Donors Choose – United States of America

The US DonorsChoose.org is a website that helps people give a donation to learners (students) from public schools most in need. The idea for DonorsChoose.org came from a social studies teacher, Charles Best, in a Bronx, New York high school. Charles sensed that many people would like to assist learners but were frustrated by a lack of influence over their donations. He set up a website for his colleagues to post their classroom needs and began to spread the word about the site. To learn more and see the latest updates, visit: http://www.donorschoose.org/

(**NOTE**: The Australian Council for Educational Research, through its school-community partnership hub, Tender Bridge service, has been scoping a DonorsChoose.org inspired model in Australia.)

Governance

DonorsChoose.org is governed by a national Board of Directors, which includes 11 leaders in business, technology, finance, philanthropy, media/ entertainment, and law. Notable board members include host of Comedy Central's *The Colbert Report* Stephen Colbert, and LinkedIn CEO Jeff Weiner. It also has a National Advisory Council comprised of 29 business, technology, education, philanthropy, and media leaders, including executives from Facebook, founders of Twitter and Craigslist, and a director of the prominent business consulting firm McKinsey and Company.

Innovation

The general public (local, national or international); philanthropic foundations or trusts; or businesses can donate to DonorsChoose.org. As an Associate Director

of a US foundation interviewed for this case explained;

In many ways, DonorsChoose.
org represents the triumph of
technology in the 21st century
when it comes to expanding
the capacity of philanthropy. It
allows everyone, from individuals
(like a grandmother living in a
different state) to companies
(where the parent works) to civic
minded organisations (community
foundations in the area) to support
a particular school that is in need
of funding.

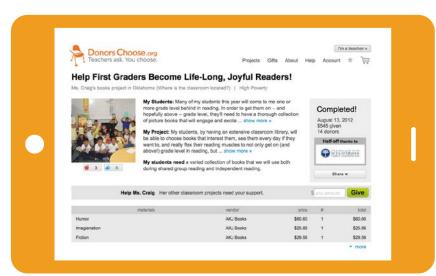
Teachers post a brief synopsis of their project on the DonorsChoose.org website and the public can choose which project to fund and how much to give. As the DonorsChoose.

org strap line states: *Teachers Ask: You Choose*. However, with a strong focus on

equipping those most in need, DonorsChoose.org uses free school meals as an indicator of need and they 'bubble those projects up to the top of the list on the website'.

A 'project' generally falls into requests for classroom supplies (37%), technology (27%), books (25%), other resources (e.g. equipment, gardening projects) (10%), field trips (most successfully funded but more labor intensive for DonorsChoose. org) (1%). DonorsChoose.org

Donors love donating directly to a classroom and the direct feedback they get from the letters and emails. They also 'trust' us because they know where their donation is being directed. They can choose where it is directed and they know how we are going to use their donation. (Chief Marketing Officer, DonorsChoose.org)



makes sure the project request is legitimate and then sources and delivers the item. DonorsChoose.org gathers personalised 'thank you' letters and photos from the class and sends these to the donor. All this is done electronically.

Model

DonorsChoose.org has created a flexible model so a donor can choose how they wish to donate. Donors use filters on the website to direct their donation. Philanthropic or corporate donors approach or are approached by DonorsChoose.org staff or a board member about a potential partnership. The donor identifies a project focus via filters (e.g. geographic location, subject focus, grade level) and works with staff to identify a mechanism for funding (e.g. Double Your Impact, Almost Home, Employee Matching, Gift cards, see page 86 for examples). The model also includes a 15% donor contribution (optional for citizen donors) with every project supported. This transparent 'cost' is used to support key administrative functions of the service, which are also clearly identified for the donor to see.

There is a lot of 'hit and miss' leg work and cold-calling with endorsements. We decided to be very strategic about our first celebrity endorsement. (Cesar Bocanegra, Chief Operating Officer for DonorsChoose.org)

Asking a teacher what they liked about the DonorsChoose.org model and where they thought improvements could be made, the teacher replied:

Teachers don't have to be great writers or fundraising experts to get projects funded. [However,] there seemed to be a lot of literacy materials and technology and general supplies. But special classes like art, music and foreign

language classes are less represented. More experiential activities should be included: excursions, incursions, etc.

Factors for effective engagement (see all 10 factors on p. 22)

The biggest challenge faced by DonorsChoose. org was building awareness, particularly as their communications budget was small. Their approach has been mostly through celebrity endorsements, magazines and google ad grants.

To assist in overcoming this challenge, Charles Best, CEO of DonorsChoose.org cold-called every newspaper reporter he could about DonorsChoose.org. The Editor of *NewsWeek*

loved the model and ended up becoming a board member. Through his connections, the word 'got out' and it landed on Oprah Winfrey's desk. She liked the model and from there things started to happen. One connection led to another and others started promoting what DonorsChoose.org was doing.

The most effective factor for engagement now is ensuring there is a 'good fit' between what DonorsChoose.org is trying to achieve and what donors are seeking to support. DonorsChoose.org does its research. For example, they look at whether a donor has been involved in education before approaching them via an email (e.g. highlighting that 'we notice that they have supported DonorsChoose.org, have they thought about ...'). They also approach a donor via an existing (high profile) donor.

Impact

As of March 2013, DonorsChoose.org has raised \$US174 million and funded 348,000 classroom projects. More than 8.6 million children have benefited from books, technology, supplies, funding for field trips or class visitors, and other resources. 47,000 schools across the United States have participated, with 236,000 individual teachers posting classroom projects.

Leslie Lenkowsky of the Center on Philanthropy at Indiana University predicted in a 2005 *New York Times* article that DonorsChoose.org's popularity would wane. "Web-based charities make giving very easy, and a lot of people give at the beginning, but then the novelty wears off" and many sites lose traffic. Dr. Lenowsky, however, failed to predict the powerful impact of socially innovative donors with deep pockets, and the lure of celebrity endorsements.

In 2005, word had spread about the site, and DonorsChoose.org won the Nonprofit Innovation Award given by Stanford Business School and Amazon.com, a Fast Company Social Capitalist Award, and other prestigious awards.

What are the main outcomes?

Our review of the US DonorsChoose.org work shows that through its focus and approach to supporting learners in need via this model, the following is apparent:

- Donors give again, not just as a once-off;
- The model in the US works best when

projects posted are a minimum of \$100 (anything less is not cost effective for DonorsChoose.org) and a maximum of \$400 (for things like material assistance). However, DonorsChoose.org also supports larger needs, such as excursions and incursions.

As Cesar Bocanegra, Chief Operating Officer for DonorsChoose.org summarises:

If you average all the projects posted on the website, 70% get funded. If you have a project of \$1,000 then the success rate drops to less than 60%. We have had dozens of projects that are over \$10K. For example, we had an \$80K project for a whole computer lab. In this instance, it is important to have a corporation or foundation that is an advocate for that particular project. In this case, Hewlett Packard provided over half of the funding for that project. The rest was secured from individual donations. In another project, a school teacher wanted to send 500 students to the movies to see a film documentary on bullying. This amounted to \$50K. This field trip was funded by a private donor that wanted to support the issue of overcoming bullying.

Key outcomes from DonorsChoose.org include:

- increased student motivation to complete learning tasks;
- improved capacity to participate in classroom learning (e.g. calculators);
- access to different kinds of resources for learning that they otherwise would not access;
- learning associated to a positive experience because students feel valued by 'generous people';
- facilitating teacher collaboration: DonorsChoose.org is seeing evidence of more collaboration among teachers through their online discussion groups. They created a discussion forum that encourages people to copy each other's ideas, for example, 'What's your favourite tip for class management? This is what I do ...'

How is information gathered?

Data on impact is gathered in terms of outputs through the website (i.e. total amount of donations, number of students assisted, number of projects posted, etc.). DonorsChoose.org also gets self-reported feedback from teachers about the impact of the donation on their teaching effectiveness. DonorsChoose.org is in the process of setting up a role within the organisation to explore the impact of their service in relation to student learning, achievement and wellbeing outcomes; as well as policy level impacts.

How do you share the information gathered and with whom?

A section of the website is updated daily about, for example, the number of projects funded.

Corporate/Foundation Partnerships: at a glance

Partnership Type	How it Works	Example	Benefits
Double Your Impact	A foundation or corporation covers 50% of the proposed project up-front.	The Bill and Melinda Gates Foundation donated the first 50% of project cost for rural public high schools to enhance university preparatory classes.	 Lower project cost encourages more individual donations and increases likelihood of funding. Branding/influence opportunity for philanthropic investor.
Almost Home!	Philanthropic donation brings project close to completion.	Pershing Square Foundation donated the remaining funds needed to complete history and civics projects in honour of Presidents' Day.	 Affordability triggers individual donations. Increased website traffic brought in to new donors.
Gift Cards	Philanthropic donation purchases gift cards that can be redeemed for the project of the donor's choice with criteria set by the philanthropic investor.	Wasserman Foundation: donated gift cards to parents of LA Public schools, and Starbucks Coffee customers.	Community engagement tool.Branding opportunity.
Cause Marketing	Businesses promote their products while also supporting educational projects.	Chevron donated \$1 to a local classroom project for every fill-up in a local area focusing on science, technology, engineering and math education. Chevron set up a "Fuel your School" microsite to showcase projects, maps, toolkit for teachers and thermometer.	 Branding and social responsibility. Customer engagement.
Employee Matching	Company sets up employee matching which is credited immediately.	Credit Suisse chose DonorsChoose.org as its non- profit partner for their Annual Holiday Charity Initiative.	Company's impact increases.Improves employee morale.
Giving Pages	Individual or Corporate Philanthropists create page and invite friends, employees or customers to support a project.	Stephen Colbert created a page to challenge his viewers to support members of the armed forces by funding projects that benefited schools serving military families.	 Leveraging social networks.