)

Figure 2-2 shows the distribution of charitable contributions in the year 2021, charitable organizations were primarily directed towards different sectors, with the religious sector receiving the highest proportion of donations (27%). The remaining share of donations was allocated to education (14%), human services (13%), grantmaking foundations (13%), and public-society benefits (11%), indicating the diverse range of areas that benefitted from philanthropic support ("Billion", 2022).

NGOs depend on a variety of funding sources to support their initiatives, operations, salaries, and other expenses. As non-profit organizations, securing adequate financing is essential for these entities to fulfil their societal obligations sustainably and effectively (Folger, 2022).

The pursuit of financial resources in the nonprofit sector involves numerous strategies, including seeking funds, cultivating new donors, organizing benefits and events, composing grant proposals, participating in competitions, procuring goods for raffles or auctions, soliciting donations through direct mail or online portals, and creating personalized acknowledgements, among other fundraising and development activities (Feiler, 2017). In fact, it is estimated that these initiatives occupy up to 80% of a nonprofit executive's time, highlighting the significant attention devoted to securing adequate funding in this field (Feiler, 2017).

In the nonprofit sector, the pursuit of financial resources is a multifaceted process that involves a range of different strategies. These strategies include seeking funds from individual donors, corporate sponsors, and government entities, as well as cultivating new donors through targeted outreach and engagement efforts. One effective approach to fundraising involves organizing benefits and events that are designed to generate support and raise awareness for a particular cause or organization. These events can take many forms, such as galas, auctions, concerts, and charity walks, and often require significant planning and coordination to ensure their success (Feiler, 2017).

Another critical aspect of fundraising and resource development involves the composition of grant proposals, which are formal requests for funding that are submitted to foundations, corporations, and other funding organizations.

Crafting compelling and persuasive proposals requires a deep understanding of the funding organization's mission, goals, and priorities, as well as a thorough knowledge of the issue or cause being addressed. Participating in competitions is another common fundraising strategy, particularly in the social entrepreneurship sector. These competitions often involve pitching innovative ideas or ventures to a panel of judges or investors, with the goal of securing financial support or other resources to help launch or grow the enterprise (Feiler, 2017).

There are several avenues for generating funds for a nonprofit; nevertheless, two primary approaches stand out: individual fundraising and corporate fundraising (Decker, 2022).

2.2.1 Individual Fundraising

Cambridge Dictionary defines Fundraising as “the act of collecting or producing money for a particular purpose, especially for charity”. Within the operations of NGOs, effective fundraising techniques play a critical role in achieving financial sustainability. However, this key aspect is often overlooked, meaning that many NGOs may struggle to secure the necessary resources to sustain their operations over time. Therefore, prioritizing fundraising efforts and investing in strategies that facilitate the generation of funds are fundamental for NGOs to ensure their long-term financial stability and resilience (Shava, 2020).

Some of the common methods of fundraising include online donations, direct mail donations, social media donations, mobile donations, crowdfunding, and individual events donations (Decker, 2022).

2.2.2 Corporate Fundraising

While individuals remain the main source of charitable donations in the United States, corporate giving accounts for 4% of all donations (Browning, 2021).

Collaborations between corporations and nonprofits can bring significant benefits, such as corporations supporting workforce development programs through local colleges, leading to a more skilled workforce. Furthermore, promoting workplace volunteer programs can create a more cohesive culture among employees. Nonprofit organizations and institutions that acknowledge these complementary opportunities should seize them (Browning, 2021).

As the importance of diversity and social justice issues continues to grow, it is anticipated that more corporations will associate themselves with related organizations. Given that younger Americans tend to be more focused on causes, it is expected that this alignment will be most prevalent among corporations seeking to appeal to Gen Z and Millennials (Browning, 2021).

Some of the most common methods include In-kind donations, commercial co-venture donations, and employee and other company events (Decker, 2022).

2.2.3 Philanthropy

Philanthropy as defined by Oxford is “the desire to promote the welfare of others, expressed especially by the generous donation of money to good causes”. The term philanthropy originates from the ancient Greek language and means "love for mankind". This concept generally entails providing significant financial contributions to nonprofit organizations by individuals, foundations, and corporations. Nonetheless, it may also involve anyone who donates their time, skills, or finances to promote causes that serve the public good or enhance societal well-being (Turner, 2023). In current times, the term "philanthropy" is often associated with the act of donating substantial sums of money (Breeze, 2021).

Philanthropists are often driven by a desire to make a positive impact on society, address social or environmental problems, or support causes that align with their personal values or beliefs (Weinstein, 2017). Despite the notion that philanthropists donate large sums of money, there are other reasons why they choose to contribute to charitable causes. These may include a desire for altruism, social stewardship, gratitude, personal interests and passions, or direct experiences related to the issues they seek to relieve (Griffin, 2017).

2.2.4 NGOs fundraising challenges

NGOs are often confronted with several limitations, including a scarcity of funding, dependence on unskilled volunteers, and the possibility of conflicting donor relationships. These constraints may present considerable obstacles to the pursuit of social change advocacy by NGOs (Giuliana, 2022). One main challenge involves the difficulty in forecasting the acquisition of resources necessary for the maintenance and expansion of organizational operations. Economic uncertainty has contributed to an increased demand for innovative approaches to revenue generation (Walker, 2012).

Philanthropy can only achieve its full potential when donors can evaluate the effectiveness of their donations and analyze ways to optimize their contributions. Donors like to pay close attention to the measurable impact of their contributions. Failure of an NGO to engage in these practices can result in philanthropy falling short of making a meaningful impact (Friedman, 2013).

The survival of charities is reliant on satisfying donors rather than being effective in achieving their core mission. This trend has persisted and is likely to continue. Some individuals argue that attempting to reform philanthropic practices is pointless as donors are unlikely to alter their behavior (Friedman, 2013).

Furthermore, context is important for Charitable Organizations (COs) because it affects their opportunities and barriers. Research suggests that the effect of trust on charitable behavior may depend on the social context and defining trust is a challenging task (Alhidari, 2018). Also, People are increasingly suspicious of donating to COs, especially those with ethical lapses related to spending donations on salaries and fundraising activities (Alhidari, 2018). When making a donation to a charitable organization, donors explicitly rely on the organization's competence to carry out its mission in a morally upright and effective manner. Individuals who exhibit a greater degree of trust in their community members typically demonstrate a higher propensity for philanthropic behavior, including greater generosity towards charitable organizations and more active engagement in volunteering initiatives (Li, 2020).

NGOs encounter obstacles that originate from the donor end as well. Motivated by their personal desire to make a significant impact, philanthropists who prioritize achieving tangible outcomes are likely to hold certain beliefs about the interdependent nature of charitable donations, the influence of government programs on private giving, the efficacy of diverse fundraising strategies, and the nature of the relationship between charitable organizations and their donors. However, when charitable organizations cater to donor preferences, total contributions may decrease, as a fundraising strategy that maximizes perceived impact is inconsistent with one that maximizes total contributions (Duncan, 2004).

Charitable organizations that have established a good reputation are expected to have an easier time gaining the trust of donors and may not need to resort to sponsorship arrangements. However, it is noteworthy that it is precisely the well-known and reputable charities that frequently offer sponsorship opportunities (Duncan, 2004). The reputation of a charitable organization (CO) can directly enhance the level of trust donors have in it, potentially affecting their decision to make donations (Alhidari, 2018). However, catering to donor preferences may not always result in increased contributions.

In conclusion, NGOs face various challenges that hinder their ability to pursue social change advocacy, such as limited funding, dependence on unskilled volunteers, and conflicting donor relationships. Additionally, economic uncertainty has increased the demand for innovative approaches to revenue generation. Donors play a crucial role in philanthropy, and their engagement in evaluating the effectiveness of their donations is vital. Charitable organizations must strive to maintain a good reputation to gain donors' trust and increase their chances of receiving donations. Ultimately, the success of philanthropy depends on the collaboration and understanding between donors and charitable organizations.

While well-known NGOs have established networks and resources, newly formed NGOs face specific challenges. Newly formed NGOs struggle to secure financial support, donors, and experienced staff. They need innovative approaches to attract funds and volunteers. Without an established reputation, it's challenging for new NGOs to gain the trust and support of donors. They often rely on grassroots efforts and crowdfunding platforms. Well-known NGOs benefit from a positive reputation, while new organizations find it hard to attract dedicated individuals. Actively recruiting and showcasing opportunities is crucial. New NGOs must build trust and prove their impact through transparency, accountability, and tangible results. Building partnerships and connections with other organizations, government bodies, and communities is essential for newly formed NGOs to maximize their impact. Furthermore, navigating legal and administrative processes is an ongoing effort for well-

established NGOs, whereas, for newly formed NGOs, it can demand significant effort and resources.

3 Methodology

3.1 Data collection method

The research was carried out by collecting primary and secondary data and analyzing it, to find the strategic commonalities between different NGOs and their methods.

The research topic is theory-driven and employs a deductive approach. In order to ensure a robust analysis, it is imperative to establish a precise theoretical position that can be subsequently tested through the collection of adequate data (Saunders, 2019). Analyzing data qualitatively presents the opportunity to identify significant themes, patterns, and relationships as they arise during the data collection process. This implies that such emergent features can be recognized and analyzed during the course of data collection and analysis (Saunders, 2019).

The collection of primary data involved conducting three in-depth, unstructured interviews with philanthropy experts who operate externally or internally with non-governmental organizations (NGOs) or are directly involved in assisting NGOs with their funding activities. The primary objective of utilizing qualitative interviews was to undertake a comprehensive investigation of a broad area of interest (Saunders, 2019). In-depth interviews were characterized by a non-directive approach, wherein the interviewee is provided with the liberty to freely express their thoughts, feelings, and perspectives concerning the topic. This provides an opportunity to explore their experiences, behaviors, and beliefs in an open and unrestricted manner (Saunders, 2019).

The initial phase of the research involved conducting unstructured interviews with philanthropy experts to identify the challenges, methods, and strategies employed by NGOs. The primary goal of these interviews were to uncover elements related to philanthropy that may not have been previously considered by the researcher, thereby enhancing the overall quality of the thesis. By utilizing the unstructured interview format, it will be possible to conduct an in-

depth exploration of the topic and determine the root causes of the challenges that NGOs encounter.

Choosing unstructured interviews offered the interviewee the freedom to elaborate on the subject and not to be constrained with questions similar to a structured interview. The role of the interviewer is critical for the success of the unstructured interview. The interviewer should be good at questioning, probing, and adjusting the flow of conversation at an appropriate level (Zhang, 2009). A questioning tactic was set in place before the interviews and included descriptive questions, structural questions, and contrast questions. Descriptive questions are used to expose in detail the activities philanthropy professionals perform. Structural questions are used to find out how interviewees organize their knowledge. And contrast questions are used to extract the meaning of the situation and compare it to other situations and other NGOs. Furthermore, While the interviewer allows the interviewee to raise new topics or move the conversation in directions that the interviewee believes are important, it is the interviewer's responsibility to engage the interviewee in the conversation and keep the conversation focused on the researcher's concerns (Zhang, 2009).

3.1.1 Sample selection

Data gathered in interviews:

- Fundraising activities
- Fundraising channels
- Relationship with philanthropists
- Best practices
- Marketing and advertising

The secondary data for this thesis was collected from various sources, including books, articles, and internet resources. The selection process focused on credibility, relevance, and alignment with the research objectives. Books, scholarly articles, and reputable internet sources were utilized to gather valuable insights and support the study's arguments. Proper referencing was followed to ensure the traceability and acknowledgement of the original authors'

contributions. The collection of secondary data has provided a reliable foundation for this research.

The secondary data was used to be examined before the interviews and the interview questions were created matching the findings. Data analysis was performed using the elements brought up in the interviews, material collected from the internet, and additional reading materials. The data was divided into different activities, programs and instruments and supported by real-life examples from NGOs' past experiences. The data was compared to find similarities in activities and strategy.

Initial outreach to potential interviewees was made via LinkedIn, wherein they were apprised of the dissertation project. The selection of participants was based on their professional designation as philanthropy specialists, with particular emphasis placed on those possessing a wealth of experience within the field. Due to some messages going unanswered, a post was also created on Facebook to recruit participants, and the third interviewee was identified in this manner.

The study involved conducting interviews with three philanthropy specialists who represented distinct organizations, industries, and locations. The selection of interviewees aimed to offer a comprehensive overview of the philanthropy landscape, analyze differences and similarities among organizations, and support a holistic conclusion.

Interviewee A holds the position of head of philanthropy at a large non-governmental organization that focuses on providing services for individuals with autism. Interviewee B is an entrepreneur who leads a marketing agency that supports NGOs in improving their donation strategies. Interviewee C is a philanthropy specialist who specializes in major donors at the largest international aid organization in Finland. The interviews were conducted face-to-face, and online, using Microsoft Teams. Consent was obtained from all interviewees for the video and audio recordings of the interviews. However, two of the interviewees expressed a desire to remain anonymous. As a result, the

author has assigned the pseudonyms A, B, and C to ensure the anonymity of all interviewees.

The interviewees exhibit significant differences not only in terms of the type of organizations they represent but also in their extensive career experiences and the geographic locations of their organizations. For instance, Interviewee A leads a major donor relations department in an NGO based in Australia, which derives ninety percent of its donations from government grants and the remaining ten percent from fundraising and major donors' activities. In contrast, Interviewee C operates within an organization that predominantly receives small to medium donations, with only a small portion coming from governmental grants. Accordingly, the organizations differ in terms of their budget allocation towards fundraising activities, the nature of those activities, their flexibility in accommodating donors' requests, and more. Interviewee B's role differs from Interviewees A and C as Interviewee B operates as an external resource that organizations can hire, and has worked with numerous NGOs. As such, interviewee B has a comprehensive overview of the challenges and obstacles that NGOs face in securing donations.

The interviews were scheduled on the following dates:

- The 6th of February at 9 am
- The 1st in March at 15.30
- The 17th of March at 10 am

The interviews, which lasted approximately an hour and a half, started with an introduction of the interviewer and their vested interest in the subject matter. Afterwards, the interviewee was invited to elaborate upon their experiences, achievements, and current position within the field, as well as provide a brief overview of the NGO they are presently affiliated with. The interview questions were presented to the interviewee during the interview itself rather than beforehand. The author of the thesis aimed to obtain authentic responses that were not premeditated or rehearsed in advance.

The analysis of the interviews involved several steps. Initially, the author familiarized himself with the data collected in the interviews, books, and articles and found from internet resources to gain insights. Preliminary codes were

extracted from the literature and the interviews to refine the analysis and identify relationships between various units of data. The theory was subsequently developed and evaluated to determine similarities and differences among the interviews. Key points were extracted and an initial theme was formulated.

4 Analysis and findings

This study relies on a cross-comparison approach, wherein interview questions were compared against relevant literature findings. The interview questions have been categorized into primary themes, and key outcomes obtained from both the literature and interviews will be presented, highlighting the interviewee's perspective and gaps in the gathered information. Please refer to Appendix 1 for a list of interview questions. Only the relevant interview questions were used for the analysis. Relevancy of the interview questions was determined by the correlation with the primary themes.

4.1 How do NGOs build and maintain trust with donors?

NGOs face the challenge of cultivating trust among potential donors, whether seeking small to medium donations or major contributions. The theme of trust emerged in all three interviews. Interview A shed light on the time and effort required to establish trust with a potential major donor. The interviewee reported that it takes up to eighteen months of sustained communication, including phone calls, emails, and events, to secure a significant donation.

Furthermore, Interviewee C highlighted the significance of utilizing networks in the fundraising process. Board members' contacts can be leveraged to establish connections with potential donors and foster trust within their circle of influence. Interview B repeated this response, emphasizing the importance of connections, networks, and trust in fundraising, particularly among major donors and corporate giving. Interviewee C added, emphasizing that establishing connections and building relationships is crucial for creating trust. If a donor wishes to donate a substantial sum, they often want to meet with the CEO. The organization and management must be flexible and responsive in supporting these activities to maintain trust.

The reputation of an NGO was also recognized as a significant factor in creating trust among donors. Although not a primary focus in the interviewee's organization, the interviewee cited Greenpeace as an example of an NGO that

places great emphasis on maintaining its reputation to engender trust and support fundraising efforts.

The interviewee noted a trend among major donors who wish to be more involved in how their donations are utilized, with an emphasis on the "impact" of their contributions. NGOs must create trust among donors that their donations will make a significant impact and not go to waste or support a different cause or organization. Additionally, for regular giving and fundraising, email automation can be an effective tool to maintain communication and update donors on the organization's activities, ensuring that the trust they have placed in the NGO is maintained.

According to Interviewee C, trust is the fundamental element for NGO success. The interviewee underscored the importance of transparency, professionalism, and accountability in building trust with donors over an extended period. The interviewee emphasized the organization's commitment to doing precisely what it promises, ensuring that donor funds are allocated as promised and providing a report detailing how donations are utilized. As the NGO places a strong emphasis on fundraising, it undertakes several activities to cultivate, foster, and maintain trust among donors. These measures include consistent email and social media updates, as well as dedicated personnel to answer donor inquiries and provide support throughout the donation process.

Section 2.2.4 highlights several challenges faced by NGOs in building trust with donors, including the increasing suspicion towards charitable organizations, the importance of reputation, and the conflicting donor relationships. Additionally, NGOs face obstacles that originate from the donor end, as donors prioritize achieving tangible outcomes and may hold certain beliefs about the nature of the relationship between charitable organizations and their donors. NGOs must strive to maintain a good reputation to gain donors' trust, but catering to donor preferences may not always result in increased contributions.

The data gathered from both the interviews and the relevant literature points to a consistent trend that highlights the paramount importance of creating and maintaining trust among potential donors for NGOs (Alhidari, 2018) (Duncan, 2004) (Li, 2020). This theme emerged across all three interviews, with each

interviewee underscoring the significance of trust in fundraising and major donor activities. Additionally, the literature verified this trend, demonstrating that cultivating trust among potential donors is essential for fundraising success in the nonprofit sector.

4.2 How do NGOs reach potential donors and philanthropists?

“Corporate giving heavily relies on networks and relationships between individuals that could nurture trust and connections”, said interviewee B. With regard to soliciting donations, there are two primary approaches: inspiring people to donate and encouraging individuals to donate more. However, achieving these objectives requires significant effort, relationship-building, and expertise. When initiating a new NGO, it is critical to assess whether the cause appeals to the masses, as this would determine whether individual giving is a viable option.

Interviewee A mentioned that one of the primary challenges faced by the organization is how to reach potential philanthropists. To address this challenge, the organization relies on its database of donors and small events to network and build relationships with potential donors. The organization also hosts exclusive living room events with lectures and famous people to attract potential donors. Statistics indicate that it takes 18 months from the start of the process to receive 50k or more in donations.

In addition to these strategies, the organization also relies on board members to involve their networks and invite friends to donate. Personal relationships and communities, such as the Jewish community, are also leveraged to build connections and secure donations. The organization also supports donors with connections, suppliers, agencies, and banks said interviewee A.

Interviewee C emphasized the importance of senior management and board support in major donor fundraising. Donors often want to meet with the CEO and board members and require detailed information on how their donation will be used. The interviewee's organization is aligned with donor wishes and open to trying new things, which they consider a key value.

Furthermore, interviewee C stressed the importance of donor databases and prospect research in identifying major donors. In conclusion, effective fundraising requires diversification of funding channels, building trust through transparency and accountability, effective communication with donors, and demonstrating impact through project reporting and evaluation. Senior management and board support are also critical in major donor fundraising, and donor databases and prospect research are essential tools in identifying potential major donors.

The information acquired from the interviews correlates with the data collected from the literature. NGOs are often confronted with several limitations, including a scarcity of funding, dependence on unskilled volunteers, and the possibility of conflicting donor relationships (Giuliana, 2022). To address these limitations, building relationships with potential donors is essential and can be done through networking, hosting events, involving board members, and leveraging personal relationships and communities, as highlighted in the interviews.

Interviewee B emphasized the importance of networks and relationships between individuals in corporate giving, which aligns with the literature that suggests the importance of trust and donor relationships in philanthropy (Alhidari, 2018). The literature also suggests that effective fundraising requires diversification of funding channels, building trust through transparency and accountability, and effective communication with donors (Friedman, 2013).

Interviewee A mentioned that one of the primary challenges faced by the organization is how to reach potential philanthropists. To address this challenge, the organization relies on its database of donors and small events to network and build relationships with potential donors. The organization also hosts exclusive living room events with lectures and famous people to attract potential donors, which is consistent with the literature that highlights the importance of personal relationships and communities in building connections and securing donations (Alhidari, 2018).

Interviewee C stressed the importance of senior management and board support in major donor fundraising, which is consistent with the literature that suggests senior management and board support are critical in major donor

fundraising (Duncan, 2004). The literature also suggests that donor databases and prospect research are essential tools in identifying potential major donors (Friedman, 2013). Furthermore, effective fundraising requires demonstrating impact through project reporting and evaluation (Friedman, 2013).

To sum up, the interviews highlight the importance of building relationships with potential donors, diversifying funding channels, and demonstrating impact through project reporting and evaluation in effective fundraising. The literature supports these claims and also suggests the importance of senior management and board support, donor databases, and prospect research in major donor fundraising, as well as the importance of trust and donor relationships in philanthropy.

4.3 How does the NGO support fundraising activities?

NGOs' topmost priority should be to provide support for fundraising activities and the fundraising team. This proposition is consistent with all the interviews conducted and the information gathered in the study. There are various functions that NGOs must fulfil over a long period to gain the appropriate level of trust to prompt donations from the public.

Interviewee B emphasized the significance of building and nurturing relationships for successful fundraising. NGOs must acknowledge and express gratitude to donors, show interest in them, and communicate how their donations were utilized. These activities form the foundation for requesting additional donations or suggesting alternative options, such as making a purchase or volunteering. This process establishes a cycle of engagement and relationship-building, which is essential for effective fundraising.

The interviewee also underscored the need for a multifaceted approach to fundraising, which includes engaging individuals, building relationships, and investing in connections. Understanding donors' needs and interests and crafting engagement strategies that resonate with them is crucial. Furthermore, skilled fundraising professionals play a critical role in driving success for nonprofit organizations.

Interviewee A identified producing compelling cases for support as another challenge faced by NGOs. Donors want to know precisely where their donations are going and the impact they will have. The organization must prioritize producing cases for support that align with its strategy and have the potential to make a significant impact. Furthermore, creating such cases for support requires substantial resources, including the time and effort of stakeholders within the organization.

The organization's interviewee A is related to operating on a limited budget, with 50% of funds raised going towards the budget, and the other 50% remaining within the organization. Fundraising strategies include mail, merchandise, marketing, automation, and print. The organization focuses on identifying potential donors and converting them into philanthropists.

As evident from chapter 2.2.4, a significant difficulty arises from the complexity of forecasting the amount of resources required to sustain and grow organizational operations. The state of economic uncertainty has further strengthened the necessity for innovative revenue generation strategies. This challenge is worsened by the current economic landscape, which demands innovative approaches to generate income. To ensure long-term financial stability and resilience, NGOs must prioritize their fundraising efforts and adopt strategies that facilitate the generation of funds. Common fundraising methods encompass online donations, direct mail contributions, social media campaigns, mobile giving, crowdfunding, and individual event sponsorships.

Chapter 2.2.2 validate that collaborations between corporations and nonprofits can bring significant benefits, such as corporations supporting workforce development programs through local colleges, leading to a more skilled workforce. While individual donations remain the main source of charitable donations in the United States, corporate giving accounts for 4% of all donations. Philanthropy typically involves substantial financial contributions to nonprofit organizations by individuals, foundations, and corporations. However, it can also encompass individuals who donate their time, skills, or finances to advance causes that benefit the public or enhance societal well-being. Philanthropists are often motivated by a desire to create a positive impact on

society, address social or environmental issues, or support causes that align with their personal values or beliefs.

NGOs frequently face various constraints, such as limited funding, reliance on unskilled volunteers, and the potential for conflicting donor relationships. To fully realize the potential of philanthropy, donors must be able to assess the impact of their contributions and explore ways to maximize their effectiveness. The interviews conducted highlight the importance for NGOs to prioritize fundraising support and team-building, cultivate relationships with donors, develop persuasive cases for support, and operate within a constrained budget as shown in chapter 2.1 and 2.2.4.

In summary, both the literature and interviews highlight the importance of fundraising efforts for NGOs and the need for innovative strategies to generate funds. Collaboration with corporations and individuals' philanthropic donations can provide significant benefits to nonprofit organizations. Furthermore, NGOs must prioritize fundraising support and team-building, build and nurture relationships with donors, and create compelling cases for support to ensure their long-term financial stability and resilience. While there are similarities in the challenges and strategies presented, there are also differences, such as the emphasis on relationship-building by Interviewee B and the focus on identifying potential donors and converting them into philanthropists by Interviewee A.

4.4 What does impact mean for donors?

The word Impact was mentioned numerous times during the preparation of this study as well as in the interviews. "Impact" is a buzzword in fundraising with different meanings for different types of donors as described by Interviewee C. The interviewee stressed the importance of demonstrating impact in project reporting and evaluation. However, measuring impact can be challenging, especially over short time frames, and when multiple NGOs are involved in a project.

Interviewee A agrees and adds that donors want to know specifically where their donations are going and the impact they are having. Proving the impact of

donations is a significant challenge faced by non-profit organizations, including the one discussed in the interview. Donors want to know that their donations are making a tangible difference and positively impacting the organization's beneficiaries. However, measuring the impact of donations is a complex and often subjective process that requires significant resources and expertise. As evidenced in the literature, in order for philanthropy to realize its utmost potential, donors must possess the ability to evaluate the effectiveness of their donations and develop strategies to optimize their contributions. It is imperative for donors to closely monitor the measurable impact of their donations. Failing to engage in these practices may lead to philanthropic efforts falling short in achieving meaningful impact and potentially discouraging donors from future giving.

5 Conclusion

This thesis aims to investigate the factors that lead to successful fundraising by established NGOs. The study analyzes both the perspectives of philanthropic specialists and philanthropists to gain a comprehensive understanding of successful fundraising strategies.

The first research question for this thesis was as follows: What methods are used by NGOs for securing philanthropic donations?

According to the literature and interviews, NGOs use a range of fundraising tactics and techniques to secure philanthropic donations. These include individual donations, major donor fundraising, corporate partnerships, events and campaigns, and government grants. However, successful fundraising in the NGO sector requires a dedicated, well-resourced, and agile approach that prioritizes marketing, branding, and transparency. Furthermore, NGOs should not overlook the importance of their reputation and branding efforts. Reputation is closely tied to trust, and donors are more likely to donate to organizations with a good reputation. NGOs should therefore make rigorous efforts to build and maintain a strong brand, communicating their mission and impact clearly and consistently across all channels. NGOs must invest time, effort, and resources into these activities to build the trust and credibility necessary to secure the financial lifeline they need to pursue their mission.

To build donor trust, NGOs must prioritize transparency, accountability, and impact metrics. Donors need to feel confident that their contributions are making a real difference and that their funds are being used efficiently and effectively. This requires continuous investment in tracking and reporting on impact, as well as creating mechanisms for donors to provide feedback and input on the organization's activities. Additionally, to foster donor trust, NGOs must also be agile and responsive to changing donor preferences and expectations. This may require active involvement of shareholders and senior management in fundraising activities, including personal outreach to potential donors and leveraging personal and professional connections to secure major donations. It

may also involve creating special causes and projects for donors to support that align with the organization's mission and values.

Successful fundraising in the NGO sector requires a comprehensive and holistic approach that prioritizes marketing, branding, transparency, and impact metrics. By adopting such an approach, NGOs can build trust with donors, communicate their mission and impact effectively, and secure the financial support they need to positively impact the world.

The second research question for this research was as follows: What are the key funding activities of an NGO?

The key funding activities of an NGO are closely linked to its overall fundraising strategy, which should be developed and executed by a well-resourced and dedicated fundraising department. The success of fundraising efforts depends on several factors, including the organization's mission and cause, its branding and reputation, its transparency and accountability, and its ability to adapt to changing donor preferences and expectations.

One of the most important aspects of fundraising for NGOs is having a clear budget, strategy, and goals, similar to a profit-driven organization's marketing department. Depending on the NGO's mission and cause, the focus of fundraising efforts may vary. For example, an NGO focused on building schools suitable for autistic children in Australia may place greater emphasis on securing government grants, while an NGO working to help children in Nigeria may focus more on individual donations and major donors.

The third research question for this research was: How do NGOs support internal philanthropic efforts?

Similar to a marketing department in a profit-led company, the fundraising team in an NGO needs to be well-equipped with the necessary resources to achieve its goals. These resources may include technology, such as a Customer Relationship Management (CRM) system, which can help in organizing and managing donor relationships. In addition, a higher budget allocation can also provide more resources for donor outreach, staff training, and development of fundraising materials.

However, it is not enough to merely provide resources to the fundraising team. For the best results, NGOs must encourage open communication with senior management and encourage them to take an active role in supporting the fundraising efforts. This means that the management team should be approachable, available to offer guidance and provide support where necessary.

The management team can play a critical role in fundraising by helping with specific tasks such as donor outreach or engagement, providing input on fundraising strategies, and providing support when needed. For instance, they can leverage their network and contacts to reach out to potential donors, provide introductions, or even make donations themselves. Additionally, they can provide valuable feedback and insights on the fundraising team's efforts, which can help improve the effectiveness of fundraising strategies.

To conclude all three research questions, the study identified effective fundraising activities and provided examples of their implementation. The research analysed the perspectives of philanthropic specialists and philanthropists to gain a comprehensive understanding of successful fundraising strategies. The key to successful fundraising in the NGO sector includes prioritizing marketing, branding, transparency, and impact metrics. NGOs should develop a well-resourced funding department that approaches fundraising as a marketing practice, seeking out resources and developing a coherent branding strategy that builds trust and credibility with donors. The focus of fundraising efforts depends on the organization's mission and cause. NGOs must be agile and responsive to changing donor preferences and expectations to foster donor trust. Reputation is also closely tied to trust, and NGOs should make concerted efforts to build and maintain a strong brand, communicating their mission and impact clearly and consistently across all channels.

In addition to these methods, technological advancements, increased visibility of established NGOs, and the growth of financial resources have raised the entry barriers for new NGOs in the field of fundraising and philanthropy. To succeed in fundraising, NGOs must develop a well-resourced funding

department that approaches fundraising as a marketing practice, seeking out resources and developing a coherent branding strategy that builds trust and credibility with donors.

While this thesis examined successful fundraising by established NGOs, there are several areas for further research to expand our understanding of the field: exploring fundraising strategies for small starting NGOs: Given that the thesis primarily focused on established NGOs, it would be valuable to conduct research specifically on fundraising strategies for small starting NGOs. This would provide insights into the unique challenges they face and identify effective methods for securing philanthropic support during the early stages of their development.

Impact of technological advancements on fundraising: The study touched upon the impact of technology on fundraising, but further research could investigate this area more comprehensively. This includes examining the influence of emerging technologies, such as artificial intelligence, blockchain, and digital platforms, on fundraising efforts and their effectiveness in engaging donors.

Challenges faced by NGOs in an evolving fundraising landscape: With the growth of established NGOs and the increased availability of financial resources, new NGOs may face significant challenges in entering the field of fundraising and philanthropy.

Exploring these challenges, such as competition for donor attention and resources, regulatory requirements, and changing donor expectations, would provide valuable insights for new and emerging NGOs. By addressing these research gaps, we can continue to advance our knowledge and understanding of successful fundraising strategies for NGOs and contribute to the ongoing improvement of their philanthropic efforts.

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Appendix 1 - Interview questionnaire

1. What motivates philanthropists to donate and how do they choose organizations to donate to?
2. What does impact mean for donors?
3. How does an organization's mission impact the number of donations received and how can urgency be added to the mission?
4. How do NGOs build and maintain trust with donors?
5. How do NGOs reach potential donors and philanthropists?
6. How do organizations define and categorize philanthropy, and is there a difference between organizations in their approach to philanthropic funding?
7. How do organizations distinguish between fundraising and philanthropy?
8. What efforts do organizations make to connect with and engage donors, and what stages are involved in building and maintaining donor relationships?
9. How does the NGO support fundraising activities?
10. How do organizations communicate the impact of their work and donations to donors?