

The Value of Networking: Allocating Resources to Participate

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Identifying Nonprofit Resource Allocation Practices

The descriptive study analyzes the relationship between the funds spent by local nonprofits to attend and network at cost-based events organized by other community entities and the benefits gained for participating in that event.

Answering:

- Is allocating resources to networking events worth it?
- What expectations do nonprofit leaders have of networking?
- Do nonprofit leaders believe there is value to participate in these events to raise awareness, funds and additional resources?

The research provides a basis for budgeting decisions as it relates to allocating funds toward cost-based, non-mission specific, networking events.

Methodology

- Electronic survey/10 questions
- Nonprofit organization's senior executives
- Greater west Michigan metropolitan region
- 107 organizations received
- 34 nonprofits responded (32% return)

To minimize sample selection bias we partnered with a county-wide agency that provides management support, resources and services to nonprofit organizations and a local public relations professional for distribution of survey.

Definitions/Examples

Cost-Based and Non-Mission networking events:

Other community organization (for-profit or nonprofit) events that are not specific to the mission of the participating nonprofit and that have a monetary cost to attend.

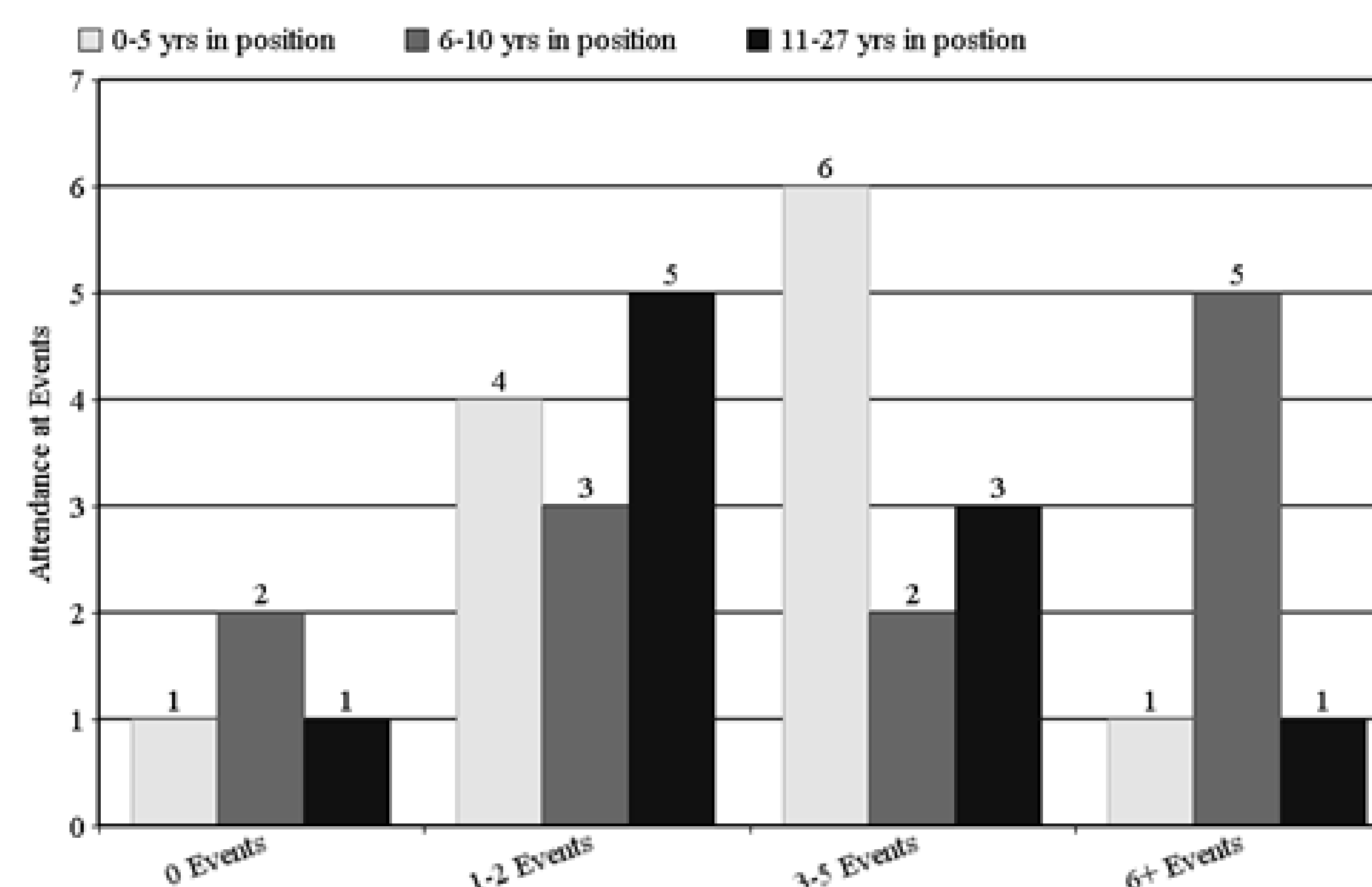
Event examples:

- Galas
- Golf Outings
- Rotary
- Chamber Functions
- Luncheons
- Award Celebrations

Survey

SURVEY QUESTIONS	# of Responses
1. What is your position title?	33
2. How long have you been in your current position?	34
3. How many individual events does your organization pay to participate in? (annually)	34
4. How many full-time staff do you employ?	34
5. Do you believe networking is necessary to raising funds?	34
6. If you have participated, how long, do you believe it takes for your organization to see the impact of involvement?	34
7. Does the time of year or fiscal cycle effect your decision to attend cost-based events? Please explain.	30
8. Does participation in cost-based community networking events impact your organization? If so, how? (select all that apply)	33
9. Do you have a specific budget line to pay for these types of events?	33
10. Open-ended question asking for budget revenue projections.	34

Evaluation of Responses

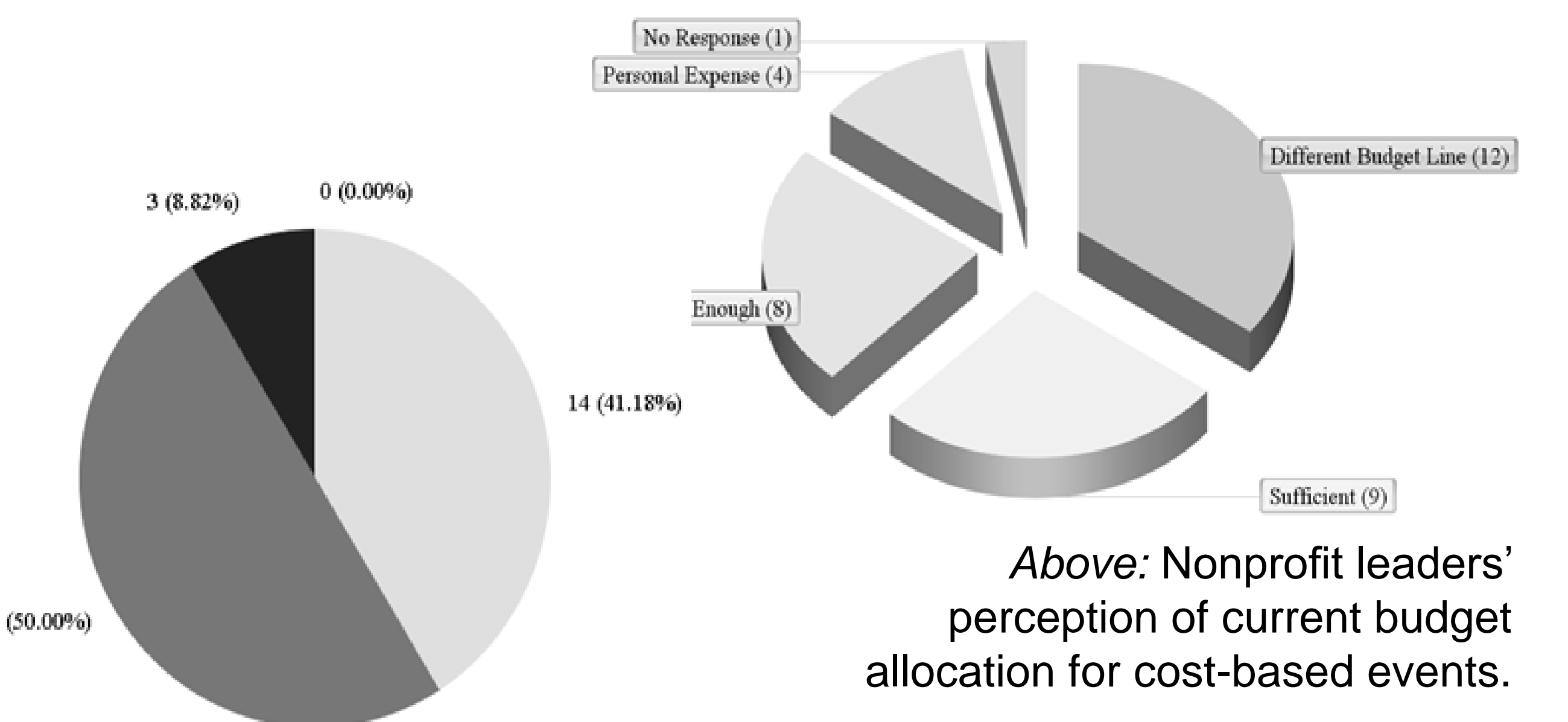


Above: Nonprofit leaders' tenure compared to the number of cost-based events their organization pays to participate in, annually.

Right: Perceived benefits from attending. Percent indicates % of respondents selected "benefit".

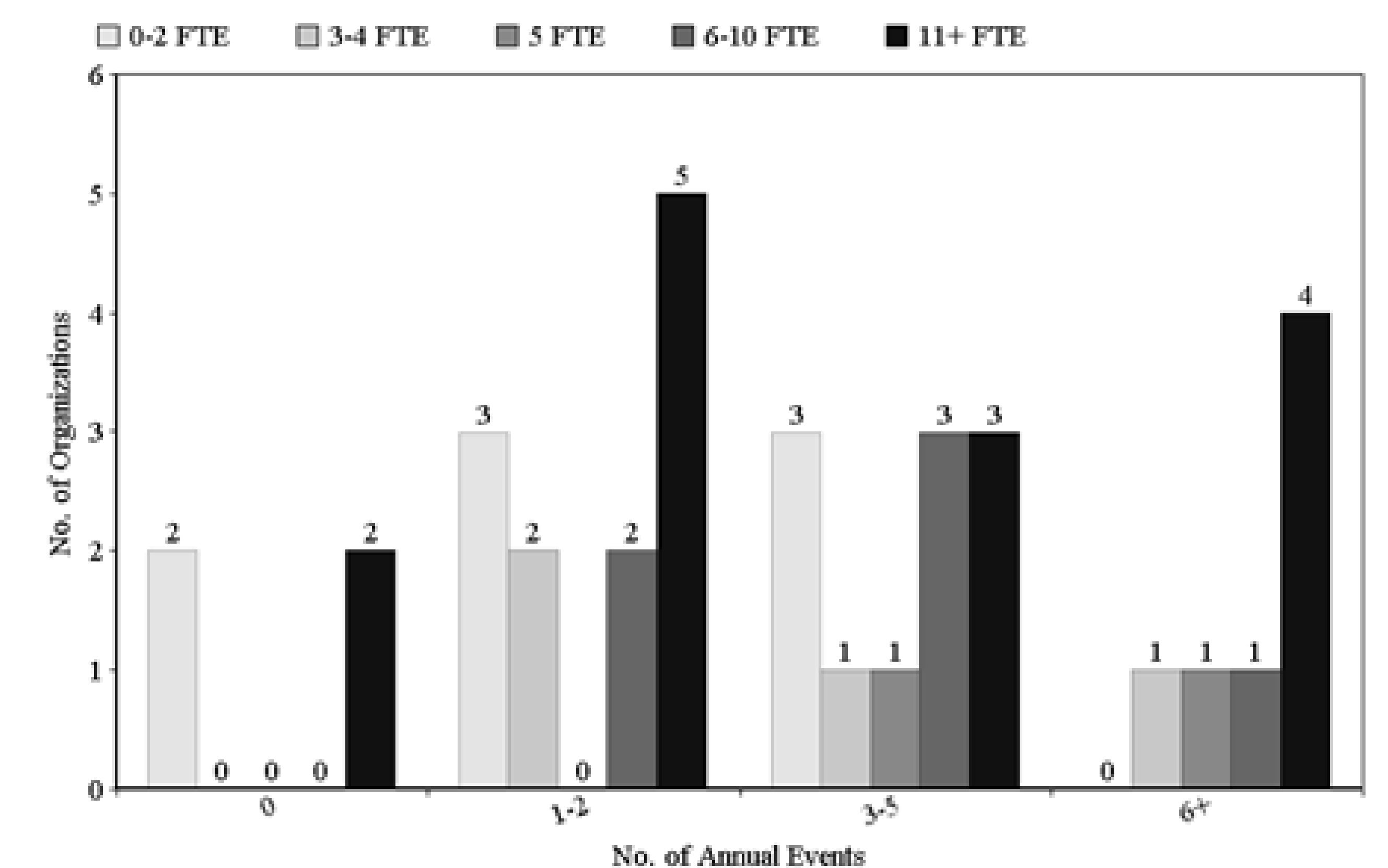
Response	Benefits	Percent
29	Contacts/Partners	88%
27	Community Recognition	82%
13	Financially	39%
10	Programmatically	30%
1	No Benefit Gained	3%
1	Skipped	3%

Right: Nonprofit leaders' perception of payback period



Right: Nonprofit leaders' perception of payback period

Above: Nonprofit leaders' perception of current budget allocation for cost-based events.



Above: # of full-time employees compared to number of paid events attended

Conclusion

The findings support that the funds allocated to cost-based networking events *do* show an impact in the resource generation outcomes.

By challenging the current resource allocation practices and networking behavior within the nonprofit organization the independent sector is likely to experience a growth in financial contributions, program partners, and community engagement.