

Measuring United Way Campaign Success

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Introduction

The United Way, a privately supported nonprofit that began in 1887, raises charitable funds to address community needs. The United Way raises and distributes funds to social service agencies and programs in excess of \$5.1 billion per year (Barman, 2002; United Way of America, 2013).

The United Way of Pennsylvania, which was established about 40 years ago, provides statewide leadership to individual United Ways and partners with other community-centered, fundraising organizations to collect and distribute resources within communities. While these United Ways are not the only organizations raising and distributing funds throughout their respective communities, they are often the most recognized. However,

there is little public information available on their overall campaign success.

To learn more about the campaign success of United Ways (UWs), especially in rural Pennsylvania, this research, which was conducted in 2014, evaluated the success of the annual community fundraising campaigns of Pennsylvania UWs from 2003 to 2013. Campaign success was defined as a combination of two variables: the number of times a UW surpassed a previous year's total, and the number of times a UW increased its campaign goal from the previous year.

The research used secondary data from the United Way of Pennsylvania (UW of Pennsylvania) and United Way Worldwide (UWW), and data from the 2010 Census to describe the characteristics of

communities served by Pennsylvania UWs. These community characteristics included race, age, education, household income, and household owner occupancy rates.

The research also classified UWs as rural or urban, using the Center for Rural Pennsylvania's definition¹, to identify similarities or differences among UWs covering rural and urban service areas.

From the UW of Pennsylvania data, there were 61 Pennsylvania UWs with financial data available between 2003 and 2013. Of the 61, about 30 percent were urban and 70 percent were rural. Map 1 (See Page 2) identifies each UW by its coverage area and its rural/urban designation².

UW Types and Divisions

According to UWW, Pennsylvania ranked third in the number of UWs by state, with only Texas



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this report does not necessarily reflect the views of individual board members or the Center for Rural Pennsylvania. For more information, contact the Center for Rural Pennsylvania, 625 Forster St., Room 902, Harrisburg, PA 17120, telephone (717) 787-9555, email: info@rural.palegislature.us, www.rural.palegislature.us.

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1. The Center's definition is based on population density, which is calculated by dividing the total population of a specific area - here, the total coverage area of UWs - by the total number of square land miles of that area. Zip codes defining UW coverage areas were analyzed for their population density, and each UW was defined as either rural or urban.

2. There is a slight discrepancy between the number of United Ways identified in the map and those that make up this study's sample. According to the map, there are 44 rural and 17 urban United Ways. In this project, there are 43 rural and 18 urban United Ways. First, the map combines the UW of Southeastern PA and UW of Southeast Delaware County into the Greater Philadelphia and Southern NJ UW. While these did in fact merge, the financial data available for them were kept separate between 2003 and 2013. They were analyzed as separate United Ways for this project. Secondly, the map includes Fayette United Way (rural). Fayette United Way was not included in this project because it merged with Westmoreland County United Way in 2007 and no financial data were available for them between 2007 and 2013.

and Ohio ranking higher. Pennsylvania also ranked third among all U.S. UWs in funds raised (\$184.7 million in 2013³).

Pennsylvania UWs are classified as either “traditional” or “agency.” Traditional UWs are pass-through organizations that collect community funds and immediately turn them over to organizations, such as fire companies and ambulance services. They are more likely to be from less populated, more rural areas of the state, and more likely to raise less than \$1 million in their campaigns. Agency-driven UWs, on the other hand, identify community needs (community impact) and fund those agencies looking to meet a need through either a proposed or an already established program.

3. Wilder, L. and J. Palazio, 2015. These figures are not officially published and are not public information. They are accurate and only available through communication with the United Way Worldwide.

Pennsylvania UWs are also categorized by divisions, ranging in size from 1 to 9 (See Table 1). Divisions reflect a UW organization’s annual fundraising campaign amounts. Fifty-four percent of all Pennsylvania UWs have annual campaigns of \$749,999 or less. Pennsylvania UWs are fairly equally distributed among all divisions, yet there are stark differences between rural and urban UWs and their divisions. Eighty-three percent of urban UWs raise \$1 million or more and 26 percent of rural UWs raise \$1 million or more. The majority of rural UWs (56 percent) raise \$499,999 or less.

Methods

The research created a campaign success variable that combined the number of years each UW achieved or surpassed its previous year’s total (simple sum ranging from 0-10), and the number of years each UW

increased its goal from the previous year (simple sum ranging from 0-10). The campaign totals used in creating the dependent variable, campaign success, were made up of both designated and undesignated funds. Campaign success encompassed all monies collected, regardless of designation, as it reflects a UW’s ability to draw collectively upon its communities to meet evolving community needs.

Using this combined variable, the researcher gave each UW a separate campaign success score ranging from 0 to 20. High scores represented UWs with growing and successful campaigns, which means they increased goals and achieved more in campaign totals each year.

The research used data from the 2010 Census and American Community Survey, which were compiled based on county and Zip code service areas, as independent variables to describe the following

Map 1. Service Coverage Areas for Urban and Rural United Ways, 2003-2013

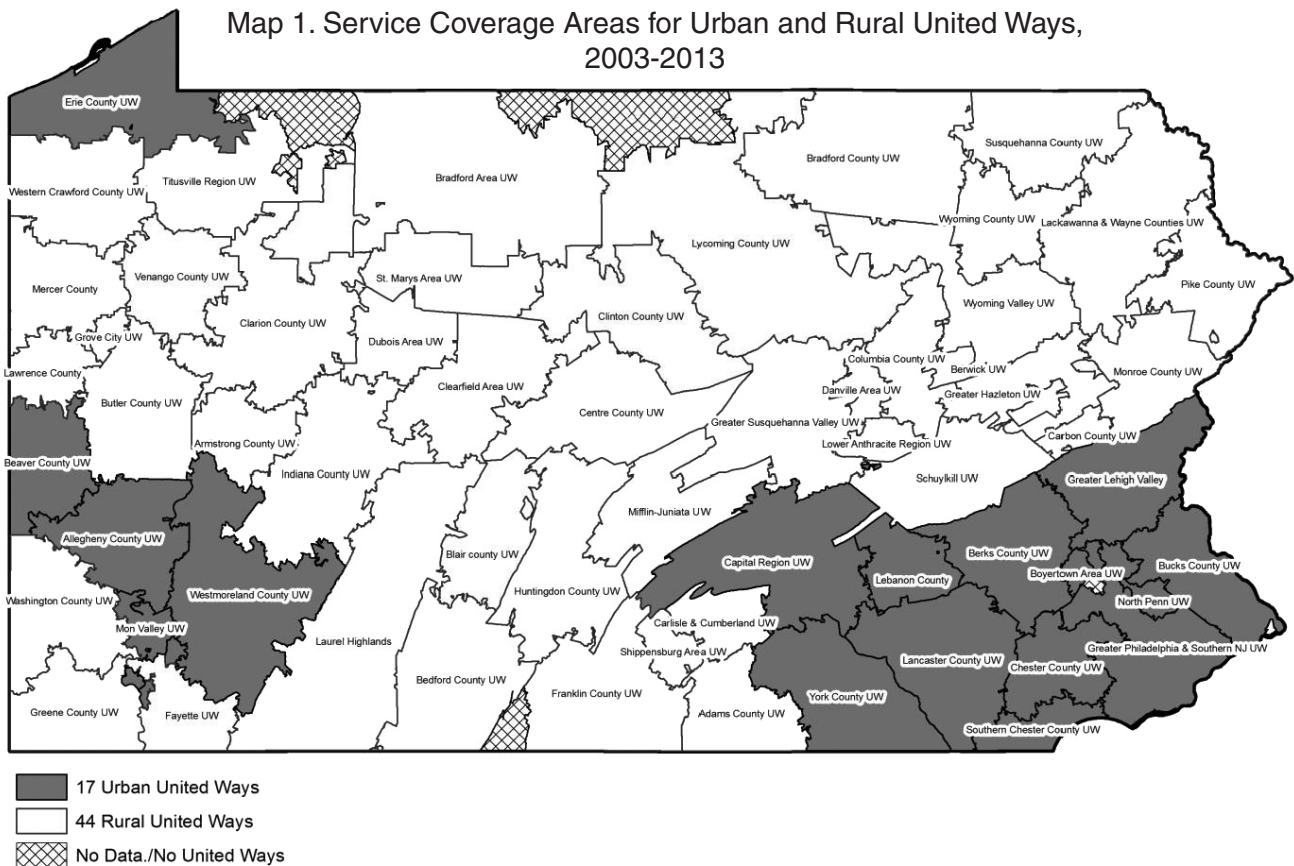


Table 1. United Ways in Pennsylvania by Division and Rural/Urban Classification, 2003-2013

Division #	Annual Campaign Amounts	% Urban	% Rural
Division 1	> \$9 million	28	0
Division 2	\$4 million to \$8,999,999	22	2
Division 3	\$2 million to \$3,999,999	11	5
Division 4	\$1 million to \$1,999,999	22	19
Division 5	\$750,000 to \$999,999	6	2
Division 6	\$500,000 to \$749,999	0	16
Division 7	\$200,000 to \$499,999	11	37
Division 8	\$100,000 to \$199,999	0	14
Division 9	\$50,000 to \$99,999	0	5

community characteristics: race (percent white), age (percent age 65 or older), education, median household income, and owner occupancy rates. The research explored the potential relationship between these independent variables and campaign success to examine other factors, such as a community’s social and economic characteristics, that may contribute to campaign success. The research also looked at leadership stability within UWs by examining the number of executive directors each organization had over the 10-year period.

Results

Figure 1 shows campaign success scores for the 48 UWs for which data were available. The scores are fairly evenly distributed, ranging from 5 to 17.5 with a mean of 12.04. Rural UWs had an average campaign success score of 11.94 (ranging from 5 to 16), and urban UWs had an average campaign success score of 12.24 (ranging from 6 to 17). These results indicate very little difference between campaign success and whether a UW is rural or urban.

Designated vs. Undesignated Funds

Among Pennsylvania UWs, 83 percent of total campaign funds were undesignated. Using this aver-

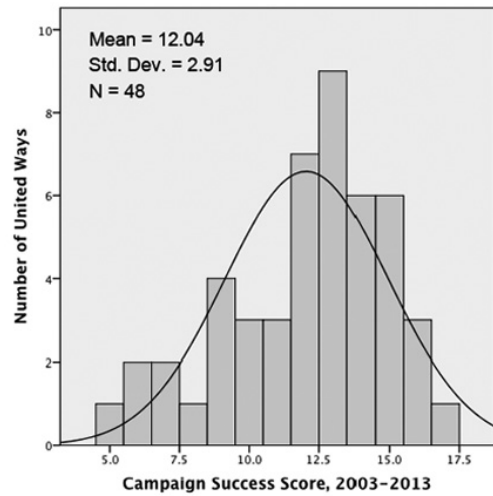
age as a point of reference, the research found that 69 percent of rural UWs and 47 percent of urban UWs had more than 83 percent of annual campaign totals as undesignated funds. Free of such restraints, rural UWs may be able to have more flexibility in their annual spending practices. This could be interpreted as a benefit to rural UWs.

Meeting Annual Goals

Pennsylvania UWs met or surpassed their previous year’s goal total about 5 times over the 10-year study period. There was little difference between urban and rural UWs in the number of years they met or surpassed the previous year’s goal. However, rural UWs were just slightly more likely to decrease their goals over time and were slightly more likely to fall short in topping a previous year’s campaign achievement. These differences, however, were not statistically significant.

On average, Pennsylvania UWs decreased their yearly goals 2.6 times between 2003 and 2013. There was little difference between urban and rural UWs in the number of times they decreased goals: rural UWs decreased goals 2.7 times, on average, while urban UWs decreased goals 2.3 times, on average, over the study period.

Figure 1. Overall Campaign Success of Pennsylvania UWs, 2003 - 2013



Longevity of Executive Directors

Of the 56 Pennsylvania UWs for which executive director (ED) data were available (92 percent of total UWs), 48 percent had two EDs and 34 percent had one ED between 2003 and 2013. Rural UWs tended to retain their ED for longer periods than urban UWs, although this relationship was not statistically significant.

UW Community Characteristics

Among the 61 UWs, the majority of the population in their service areas was white (92 percent) and median household income was \$50,797. Twenty-two percent of those age 25 or older had a Bachelor’s degree or higher. Eighteen percent of residents were over age 65, and 74 percent of residents lived in and owned their own homes.

Comparing Rural and Urban UW Community Characteristics

Urban UWs had greater non-white populations than rural UWs (14 percent and 5 percent, respectively). Households in rural UW coverage areas made \$15,953 less, on average, than households in urban UW coverage areas. In terms of edu-

cational attainment, 31 percent of those aged 25 and younger in urban UW areas had a bachelor's degree or higher compared to 19 percent in rural UW areas; the average in Pennsylvania, overall, was 27 percent. Finally, rural UW service areas were more likely than urban UW service areas to have higher percentages of residents over age 65. All of these differences were statistically significant. The only variable with no statistically significant difference was homeownership (about 73 percent for each).

Increasing and Decreasing Campaign Goals and Rural/Urban UWs

The research revealed one significant relationship between goal decreases and community characteristics: UWs that had higher goal decrease rates were statistically more likely to be from coverage areas with low median household incomes.

The research also found two statistically significant relationships between goal increases and community characteristics. UWs that had higher goal increase scores, which captured the number of times UWs increased their campaign goals from a previous year, were more likely to be from lower division numbers; as a reminder, the lower the division number, the larger the UW annual campaign amounts. Finally, UWs with higher goal increase scores

were more likely to have had more EDs than UWs with lower goal increase scores.

Campaign Success and Community/Organizational Characteristics

Among the 61 UWs, UWs with higher campaign success scores were statistically more likely to have fewer residents age 65 or older living within their service area; to have more EDs; and to have a lower division number.

When the research entered the above independent variables into a multiple regression model with campaign success, the number of EDs that UWs had over a 10-year period was the only variable that remained a strong predictor of campaign success. This finding suggests that higher turnover of EDs may be a benefit to some organizations. Perhaps a slightly higher turnover enables the organization to remain adaptive to changing campaign climates and other organizational challenges.

In the rural/urban comparison, the research found no significant relationships among campaign success and community/organizational characteristics. It is clear that there are important differences between rural and urban UWs in terms of socio-economic and demographic variables; however, in terms of UWs, there was nothing significant to report.

Conclusions

This research offered a glimpse into what organizations like the United Way can achieve over the course of a decade, a period of time that was hit by an economic crisis and unstable global economic and political conditions. In Pennsylvania, UWs increased their goals more often over the 10-year study period than decreased them, and they surpassed their campaign totals of the previous year about one-half of the time.

The research also found that Pennsylvania UWs that achieved campaign success were more likely to have service areas with more residents under age 65, more EDs in their history, and lower division numbers – meaning, in relation to other UWs, they were among the top fundraisers in any given year.

The results also indicated some rural and urban differences. Rural UW service areas had larger percentages of white residents, lower median household incomes, lower educational levels, and more residents over age 65. None of these characteristics, however, affected a rural UW's ability to achieve campaign success.

One relationship that did remain significant was a UW's division number and its campaign success. UWs with lower division numbers were more successful. It should be noted that lower division numbers are clearly urban territory as 83 percent of urban UWs raise \$1 million or more each year compared to 26 percent of rural UWs.

Since rural communities are more likely to be, on average, older, poorer, and less educated, rural UWs may face certain challenges not faced by their urban counterparts. However, these challenges have not deterred rural UWs' abilities overall to meet campaign goals and strive to surpass previous years' totals.

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