

# Study of an Innovative way of Fund Raising by Child Welfare NGO's in Pune City

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**Abstract** – Child Welfare is as important as the development of material resources and the best way to develop national human resources is to take care of children. India has the largest child population in the world. All out efforts are being made by India for the development and welfare of children. Significant progress has been made in many fields in assuring children their basic rights. However, much remains to be done. The country renews its commitment and determination to give the highest priority to the basic needs and rights of all children. Children are most vulnerable to exploitation and abuse. A lot more has to be done for the health, nutrition and education of children.

It has been seen that all the traditional methods of fund raising can not produce satisfactory results in the modern era. Though Child Welfare NGO's prefer traditional methods of fund raising, such as raising funds from individual donations, government, trusts etc, now Child Welfare NGO's need to concentrate more on various innovative methods and ways of fund raising that ensure an efficient and effective process of fund collection and produce the better result that lead to sustainability as well. This paper will study if innovative ways of fund raising are being adopted by Child Welfare NGO's in Pune city or not?

**Keywords** - Child welfare, Fun raising, NGO.

## I. INTRODUCTION

### ➤ Definition of NGO

“A non-governmental organization (NGO) is a legally constituted organization created by natural or legal persons that operates independently from any government”. The term originated from the United Nations (UN), and is normally used to refer to organizations that do not form part of the government and are not conventional for-profit business. The term is usually applied only to organizations that pursue some wider social aim. A non-governmental organization (NGO) is any non-profit, voluntary citizens' group which is organized on a local, national or international level. (Ref - <http://www.ngo.org>)

### ➤ Child Welfare

Children constitute principle assets of any country. Children's Welfare is as important as the development of material resources and the best way to develop national human resources is to take care of children. India has the largest child population in the world. All out efforts are being made by India for the development and welfare of children. Significant progress has been made in many fields in assuring children their basic rights. However, much remains to be done. (Ref - <http://wcd.nic.in>).

### ➤ Fund Raising

Almost every voluntary or non-profit organization requires money either to support its existing activities or to expand and improve its services. Fund raising has no option other than hard work, but if the voluntary agencies have a cause or programmes that deserve support and it is willing to really work at it, it can raise considerable awareness, goodwill and money.

Traditional methods of fund raising can not produce satisfactory results in the modern era. Though we prefer traditional techniques of fund raising, such as raising funds from individuals, government, trusts etc, there is a need to concentrate more on various new methods and techniques of fund raising that ensure an efficient and effective process of fund collection and produce the better result that lead to sustainability as well.

## II. TRADITIONAL METHODS OF FUND RAISING

### 1) Through Funding Agencies

There are many funding agencies in India to whom NGO can approach easily. Bilateral agencies in 2009-10 have invested 2.5 billion dollars in India. Before preparing a proposal for any funding agency, it is important for the voluntary agency to have a clear written vision and mission statement.

### 2) Through Individuals

Most of the time this is directly face to face solicitation. This is, by far, the best method of fund raising. Before meeting the prospective donor, NGO's send him / her written letter or appeal giving necessary information about the activity for which they intend to raise the funds.

### 3) Government Support

Receiving Government support may bring a degree of recognition and credibility to the organization. Government funding is substantial in terms of volume and it is a great source of fund. However, dependence on Government could also make the organization vulnerable to government control or political pressure. The Central and the State Governments, however, have several schemes for assistance to voluntary agencies in areas of human resource development, welfare of women, children and marginalized communities; health, family welfare etc.

## III. INNOVATIVE METHODS OF FUND RAISING

### 1) E- Fund Raising:

An online Payment System allows you to be open 24 hours a day, 7 days a week and 365 days a year. Not only is this an important convenience for your donors and individuals; it also means more revenue for you. An online system also helps you to reduce your overhead costs. The most important part of online is accepting donations from your donors ranging from a single transaction to a series of transactions from a donor. Online payment processing offers a donor the convenience of submitting their credit card or other forms of payment on your Web site, and for you to actually receive the money from this transaction.

## 2) Through events

Special events include organizing a film premier or a dance/musical programme or a fashion show or a gala dinner or a carnival. Special brochures or souvenirs can be brought out on such occasions and advertisements solicited for inclusion in the same. Banners and other forms of display advertisements bring in good revenue as well. Special events require a lot of hard work, planning, teamwork and organizing. Often, organizations spend months in preparing for just an evening's programme. General experience indicates a low return from such events in terms of money. However, in terms of launching the organization, awareness-building about the cause and general goodwill and visibility, the returns are high. It requires corporate sponsorships to cover the fixed costs. If your organization decides to organize such events with specific frequency (once in two years), you should have a permanent good planning team. You should acknowledge all your funders at this occasion. NGO may organize any event where all the beneficiaries are invited and also arrange any celebrity, so that credibility of your project or work will be demonstrated to society.

## 3) Pay roll giving

Pay roll giving is nothing but deduction of certain percentage of amount of total salary of employee. This is the strategy which is decided at board level and directly implemented in organization. Many IT companies and corporate adopt these strategies of donating certain amount especially in the time of certain natural or manmade disasters. Philanthropic organizations with a broad and visible cause should first approach the chairman of Managing Director of a company and get him sufficiently interested in the cause. Payroll giving is not the easiest way to raise money. Personal solicitation is a must.

## 4) Corporate

As an NGO we have to realize that the funds are required for what our programs stand for. They are the product we sell. In the year 2008-09, corporate have contributed approximately 6 billion dollars (nearly 30,000 crores) in social sector. (ref: Pooranchandra Pandey, Times Foundation). It is important to understand what a company focuses on as part of its CSR, or might have product synergies towards owing to their business. It is important to research well and make a more focused approach in identifying corporate. A corporate in most cases is open to funding various aspects as long as your program matches the broad outline with their CSR focus. As long as the need can be

justified, the output well defined - funding from corporate will always be easier to click.

**For the purpose of testing of hypothesis, three main factors that affect consistent fund raising through innovative methods in Child Welfare NGO's in Pune are taken into consideration –**

1. Level of infrastructure.
2. Branding activities.
3. Total staff strength.

## IV. SCOPE OF STUDY

This study is limited to the Child Welfare NGO's operating in Pune city.

### Statement of Hypothesis –

For the purpose, following Hypothesis is framed - "Use of innovative fund raising methods will help Child Welfare NGO's in consistent fund raising."

### Statement of the Problem

It is very difficult for Child Welfare NGO's to raise the funds consistently.

### Objectives of the Study-

- 1 To study existing fund raising techniques adopted by Child Welfare NGO's in Pune City.
- 2 To study various factors that affect fund raising capacity of Child Welfare NGO's in Pune city.
- 3 To investigate various factors that can be considered in formation and implementation of innovative fund raising techniques in Child Welfare NGO's.

### Justification of the Objectives –

India has the largest child population hence, child welfare plays vital role. Fund raising is a significant way by which non-profit organizations obtain funds for their operations. However there is a limit to it as raising funds is very difficult. Hence there is a need of systematic and innovative fund raising techniques which can be adopted to accelerate the scope and volume of funds.

### Limitations of the study –

- ▶ This study is limited to Child Welfare NGO's in Pune City only.
- ▶ Study is based on the information given by Child welfare NGO's in Pune city.

## V. RESEARCH METHODOLOGY

This study is conducted by collecting and analyzing the data from primary and secondary sources.

### Primary Data:

- The Primary data is collected by interacting and interviewing Officials, employees and management representatives of Child Welfare NGO's in Pune city.

### Secondary Data:

- The Secondary data is collected from reference books, journals, magazines, NGO websites and Internet.

**Method of Data collection / Type of Research**

- The type of research adopted is ‘Descriptive Research’. Descriptive research describes data and characteristics about the population being studied.
- Questionnaire is prepared based on the scope and objectives of the study and information is collected based on that questionnaire.

**Sample Size:**

- 35 Child Welfare NGO’s in Pune City.

**Sampling Method:**

- Convenience sampling method is used.

**Data Analysis Tools:**

- Data was analysed using descriptive analysis technique and Chi square test of contingency.
- **Methods of data presentation:**
- The analysed data was presented using Tabular and Graphical method

**VI. TESTING OF HYPOTHESIS**

- **Chi square test for Consistent fundraising and branding activities:**

**Purpose:** To study if there is any relationship between consistent fundraising and branding activities

**H<sub>0</sub> :** There is no association between consistent fundraising and branding activities.

**Statistical test :** Chi square test of contingency.

**Level of significance (α):** 0.05

**Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Consistent fundraising * branding activities	35	100.0%	0	.0%	35	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.425 <sup>a</sup>	3	.019
Likelihood Ratio	4.441	3	.018
Linear-by-Linear Association	.424	1	.515
N of Valid Cases	35		

**Findings:**

$\chi^2 (3) = 4.425$ , P value < 0.05.

Since the P value is less than level of significance (0.05) Null is rejected and it is concluded that there is a significant relationship between **consistent fundraising and branding activities**

- **Chi square test for consistent fundraising and level of infrastructure:**

**Purpose:** To study if there is any relationship between consistent fundraising and level of infrastructure

**H<sub>0</sub> :** There is no association between consistent fundraising and level of infrastructure.

**Statistical test :** Chi square test of contingency.

**Level of significance (α):** 0.05

**Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
consistent fundraising * level of infrastructure	35	100.0%	0	.0%	35	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.286 <sup>a</sup>	2	.047
Likelihood Ratio	.301	2	.040
Linear-by-Linear Association	.162	1	.687
N of Valid Cases	35		

**Findings:**

$\chi^2 (2) = .286$ , P value < 0.05.

Since the P value is less than level of significance (0.05) Null is rejected and it is concluded that there is a significant relationship between **consistent fundraising and level of infrastructure**

- **Chi square test for consistent fundraising and total staff strength:**

**Purpose:** To study if there is any relationship between consistent fundraising and total staff strength

**H<sub>0</sub> :** There is no association between consistent fundraising and total staff strength.

**Statistical test:** Chi square test of contingency.

**Level of significance (α):** 0.05

**Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent

**Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
consistent fundraising * total staff strength	35	100.0%	0	.0%	35	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.900 <sup>a</sup>	3	.049
Likelihood Ratio	5.511	3	.038
Linear-by-Linear Association	4.685	1	.030
N of Valid Cases	35		

**Findings:**

$\chi^2(3) = 4.900$ , P value < 0.05.

Since the P value is less than level of significance (0.05) Null is rejected and it is concluded that there is a significant relationship between **consistent fundraising and total staff strength**

**VII. CONCLUSION**

- NGO’s have a distinctive features than corporate i.e. inadequacy of all types of resources. Resources include financial, human, technological resources. Hence it is the biggest challenge for Child welfare NGO’s to raise financial resources.
- Consistent and substantial fund is necessary for sustainability and growth of Child Welfare NGO’s in Pune city.
- This project has highlighted the ways by which Child Welfare NGO’s in Pune city raise their funds to maximum capacity.
- These NGO’s can increase their funds by developing strong networking and creating more awareness about their existence and activities in society.
- Traditional fund raising methods do not provide consistent and adequate funds. Hence adopting innovative techniques is the only way out to raise substantial funds.
- Along with internal working, infrastructure and brand building helps as an accelerator in fund raising.

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