

DonorsChoose.org: Why Give? Why Be Involved? (B)

During his first year as a social studies teacher at Wings Academy in the Bronx, New York City, Charles Best had some powerful experiences that would significantly transform his life as well influence the lives of countless others. Best recounts the frustration and inspiration of lunchroom conversations with his fellow teachers. He remembers, “[t]here were great ideas for programs and projects that we talked about in the teachers’ lunchroom that could never leave the teachers’ lunchroom”¹ due to a lack of resources to implement them. “Funding for the basics was woefully inadequate, and teachers routinely dipped into their pockets to buy even paper and pencils for their students.”²

Best’s brainstorm for DonorsChoose.org emerged during one of these lunch conversations with colleagues. “Best figured there were probably plenty of people who would rather fork over a bit of cash for a specific classroom project than write a check to a traditional charity. So, he moved back to his parents’ home to save money and designed the Web site”³ for DonorsChoose. To convert the idea from a pipe dream to a viable venture, Best needed the help of his fellow teachers and his students. His students’ volunteered to help start the Web-based organization. To lure his fellow teachers into trying out the organization’s new Web site, Best offered them his mother’s famous pear dessert.⁴ Best used his savings to fund these projects anonymously.⁵ DonorsChoose has been growing ever since.⁶

Although many reasons explain the continual growth of DonorsChoose, three major factors exist: stimulating donor interest and securing contributions—often repeated contributions—from the same donors; arousing staffers’ motivation but doing so in a cost-effective manner; and maintaining uncompromising integrity.

Stimulating Donor Interest and Securing Contributions

People become interested in DonorsChoose and become donors because they can support, in an affordable way, educational projects that resonate with them, and they can be assured their donations are making a meaningful difference. “People always have had the option of donating to education causes, but the real appeal of DonorsChoose is [the] projects’ narrow focus.”⁷

DonorsChoose “put[s] donors squarely in charge and . . . give[s] them plenty of options. The proposals are written by the teachers themselves, explaining the students’ needs and what kind of impact they expect from the project. Then donors are put in control: [t]hey pick the project they like the most. Finally, every donor gets a package of thank-you letters from students and pictures of the kids reading the donated books”⁸ or using the donated supplies or engaging in the supported activities.

Many of these donations are of modest amounts, yet taken together, they fund projects that make an educational difference for many public school children. A donor “can pick a classroom project to fund with as little as \$1, . . . [and they can sort] proposals by cost, school poverty level and subject. Requests might include \$140 for dry-erase markers or \$2,000 for camcorders and laptops for budding filmmakers.”⁹

Supporting educational projects through DonorsChoose can have a powerful and positive emotional impact on donors. Supporting these projects can bring happiness to the recipients and the donors. Even small donations can bring happiness to the donors. Interestingly, in a 2008 article on happiness, Michael Norton, affiliated with the Harvard Business School, and Elizabeth Dunn, affiliated with the University of British Columbia, report that “[t]here’s been a lot of research that ironically shows that money doesn’t buy happiness [but] that people do feel better if they spend just \$5 of their bonus on others. . . . [I]t’s linked to the idea of investing in others and the hope that such largesse will give them a positive return.”¹⁰

Arousing Staffer Motivation

Another notable strength of DonorsChoose—as well as some other nonprofit organizations such as Kiva, a microlender, and Habitat for Humanity, a builder of inexpensive homes—is the capability to arouse worker motivation. Indeed, an anonymously written article in *The Economist* points out that “in tough economic times, businesses would do well to find ways of motivating workers without paying them a fortune.”¹¹ “Few nonprofits pay well and many depend on volunteers. It helps that they tend to have a clear purpose to which these

underpaid employees and volunteers are often personally committed.”¹²

Writing in the book *Zilch: The Power of Zero in Business*, Nancy Lublin, one of America’s most successful nonprofit leaders, comments on how nonprofit organizations like DonorsChoose arouse worker motivation. “They often have a flat management structure. Nonprofit bosses tend to muck in with volunteers when the heat is on (you’ll find them, for example, helping to stuff goody bags for fund-raising events). New employees are quickly given real responsibility, even if they are young (which is what the Millennials now entering the workforce want). . . . Ensuring there is plenty of time during the working week for genuine fun . . . can deliver better results than a bonus. . . . [D]oling out titles liberally and creatively . . . costs nothing . . . yet such titles appeal to people and make them proud.”¹³

Maintaining Uncompromising Integrity

A third factor in the success and growth of DonorsChoose is integrity. Indeed, integrity is a critical ingredient of DonorsChoose’s operations, acceptance, success, and continued growth. According to the nonprofit’s Web site, integrity is important:

“Our team is vigilant about providing end-to-end integrity for each classroom project funded through our site. To that end, we:

- Vet every classroom project request submitted by teachers.
- Process donor transactions using the most secure and trusted technology available.
- Purchase the classroom materials, shipping items directly to the school and alerting the principal when the materials are on their way.

- Provide photos of the project taking place, teacher and student letters, and a cost report showing how every dollar was spent.”¹⁴

Such a commitment to integrity for every funded project and throughout the organization fosters a remarkable level of public confidence in the aims and activities of DonorsChoose. Integrity is, without question, a critical ingredient of the sustainability of a nonprofit, which includes DonorsChoose or any other charitable organization.

Has DonorsChoose discovered a formula that will make it sustainable well into the future?

Discussion Questions

1. How would you describe the personality, perceptions, attitudes, and motivation of Charles Best?
2. Using ideas about personality and perception, attitudes and emotions, ethics, and motivation, explain the behavior of financial contributors to DonorsChoose.
3. Explain the behavior of staff members at DonorsChoose by using ideas about personality and perception, attitudes and emotions, ethics, motivation, and learning and performance management.
4. Do you think DonorsChoose is a stressful or relatively stress-free work environment for the staff members? Explain your answer.
5. In your opinion, would DonorsChoose be a great place to work? Explain the reason(s) for your answer.

SOURCE: This case was written by Michael K. McCuddy, The Louis S. and Mary L. Morgal Chair of Christian Business Ethics and Professor of Management, College of Business, Valparaiso University.