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# Cultivating support for nonprofit news organizations: commitment, trust and donating audiences

Nonprofit news  
organizations

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## Abstract

**Purpose** – The purpose of this paper is to discuss the importance of relationship fundraising and cultivating committed donors for nonprofit news outlets seeking financial sustainability, particularly during a time of major changes in the journalism industry.

**Design/methodology/approach** – The paper examines four nonprofit news organizations and their audiences of financial contributors. Results from a survey of 465 donors and subsequent interviews with donors are discussed.

**Findings** – Nonprofit news organizations rely heavily upon individual supporters who typically give often but in small chunks. Donors tend to favor nonprofit journalism organizations that report quality, local news stories not usually found in other news sources. Donors place a premium on developing a relationship with journalists in their communities and are likely to support their local nonprofit news source once the news outlet has earned their trust.

**Research limitations/implications** – News organizations were allowed to choose which donors received invitations to take the survey, and donors to one news organization provided the vast majority of responses. Future research should explore how nonprofit journalism donors differ from donors to other types of nonprofit organizations.

**Practical implications** – This paper reveals new data about audiences of emerging media organizations. The interests and behaviors of donors help to provide new insights into audience engagement.

**Originality/value** – The paper profiles donors to four relatively new nonprofit organizations and investigates their motivations for providing financial support. Managers of communication organizations could benefit from new strategies for audience cultivation.

**Keywords** Communication management, Electronic media, Financial information, Investors/donors, Relationship marketing, Trust

**Paper type** Research paper

Nonprofit news organizations, which have largely sprouted up in the last decade as alternatives to for-profit newspapers, typically provide free content and are heavily dependent on financial donations for survival. These organizations track their contributions and the number of people who make them, but often know little about the donors or what motivates them to financially support nonprofit news. This study examines the donors to a sample of local nonprofit news organizations to gain insight into who supports them and why. It also identifies what researchers have learned about why people donate to nonprofits more generally and relationship management strategies that may prove to be effective. These may serve as a starting point for nonprofit organizations seeking to build a sustainable base of individual donors.

## Literature review

### *The financial status of nonprofit journalism*

The viability of the business model that once sustained print news organizations – revenue from corporate and classified advertising and moderate subscription rates – appears



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threatened by access to free news content online, and the shift of marketing to social media and of classified advertising to web sites such as Craigslist. Lost revenue has caused commercial print publications to reduce their staffs and the size and scope of their products. Current advertising models are unable to support important news functions such as accountability journalism (Downie and Schudson, 2009).

A growing number of local nonprofit news outlets focus on the investigative reporting and public interest journalism often missing from regional for-profit publications. Many nonprofit news organizations depend heavily on foundation support, but it may be imprudent to view this as a long-term source of dependable funding. The chairman of the nonprofit news organization *Texas Tribune* argues that nonprofits need to wean themselves from both major gifts from individuals and foundations. A report by the Knight Foundation notes, "It is in the mutual interest of nonprofit news organizations and major donors to find financial sustainability without depending on these sources – sources which are not likely to maintain current levels of giving for years into the future" (Sopher, 2010, p. 13).

For the majority of all nonprofit organizations, individual giving is the largest single source of contributions (Nonprofit Research Collaborative, 2011a). Individual giving has generally increased over the past 40-plus years, but it is the slowest growing source of philanthropic revenue, with foundation giving and charitable bequest giving rising at much faster rates (Rooney, 2007). Not surprisingly, individual giving tends to increase with household income (Rooney, 2007). A small number of high-income households account for a disproportionately high percentage of nonprofit organization's revenue from individual donors. Giving is positively correlated with age – at least until retirement (Rooney, 2007), and women tend to be more altruistic (Schlegelmilch *et al.*, 1997). Donors are most likely to give to nonprofits in their communities (Rooney, 2007). Residents tend to form close ties to people and institutions in their community, prompting them to donate to organizations that support local civic life.

Although the number of individual contributions nationally slipped in 2009, the year following the financial meltdown, donations rose again in 2010 when Americans contributed about 2 percent of their disposable personal income to philanthropic causes (Giving USA Foundation, 2011). Smaller organizations are more likely than larger ones to see decreases in number of renewing donors and fewer increases in average gift amount from renewing donors (Nonprofit Research Collaborative, 2011b). A survey of nonprofits in 2010 found that individual donations represented 73 percent of all contributions (Giving USA Foundation, 2011).

Cultivating repeat contributions from non-major individual donors is likely to be an increasingly important source of revenue for nonprofit news organizations, which have limited staff and resources to examine and cultivate their audiences. To better understand this audience, this study seeks the answers to three questions:

RQ1. What is the profile of those who support local nonprofit news organizations?

RQ2. What factors motivate stakeholders to support local nonprofit news outlets?

RQ3. What can nonprofit news organizations do to increase financial engagement among stakeholders?

For the purposes of this study, financial engagement is defined as the amount and frequency of an individual's donation.

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*Why individuals donate*

Substantial research on the motivation to donate centers on attributes of the organization-public relationship. Four indices identified by Hon and Grunig (1999) for measuring the well-being of this relationship – trust, satisfaction, commitment and the balance of power – have been found to be reliable and valid (Jo *et al.*, 2005; Waters, 2008, 2009a, c). Jo *et al.* (2005) inferred that trust precedes satisfaction, which precedes commitment to a relationship. Waters (2008, 2009b) found trust to have the greatest value, followed by commitment. When heightened, the four public relations indicators are related to increased donor support to nonprofits (O'Neil, 2008).

Donors with a longer relationship evaluate the organization more positively on Hon and Grunig's indices (Waters, 2008). Donors overall trusted the organization to perform effectively, were satisfied with the progress toward achieving its goals, were committed to its success, and felt valued and appreciated. While acting responsibly helps organizations develop trusting donors, nurturing the relationship over time is an even stronger method of building trust (Waters, 2009b). Additionally, daily efforts to showcase organization efforts in a timely, thorough and responsible way directly build trust, satisfaction and commitment. Communications that help donors understand how their donations will be used to help others is the single most important predictor for trust, commitment and satisfaction (O'Neil, 2008).

Sargeant and Woodliffe (2007) found that the extent to which an individual shares a nonprofit's beliefs, identifies with its goals and how to achieve them and feels a strong personal connection are primary determinants of the degree of commitment. Trust, enhanced through honoring promises made to donors, openness, honesty and consistency in all communications, was found to be important to fostering commitment and loyalty. Swanson *et al.* (2007) found that relationships with people motivated by self-esteem (who form a positive psychological attachment and social identity by defining themselves in terms of the organization) may be strengthened by building a trusting relationship with donors, whose satisfaction can lead to loyalty. Actions and reputation of the organization are important to these individuals' sense of self, and the organization can strengthen its relationship with the donor by emphasizing its positive attributes.

In a study by O'Neil (2007), feelings of trust, commitment and satisfaction increased somewhat along with the number of years of support, with the biggest difference between donors who have given less than two years and between two and three years. The latter will likely continue giving and recommend others to contribute. Improved donor relationships increased the number of years of support and the likelihood of recommending others to donate, but not contribution amounts. A separate survey of 120 donors to a nonprofit health care organization found that those who gave multiple times evaluated the relationship strong than did one-time donors (Waters, 2008).

Some donors feel pleasure when an idea they support is reified in a service providing or advocacy organization. Donors can also display a "buying-in" mentality, believing that they deserve to feel good about the charitable program only if they have made some marginal contribution to it (Rose-Ackerman, 1996). Sargeant and Lee (2004) use the term "mutual influence" or "the extent to which donors feel that their views have been influenced or shaped by the nonprofit and the extent to which they believe that they might in turn influence the policy of that organization" (p. 617).

*News as a public good*

Information produced from nonprofit news organizations is a public good, defined as a good or service characterized by both nonrivalry and nonexcludability. Nonrivalry is

the notion that an individual's consumption of a good does not diminish another's consumption of it. Nonexcludability means that the supplier of the good cannot exclude anyone from consuming it once it has been produced (Rooney, 2007).

A recurring problem for nonprofits is the tendency of people to free ride on the contributions of others or to give at a much lower level than individuals' true assessment of what the service is worth. Still, people are likely to give to collective-type public goods even when the chance of "free riding" exists and social norms often dictate appropriate levels of giving (Weisbrod, 1988).

Kingma (1989) found that a change in aggregate funds to public radio, a public good, can crowd out contributions, supporting the impure altruist model (in which agents act as if they receive utility from their contribution and the overall level of charity). However, Shang and Croson (2009) tested the effect of social information (others' contributions) on donations to public radio to determine whether this serves as either a substitute or complement to giving. Models of altruism predict that as the contributions of others (such as a foundation or the government) increase, individuals decrease their contributions, perceiving them to be of less value. When a public good requires a minimum contribution level for production, for example, others' contributions can substitute for one's own (Shang and Croson, 2009; Andreoni, 1998). The model of complements predicts a positive relationship between others and one's own contribution. A conformity model assumes that individuals care not only about their intrinsic preferences but also about how others perceive them (Shang and Croson, 2009, p. 1424). Knowledge of others' contributions positively influences contribution (complements), consistent with theories of reciprocity, conformity and norms, but not with theories of altruism (pure or impure) or fixed costs, which predict that contributions will be substitutes (Shang and Croson, 2009).

Shang and Croson (2009) noted that social information was found to have a positive (complementary) effect on one's own giving if the recommended contribution amount is ambiguous to potential donors, leaving them with relatively little idea of a right amount to give. Rather than crowding out donations, information about others' high contributions positively influenced the likelihood and amount of new donors' repeat donations, so that expected revenue was two to three times that from people not given such information.

#### *Attracting donations from news audiences*

Burnett (2002) helped to explicate the term "relationship fundraising," which entails finding out what donors want and need and then supplying it to them as completely as possible. Waters (2008) emphasizes the importance of dedicating nonprofit resources to relationship cultivation. Past donors are most likely to donate in the future (Sargeant, 2001; Waters, 2009b). Nonprofits should employ relationship management strategies even with annual donors who already have high levels of trust, satisfaction, and commitment, because these donors may still have some concerns. These concerns should be identified through surveys of the status of the organization-donor relationship, the impact of the relationship management strategies employed, and the effectiveness of the funded activities, which the organization should then proactively address (Waters, 2009c).

Waters (2009b) found that donors favored stewardship strategies identified by Kelly (2001) for an organization to show worthiness of their support – reciprocity, responsibility, reporting, and relationship nurturing. Waters (2008, 2009a) identifies strategies nonprofits can use to enhance donor relationships: openness, sharing of tasks (working together on problems), access (to key decision makers), positivity (actions increasing contentment with the relationship), assurances (donors want to know what an organization is doing with their gifts) and networking.

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These strategies bring donors and nonprofits together to improve the organization through regular conversation.

Organizations should use funds donated to specific purposes only for the designated purpose (Waters, 2008, 2009b). Nonprofits should communicate this responsible behavior to their donors (Waters, 2009b), and make timely reports of how donations were used in multiple venues (O'Neil, 2008). Organizations should stress the difference that the donation an individual has made to the organization will make. Quantifying and personalizing the potential impact of the gift may increase the likelihood that individuals will perceive a genuine loss to the beneficiary group if they withdraw their support (Sargeant and Woodliffe, 2007). Nonprofits should communicate successes and deeds to donors and information about developments on issues for which support was sought (Waters, 2008; O'Neil, 2008). This should be done routinely in more directed communications (newsletters or e-mail updates) that do not ask for money (Waters, 2009a).

Waters *et al.* (2009b) concluded that social networking sites can effectively increase involvement in organizational activities if nonprofits understand how their stakeholders use them. At the time of this study, nonprofits had used Facebook to link to news stories, photographs and discussion board posts, but had not taken full advantage of other relationship development opportunities or the interactive nature of social networking. They rarely provided interested parties with a contact e-mail address, posted multimedia files, press releases or summaries of their efforts or accomplishments to induce involvement.

Trust by unfamiliar individuals toward the whole institution can be positively influenced by using a communication style in dialogue-oriented online communications such as e-mail, newsgroups or weblogs that create a perception of similarity (Bekmeier-Feuerhahn and Eichenlaub, 2010). Inviting prospects to special events and open houses provides another avenue for relationship building (Waters, 2008).

## Method

This mixed methods study included a survey and interviews. A quantitative survey was distributed to previous donors to four local nonprofit news outlets. Follow-up phone interviews were then conducted for qualitative data.

An online search using the keywords "nonprofit journalism" identified 27 nonprofit web sites that serve local and regional news audiences and rely on individual donations. All outlets were e-mailed an explanation of this study. The following four organizations agreed to distribute a link to an online survey to a combined population of 2,519 donors:

- (1) *The Lens*, founded in 2009, covers New Orleans and the Gulf Coast and has nine people on staff. It focusses on investigative journalism.
- (2) *The St Louis Beacon*, founded in 2007, covers St Louis, Missouri and surrounding areas and has 21 people on staff. It primarily focusses on politics, education, health, science, business, arts and lifestyle.
- (3) *The Austin Bulldog*, founded in 2010, is a one-man operation in Austin, Texas. It focusses on investigative reporting on a range of local public affairs areas.
- (4) *MinnPost*, founded in 2007, covers Minneapolis and St Paul, Minnesota and has a staff of 15 people. It focusses on politics, health/science, business, arts and sports.

Donors were offered a chance to receive a randomly selected \$25 cash award in exchange for survey participation. Beginning in July 2011, participating organizations e-mailed the survey link to their donors. Participants were presented with a consent form approved by the researchers' Institutional Review Board. Those who agreed to participate were then asked from which nonprofit news outlet they received the survey link. The online survey included 34 questions that participants could complete at any time before a deadline, but "back tracking" to previously answered questions was prohibited.

Qualitative telephone interviews were conducted in July 2011 from among the 15 percent of survey respondents who indicated a willingness to participate in a ten to 15 minute interview. Subjects were selected from all four participating outlets, but given the disproportionate number of donors to each, an equal representation was not sought in this qualitative sample. In total, 40 survey respondents – two from *The Lens*, six from *The Beacon*, seven from *The Bulldog* and 25 from *MinnPost* – were interviewed. In total, 21 donors were asked additional open-ended questions about their engagement and motivations for giving to a nonprofit news outlet. All participants granted permission to record their comments.

With regard to data analysis, the quantitative portion used mainly descriptive statistics to test the means and standard deviations. One-way analysis of variance (ANOVA) was used to measure any significant differences. Cross-tabulations were used to compare donor pools. Coding was used to identify key themes from the interviews.

Results

In total, 465 donors responded to the survey, with the majority (92 percent) as donors of *MinnPost*. Addressing the disproportionate number of respondents from the *MinnPost* group, SPSS was used to randomly select 38 survey participants from the *MinnPost* sample for comparison with the 38 participants from the three other news outlets in an effort to obtain equal sample sizes. To check for homogeneity between samples, ANOVA produced no significant differences for 12 of the 16 key variables measured. Among the four variables for which there were significant differences between the two groups ( $p < 0.05$ ) are number of donations made to the news outlet and attendance at events organized by the outlet.

Response rates by publication ranged from 17 to 33 percent (Table I). The mailing list for *MinnPost* was 2,341, while the mailing lists for the other three publications combined was 178.

Demographic profile

Our first research inquiry is the profile of donors to nonprofit news organizations. In total, 51 percent of respondents were male and 47 percent female. More than three-fourths ( $n = 357$ ) of survey respondents reported being 50 or more years old. Youngest to oldest, 7 percent were between 18 and 34 years, 15 percent between 35 and 49 years, 44 percent between 50 and 64 years and 33 percent were age 65 or older[1].

Table I.  
Survey response  
rates by market

	<i>The Austin Bulldog</i>	<i>MinnPost</i>	<i>The Lens</i>	<i>St Louis Beacon</i>
Received survey	86	2,341	9	83
Responded to survey	15	427	3	20
Response rate (%)	17	18	33	24

Self-reported political affiliation of the sample was overwhelmingly Democrat (71 percent), compared to only 2 percent as Republican. In total, 20 percent indicated independent, 1 percent Green Party and <1 percent Libertarian.

In total, 83 percent of the participants (384 people) resided in the same metropolitan area as the news outlet. In total, 6 percent lived outside the outlet's home state. Two lived outside the USA.

### *Motivating factors to donate*

Our second research question explored the motivations for stakeholders to donate to nonprofit news outlets. Most donors (87 percent) identified the organization's "quality of journalism" as a motivating factor. In total, 69 percent identified their general "support of journalism" and 40 percent answered "a sense of community among readers." Only 33 percent said "coverage of a particular topic of interest" was a motivating factor.

With regard to journalism, "overall quality of writing" was the most common (82 percent) motivation for donating. Second was "depth of coverage of specific topic(s) of interest" (72 percent), followed by timely news coverage (54 percent). A majority of respondents (55 percent) indicated "independence from the influence of private ownership" factored into their decision to donate, **fewer than half (45 percent) identified "fairness or lack of bias in content" and 37 percent identified "the news outlet's viewpoints on one or more topic(s) being consistent with their own stance" as a motivating factor.** Two percent said journalism was not a factor in their decision.

### *Financial engagement*

Our third research question asked how donors to nonprofit organizations are financially engaged. Donors predominantly contributed for the first time in recent years. Specifically, 24 percent said they donated for the first time in 2010, 20 percent in 2009, 15 percent in 2011, 7 percent in 2008 and 6 percent in 2007. Four percent first donated between 2001 and 2006. In total, 21 percent were uncertain when they made their first donation. The donors to the surveyed nonprofit news sites have mostly repeated their giving, with 47 percent indicating that they donated three times or more (often times through monthly deductions from a credit or debit card). In total, 27 percent donated twice and 24 percent donated once.

Tracking the amount of contributions, 70 percent of donors had given a total of \$250 or less. The most common amount (for 41 percent of respondents) was \$100 or less. In total, 29 percent had donated between \$101 and \$250 and 13 percent donated between \$251 and \$500. Eight percent gave between \$501 and \$999, 3 percent between \$1,000 and \$2,499, and 3 percent gave \$2,500 or more.

Pearson's correlation analyses showed, not surprisingly, that frequency of donation is positively related to sum of donation ( $r = 0.49, p < 0.05$ ). There was also a significant positive correlation between age and sum of donation ( $r = 0.12, p < 0.05$ ), with older donors more likely to donate more money to their local nonprofit news source. There was no significant relationship between gender and either frequency of donating or the sum of donation.

Asked whether they were planning to donate to their local nonprofit news outlet in the future, 90 percent of the respondents said "yes," only 1 percent said "no" and 7 percent said they were uncertain. In total, 63 percent of donors surveyed said they had encouraged or were planning to encourage others to donate to their local nonprofit news outlet. In total, 35 percent responded "no."



The survey data suggest that most donors to nonprofit news organizations are also donors to local public media organizations. In total, 81 percent reported that they had given to their local public radio or public television station in the past year, compared to 16 percent who had not.

Seven nonprofit news organizations provided researchers with precise or estimated information about the amount of individual donations and total revenue received from individual donors for the time period of April 2010 through March 2011. The individual donor support as a percentage of total revenue for these organizations from the lowest to highest was as follows: 10, 18, 28, 30, 66, 67 and 79 percent.

### *Interview results*

Donors expressed the importance of quality journalism from their local nonprofit news organizations, as the following interview excerpts illustrate:

We don't have a news media that is actually journalism anymore. It's more advertising and entertainment and controlled by the status quo. So looking at trying to get better information into the community to make better decisions comes almost totally reliant upon third-party nonprofit organizations like the Bulldog (*Austin Bulldog* reader).

We see a need for objective journalism that isn't necessarily tied to the same interests that our other news sources seem to be tied for locally. I don't pay much attention to local news, but I find local newspapers to be of declining quality. There seemed to be a need to support a local outlet (*MinnPost* reader).

Interviews indicated that personal relationships can enhance fundraising efforts. Seven out of 21 interviewees referenced personal connections as a motivating factor to donate. This is consistent with the survey finding that 27 percent of respondents said that a personal connection to the news outlet's editors or staff factored into their decision to donate. Nearly half of the interviewees ( $n = 10$ ) said they felt more of a personal connection to their local outlet or a greater sense of investment after they became donors. The remaining 11 answered that either their feeling of connection did not change after their donation, or that they had not thought about engagement with their local organization in those terms:

I have gotten to know quite a few of [the reporters and editors] in a personal and professional way. I've been very happy with that quality of interaction (*St Louis Beacon* supporter).

I make a point of going to events. Those are affirming opportunities to see hundreds if not thousands of people, many of whom I know, and realize that we all share this concern about the quality of vetted journalism and where will it come from, and this [news outlet] is one good option (*MinnPost* supporter).

Our third research question asked what nonprofit news organizations can do to increase financial engagement among stakeholders. One interview subject said that if she knew her local nonprofit news outlet was struggling financially she would be likely to increase her donation. Another commented that she would likely ante up again if the news outlet cut her off from reading the web site unless she made another contribution.

Three donors commented that they would likely donate again or increase their donation if their local nonprofit news outlet came to them with a specific fundraising pitch. A donor to *MinnPost* said that she would consider "some specific request for a specific reason" to "give over and above" what she would otherwise donate. A donor from Austin said:

If they were asking for more money and on a fundraising campaign I would give more and I would help them get more from others, but they haven't, so here I am.

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Another interviewee from Austin said that journalists and people who work at journalism organizations typically are not conditioned to be self-promotional and to ask for help from their audiences beyond providing feedback on papers.

A Minnesota donor suggested that listings of major donors on her local nonprofit news outlet's web site might hinder fundraising efforts:

I don't know what their finances are but it looks like they have a lot of big names and numbers, and they seem to be doing well [...] The whole idea of big-name sustaining members on their websites honestly makes me think, that's great, those are the people with money. I don't feel bad about not giving them much. That might actually be boomeranging on them.

## Discussion

Seed money from foundations and major individual donors has played a significant role in the genesis of local nonprofit news organizations. Information provided by seven such organizations shows that during a recent year's time frame support from sources other than individual donors accounted for anywhere from 21 to 90 percent of total revenue. A consensus that this support will diminish over time means that the survival of local nonprofit news likely depends on turning as many of the consumers of their digital product as possible into habitual donors. Because these organizations are typically lean and geared so heavily toward using their scarce resources for content production, it is imperative that efforts at cultivating individual donors be employed to maximum effect.

Research suggests that cultivating donors requires enhancement of the organization-public relationship primarily through the building of trust, satisfaction and commitment with both new donor prospects and existing contributors. Much of this research involved nonprofit organizations with a primary charitable purpose to help others in some measurable way. However, the nonprofit news industry has no characteristics that would likely render inapplicable the primary lessons the research teaches about donor cultivation. The content produced by nonprofit news organizations is a public good, the benefits of which to both society and to themselves are recognized by those who consume it.

The donors surveyed in this study heavily cited the quality of journalism, including the writing, depth, timeliness and fairness (including lack of bias), as primary motivating factors for their support. This suggests that news organizations seeking to increase the level of commitment and trust of potential donors should use resources to enhance these attributes. Donors were less, but still somewhat, motivated to give as a result of agreement with a particular viewpoint or topic of interest. However, that a substantial majority of donors to the participating news outlets participating in the survey were Democrats, outnumbering Republicans by a ratio of more than 35 to one, suggests that the at least some viewpoints or topics associated with the publication may be motivating financial support.

Communication managers for nonprofit news organizations can directly contribute to efforts to build the type of trust and commitment that cultivates donors. They can communicate to consumers how contributions will be used to achieve the journalistic qualities that motivate financial support. Because trust building demands the keeping of promises made with regard to the nonprofit's use of donated funds, nonprofits should take care to promptly assure donors that their contributions were used as promised. To the extent that the organization knows that a potential or existing donor has a strong viewpoint or interest that motivates engagement, efforts to particularize communications to emphasize how their contribution would promote it seem to be warranted.

Flexibility in the communication approach with individuals is further supported by the reality that psychological motivations such as enhancing self-esteem can play

a role in the development of commitment to an organization. Research shows that some individuals want to know that their input is valued by the organization or reflected in its actions, or that they are associated with an entity that has achieved something notable. Nonprofit news outlets would be wise to ask for regular feedback from donating audiences – not only about editorial content but also about potential organization-sponsored events (including fundraisers) – and to seek out help in planning these functions as a way of engaging current and potential donors.

Holding organization-sponsored events should be designed both to allow staff and the public, and donors and potential donors to learn more about each other. This builds a feeling of community and provides an opportunity for existing donors to encourage others to contribute. Given the extremely high percentage of nonprofit news outlet donors who also support their local public media broadcast station, news organizations should seek to engage in joint events, as is done St Louis. Social media can be used to better connect and understand individuals, as well as disseminate information about published content and organization accomplishments and events.

More than three-fourths of the existing donor base of the four nonprofit news organizations participating in this study are over the age of 50. If this is mostly a result of the higher income that often accompanies age, then today's younger consumers may naturally tend to donate more as they get older. However, if the current older donors are to a significant extent more prone to contribute because they became used to paying for printed news in the pre-digital era, an increased ability to give with age may not alone result in them replacing today's older donors. Nonprofits must then greatly increase efforts to cultivate giving from younger consumers. The tendency for those who donate more often to donate more also suggests that turning people into donors at a younger age will increase levels of overall support in the long term. Even if a younger donor's contribution is relatively small, this study shows that their financial engagement helps to trigger other forms of beneficial engagement such as sharing content from the nonprofit news outlet with others.

The nonprofit news organizations that distributed the survey to donors have all been founded in the last several years. Recurring donations are critical to their sustainability. Nearly four in ten of their donors gave for the first time in 2010 or 2011. Nearly half of donors have given three or more times. That 90 percent of survey respondents indicated that they were likely to donate again seems to show that the nonprofit news outlets are doing well with regard to donor satisfaction and retention. However, the donors who responded to the survey (ranging from 17 to 33 percent of those solicited from each organization) may be among the most committed. This study confirms that nonprofit news organizations should devote more time and resources cultivating relationships with both new and existing donors.

This study shows that communication managers for nonprofit organizations should make an effort to engage as many potential donors as possible in a manner that enables them to learn more about each individual's motivations for engagement. Concerted efforts should be made to identify attributes of an organization that are valued by donors and concerns they have about it that affect donor trust, satisfaction and commitment. That the researchers of this study, who were unknown to the donors whose survey responses were solicited, were able to obtain a reasonable participation rate and elicit information about donor views of their news publication, suggests a willingness by donors to engage in a productive conversation about such matters. Communication managers could certainly craft and distribute donor surveys specific to their own organizations for this purpose and to obtain more specific consumer

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demographic information, as other research suggests. Donors may also be afforded opportunities to communicate their interests and concerns through digital social media, opportunities for comment built into publication web sites.

Communications from organizations should be frequent, candid, promoting of goals and achievements and personalized when possible so that donors see the benefits of the organization's activities and how their giving enables it to happen. Communication managers should not be hesitant to trumpet accomplishments in order to enhance the organization's reputation in the minds of current and potential donors. Online communication, including social networking, should be used in the manner that the likely donor pool will use it. When possible, a communication style should be used in initial communications to unfamiliar individuals that creates a perception of similarity.

Fund drives with targeted contribution goals tied to specific organization efforts can be effective. The experience of non-media nonprofits and, more particularly, of public radio, with regard to fundraising campaigns with stated target amounts, supports the utility of this strategy for local nonprofit news organizations. A dominant theme of donor interviews from this study is the desire to know more about their nonprofit organization's specific financial status and funding needs. Some respondents indicated that they wanted to understand their nonprofit news outlet's financial situation and expressed willingness to respond financially if approached with a pitch for a specific goal as part of a fundraising campaign. While one donor interviewed cautioned that publicly listing major donors may inhibit some donors, research suggests that the overall amount of donations derived from individuals may be enhanced by providing either ambiguous information about donation amounts sought or by publicizing high contributions.

#### *Limitations and directions for future research*

Because the donor survey was conducted online, the validity of the responses cannot be confirmed. However, the researchers' direct interaction with the nonprofit organizations and their cooperation in contact donors helped to minimize the risk of invalid participant responses. News organizations were allowed to choose which donors received invitations to take the survey, and thereby select the potential respondent pool. Even if the entire population of donors received the survey, those who are more engaged were most likely to participate.

All individual donors to nonprofit news outlets were eligible to complete the survey, and it is difficult to measure how many were employees or their relatives because some respondents chose not to identify themselves for prize distribution purposes.

Because *MinnPost's* roughly 2,500 individual donors outnumbered the others combined by roughly 11:1, the aggregate data largely represents this nonprofit news outlet. While all nonprofit news outlets can benefit from our findings, each organization has distinct financial circumstances and ways in which they interact with their communities.

Finally, we make no claim that stakeholders' trust in an organization for accuracy and balance establishes these characteristics. Previous studies have found a correlation between an audience's prior position on an issue and the perceived bias in media coverage of it. This study investigated the importance of perceived quality of news content as one indicator of trust as factor in the donor/news organization relationship, not whether the information is biased.

Future research could focus on the actual cost effectiveness of efforts by local nonprofit news organizations to implement the specific donor cultivation strategies

mentioned in this study. The current small size of many of these organizations requires that resources be directed to efforts that will produce the greatest return in increased individual donations in relation to implementation costs.

### *Conclusion*

The individual donors to local nonprofit news organizations surveyed in this study mostly give repeatedly and in relatively small amounts. Most claim the intent to continue to donate in the future. But the current donor base is largely over age 50 and its replacement by those now younger is uncertain. Even at current levels of individual donor support, operating budgets for the organizations participating in this study depend heavily on foundations and major donor – sources of revenue likely to decline over time. As a result, increasing donations from individual donors is crucial to the long-term sustainability of nonprofit news organizations.

The relationship building, donor cultivation and fundraising strategic activities the literature support as being effective for other types of nonprofit organizations provide useful guidance to online news outlets seeking ideas for increasing the number and amount of contributions from individual donors. If these organizations produce content of high journalistic quality and properly promote it to potential donors, individuals are likely to recognize the value of this public good and step forward to support it.

### **Note**

1. To the extent totals provided are < 100 percent of respondents, this represents people who did not answer a question.

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