Case Study of the American Nurses Association


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Abstract
This case study is the first of five looking at the influence of culture on fund raising in the local affiliates of an international nonprofit organization. The American Nursing Association (ANA), the US affiliate of the International Council of Nurses, reflects many of the fund-raising practices common to US nonprofit organizations. As ANA operates within a national cultural climate that is very supportive on both the political and individual levels, the avenues along which it pursues funding support are varied and strong. This case study examines the organizational structure and fund-raising strategies of ANA, and then reflects on the influence the cultural context of the organization has played on shaping them.

Keywords: culture, fund raising, nonprofit, nursing

Cultural Context
The United States is clearly a world leader in fund raising. Total philanthropic giving in the USA is approaching $200 billion per year, with 80 to 90 percent of that coming from individual contributors. In his historical overview of American philanthropy, Billitteri traces the origins of this tradition of giving to Andrew Carnegie, who transformed philanthropy in America by convincing "wealthy people that they would be disgraced if they died without having donated their surplus money to social causes."

From these beginnings, charitable giving has become something that is practiced by—even expected—by all segments of American society. In fact, this culture of giving is so deeply entrenched that in October, 1999, the Clintons hosted a Conference on Philanthropy at the White House to "focus national attention on the importance of honoring, sustaining, and expanding the American tradition of giving" and "to emphasize the responsibility all Americans have to teach and sustain this tradition."

Clearly, the American affiliate of the International Council of Nurses, the American Nurses Association (ANA), operates within a cultural context that expects and supports philanthropic activity. Before exploring the fund-raising practices of ANA and its charitable foundation, the American Nurses Foundation (ANF), background will be given on the association that will prove useful in understanding how the association/foundation carries out fund raising.
Description of ANA/ANF

History and Mission
ANA traces its roots to September 1896 when delegates met to organize a national professional nursing association. Within a year, those delegates had written bylaws and a constitution and established the Nurses Associated Alumnae of the United States and Canada. Twenty years later, that organization was renamed the American Nurses Association. The American Nursing Foundation, which was established in 1955 as the charitable affiliate of ANA, is the development/fund-raising arm of ANA. Consequently, it will be the primary focus of this case study. The mission of the ANF is to "promote the health of the public and advance the nursing profession through the development and support of programs of excellence."  

Membership and Organizational Structure
ANA currently has 180,000 members; however, individual members of ANA do not belong to ANF directly. Technically the membership of ANF is the ANA board of directors. Structurally, ANF consists of four departments—publications, grants and contracts, operations, and development. Each department, except for development, which is managed directly by ANF’s director, Leo Schargorodski, is overseen by a manager who answers to the director (see Fig. 1). The director, in turn, answers to the chief operations officer of ANA. ANF has an independent board of trustees that is appointed by the ANA board, with two members serving on both boards.

Figure 1: ANF Organizational Structure
Because ANF is embedded in ANA, it is necessary to examine the larger organizational structure of the parent association. ANA is made up of fifty-three constituent associations, mostly state nurses associations. Elected delegates from each of these constituent associations constitute the House of Delegates, the governing and voting body of ANA. The House of Delegates elects ANA's board of directors, which in turn oversees the operations of ANA and its affiliates.

One anomaly of this organizational structure is that ANF cannot solicit funds from ANA members. Schargorodski explains:

ANA is a federated model, so every state is a separate corporation with its own executive director and its own board. They charter into ANA and agree to pay a set portion of the dues of every member to ANA. Thirty-seven states also have their own foundations, which, in most instances, were formed to accept some one-time gift. A nurse wanted to leave a building to the nurses' association in that state, or they wanted to leave them some funds out of their will, and in order to receive that, the association had to have a foundation, so they formed one. Most of the state foundations, I'd say probably two-thirds of them, do very little. Nonetheless, in the mid-1980s it was viewed that the members of the state associations were to be corresponded with only by those state associations. In other words, ANF could not solicit members of the state associations. So we're excluded and precluded from soliciting any current ANA member. Now we met a compromise in the mid-1980s, a memorandum of understanding from our constituent assembly, that once a nurse gives to ANF, she or he can be contacted.  

Indeed, this restriction does place ANF in an unusual position when it comes to fund raising in that they cannot solicit their own membership.

**Budget**

Nearly 32 percent of the revenues generated by ANF in 1999 were contributions from individuals and corporations, excluding grants. Contributed goods and services comprised 33.8 percent of the revenues for the year. According to Schargorodski, most of that is in-kind contributions from ANA. He clarifies, "ANA, being the mother agency, if you will, provides us rent, heat, computers, human resources, financial services, etc. at no cost. That amounts to about a million dollars in contributed goods and services to the foundation." All ANA publications are under the purview of ANF, and publication sales generated 19.1 percent of the revenue in 1999. Investment income accounted for 13 percent, an “other” sources, such as refunds on grants, comprised 2.5 percent. ANF's budget is presented in Fig 2.
Fund Raising in ANF

Background and Overview of Fund-raising Strategy
Strategic fund raising is a relatively new endeavor for ANF. According to Schargorodski, over the forty-five year history of ANF, nurses have been solicited for contributions primarily at the ANA convention or at the House of Delegates' annual meeting. There have been some very small fund-raising campaigns to fund the Nursing Research Grant Program, and in 1990 there was a significant capital campaign to move ANA from Kansas City to Washington, DC. Schargorodski notes:

When I first came to the foundation, contributions were diminishing and had been for three or four years. The foundation had been trying to compensate for that by increasing the number of third party grants, basically trying to maintain and fund operations through the overhead from the grants. The reality is that the overhead basically paid to keep the grants going and to produce the deliverables from the grant, rather than generating money for the foundation itself. So three years ago, I asked the board of trustees of the foundation to make a five-year commitment to do direct mail fund raising.

Currently the fund-raising strategy of ANF consists of four tactics: special events, planned giving, the research grant program, and direct mail solicitations. Each of these will be overviewed briefly; direct mail solicitations, which Schargorodski identifies as the most important piece of ANF's fund-raising strategy, will be analyzed in more depth.
Special Events
ANF plans a special fund-raising event for the House of Delegates, which meets yearly, and for the ANA convention, which is held every two years. Some of the events ANF has hosted in the past include a cruise up the Potomac, a dinner at the Library of Congress, and a performance at the Kennedy Center.

In addition to planning special events for the House of Delegates, ANF sponsors fund-raising events at ANA conventions. Schargorodski provides an example:

At the convention in Indianapolis in 2000, Hyundai Motors donated a car, and we filled the car—the trunk—with pens that we got from Lilly, and nurses had to use their basic expertise of predicting volume and computing volumes to guess the number of pens we’d put in the trunk of the car, and the person that came the closest without going over won the car. And it cost $25 a guess.

Planned Giving
A relatively recent fund-raising strategy for ANF is planned giving, which ANF carries out in contract with Stetler, one of the top planned giving firms in the country. The planned giving campaign, which is about three years old, does not ask directly for donations; thus, ANF can approach current ANA members, which, as noted earlier, it cannot do with other fund-raising appeals. ANF provides Stetler with a mailing list—5,000 names from the ANA membership log. Schargorodski explains, "We've taken the ANA membership list and segmented it out to nurses over the age of 55 with multiple degrees, multiple credentials, feeling that they would be in the upper economic brackets and would be more interested in estate planning." Stetler mails a newsletter or brochure to each person on the list. For the most part, the mailings are boilerplate newsletters or brochures, talking generically about the tax benefits of having a will or a trust fund, about how it can shelter money for one's family or a specific cause. The mailings also make some reference to ANF. (ANF actually writes the copy that appears on the front and back of the newsletter; on the brochures, the ANF logo appears on the front.) Those people who request more information are sent additional materials on estate planning as well as ANF's annual report. Schargorodski concludes, "That's where we do our development work. We'll follow up with a phone call or letter to those individuals, maybe four months after we've sent them the packet."

ANF assesses the effectiveness of the planned giving campaign by counting the number of response cards that are returned requesting more information. The association has been getting 150-300 responses from each 5,000-person mailing. Of course, the ultimate measure of the effectiveness of this campaign is if people indicate that they have included ANF in their will or estate. Individuals who indicate that they are doing so become part of the Nursing Leadership Circle. Schargorodski observes, "We're constantly trying to build the number of nurses that are listed in that. As a matter of fact, just yesterday or the day before, it was indicated to us that a nurse that we had been communicating with and her husband had determined that they were leaving us approximately $250,000."
Grants
Grant writing is a major activity of ANF. In fact, for the past ten years, ANF has been responsible for all grant writing for ANA. In 1999, the association managed fifteen grants totaling $748,000. In addition to writing and managing grants, ANF operates the Nursing Research Grant Program, which distributes approximately $300,000 in grants each year. Both of these activities will be summarized briefly.

Schargorodski identifies four ways in which ANF seeks and receives grants. First, the ANF is often approached by federal agencies or pharmaceutical companies offering grant money. According to Schargorodski, "The foundation has been administering grants for the nursing profession for the last ten years and has established a reputation for being able to produce good deliverables." The second way ANF pursues grants is by monitoring the Federal Register and other publications that alert groups to the types of funds that are being made available by foundations. Third, ANF actively seeks grants that fit one of its five targeted research areas. For example, shortly after Merck developed a new drug for Lyme Disease, ANF approached the pharmaceutical company asking for money to develop a nursing education program on Lyme Disease. Finally, ANF pursues grants on behalf of ANA or its affiliates. Schargorodski explains, "The department of nursing practice or the department of nurse advocacy programs-one of the departments within ANA-will contact us and say, 'We want to do research in, we want to do a grant, we want to pursue something on latex allergies.'"

In addition to soliciting grants from governmental agencies, philanthropic foundations and pharmaceuticals, ANF is a grant provider through the Nursing Research Grant Program, a program designed "to encourage the research career development of all nurses." The program provides $3,500 to $10,000 grants to beginning and experienced nurse researchers. One of the oldest fund-raising activities of the ANF is soliciting funds to support these grants. Many of the grants are endowed, such as the Anne Zimmerman Scholar, which is a fund established in 1995 by friends of a former ANA president. In all, endowments generate approximately $150,000 annually that ANF distributes to support nursing research projects.

The association also has nursing research grants that are funded every year by specialty groups, pharmaceutical companies, Sigma Theta Tau, or state nurses' associations. For instance, in 1999, the Florida nurses' association took up a collection "in honor of a nurse that they were very proud of and wrote us a check for $5,000." Schargorodski notes that soliciting funds for nursing research grants from subsidiary and specialty organizations is "another fund-raising activity that we do every summer."

Direct Mail Program
The final fund-raising strategy employed by ANF is direct mail solicitations. This is the strategy Schargorodski sees as most critical to the association's overall fund-raising plan at this time. He explains, "That's going to provide our donor base for the future. That's our investment in the future of the foundation." Because the association defines the direct mail program as key, it will be focused on in more detail.

Description of program
The direct mail acquisition program is only in its second year of operation, with two 100,000-150,000-piece mailings sent per year. ANF has experimented with two strategies
in the mailings so far. One of the mailings asked the recipient to complete a survey about their concerns relating to the nursing profession, and the other offered a front-end premium in the form of address labels.

The latter mailing, which was timed to coincide with National Nurses Week, featured a "National Nurses Week, May 6-12, 1999" spotlight and the Nurses Week motto for the year-"Healing from the Heart"-on the envelope. Inside, the recipient found a letter, a response envelope, and two sheets of address labels-one with a nursing logo. The letter was a thirteen-paragraph appeal that began by reminding the reader that the upcoming nurses week was an "opportunity to commemorate those of us who have dedicated our lives to caring for others." It then offered the address labels as a tribute to nurses, acknowledged the caregiving that is entrusted to nurses, and invited the recipient to make a contribution in honor of nurses.

Because of ANF's unique situation stemming from the federated structure of ANA, it cannot solicit funds from ANA members. Therefore, ANF rents names from nursing journal subscription lists. Those names, along with the ANA membership list, are given to a third party mail house, which purges ANA members' names from the mail list and sends out the mailing.

Planning and process
According to Schargorodski, the primary challenge ANF faces with its direct mail campaign is identifying a compelling cause that will persuade recipients to give. He explains:

My background is twenty-five years in fund raising and nonprofit management in the health and disease-related entities. I worked for the March of Dimes, the Heart Association, and the American Diabetes Association. And direct mail with those organizations tends to be more hard-hitting. The people that respond to them are saying either "Thank God I don't have that," or "I'm going to contribute for the research so that I never get that." We don't have that kind of a compelling story with nursing or to nurses. What is the appeal? What is the urgency that we're a nurse to contribute to? Safety in the workplace or continuing competency don't tend to be compelling.

Because the direct mail program is so new, ANF is expending considerable effort to find the "right combination" to make their appeal compelling. Schargorodski explains, "We're testing letters, we're testing name labels, we're testing colors, because we're starting from absolutely zero." The association has conducted focus groups, which provide very useful information, according to Schargorodski. Using them extensively, however, simply is not feasible because of their cost. He elaborates:

We did focus groups last June. We spoke to twenty-eight nurses, and it cost us $7,000, and you can't do that often. And that was only because they were at our convention. If you have to go into a city, and you pay everybody to be there-you give them $50 or $100-and the focus group company, the air fare. It's just very, very expensive to do focus groups.
Consequently, the primary way in which ANF "tests" its letters is by changing variables in the letter (i.e., message or envelope design) or by mailing the letter to demographically different subgroups and comparing response rates. This method also has its shortcomings, as explained by Schargorodski:

The dilemma with acquisition mailings is that you rent a list. It would be nice if I could say I need 100,000 names, and I'll mail to those same 100,000 names for five years. And I'll be able to track of those 100,000 people who responds to what and why. Unfortunately, with the direct mail philosophy here in the US, when you rent a list from a book publisher, from a magazine like Nurses Week or Nurses Magazine or RN or whatever, that's a one-time use, and I never see the list.

Results
Schargorodski admits that justifying success simply as dollars received for dollars spent on the mailing is difficult: "We'll do a mailing of 100,000 pieces, and that costs us about $100,000. We'll generate maybe $25,000 out of that. So it costs us $4 to raise $1. It's not great."

Even though the response rate is relatively low, as is typical for direct mail efforts, Schargorodski is, overall, optimistic about the long-term effects of the program. On the one hand, the direct mail campaign is successfully building a donor base. In 1999, ANF had 3,300 donors, 2,500 of whom were first time donors to the organization. Schargorodski believes that by the end of the five-year period, to which the board is currently committed, that number will have grown to 10,000. Additionally, the direct mail campaign is serving a useful function in spreading the word about ANF. Schargorodski observes:

At minimum we can feel somewhat comfortable that 250,000 nurses in the US know more about ANF than they did before we sent the mail. Although only one or two percent sent a gift when we sent that mailing in 1999 or what have you, the other 98 percent still did read about us, one would hope, learned a little bit more about us. It will come back to benefit us.

Cultural Influences
Culture influences the fund-raising practices of ANF on several levels. First, American culture creates a climate that is both supportive of and challenging for fund raising. Second, the culture of the nursing community in which ANF does its fund raising shapes fund-raising techniques. Finally, the organizational culture of ANA/ANF affects fund raising.

National Culture and Fund Raising
Perhaps the greatest cultural influence on fund raising in America is the country's strong ethic for supporting philanthropic charities, what Schargorodski labels "a culture of giving." He elaborates:

I’ve been in this profession nearly thirty years. The ethic of supporting charitable causes I haven't found as extensive [elsewhere] as it is here in the US. And I think
part of that is in a lot of other countries, the federal government takes care of the homeless, takes care of the needy, pays for hospital care, pays for a lot of the research.

This culture of giving is reinforced by legislative and governmental support for philanthropy. One of the most apparent examples of this is tax benefits given for charitable contributions. Schargorodski identifies another, perhaps less known, advantage the government provides fund raisers:

The federal government subsidizes philanthropy in the US significantly by reducing by a fourth to a seventh the cost of sending out mail to philanthropies, whether it's a church, a school, or in the case that we're talking about, a nurses' association. If you're a 501(c)3 [charitable organization], a 501(c)6 [business league organization], you can use nonprofit, bulk rate mail, and instead of sending it out at 34 cents, we send out our direct mail pieces for 11 cents apiece. That's a third. That certainly supports our ability to raise money just because of a reduction in postage. Without that reduction in postage, nobody would be doing direct mail. It just wouldn't happen. And I haven't seen that in many countries.

In addition to governmental and legislative support for philanthropy, the American capitalistic spirit feeds the "culture of giving." In the United States, entrepreneurs work to provide resources fund raisers need or desire. Schargorodski compares the availability of fund-raising resources in the US with other countries:

The list rentals that we have in the US don't exist as I've seen it in Europe. You can't use a phone book and resort it and such. And you can't secure lists of names of nurses that are licensed by a state, which we can here. In other countries, they won't give you a magnetic tape of all of the registered nurses. So the capitalistic nature here is very supportive of that.

Although much of American culture seems to support fund raising, some aspects of American culture serve to challenge fund-raising efforts. The flip side of the "culture of giving" is considerable competition for charitable dollars in the USA. Schargorodski observes, "Basically ANF is competing with the Indiana University Foundation and IU itself because some of our alumni from your school of nursing are members of ANA or are nurses that we're approaching. I mean we're all competing for a lot of the same dollar."

In addition, America tends to be a culture that evaluates practices in terms of short-term effects, which affects fund raising as board members and potential donors look for immediate results. Schargorodski notes:

It's an investment. I'm fighting with the board constantly. With planned giving, for example, you make that expenditure now with the potential that the donor will mention us in her will and give us 5 percent of her estate, but she isn't going to pass for another eighty years. The reality is I'm making an investment today and the donor is making a commitment today that we won't see for another eighty
years. All board members, regardless of the organization, are looking at a two-year term or a four-year term, thinking "I'm going to advance the organization while I'm here." They're not looking to advance the organization twenty years after they're gone because of what they did today.

**Nursing Culture and Fund Raising**
National culture is not the only level at which culture affects ANF's fund-raising practices. The nursing community in which ANF operates can also be thought of as a culture with standards, attitudes, and values that impact fund raising. For example, Schargorodski notes that nurses are individuals with a great deal of pride in and commitment to their profession:

Nurses are almost like firemen, if I can draw that analogy. Once you're a fireman, you die a fireman. Nurses consider themselves a very giving profession. They don't do it for the money. It takes a special kind of person to be a nurse, to care for people, and to care about people they don't know. It's a profession that gives of itself, almost like a religion. So nurses care about their profession. They don’t want to see the profession diminished in any way.

This commitment is something fundraisers within the nursing community can and do draw on in framing persuasive appeals.

Another characteristic of the nursing profession's culture that has implications for fund raising is that it is not a profession with a lot of fund-raising "competition."

Although, as noted above, there is a great deal of competition for philanthropic dollars in this country, Schargorodski notes that there is less competition within the nursing profession: "Being approached by other nursing organizations doesn't happen, and we're one of the few I think. If we had more assets and could do many more mailings, ANF could very easily be the most prominent fund raiser within the nursing profession, just because there isn't a lot of competition to the nursing profession."

**ANA Organizational Culture and Fund Raising**
A final level at which culture affects fund raising in ANF is at the level of organizational culture, with the culture and structure of ANA and ANF affecting fund raising in several ways. First, the organization's history of fund raising has created a climate that impacts on current fund-raising efforts. In 1990, when ANA decided to move from Kansas City, MO, to Washington, DC, they conducted a major capital campaign to raise money to buy a building. For a variety of reasons, the association decided in the end to lease space rather than buy a building. Several donors who had contributed funds to buy a building were quite unhappy with the decision. In fact, several wanted their contributions back, which is reflected in "empty spaces" on the donor wall in the ANA offices. This past history undoubtedly affects responses to fund-raising efforts even today.

Although the relationship between ANA and ANF is generally supportive of ANF’s fund-raising efforts, it also restricts it in some ways. Because ANF is not completely autonomous, it must operate within ANA's decision-making processes and priorities. Schargorodski provides one specific example:
As you know, we are on the Web, but we don't accept donations on the Web, which is something we've been trying desperately to change. But the Web is controlled by ANA. If we were outside and lived in our own house and paid our own bills, then if we wanted some changes to our website, we would pay for it or get a volunteer to do it. Here we have to approach the ANA webmaster who says, "My priorities are ANA. Any work for ANF will come when I'm done with ANA stuff," which may be two or three months later.

This case study illustrates the multifaceted approach to fund raising ANF has taken. As one might expect in a culture that facilitates philanthropic efforts on many levels, the ANF has developed a strategic fund-raising plan that combines direct mail, planned giving initiatives, and special fund-raising events to build a solid foundation from which to advance the nursing profession.

References


5. Leo Schargorodski was interviewed on May 4, 2001, at the ANF headquarters in Washington, DC. All quotes attributed to Schargorodski in this article were made during this interview.

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