PART II
Information Professionals and the Nonprofit Sector
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Nonprofit organizations are a crucial part of our society, providing help to the needy, education, much needed research for diseases, affordable childcare, improvements to global health and much, much more. One of the main challenges within the nonprofit sector (sometimes referred to as the charitable sector) is a continual need to raise money to support the mission of individual organizations. Unlike the for-profit sector, revenue streams are rarely based on products or services. And if they are, the revenue produced from these products and services rarely covers the costs to produce them. These money challenges have opened doors and provided career opportunities for independent information professionals. To discuss these challenges and how information professionals can help solve them, I’ll use the terms funder to indicate a “source of money” and funding to indicate “money.”

Funding typically comes from four external sources – individuals, foundations, corporations and government entities. Searching for funding opportunities is often called prospect research. As I am sure you can imagine, the Internet plays a big role in prospect research. Sorting through the vast amount of information, though, can make prospect research a time-consuming and labor-intensive process. Fortunately, there are some great subscription-based tools to help researchers find information in a timely and efficient manner.

Prospect research can significantly reduce the time it takes for a nonprofit organization to get to know a potential funder while increasing the quality of information. In general, prospect research is a multifaceted process of information retrieval, analysis and dissemination of information. This information can be at the core of identifying, cultivating and soliciting funders. It often uncovers shared values and prospective funders’ friends and associates who may help form a basis for institutional involvement. Additionally, prospect research is used to understand a prospective funders’ giving capacity.

With individual funders, learning about them and taking an interest in them can lead to a very long and mutually beneficial relationship. But, like most relationships, it requires hard work to learn about one another, and the process takes time. Prospect research can shorten this process significantly. For individual funders, the researcher is most concerned about biographical and financial information so that they may develop a better understanding of giving preferences and giving capacity. To develop individual donor profiles, researchers consult biographical and general reference books, scan journals and newspapers and search computerized databases, as well as non-published public records to cull the necessary information required to develop a profile.

To uncover corporate funding opportunities, the researcher is more concerned about matching the corporation’s target market with the nonprofit organization’s constituency. For corporate prospect profiles, the researcher will gather information to understand how the funder will benefit by providing support or sponsorship to the nonprofit organization. The researcher is likely to consult general reference materials, scan journals and newspapers and search databases like Hoovers and Morningstar Document Retrieval.
To uncover foundation funding opportunities, the researcher is interested in understanding the giving preferences, finding the grant proposal submission guidelines and knowing who is on the board of directors and the foundation’s giving history. To gather this information, the researcher is likely to perform both primary and secondary research. The primary research typically involves phone calls to the foundation’s office to learn about giving preferences, guidelines for submitting proposals and deadlines. Secondary research in the United States usually involves consulting with databases like the Foundation Center, the NOZA Philanthropy database and GuideStar for lists of directors and giving history.

With government funding opportunities, it is less about building relationships and more about solving a problem that the government (whether it be local, state, provincial or federal) views as a significant issue for its people. Competition for government grants is generally very high because the amount of funding can be significant. Finding government funding can be complicated and may require both primary and secondary research. At the local level, primary research is likely to be the most productive method. It will likely include telephoning the local government manager and/or elected officials and interviewing them about funding opportunities. In the United States, federal agencies are required to post funding opportunities at grants.gov and most agencies do, but not all. Sometimes, researchers may use the Freedom of Information Act to obtain information about previous awards with the goal of gaining insight into the agency’s approval process. In any case, researchers should also spend time helping their clients understand any obligations that are associated with government funding. (Government grants typically have lots of them, and not fulfilling these obligations can get your client into trouble.)

Changes in funding and/or inadequate funding will influence the sustainability of a nonprofit. Using appropriate research tools, finding reliable information, analyzing information and organizing the funding opportunity findings are the hallmarks of good information professionals in providing valuable and necessary support to nonprofit clients. Since funding is a perennial challenge for most nonprofit organizations, opportunities abound for information professionals and prospect researchers.