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# Profiting from Nonprofits: A Study of Nonprofits and the Role they Play in Society

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# **PROFITING FROM NONPROFITS**

**A STUDY OF NONPROFITS AND THE ROLE THEY PLAY IN SOCIETY**

## **SMU Big iDeas Project Proposal**

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# Profiting from Nonprofits

## Executive Summary

### Problem

In recent years, Dallas nonprofits have received low rankings especially when compared to those located in other metro areas such as Los Angeles, Washington DC, Chicago and Houston. According to a study done in 2005 by Charity Navigators, Dallas received a two-star “needs improvement” rating, and had the worst median overall score among all 25 metro areas surveyed. It was also ranked 20<sup>th</sup>- 25<sup>th</sup> in most categories concerning nonprofit financial health and was cited to have some of the slowest growing charities in the nation.

### Solution

In a city that is growing larger with each passing day it is important that steps be taken to help this struggling sector become more effective in the community and do so in a way that will permit them to thrive. We are requesting support for our research of Dallas’ nonprofit sector, and of the problems that these organizations are faced with. In the process, we will be studying what exactly makes a nonprofit effective and what activities these organizations engage in that allow them to reach their specific goals. We hope that through our project we can bring more attention to this issue, and show the city of Dallas just how valuable these organizations are to the community. In addition, we plan to implement our findings in our own nonprofit, *Patrick’s Parade of Toys*, in hopes that this organization will continue to grow and touch the lives of those in the Dallas area and beyond.

### Funding

In order to carry out the research necessary to yield accurate results, funding in several areas is needed.

#### **Breakdown of Expenses: (see attachment for more details)**

If awarded the grant, the money received would be roughly distributed as follows:

- Travel Expenditures: \$600 would be used for travel expenditures such a gasoline. With gas prices currently at \$0.55 per mile and with the amount of commuting that would need to be done (i.e: to meet with representatives of non-profits) this would prove to be quite helpful.
- Building a Website: \$500 to start and maintain a research blog/ post research and findings. This would be a key way to communicate our research to the surrounding community and bring aware-

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ness to the issues we are addressing. In our hopes to make this site as presentable as possible we will look into working with a professional to ensure the success of this site.

- Research material: \$600 would be used for the purchase of literature to aid us in research. At the close of this project, books would be donated to the SMU library in hopes of helping others interested in non-profit research.
- Copy fees: \$120 would be allotted to doing a survey examining what students in the SMU community think of this sector and what they feel could be done to improve it. Pamphlets would be created at the conclusion of this project revealing our research and findings. These would be shared with the community and area nonprofits.
- Lunch Meetings: \$550 would be allotted for circumstances in which the team would meet with representatives of area organizations to discuss information that would be beneficial in our research. With meals estimated to be between \$15-\$20 per person, this would allow for seven to ten lunches.
- Center for nonprofit management center classes: \$1280 would be allotted for us to register as members of this agency and would allow for us to attend several relevant seminars (each of which would cost anywhere from \$45-\$75). This would help us to meet more members of the community who are involved in nonprofit organizations and would give us an opportunity to learn from them. We would also be able to gain more insight into the current state of this sector.
- Laptop: \$1350 would be allotted to purchasing a laptop for one of the team members to allow her to perform research and collect data more efficiently. This is something that would prove to be quite important as we begin the research process due to the fact that rarely would we be stationed in one location. This project will require a great deal of commuting and it is very important to each of us to have our data close by. In today's age of technology this piece of equipment is becoming almost an essential for students and those in the work force. Even after the project's completion the laptop would be used not only for academic work, but to do further work with this cause and with *Patrick's Parade of Toys*.

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## Statement of Need

The Dallas metroplex is one of the nation's most booming areas and it's easy to see why. With many new businesses being constructed per day and a wide variety of entertainment options available, this city displays a vast amount of features that make it attractive to people of all ages. In the midst of all this glitz and glamour though, lie the typical problems that plague any city; crime, pollution; the list is endless. Non-profits throughout the DFW area try to alleviate these problems by focusing on bits and pieces of these large-scale issues in hopes of making a dent in them.

As the capabilities of nonprofits grow, the community's ability to solve problems slowly begins to broaden. Whether it is a small group of ordinary citizens united in fixing a community-wide problem, or an established organization capable of large scale deals, communities and the individuals that reside in them, benefit greatly as the nonprofits that serve them grow in effectiveness and achieve their highest potential. With nonprofits being such a critical component of the society in which we live in, more attention needs to be placed on making these organizations as effective as possible. It is because of these organizations that children who have been abandoned or abused have a place to turn to. It is because of these organizations that people who are without a home have a place to go for food and shelter. It is because of these organizations that children who would usually go without, have something to look forward to on Christmas morning. Nonprofit organizations contribute to the overall health of a community, and because of this should run as efficiently as possible, in hopes of carrying out the goals it was founded upon.

Shelters such as Jonathan's Place provide a safe haven for kids who have been abused or neglected. Locally, 5,532 Dallas County Children were confirmed as victims of child abuse and neglect in 2006, an increase from 2004. Due to the unbearable situations in some homes, Child Protective Services (CPS) is forced to come in and rescue the child, sometimes in the middle of the night. Taken to a local shelter, the child leaves behind all of his or her possessions and is forced to rely on the selfless workers and volunteers that keep the shelters running. Housing close to 500 children per year, this shelter provides so much for these kids who would otherwise have no one to turn to. Over the past five years the shelter has begun the process of expanding their facilities in hopes of meeting the increasing need, and currently has three locations in the area.

When the holidays roll around, many non-profits begin to spring up to provide the littlest members of our community something to look forward to on Christmas morning. Many children have never experienced the joys of Christmas, and so in providing them with a toy to call their very own, these organizations hope to instill in them a sense of hope and allow them, if only for a day, to be who they truly are; children. *Patrick's Parade of Toys*, a non-profit founded by Ms. Koshy works to provide toys specifically to those who are currently without a family, and has to date collected close to 2000 toys that have been distributed both locally and abroad. *Toys for Tots* is an organization similar in nature that is run by the US

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Marines. Centered in cities across the nation, they provide toys to the neediest members of the community.

Each of these groups plays a part in making the Dallas community what it is. Yet, what is it exactly that makes organizations effective? This is one of the many questions we as a team hope to solve as we delve into our research. There is no question that these organizations contribute positively to the society in which we live in, but we hope to pinpoint the certain aspects that allow for their success. In doing so, it is our goal to implement these findings into our own work with *Patrick's Parade of Toys*, as well as share these results with the community in hopes of inspiring the creation of an even stronger division of nonprofits in the DFW area.

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## Project Description

### Objectives

*Profiting from Nonprofits* is a project designed to determine the key points that allow nonprofit organizations to thrive and make a difference in their surrounding community. In doing so we hope to shine a light on this issue, and help the Dallas community realize the value these charities hold in our society. We also hope that these findings can be used to strengthen Dallas' struggling nonprofit sector.

### Methods

- **How:** In addition to referencing pertinent literature, our team plans to meet with representatives from several non-profits in the area to discuss the various strategies they use to ensure that their organizations have a positive impact on society. A survey will also be conducted in which SMU students are asked for their thoughts on the nonprofit system and what they feel can be done to help area organizations become more effective. We also hope that the experience that has been gained from running *Patrick's Parade of Toys* will allow us more insight into our topic of research and contribute to the success of the project.
- **When:** See timeline attached for more details
- **Why:** Nonprofit organizations play a valuable part in our community, providing services that complement the needs of our community. It is very important that these groups continue to serve this role for years to come and do so in a way that allows them to thrive. We hope that through our research, we can discover the different activities that contribute to an organization's success and those that don't necessarily work. It is our goal to impart this information on the surrounding community at the conclusion of this project, hopefully increasing the effectiveness of organizations in the area and creating a model for those who wish to start their own nonprofit organizations in the future.

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## Conclusion

Nonprofit organizations, whether they are set up to serve the needs of abused and neglected children, to help to raise money to fight specific diseases, or to ensure that future generations will not have to struggle with certain diseases, each exist for one main reason; the wanting to contribute to the betterment of humanity. Whether a non-profit is centered within one small community, or spread out across the globe, each has its own goals and works hard to try and achieve them. For us, the creation of *Patrick's Parade of Toys* served to pay tribute to a dear friend, as well as continue the work he would have done had he lived. To make a difference in a child's life, a difference that allows him or her to put all worries aside and concentrate on just being a kid, is something that each of us feels quite strongly about. In performing this research, we hope to find what it is that makes nonprofits effective, and why these organizations are a value to society. It is our goal to build upon the knowledge that we already possess and learn more about the facets of the society in which we live in. We look at this grant as a stepping stone to successfully reaching our goals and would be honored to receive such a generous donation.



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## Profiting from Nonprofits Budget (2008-2009)

<b>Transportation</b>	
Gasoline	\$600.00
<b>Research Materials</b>	
Books and other research material	\$600.00
<b>Copy Fees</b>	\$150.00
Necessary to print out surveys/pamphlets	
<b>Lunch Meetings</b>	\$550.00
Meetings with representatives	
<b>Seminars</b>	\$1280.00
To gain a greater understanding of nonprofit sector and understand current problems facing these organizations and activities that allow them to thrive (these would be through the Center for Nonprofit Management)	
<b>Building a Website</b>	\$500.00
A domain name and website will be professionally created in order to present our finds	
<b>Laptop</b>	\$1350.00
A Macbook would be purchased for our team to efficiently carry out this research, and continue to promote this cause even when the project comes to a conclusion	

Person Responsible for Funds: \_\_\_\_\_



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