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Public Perceptions of the Nonprofit Sector

Amy Beale

Nonprofit Administration - University of Montana

INTRODUCTION

Most public perceptions of the nonprofit sector fall into two categories:

- Nonprofit organizations are small in size, utilize volunteers/unpaid employees, and have operational styles that differ from private businesses.
- Nonprofit organizations do not require profit or a large administrative overhead net to accomplish their mission.

REVIEW OF LITERATURE

Current academic research and professional conference presentations suggest strategies to correct inaccurate public perceptions:

- Literature suggestions:
 - Changing the name *nonprofit organization* to another, mutual/not confusing name will decrease the amount of confusion within the general public and produce more awareness about what nonprofits are.
 - Implementing business-like strategies into nonprofit operations will increase the general public's view on nonprofit organizations as businesses.
 - Educating the general public about what nonprofit organizations are and what they do will naturally increase awareness.
- Montana Nonprofit Association (MNA) annual conference, October 2013:
 - Collaboration between private businesses and nonprofit organizations might help increase public awareness better than implementing business strategies into nonprofits.
 - Collaboration between nonprofit organizations will increase productivity because of the increase of manpower and shared resources.

RESEARCH METHODOLOGY

Anonymous and voluntary survey distributed throughout the Missoula community to the general public:

- 32% return rate
- Ten (10) questions written towards answering the above suggestions found through literature research and the MNA annual conference.

This survey is anonymous and will be used in an Honors College Senior Research study examining the public perceptions about nonprofit organizations. The information gathered from this survey will be aggregated and used anonymously.

- This survey is about nonprofit organizations, are you familiar with any local nonprofits?
 - Yes
 - No
- If you answered "yes" to question (1) please list the nonprofits you are familiar with:
 - _____
 - _____
- Do you think the name *nonprofit organization* is confusing?
 - Yes
 - No
- Do you think changing the name of *nonprofit organization*, to another name would help the general public understand what nonprofit organizations are?
 - Yes
 - No
- If you answered "yes" to question (4), check the name(s) listed below which you think would be a good substitute for the name *nonprofit organization*.
 - Community Benefit Organization
 - Nongovernmental organization
 - Philanthropic-Based Business
 - Tax-Exempt Organization
 - Other _____
- Do you think nonprofits should operate more like businesses?
 - Yes
 - No
- Do you think collaboration between nonprofit organizations and businesses should exist?
 - Yes
 - No
- Do you think collaboration between nonprofit organizations should exist?
 - Yes
 - No
- Do nonprofit organizations currently communicate well with the general public about what they are/what they do?
 - Yes
 - No
- What communication ideas could help increase the general public's understanding about nonprofit organizations and what they do/accomplish?
 - Commercials on TV or radio
 - Advertisement in local newspapers, magazines, etc.
 - Press Releases
 - Open Forums
 - All of the above
 - Other _____
 - None of the above; please explain _____

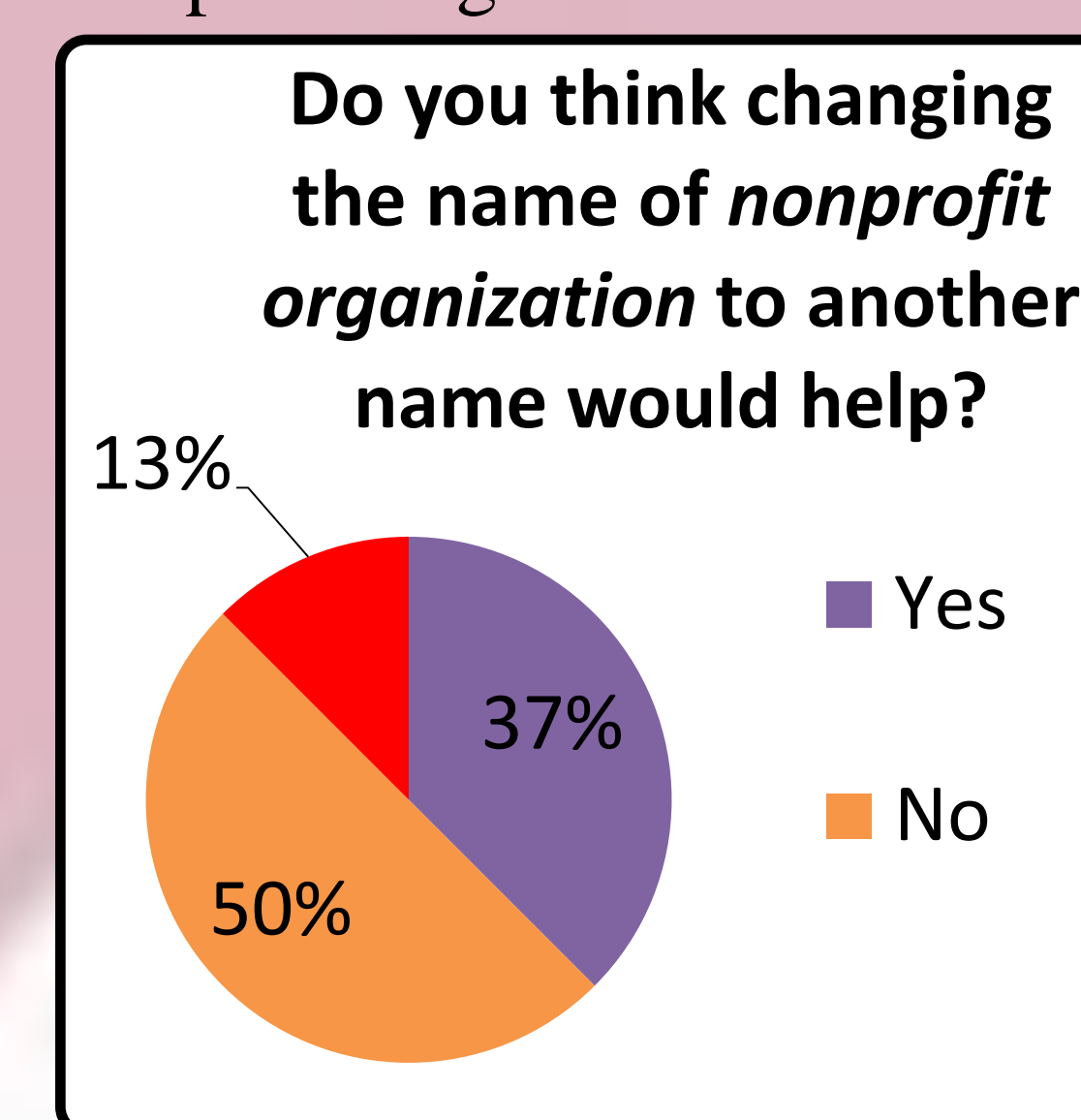
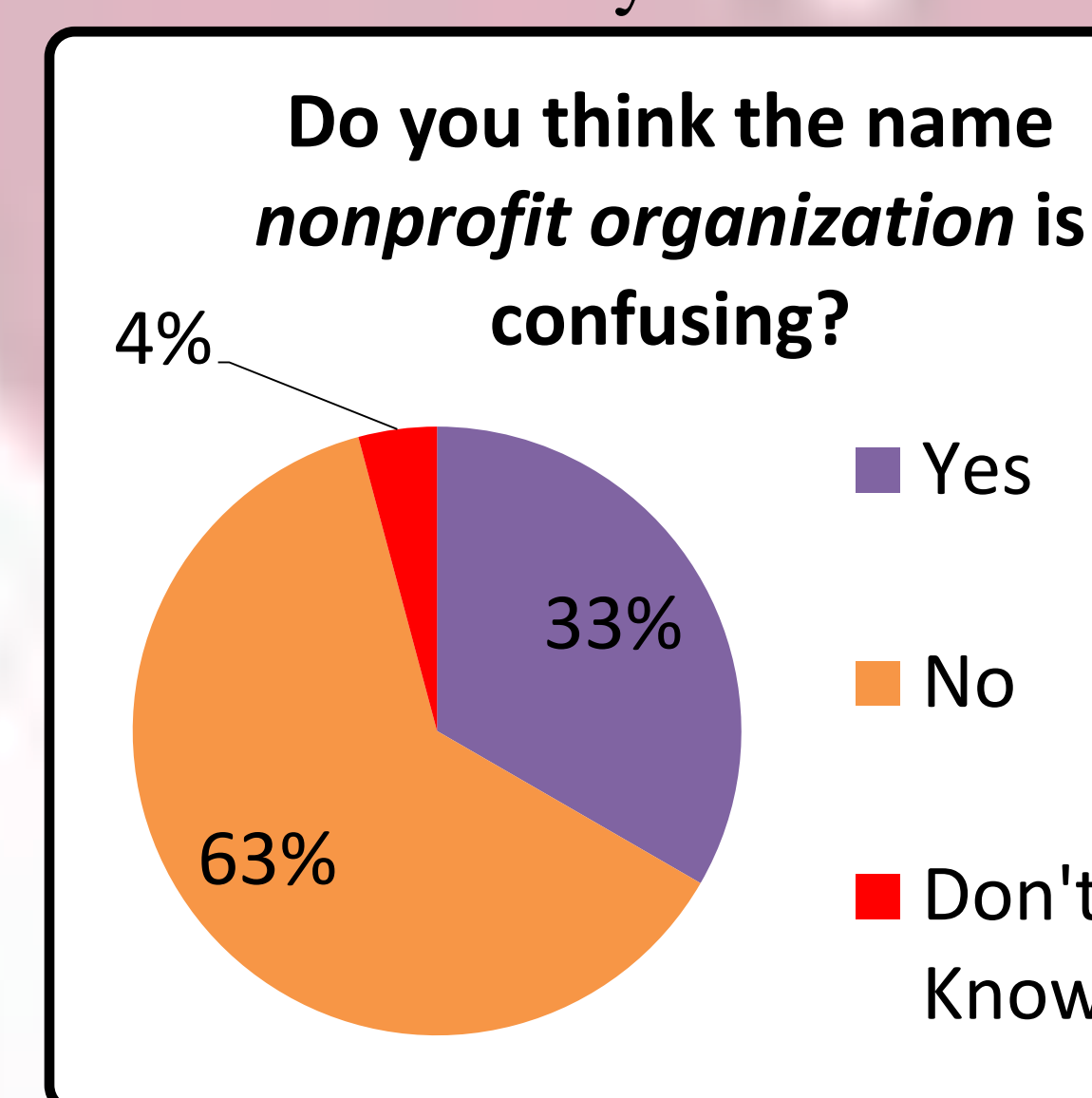
Thank you for taking the time to complete this anonymous survey. If you have any questions about the research, you can contact: Amy Beale at (509) 251-2164

If you have any questions regarding your rights as a research subject, you may contact the U.M. Institutional Review Board (IRB) at (406) 243-6872.

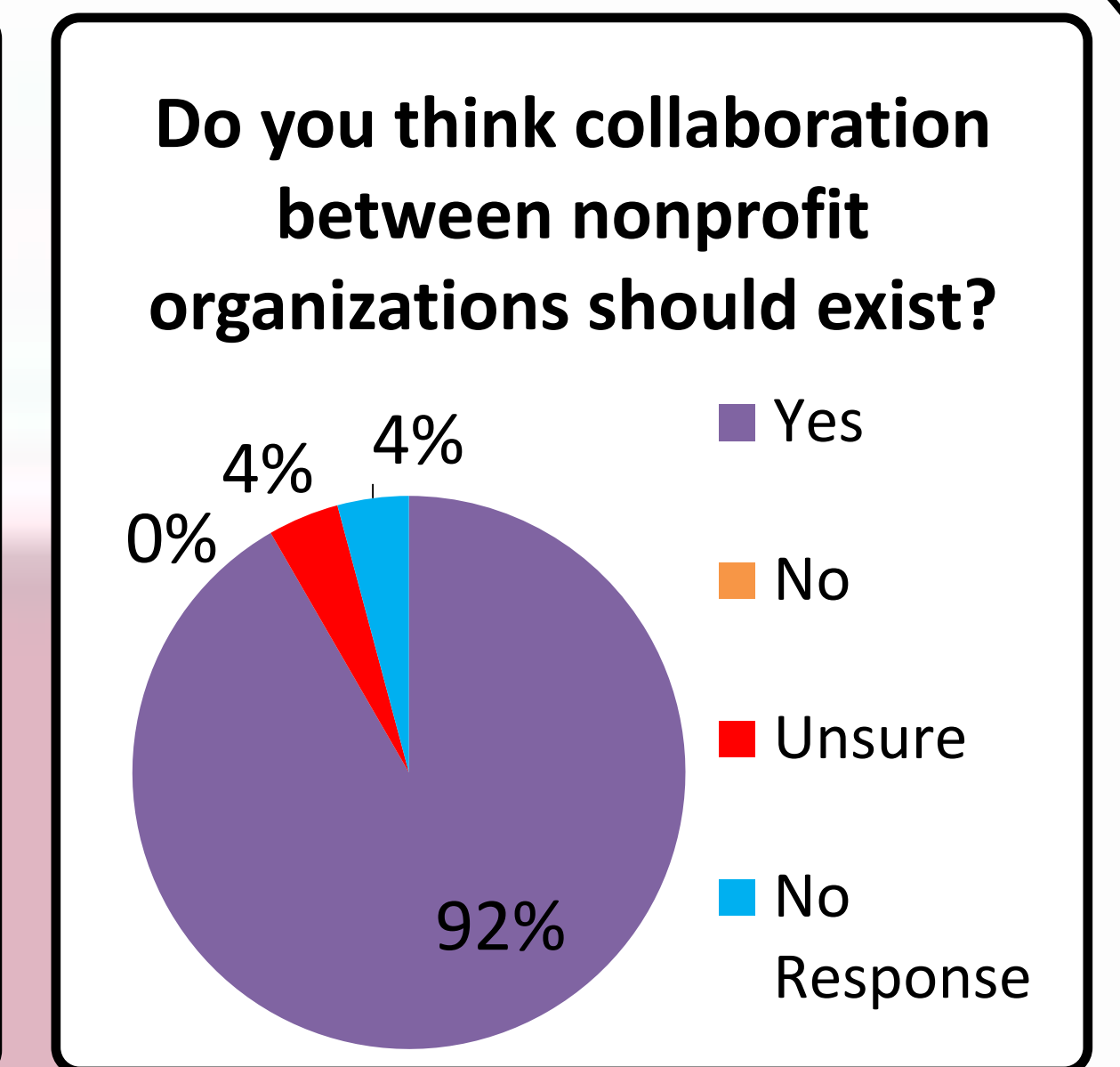
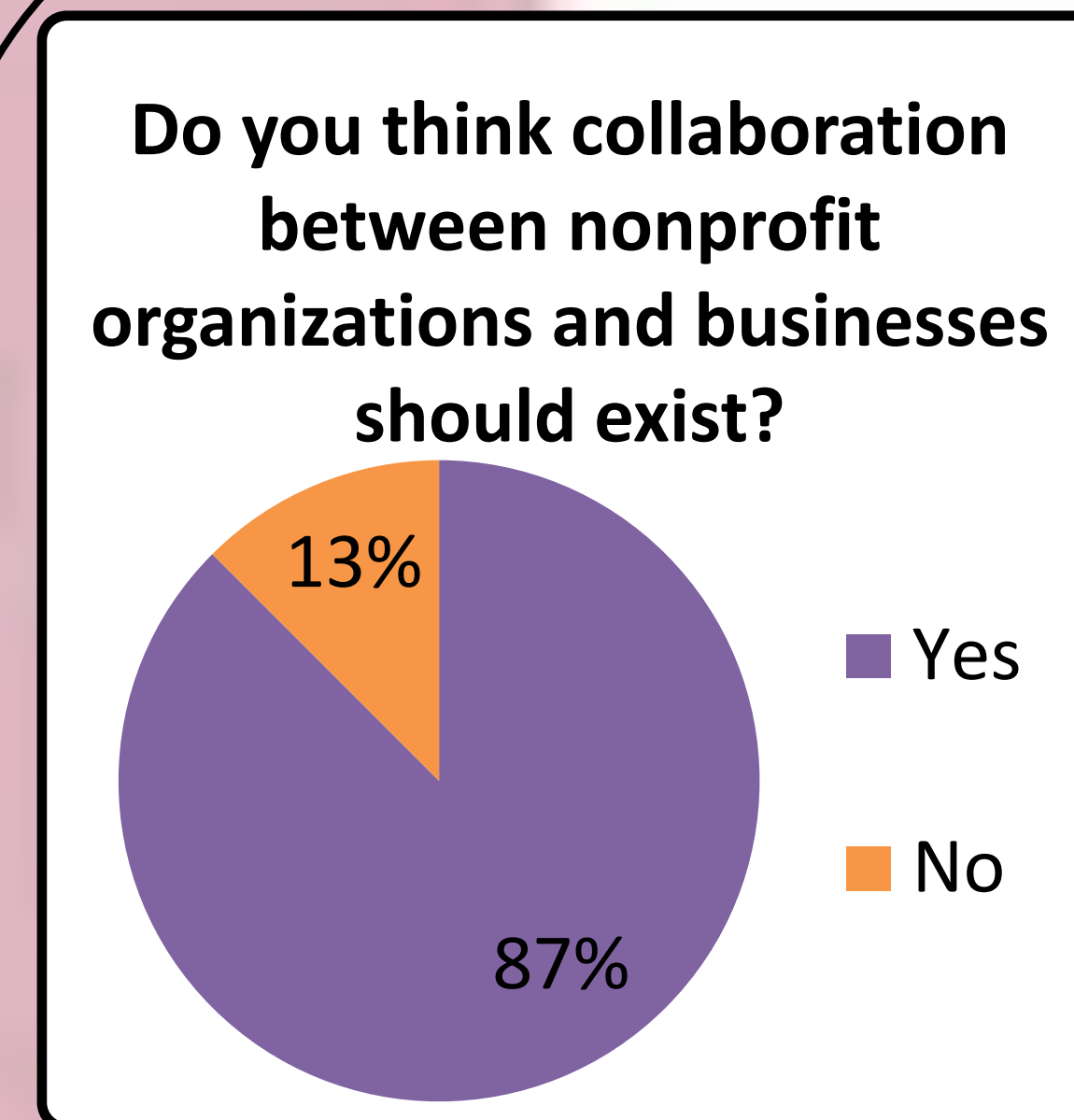
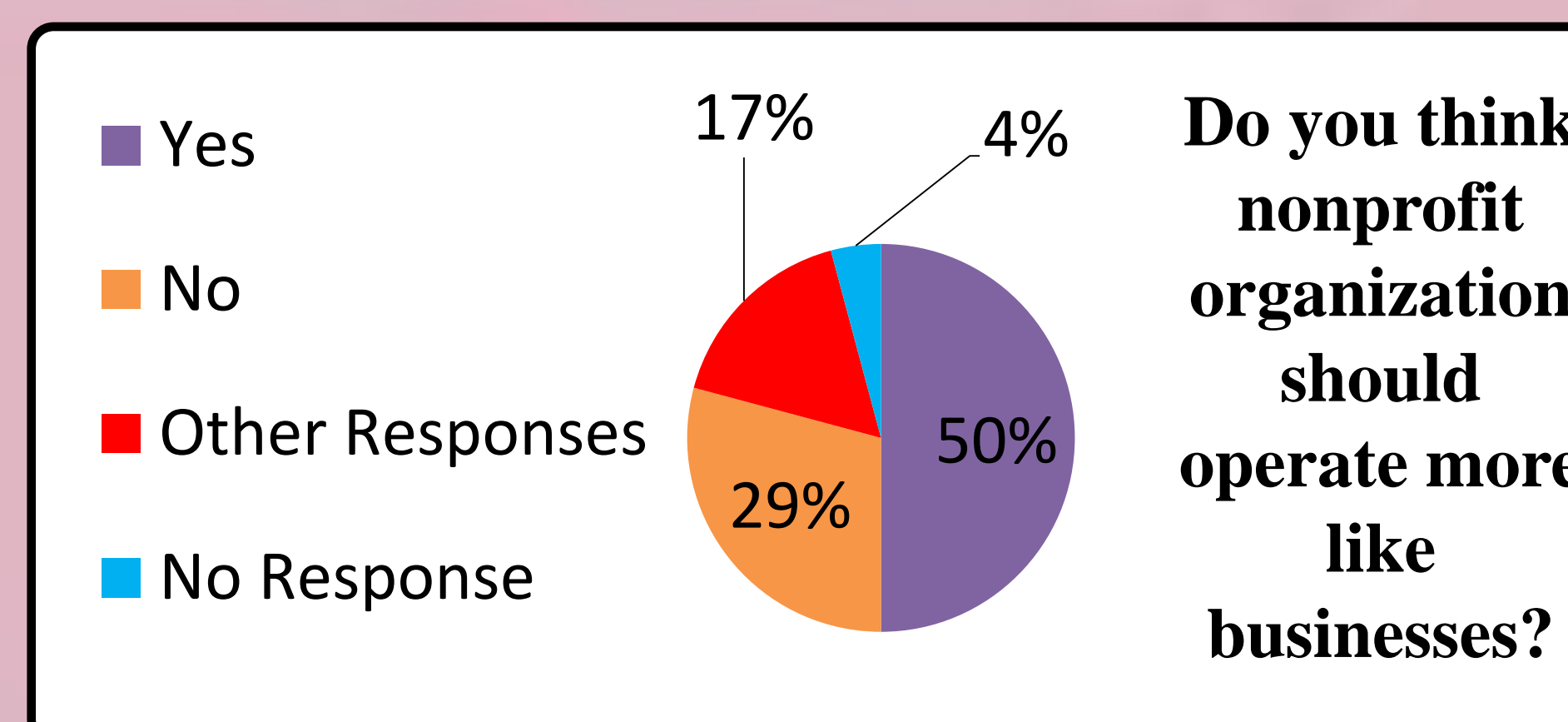
In our economy there are three different sectors, (1) the government, (2) for-profit business, and (3) nonprofit organizations. Nonprofits are businesses which do not earn money/return profits for their owner(s) but instead direct all their funds towards a certain cause. Nonprofit organizations are generally recognized by the public, however, as charitable entities organized to meet community needs through the use of donated volunteer time and money. As a result of this general perception of the nonprofit sector, many people believe nonprofits do not require profit or a large overhead net to accomplish their mission. Profit and overhead costs, however, are essential for organizational effectiveness and growth to happen. Therefore, public awareness regarding these misconceptions must be addressed. By reviewing research about public perceptions of the nonprofit sector, and attending the Montana Nonprofit Association annual conference, this research study discusses the general public's confusion associated with nonprofit organizations and highlights three suggestions on altering current public perceptions. The three suggestions are (1) changing the name nonprofit organization to a more mutual/less confusing name, (2) implementing business-like features into nonprofit organizations' operations, and (3) enacting public education through different forms of communication. This study used an anonymous and voluntary survey to see which of the three suggestions the Missoula community best responded to. This research study exhibits the data from the survey and discusses the results as a conclusion. Local nonprofit organizations can utilize this information to benefit their organization in becoming more efficient businesses because they will have direct information coming from their community.

RESULTS

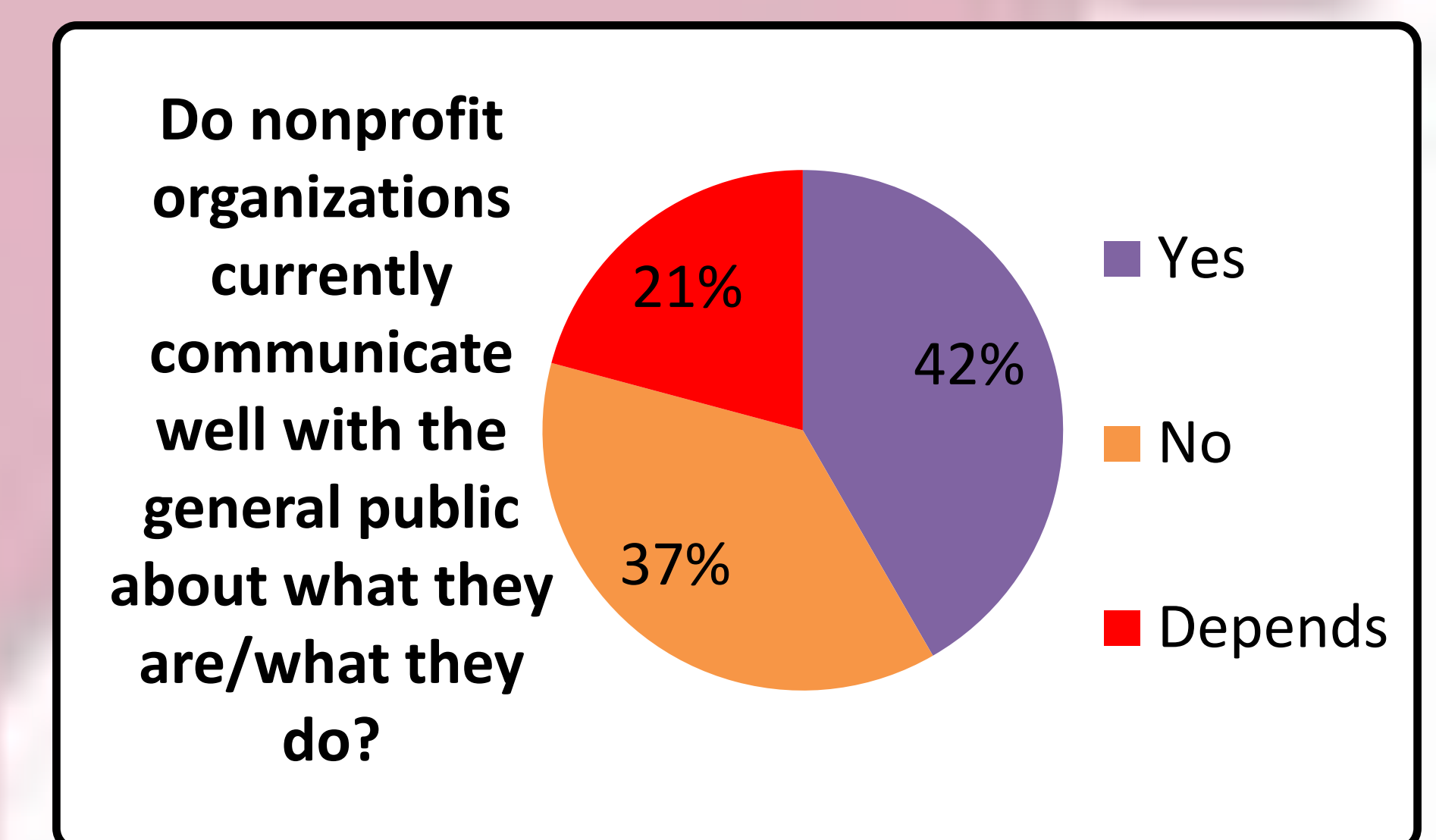
- 96% of survey participants were familiar with local nonprofit organization(s)
- Survey participants listed over 50 local nonprofits they were familiar with. United Way was the most listed nonprofit organization.



- "Community Benefit Organization" was the name most chosen by survey participants whereas "Nongovernmental Organization (NGO), a commonly used name today within the United States and internationally, was not chosen once.



- The 13% of participants who said nonprofits should **not** partner with for-profits think either nonprofits should partner together, are unsure, or choose not to respond to the question.



- Every survey participant either marked ways a nonprofit organization could improve their communication, or wrote in their own ideas on how they could improve.

CONCLUSION

- The name nonprofit organization is not as confusing as originally thought. Changing the name would not dramatically increase awareness as the survey results suggest.
- If a mutual name had to be picked, the most recent suggested "Community Benefit Organization" found in academic research, was favored among the survey participants. Most participants, however, choose to not respond when asked if any new names were a good substitute.
- The Missoula community seems to think educating the public is the best suggestion, since every survey participant marked ways on how nonprofit organizations could improve their communication.
- Collaboration was the second suggestion the community responded well to. Especially collaboration between different nonprofits.
- Operating like a business drew mixed results. Half of the survey participants did say "yes" to nonprofits operating more like a business. A closer look, however, shows the ineffectiveness of the question. It is unclear if the participants meant yes – to implement new attributes into operations, or yes – they do not believe nonprofits are a business already and should act like one.

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