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Christopher J. Wells

The College at Brockport

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Scaling Up Without Spending Down

How The Fender Music Foundation Can Do More Mission with
Less Money

BY

CHRISTOPHER J. WELLS

BA, The College at Brockport, 2011

CAPSTONE PROJECT

Submitted in partial fulfillment of the requirements for
the degree of Masters in Public Administration
in the Graduate School of
Binghamton University
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Accepted in partial fulfillment of the requirements for
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State University of New York
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Kristina Lambright
Assistant Professor
Department of Public Administration _____
May 3, 2013

David Campbell
Associate Professor
Department of Public Administration _____
May 3, 2013

Moriah Scoble
Executive Director
The Fender Music Foundation _____
May 3, 2013

Executive Summary

Since emerging from the 2008 economic downturn, The Fender Music Foundation's financial position is strengthening. Given this success, the organization's board has begun considering new programming options. But its leaders are committed to ensuring that a new program does not jeopardize the organization's financial health. This report explores the Foundation's programming options in this context.

Literature indicates that nonprofits use collaborative and volunteer programs to further ambitious missions using finite resources. Guided by these insights, I analyzed 35 documents and conducted 9 interviews with representatives from music education nonprofits in the U.S. My efforts yielded five key findings: (1) there are a range of music education program purposes, and the costs of programs designed for these purposes vary widely; (2) publication of research, advocacy education programs and the provision of scholarships are the least expensive program purposes; (3) music education organizations use collaboration to minimize the costs of programs developed for advocacy education, scholarships and other purposes; (4) music education organizations use web technologies to minimize the costs of programs developed for advocacy education and research purposes; (5) very few music education organizations rely on volunteer labor from people other than board members to minimize program costs. Based on these findings, I recommend that the Foundation: (1) consider whether a formal research publication, advocacy education or scholarship program would advance its mission; (2) if appropriate, examine how it can use collaboration to minimize the costs of a scholarship program; (3) if appropriate, examine how it can use web technologies to minimize the costs of research publication; and (4) if appropriate, examine how it can use collaboration and web technologies to minimize the costs of an advocacy education program.

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Problem Definition

Despite minor changes since 2005, The Fender Music Foundation's mission has remained ambitious and clear. The organization strives to make the benefits of music education available to everyone in the nation (The Fender Music Foundation, 2013a). To accomplish this mission, the Foundation donates lightly used or otherwise imperfect instruments to nonprofit organizations, residential facilities, prisons and schools in the United States. This is the organization's only ongoing program.

However, in recent years the Foundation's board has begun considering whether it could address its mission more effectively with a new program (M. Scoble, personal communication, August 20). The board has recognized several viable ways to advance the organization's mission (B. Ross, personal communication, September 28). The most notable of these is the implementation of a scholarship program (B. Ross, personal communication, September 28). But the financial resources for a new program are limited.

The Fender Music Foundation finances its activities through donations and merchandise sales. The Foundation receives enough revenue from these sources to pay its current program expenses. However, the organization does not have excess funds.

The Foundation is still recovering from donations lost during the economic recession, which forced its leaders to finance 29 percent of the organization's costs with deficit spending between 2008 and 2009 (IRS, 2008; IRS, 2009). According to its latest financial audit, the organization rebounded to accumulate a cash surplus of \$50,352 by 2011, but this figure is less than the six-month's worth of operating expenses that nonprofit management expert Peter Brinckerhoff recommends (Fordyce 2012, Brinckerhoff, 2009). Significant additional fundraising efforts are limited by organizational capacity. It is already difficult for the

organization's 3.5 full-time-equivalent employees to keep pace with the demand for instrument grants, and it is unlikely that they will have time for additional tasks (M. Scoble, personal communication, November 13).

The Fender Music Foundation's leadership therefore has extra incentive to be prudent with its financial resources, and identifying effective new programs that will not add significant new costs (i.e. new staff) has proven difficult. However, as indicated above, the board remains interested in additional ways to advance their mission (M. Scoble, personal communication, August 20; B. Ross, personal communication, September 28). Information about cost-effective efforts to advance music education will therefore help the leaders of The Fender Music Foundation.

This topic is also important to the field of nonprofit administration. Many U.S. nonprofits are trying to do a lot with a little. According to a 2010 study conducted by The Urban Institute, 45 percent of U.S. nonprofits have yearly revenues of less than \$100,000, and more than 73 percent have less than \$499,000 (Kennard, Roeger & Pollak, 2010). Not surprisingly, these capacity limitations lead to the occasional abandonment of strategic initiatives. Survey research suggests that 59 percent of organizations scale down or abandon ideas advanced by their leaders as a result of financial obstacles (Zietlow, Hankin & Seidner, 2007). Research related to how nonprofits can implement new programs without incurring significant new costs can therefore contribute to nonprofit administration literature.

In recognition of this topic's importance to both The Fender Music Foundation and the nonprofit sector at large, this report examines cost-effective programming among music education foundations. The study's research question is:

"What options are available to advance The Fender Music Foundation's mission without incurring significant new costs?"

Given the importance of cost savings to The Fender Music Foundation, the options generally available to nonprofits seeking to achieve their goals with limited resources may be informative. The next section of this report offers a review of the literature pertinent to this topic.

Literature Review

Many nonprofit management authors suggest that organizations cannot realize meaningful growth without investing significantly more resources (Bryson, 2010; Grobman, 2008). There is empirical evidence to support this claim. Both survey techniques and secondary data analysis suggest a significant relationship between financial capacity and programmatic growth among nonprofits (Trzcinski & Sobeck, 2012; Auer et al., 2011).

But this popular management approach largely ignores a body of research suggesting that organizations can find creative ways to stretch resources when guided by a seemingly unattainable vision. This approach is called managing by “strategic intent” (Hamel & Prahalad, 1989, p. 64). This review summarizes the strategic intent concept and considers how nonprofits use collaborative and volunteer programs to achieve their goals within this framework.

The Strategic Intent Framework

The concept of strategic intent was introduced in a landmark article by Gary Hamel and C.K. Prahalad (1989). These authors used extensive case study research to document how Japanese manufacturing firms were able to outperform their competitors. The leaders of these firms did not need drastically bigger budgets to accomplish this goal. Employees challenged by lofty aspirations simply leveraged existing resources in new ways. Their evidence suggests that agencies are capable of reaching incredible goals with seemingly insufficient resources. This idea is particularly relevant to nonprofit agencies, considering that many are guided by mission

statements that are difficult to achieve given their finite resources (Colby et al., 2004; Ruvio, Rosenblatt & Hertz-Lazarowitz, 2010).

Available research regarding the effectiveness of this technique in the nonprofit sector is encouraging. Research suggests a statistically significant relationship between wide-ranging nonprofit strategies and perceived goal achievement among nonprofit entrepreneurs (Ruvio, Rosenblatt & Hertz-Lazarowitz, 2010). Furthermore, both survey and case study research have linked strategic intent to increased output (Ruvio, Rosenblatt & Hertz-Lazarowitz, 2010; Sheehan Jr., 1999). Finally, one study indicates that some nonprofits rely on strategic intent to gain a larger share of government contract work (Bennett, 2008).

In addition to documenting the results of strategic intent, research details how nonprofits put this strategy into practice. Although nonprofit literature is devoid of examples suggesting that new nonprofit programs can be implemented at absolutely no cost, scholars have established that creative programs can be used to achieve goals without incurring significant new costs (i.e. hiring additional staff) (Simmons & Emanuele, 2010). This trend aligns with the primary tenet of strategic intent, which suggests that goals can be achieved regardless of whether they appear attainable using available resources (Hamel & Prahalad, 1989).

Two common methods nonprofits use to increase impact without incurring significant new costs are collaboration and volunteer programs. Scholars acknowledge that administrative expenses such as supplies, paid management staff, and recruitment advertising are associated with volunteer programs (Brudney, 2010; Brudney & Gazley, 2002; Handy & Srinivasan, 2005). Similar overhead expenses are necessary for collaborative programs (Yankey & Willen, 2010). Still, literature suggests that these kinds of programs can be implemented using relatively small budgets (Kennard et al., 2010). I discuss these ideas in more depth below.

Strategic Intent in Practice: Collaborative Programs

Many scholars have noted that collaboration is an established practice in the nonprofit sector (Arsenault et al., 1998; Guo, 2005; Crutchfield & Grant, 2008; Yankey & Willen, 2010; McLaughlin, 2012). However, few have developed the link between this practice and strategic intent. Case study research suggests that small budgets and lofty missions make networking essential to the work of many successful nonprofit organizations (Crutchfield & Grant, 2008). This finding is echoed in survey data suggesting that nonprofits guided by strategic intent collaborate frequently (Chew & Osborne, 2009). Nonprofits may collaborate with governmental agencies, for-profit corporations or other nonprofits.

Researchers began to investigate collaboration between nonprofits and government in earnest during the 1990s. During this time, scholars identified government contracting with nonprofit organizations as a major sector phenomenon (Saidel, 1991; Osborne & Gaebler, 1993; Lipsky & Smith, 1993). However, the nature of public-nonprofit partnerships is complex. Some nonprofits contract with the government to provide needed community services, and others provide the government with information used to improve the delivery of public services overall (Earles & Baulderstone, 2012; Saidel, 1999). These trends suggest that the sector is discovering new ways to collaborate with public agencies.

Researchers have also studied collaboration between nonprofits. Case study research suggests that nonprofits that pool their resources are more likely to achieve their goals in a cost-effective manner (Crutchfield & Grant, 2008). A mixed-methods approach analyzing collaboration by seven nonprofit agencies providing early childhood educational services indicated a statistically significant relationship between the intensity of collaborative relationships and school readiness among program participants, suggesting that collaboration is

especially effective in the education field (Selden et al., 2006). This technique may therefore be an appropriate way for education-related nonprofits to achieve goals.

The final way that nonprofits collaborate is through partnerships with the for-profit sector. In most cases these partnerships are designed to enhance nonprofit financial capacity (Austin & Seitanidi, 2012; Sakarya et al., 2011). Case study research has demonstrated the potential for these partnerships to produce incremental social change when for-profit resources are coupled with nonprofit expertise (Sakarya et al., 2011). Nonprofits may thus be able to use for-profit partnerships to accomplish important mission-related goals.

Strategic Intent in Practice: Volunteer Programs

Using volunteers to implement programs is another cost-effective way for nonprofits to achieve their goals (Brudney, 2010). Evidence suggests that volunteer programs are widespread. According to the Urban Institute, the estimated worth of volunteer labor in the sector was \$2.7 billion in 2010 (Kennard et al., 2010).

Consistent with the strategic intent framework, evidence indicates that volunteer programs enable nonprofits to do more work without incurring significant new expenses. For example, a quantitative analysis indicates that volunteer programs have no effect on organizational budgets (Brudney & Gazley, 2002). In addition, research suggests that some nonprofits use volunteers as a substitute for paid laborers, avoiding new staff expenditures (Simmons & Emanuele, 2010). This evidence has led scholars to assert that practitioners should see volunteer programs as a way to do more with existing resources (Brudney & Gazley, 2002).

However, the effectiveness of volunteer programs varies widely and is dependent upon a number of factors (Brudney, 2010). These factors include motivations of volunteers,

effectiveness of volunteer managers, and receptiveness to volunteers among paid staff (Brudney, 2010). A lack of attention to these considerations will minimize a volunteer program's success.

This review of relevant literature suggests that although no option is entirely devoid of costs, collaboration and volunteering are valuable tools for nonprofits attempting to accomplish ambitious missions with limited resources. To determine which tools are most applicable to The Fender Music Foundation, I gathered qualitative data from 19 music education foundations in the U.S. The next section of this report describes the procedure I followed.

Methodology

To collect my data, I interviewed organizations' employees, reviewed their websites and analyzed publicly available financial documents. These activities took place during the months of March and April of 2013. In this section I describe my data collection and analysis procedures and identify the strengths and limitations of this approach.

Data Collection

Gathering my data from music education foundations in the U.S. involved three unique challenges. First, there are a limited number of organizations in the sample universe. Second, some of these organizations may see The Fender Music Foundation as a competitor. Such organizations have little incentive to participate. Finally, these organizations are unlikely to be familiar with Binghamton University and may therefore be skeptical of my qualifications as a researcher. My data collection procedures were designed to mitigate these challenges.

In order to develop an inclusive list of possible participants, I used three search engines to locate music education foundations. Using the terms "music," "education," "foundation" and "grants," I searched Guidestar, Google and Charity Navigator to determine whether the organizations listed were committed primarily to music education. These searches produced a list

of 19 organizations. Because I obtained financial information from these organizations that they might not be comfortable sharing with a general audience, my list of participating organizations will remain confidential.

Nineteen organizations is not a large enough sample size for a meaningful quantitative analysis using sophisticated statistical tests. I therefore chose to use a qualitative approach. Understanding which kinds of programs would be most useful to The Fender Music Foundation requires detailed information. I thus chose to conduct semi-structured interviews with employees at organizations that agreed to participate, which allowed for detailed follow-up questions as appropriate.

I used a two-step process to determine which organizations would participate in interviews. First, I sent an e-mail to each of the 19 organizations I identified in my searches. To create an incentive to participation, The Fender Music Foundation agreed to publish a short summary of my results online. I agreed to send this link to participating organizations in my initial e-mail (see Appendix A). During the second step of my recruitment process I called representatives of each organization who I had not heard from via e-mail to determine whether they were willing to participate. An employee from 9 of the 19 organizations agreed to be interviewed. The interviews took approximately 30 minutes each.

During these interviews I asked questions about the costs, purposes and challenges associated with the programs I studied (see Appendix B). In accordance with the results of my literature review, I distinguished between collaborative programs, volunteer programs and other kinds of low-cost programs. To increase the confidence interviewees had in my qualifications as a researcher, I began each interview by asking specific questions about programs listed on each

organization's website. In an effort to encourage candid responses, I promised confidentiality to all participants.

In order to obtain more information about the programs implemented by the 19 organizations in my sample (including the 10 from which I did not collect interview data) I chose to supplement my interviews with a review of each of the 19 organizations' websites and publicly available 990 forms. One organization provided a financial audit on its website, which I also reviewed. I made note of every program listed on the websites and used the financial documents to identify the kinds of costs associated with each program.

Data Analysis

My analysis procedures involved two steps. First, I used thematic coding to analyze the data I collected from interviewees and websites. Thematic coding is a process during which researchers review narrative data in order to identify common themes. During my thematic coding process I looked for patterns with the kinds of programs implemented by these organizations and the specific, mission-related goals these programs were trying to achieve. Based on this analysis I created several program categories.

I then estimated the costs of these programs. The vast majority of these estimates were based on information obtained from the financial documents and verified during interviews. However, I estimated program costs exclusively using financial data on three occasions. In one such instance the organization's online financial audit quantified organizational expenses by program. The remaining two programs for which I estimated costs using only financial data were run exclusively by volunteers and involved few expenses. I provide additional context for these exceptions in the notes beneath Table 1 (page 13).

Strengths

The approach described above has two strengths. First, my mixed-methods procedure gave me the freedom to use all available resources for answering my research question. This approach was particularly important for my study because I needed data about both the financial and mission-related aspects of the programs I studied. The 990s and audit provided information about costs, while my interviews enabled me to better understand each program's specific goals as they related to overall organizational missions.

The second strength of my approach is that my semi-structured interviews allowed for flexibility during interviews. I used this flexibility to clarify unclear wording from organizational websites and ask follow-up questions about certain programs. This helped me better understand the program purposes.

Limitations

My data collection procedures have four limitations. The first pertains to my use of Internet search engines to develop my initial list of potential participants. Each search engine is an imperfect tool. Both Guidestar and Charity Navigator rely heavily on IRS data to develop listings of nonprofit organizations (Guidestar, 2013; Charity Navigator, 2013). As a result, these databases may not include the organizations that have received their nonprofit designations very recently. The Google search engine uses a complex algorithm to develop results. It is possible that this algorithm ignores some results that would be pertinent to my work, especially because the algorithm focuses on presenting results consistent with the previous online activities of search users.

The second limitation is that I was not able to interview someone from all 19 organizations. Some of the organizations I was unable to interview may not provide

comprehensive programming information on their websites. It is therefore possible that these organizations implement low-cost programs on which I was unable to gather information.

It is also possible that some of the 19 organizations from which I collected data have implemented low-cost programs in the past. Some of these programs may have been feasible for The Fender Music Foundation. However, due to time constraints, I did not ask about past programs during my interviews, and organizational websites are unlikely to include a significant amount of outdated information. My procedures therefore yielded only findings about low-cost programs in place today.

Finally, I was not able to obtain sufficient financial data about all of the 7 organizations with which I did not conduct interviews. This was especially problematic for the three organizations with annual expenses of less than \$50,000. Guidestar.org did not provide 990s for these organizations, probably because the IRS requires these organizations to file only the much less comprehensive 990-N (IRS, 2013). I was also unable to interview representatives from these organizations and was therefore forced to rely exclusively on website data to analyze these organizations' programs.

Findings

My analysis yielded five findings pertinent to the costs of music education programming. First, there are a range of music education program purposes, and the costs of programs implemented for these purposes vary widely. Second, publication of research, advocacy education and the provision of scholarships are the least expensive program purposes. The third and fourth findings indicate that music education organizations use collaboration and web technologies as cost-savings strategies. Finally, the data reveal that volunteering is rarely used to minimize program costs. I elaborate on these findings below.

Finding # 1: There are a range of music education program purposes, and the costs of programs designed for these purposes vary widely.

To understand which kinds of programs might be of interest to The Fender Music Foundation, I first examined the kinds of programs implemented by each of the organizations in my sample. The music education organizations in my sample implement programs for nine purposes. The estimated costs of these programs range from less than \$100 to more than \$3 million (see Table 1 on the following page). Purposes include the publication of research, advocacy education, scholarship provision, the recognition of outstanding efforts, the appreciation of musical works, the preservation of recordings, ongoing organizational capacity-building, mentorship and one-time organizational capacity building. Table 1 displays the purposes of programs from my sample, the costs of these programs and the number of organizations that implemented each.

Table 1. Purposes and Annual Costs of Music Education Foundation Programs

<i>Purpose</i>	<i>Range of Estimated Financial Costs (Number of Organizations on Which Estimate is Based)</i>	<i>Number of Organizations Implementing Program</i>
1. Publication of research	< \$100 (n=1) *	3
2. Advocacy education	\$5,000 - \$23,000 (n=2)	4
3. Scholarship provision	< \$21,000 (n=1) **	7
4. Educator/student recognition	\$204,960 (n=1) ***	4
5. Appreciation of musical works	\$284,495 (n=1) ***	4
6. Preservation of recordings	\$422,566 (n=1) ***	2
7. Ongoing organizational capacity building (i.e. yearly salary subsidies)	\$333,158 - \$3,612,303 (n=4)	7
8. Mentorship	Costs could not be estimated	1
9. One-time organizational capacity building (i.e. grant-making)	Costs vary too widely for meaningful estimation	13

* This organization relied exclusively on volunteers to implement its programs and incurred less than \$100 worth of information technology expenses used to publish research.

** This organization relied exclusively on volunteers to implement its programs and incurred less than \$21,000 in total expenses.

*** This organization published a financial audit on its website.

The most common program purposes are one-time capacity building, the provision of scholarship to music education students and ongoing capacity building. One-time capacity building activities were most frequent, with thirteen organizations implementing programs for this purpose. Scholarship provision and ongoing capacity-building are less so, with seven organizations implementing programs for each of these purposes. In contrast to both one-time capacity building and scholarship provision, ongoing capacity-building involves the provision of resources on a continuing basis. One executive director describes the effort like this:

“There are a lot of organizations interested in after-school programs, but they need help doing that. So we negotiated with them to provide the program. We established something with the local university, which provides instructors and curriculum, and we provide the yearly funding.”

The recognition of outstanding efforts, appreciation of musical works and advocacy education are also frequent program purposes, with four organizations implementing programs for each of these purposes (see Table 1). Recognition efforts include the provision of awards. These awards are sometimes accompanied by financial resources. Appreciation efforts include any performances co-sponsored by sample organizations, and advocacy education efforts involve the provision of information to community leaders. The advocacy education materials published by these organizations are designed to enable individuals to effectively advocate for music education at the local level. They often take the form of downloadable PDFs published on organizational websites.

Publication of research, preservation of recordings and mentorship programs are the least prevalent program purposes (see Table 1). Less than four organizations implemented programs for each of these purposes. Organizations publishing research rarely rely on their own staff to conduct this research. Instead, staff members are responsible for using these organizations’ websites and blogs to discuss and re-publish research conducted elsewhere. Preservation includes

museums and archiving projects run or co-sponsored by the organization, and the mentorship program puts veteran music teachers in touch with young professionals.

Finding # 2: Publication of research, advocacy education programs and the provision of scholarships are the least expensive program purposes.

As evidenced by Table 1, publication of research, advocacy education and the provision of scholarships all incur total costs of less than \$24,000 per year for the organizations in my sample. In contrast, the remaining programs for which costs could be estimated incur more than \$200,000 in annual expenses. Although the specific costs of research, advocacy education and scholarship provision programs vary, these costs are usually not personnel related.

As emphasized above, my examination of the research published online by sample organizations revealed that organizations with research publication programs almost always publish research that was conducted elsewhere. As a result, these programs do not bear the personnel costs associated with research. Instead, the primary expense associated with these programs is the information technology cost associated with maintaining and updating organizational websites. The one organization for which costs could be estimated using public financial data spent less than \$100 annually on publishing research. However, it is important to recognize that according to this organization's 990 form it relied on an all-volunteer board to implement all of its programs. Programs with paid staff likely incur a personnel expense when implementing research publication programs.

The cost structure for advocacy education programs is similar, but the two such programs for which I could estimate costs incur expenses in addition to those associated with information technology. These costs can usually be attributed to the creation of the content for advocacy documents to be posted on the organization's website. Expenses include supplies and staff time.

However, the recurring costs of these programs are limited to information technology expenses, as one executive director noted:

“What we were finding is that many parent teacher associations wanted to participate in the rental program but we needed another tool that would help teach them how to do advocacy in their schools. So we did that, and now it doesn’t cost very much because disseminating it is all web based.”

Despite the obvious recurring costs associated with the provision of scholarships, the data suggest that these programs can also be implemented without incurring significant personnel expenses. The organization with the program for which total scholarship costs could be estimated relied on its board to review scholarship proposals. This strategy was feasible primarily because scholarships were awarded only once per year.

Although estimating total program costs for the scholarship programs implemented by organizations I did not interview was impossible, evidence from these organizations’ 990s suggests that personnel costs associated with scholarship programs at organizations with paid staff are modest. For example, the total program expenses listed on one organization’s 990 indicate that its scholarship program incurred no more than \$200 of personnel costs for each \$1,000 awarded. This suggests that a \$5,000 scholarship could be provided at a personnel cost of approximately \$1,000 per year.

Finding # 3: Music education organizations use collaboration to minimize the costs of programs developed for advocacy education, scholarships and other purposes.

Consistent with prior research on collaboration (Arsenault et al., 1998; Guo, 2005; Crutchfield & Grant, 2008; Yankey & Willen, 2010; McLaughlin, 2012), the music education programs in my sample appear to use collaboration as a cost-saving technique. At least eleven of the nineteen sample organizations use collaboration. They use this technique to minimize the

costs of programs developed for advocacy education, scholarship provision, ongoing capacity-building, preservation of recordings and the recognition of outstanding efforts.

Collaboration was most evident in programs designed for ongoing capacity building. This collaboration involved resource-sharing between these organizations and local school districts. In most cases, the sample organization provided resources in the short-term but encouraged programs to consider how they can acquire their own resources in the long-term. One program director recalled a specific example of how this happens:

So for shared expenses we might say: 'Hey listen we're going to need guitars. We will bring you [guitars for the next several years] but consider buying a class set of guitars (for the future).'

Six of the seven programs designed for ongoing capacity-building collaborated with other organizations.

Collaboration was also a significant part of how organizations minimized the costs of programs designed for advocacy education. Three of the four organizations implementing programs for advocacy education collaborated to minimize costs. This collaboration involved the joint creation of instructional materials for local music education advocates. Officials from county education departments and music teachers often helped these organizations generate content for these materials. This arrangement proved useful primarily because these individuals' salaries are paid for by the collaborating organizations. Their expertise is thus made available to the sample organizations at no additional cost. At least one sample organization had existing relationships with these organizations prior to this collaborative effort.

Collaborative cost-savings for scholarship provision programs are realized through the provision of scholarship funding by collaborating foundations. Three of the seven organizations

offering scholarship programs helped fund the programs using collaboration. This is how one organization's website summarizes the arrangement:

This scholarship, created to identify young talent and to encourage the study of musical theater, is presented each year to a student at Organization X. Funded by an endowment from Foundation Y, it honors [a music publisher] who served on Organization Z's board for 50 years and was a mentor to many.

Collaboration for the preservation of recorded works and the recognition of outstanding music education efforts was much less prevalent. I identified one example of each in my research. The example of collaboration for the preservation of recorded works involved the sharing of preservation costs with another organization, and the example of collaboration for the recognition of outstanding music education efforts involved the establishment of a fund used to provide financial resources to award recipients.

Finding # 4: Music education organizations use web technologies to minimize the costs of programs developed for advocacy education and research purposes.

My data suggests that web technologies are also a prominent cost-saving strategy for many organizations. This technique is particularly useful for implementing advocacy education and research publication programs. As noted above, the four advocacy education programs involved the publication of informational documents on organizational websites. Interviewees noted that publishing this information online saves on printing and shipping costs. The same logic applies to the three online research publication programs.

Finding # 5: Very few music education organizations rely on volunteer labor from people other than board members to minimize program costs.

My literature review suggests that volunteering is a viable way for nonprofit organizations to minimize program costs (Brudney, 2010; Simmons & Emanuele, 2010; Brudney & Gazley, 2002). However, only one organization in my sample used volunteer labor to realize

cost savings within programs. This organization relies on volunteers for the implementation of a mentorship program, in which veteran music educators volunteered to meet with young professionals in the field to help them develop their teaching skills.

Despite this lack of program volunteers, volunteers are a significant part of music education efforts at the board level. Volunteer labor from board members is used for one-time capacity building and scholarship provision. Five of the thirteen one-time capacity building programs relied at least partially on labor from board members, as did two of the seven scholarship provision programs.

Recommendations

Guided by these findings, I have four recommendations for The Fender Music Foundation's efforts to design a new program. First, The Fender Music Foundation should consider a formal research publication, advocacy education or scholarship program as viable programming options. My second and third recommendations are that the organization should examine how it can use collaboration to minimize the costs of a research publication program and web technologies to minimize the costs of a scholarship program. Finally, I recommend that The Fender Music Foundation examine how it can use both of these strategies to minimize the costs of an advocacy education program. I explain each of these recommendations in more detail below.

Recommendation # 1: Consider whether a formal research publication, advocacy education or scholarship program would advance The Fender Music Foundation's mission in a meaningful way.

Given its current budget, my findings suggest that these three programming options are financially viable for The Fender Music Foundation. Executive Director Moriah Scoble indicated

that any new program incurring annual costs of more than \$35,000 is probably not feasible for the organization at this time (M. Scoble, personal communication, April 6, 2013). My first and second findings indicate that research publication, advocacy education and scholarship provision are the only program purposes that involve costs of less than \$35,000 per year. But my research did not address the alignment between these program purposes and the mission of The Fender Music Foundation. I therefore recommend that the Foundation's leaders consider whether any of these programs would advance the organization's mission in a meaningful way before examining the costs associated with them. A discussion about this topic among the Foundation's board members may be warranted.

Recommendation # 2: If appropriate, examine how The Fender Music Foundation can use collaboration to minimize the costs of a scholarship program.

As emphasized in my problem statement, The Fender Music Foundation's board has considered whether the organization can feasibly implement a scholarship program. However, board members are concerned about the costs of such a program. My third finding suggests that the organization can rely on collaboration to minimize these costs. My research suggests that costs can be minimized in one of two ways.

The Foundation's first option is to use its financial resources to establish an endowment for a scholarship provision program to be implemented by a collaborating organization. This course of action eliminates the ongoing costs associated with identifying suitable recipients for the scholarship, which would be incurred by the collaborating organization. However, given current interest rates, establishing an endowment would likely require a one-time investment of much more than \$35,000 (M. Scoble, personal communication, April 26, 2013). This option is thus probably not a feasible one for the Foundation at this time.

The Foundation's second option is to find a partner organization with up-front resources and reverse this relationship. In this scenario, the Foundation would incur the ongoing costs associated with identifying suitable scholarship recipients. However, it would not incur the costs of establishing and managing the fund for this scholarship. This option appears less expensive but will require a more sustained investment on the part of the Foundation's staff. When exploring this option it is important for the Foundation's leaders to consider the fact that my data did not enable me to estimate the total costs of a scholarship program managed by paid staff as opposed to volunteer board members.

Recommendation # 3: If appropriate, examine how The Fender Music Foundation can use web technologies to minimize the costs of a research program.

As emphasized in my second finding, my data suggest that the publication of research is the least expensive programming option available to The Fender Music Foundation. My fourth finding indicates that this is due in large part to the use of web technologies as a cost-saving strategy. This kind of effort might be especially appropriate for The Fender Music Foundation given the relative ease of managing and updating the Foundation's website. I therefore recommend that the Foundation consider using web technologies to implement a formal research publication program. Specifically, the organization might consider adding a section to its website that is titled "Research." If this section was managed by the Foundation's volunteer interns it would incur few expenses outside of those associated with maintaining the Foundation's website.

Recommendation # 4: If appropriate, examine how The Fender Music Foundation can use collaboration and web technologies to minimize the costs of an advocacy education program.

My third and fourth findings suggest that The Fender Music Foundation may be able to use collaboration and web technologies to publish advocacy education materials at a low cost.

This option may be particularly viable if the Foundation has existing relationships with organizations that employ music education experts because there may be costs associated with identifying and developing rapport with a collaborating organization in the absence of this relationship. These costs would be incurred prior to the development of a PDF document to be published on the Foundation's website. However, once this relationship has been established and these materials have been produced, my data suggest that the Foundation can use its website to disseminate the materials in an extraordinarily cost-effective manner.

Conclusion

There are ways for Fender Music Foundation's leaders to balance their desire for a new mission-related program with their responsibility to be prudent with the organization's financial resources. Specifically, the organization can use collaboration and web technologies to implement a research publication, scholarship provision or advocacy education program at a reasonable cost. This document provides a starting point for the Foundation's consideration of these programming options.

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APPENDIX A**E-mail to Potential Participants**

Dear (Organization Name) staff member(s),

My name is Christopher Wells. On behalf of The Fender Music Foundation, I am conducting research about how music education foundations in the U.S. can achieve their goals in a cost-effective manner. I am conducting this research at the State University of New York.

As a part of my research, I would like to arrange a short telephone interview with someone from your staff. The interview would last less than 30 minutes, and the data collected would be used to help The Fender Music Foundation select a new program for implementation. The results will be made available on The Fender Music Foundation's website. If you choose to participate, I will be sure to provide your organization with a link to these results so that your organization can benefit from the knowledge gained.

Please inform me via e-mail or by phone at [607-242-1618](tel:607-242-1618) if anyone from your staff is able to help. I can provide additional details at that time. Thank you so much for your consideration of this request.

Sincerely,

Christopher J. Wells

APPENDIX B**Interview Protocol**

*** *READ INFORMED CONSENT SCRIPT* ***

*** *ASK FOLLOW-UP QUESTIONS ABOUT PROGRAMS DESCRIBED ONLINE* ***

1.) Does your organization collaborate with any other organizations?

- a. What music education need does this program address?
- b. How does this program meet that need?
- c. What does this program cost to operate?
- d. What is your organization's annual expense budget?
- e. What is the annual cost of this program?
- f. How does this program advance your mission?
- g. Can you tell me about the outcomes of this program?
- h. What challenges have you encountered when implementing this program?
- i. How have you addressed these challenges?
- j. Has this program affected or changed your organization in any way?

2.) Does your organization run any sort of volunteer program?

- a. What music education need does this program address?
- b. How does this program meet that need?
- c. What does this program cost to operate?
- d. What is your organization's annual expense budget?
- e. What is the annual cost of this program?
- f. How does this program advance your mission?
- g. Can you tell me about the outcomes of this program?

- h. What challenges have you encountered when implementing this program?
 - i. How have you addressed these challenges?
 - j. Has this program affected or changed your organization in any way?
- 3.) Other than those we have already discussed, are there other programs implemented by your organization that you would characterize as especially cost-effective?
 - a. What music education need does this program address?
 - b. How does this program meet that need?
 - c. What does this program cost to operate?
 - d. What is your organization's annual expense budget?
 - e. What is the annual cost of this program?
 - f. How does this program advance your mission?
 - g. Can you tell me about the outcomes of this program?
 - h. What challenges have you encountered when implementing this program?
 - i. How have you addressed these challenges?
 - j. Has this program affected or changed your organization in any way?
- 4.) Which of the programs we have discussed do you think is the most important to your organization?
- 5.) Which of the programs we have discussed do you think is the least important to your organization?
- 6.) Can you describe any needs related to your mission that you are unable to address using existing resources?
 - a. What kinds of programs might be implemented to address these needs?

APPENDIX C**Binghamton University Institutional Review Board Approval Letter**

Date: March 11, 2013

To: Christopher Wells, CCPA

From: Anne M. Casella, CIP Administrator

Human Subjects Research Review Committee

Subject: Human Subjects Research Approval

Protocol Number: 2231-13

Protocol title: *Scaling Up Without Spending Down: How The Fender Music Foundation Can Do More With Less*

Your project identified above was reviewed by the HSRRC and has received an Exempt approval pursuant to the Department of Health and Human Services (DHHS) regulations, 45 CFR 46.101(b)(2) .

An exempt status signifies that you will not be required to submit a Continuing Review application as long as your project involving human subjects remains unchanged. If your project undergoes any changes these changes must be reported to our office prior to implementation.

Please complete the modification form found at the following link:

http://research.binghamton.edu/Compliance/humansubjects/COEUS_Docs.php

Principal Investigators or any individual involved in the research must report any problems involving the conduct of the study or subject participation. Any problems involving recruitment and consent processes or any deviations from the approved protocol should be reported in writing within five (5) business days as outlined in Binghamton University, Human Subjects Research Review Office, Policy and Procedures IX.F.1 Unanticipated Problems/adverse events/complaints. We require that the Unanticipated Problems/adverse events/complaints form be submitted to our office, found at the following link:

http://research.binghamton.edu/Compliance/humansubjects/COEUS_Docs.php

University policy requires you to maintain as a part of your records, any documents pertaining to the use of human subjects in your research. This includes any information or materials conveyed to, and received from, the subjects, as well as any executed consent forms, data and analysis results. These records must be maintained for at least six years after project completion or termination. If this is a funded project, you should be aware that these records are subject to inspection and review by authorized representative of the University, State and Federal governments.

Please notify this office when your project is complete by completing and forwarding to our office the Protocol closure form found at the following link:
http://research.binghamton.edu/Compliance/humansubjects/COEUS_Docs.php Upon notification we will close the above referenced file. Any reactivation of the project will require a new application.

This documentation is being provided to you via email. A hard copy will not be mailed unless you request us to do so.

Thank you for your cooperation, I wish you success in your research, and please do not hesitate to contact our office if you have any questions or require further assistance.

cc: file

Kristina Lambright

Diane Bulizak, Secretary

Human Subjects Research Review Office

Biotechnology Building, Room 2205

Binghamton University

85 Murray Hill Rd.

Vestal, NY 13850

dbulizak@binghamton.edu

Telephone: [\(607\) 777-3818](tel:(607)777-3818)

Fax: [\(607\) 777-5025](tel:(607)777-5025)