EXPLORATIONS IN NON-PROFIT ORGANIZATIONS AND EFFICIENCY:

CHILDREN’S HUNGER FUND

By

Christine Garon

Advised by

Professor Christopher Bickel

Socs 461, 462

Senior Project

Social Sciences Department

College of Liberal Arts

CALIFORNIA POLYTECHNIC STATE UNIVERSITY

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RESEARCH PROPOSAL

After personal observation in San Luis Obispo County, and a community learning project through a course at California Polytechnic State University at San Luis Obispo, it is clear that efficiency and organization are serious problems faced by many non-profits. For those who work in close proximity with non-profits, they can have a reputation of being unorganized and unreliable. Although many aid organizations are merely staying afloat and therefore often unorganized and unable to consistently provide services, there are several organizations with outstanding efficiency in fundraising and charitable commitment ratings.

This project seeks to understand the interworking of a non-profit, including fundraising, donor rapport, and efficiency models, by observing an extremely efficient non-profit. It will include a case study of Children’s Hunger Fund (CHF), a Los Angeles based non-profit that provides for the basic needs of children around the United States and the world. By studying CHF I hope to gain a better understanding of non-profits and what makes one successful. Using CHF as a model, I plan to create an efficiency plan for other non-profits and take the preliminary steps necessary to create an organization under the Internal Revenue Code ("IRC") section 501(c)(3).
ANOTATED BIBLIOGRAPHY


This article explains the process that one must go through in order to find creative solutions to complex problems in the world today. The process, called design thinking, has three stages that help people to address the real issues and their appropriate solutions. The stages are inspiration, ideation, and implementation. Initially the problems in assessed and observed, then those observations are analyzed to see what can be done to improve the situation, and finally change is designed and implemented. Design thinking open doors to real, effective change around the world today. The willingness for people in the non-profit world to be creative and take time or funding to more accurately assess the cause they support is essential for forward motion in this field. We must be on constant watch to what is being done because that is how it has been in the past, and what is actually producing change. Children’s Hunger Fund (CHF) encourages and engages in design thinking. My paper will explore in what ways they engage in design thinking, and how other non-profits can escape the trap of tradition.

The Charity Navigator is an organization that exists in order to help people interested in giving to charities find the charity that is financially responsible and right for their needs. They have a four star rating system that based in overall rating, efficiency rating, and capacity rating. The Charity Navigator has a four star rating system including, efficiency rating, capacity rating, and an overall rating. CHF received a full four star score in the overall rating and the efficiency rating. I am especially interested in the efficiency score and how CHF maintains such high scores in these areas.


This is CHF’s general website. It provides general information about the organization, including mission and vision as well as a handful of current projects they are working on. It has contact information, donation information, and avenues for community members to get involved through volunteering and possibly their personal needs. It is a website full of information regarding this organization. This website is the starting point for my research on CHF in general. It has opened my eyes to their ideology and contact information necessary to obtain more information from them.


This is a fundraiser that CHF ran for the holiday season 2009. It was a unique gift drive where a donor could purchase practical gifts for children in need around the world. For example, a donor could purchase one 50 lb. bag of beans for a donation of $15 or fund a sea container shipment of
food paks (boxes with goods for a weeks worth of meals, delivered to the family’s home) for a donation of $6,500. This fundraiser is creative and connects the donor to the actual work that will be done with their donation. Instead of simply stating a dollar amount that they donated, they can explain a tangible gift that they made available to those in need around the world. It also shows the vast range on donation values. It makes donating a tangible option for college students or large corporations and churches.


This article analyzes the business ethics and perceived ethical values of those in successful business positions. It explores the ethical issues of non-profits and business management, which are clearly more intertwines than initially considered. This article helps explain how important ethics play into the public perception of businesses and non-profits. This perception will clearly influence the patterns of donors. Success, efficiency, and ethics are all important facets of the non-profit world. This article has helped me sort out those issues and understand what the public needs in order to trust an organization they are affiliated with.


This is the Forbes overview of the 200 largest U.S. Charities in 2009. It includes specific information for each charity including total revenue and total expenses. It also includes
percentage measures for charitable commitment, fundraising efficiency, and donor dependency. The most important amounts to be considered in my paper will be the percentage of charitable commitment and fundraising efficiency. These measures support my motivation to further study CHF as an organization. Their high rates of efficiency and charitable commitment encourage further exploration of specific fundraising systems and programs executed at CHF.


This article highlights many funding theories that non-profits use. They are different than business models in the way that clients are not buying a product, and marketing takes on an open market. Rather, they are geared towards fundraising and maintaining relationships with donors in order to keep revenue flowing through the organization. Funding will be an important aspect of both my case study and the organization that I create. Which of these funding model does CHF utilize in their fundraising efforts? How did they choose such a model and why is it effective in their field of work? I will be applying one of these fundraising models to my organization.


This is the basic index for the IRS websites section specifically for charities and non-profits. It contains links to IRS resources for charities including tax filing, organization tips, and
application processes. It is full of information regarding the legalities of being a non-profit. The forms and resources such as the Internal Revenue Code ("IRC") section 501(c)(3).


Stay Exempt is an organization based out of the Exempt Organizations office of the IRS. They provide basic online resources to people who are merely introducing themselves to the IRC section 501(c)3. It has an online tutorial and introduction video that walks through some necessary actions that those interested in applying must go through. In order for my research of CHF policies and designs to be validated, I must understand why their organization is run in such a way according to the guidelines and jurisdictions that they must comply with. If I am going to be creating a similar non-profit, it is important that I understand the system that I will be applying to.


This article explores the Charity Organization Society and the origins of organized charities. It focuses on the religious motivations for charitable giving and volunteering. Religious people were some of the original and most dedicated people to charitable causes in the late 1800s. It highlights motivations for those of the Protestant faith. It explains charity as a way for people of faith to love God through loving others. It also highlights that community effort is necessary in
order for charities to be successful and for the local needs of the community to be met. The focus on religious motivations for charitable involvement will help explain the religious ideology that CHF incorporates into their programs. Religion also plays a large role in fundraising, which will help to shape fundraising plans in my non-profit model. The incorporation of local community members into charity efforts is clearly a main goal of charity creators. CHF values community involvement and uses connections within the community to diffuse resources.
OUTLINE

Explorations in Non-Profit Organizations and Efficiency: Children’s Hunger Fund

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Endless worthy causes exist today. Due to increasing globalization and technological advancements, information about poverty, natural disasters, and human trafficking is increasingly available. People are now able to accurately assess the condition of the world as a whole, rather than only what they know to be true about their immediate surroundings. The youth of this generation are especially sensitive to the needs of people around the world. With the expansion of concern comes the development of groups seeking to ‘change the world’ in whatever small way they can. Trabian Shorters explains that social change is a calling, “by your faith, your conscience, your ancestors, or your circumstances but the optimistic belief and integrity of a zealous changemaker (by whatever label) is vital to human progress”(2008, p. 1). The people who do dedicate their lives to social change are motivated to do so from a place deep within their being.

Unfortunately, many social-justice organizations are not reaching their full potential. Contrary to much public understanding, the interworking of a non-profit organization is extremely similar to a business. Although many passionate young people will give their all to support a cause, many ambitious people are ill-equipped to run an organization. This disconnect leads to many organizations being staffed by people who have a desire for change but do not have the skills or resources necessary to effectively create change. Some organizations also are unable to support the staff team that they need to maintain their organizational goals.

There are many non-profit organizations that are run very efficiently and effectively. Children’s Hunger Fund (CHF) is a Los Angeles based charity that focuses its effort on caring for the basic needs of children in the United States and around the World. They are extremely efficient and organized, with more than 99% of their donations going directly to children and families in need. So what exactly sets this organization apart from so many others? This paper
seeks to understand what makes CHF such a successful organization. After extensive investigation into the values and protocol that shape how CHF runs, such information will then be modified into an efficiency model that can be used for other non-profits. Some initial steps of the 501(c)(3) will be explored to test the efficiency model.

**The Issue at Hand: Hunger**

In the context of nutrition, “hunger refers to the supply, access, consumption, and intake of food at levels that are insufficient to fulfill human requirements” (Sibrian, 2009, p. S17). Hunger is still a huge problem in our world today, even little of the repercussions are visible in middle class United States lives. According to the WHO, “maternal and child undernutrition is the underlying cause of 3.5 million deaths, 35% of the disease burden in children younger than 5 years” (Horton, S. et al., 2008, p. 2). That is- Over a third of the global disease burden for children is directly related to hunger. According to the CIA World Factbook (2010) some countries have life expectancy at birth lower than 40 years old. Hunger issues are a contributor to such low life expectancies.

Hunger issues are on the rise in the United States. According the USDA, levels of hunger are currently higher in the Unites States than they have been in five years (Corporation for National Community Service, 2009). According to the 2008 Household Food Security Report, 17 million U.S. households suffered from food insecurity in 2008. According to the same report, “an estimated 1.1 million children lived in households that experienced hunger multiple times throughout the year” (Corporation for National Community Service, 2009). The issue has become so prevalent that President Obama includes a specific campaign to help relieve neighborhood hunger in his national call to service (Corporation for National Community Service, 2009). It is clear that hunger is still a prevalent issue within the United States.
The United States government, through reform and the welfare system has made efforts to alleviate the hungry in this country. Unfortunately, the governmental systems are not enough. Today, the government subsidizes donations to private organizations with 501(c)(3) standing. They enable individuals to report and itemize donations, and will give individuals tax credit according to how much they donate. The U.S. government does this because they have recognized that they can’t alleviate the whole problem on their own. Oftentimes these private organizations are better equipped to care for the needs of individuals and families around them. They are also staffed by people who may have stronger personal commitments to their work, and specific skills to reach a certain population. The NGO has come to play a vital role in the lives of North Americans.

Introduction to the 501(c)(3)

Having tax exempt status under section 501(c)(3) of the Internal Revenue Code means the organization is “organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure to any private shareholder or individual” (IRS, 2009). Meaning, that no profit benefits staff income, but is put towards services or goods as outlined while filing for exemption. Organizations are also required to have a specified focus and be willing to limit their involvement in certain activities and refrain from others (IRS Office of Exempt Organizations). Having 501(c)(3) status gives organizations many tax breaks and reduced rates in other governmental services (IRS Office of Exempt Organizations, 2009). This paper specifically exploring 501(c)(3)s that fall under the charitable category.

Once an organization is accepted as a 501(c)(3) public charity, it must maintain its status by holding up the original guidelines of organization and operation. Activities that can jeopardize an organizations standing include, “private benefit/inurement, lobbying, political campaign activity, activities generating excessive unrelated business income, and failure to comply with
annual reporting obligation” (IRS Office of Exempt Organizations, 2009, p.13). The organization must be in existence to benefit the public. The organization is prohibited from influencing legislation. A 501(c)(3) is also prohibited from endorsing any political candidate. Any sort of business advancements must not be made in the benefit of any one individual or organization member, but must benefit the organization as a whole and the public. Although they are exempt from filing Federal income tax, they must report obligations by filing a Form 990 or variation of this form with the IRS (IRS Office of Exempt Organizations, 2009).

NGOs face many obstacles. Funding is a huge issue for many NGO’s. Because they are not engaged in selling a product, but rather supplying a product to alleviate suffering, they have inconsistent sources of funding. Funding comes from donors, or in some cases special grants from the government. There are certain benefits from being a public organization that receives funding from several different areas, but it produces stress for the organization. Funding fluctuates according to multiple extrinsic factors as well as the specific strategies and inter workings of the organization. NGO’s also have many staff issues. Because they are required by law to inhibit personal financial gain to their members, there are few financial incentives for employees. Often staff teams are also ill equipped to do the work they want to. Because there is little financial pay-off, many NGO staff members do not have extensive education. There is also a high turnover rate among many NGO staff teams because of the limited financial incentives and discouragement from the union of reality and lofty goals.

Other obstacles faced by NGOs include questions and ethical issues. Because these organizations are at the front lines of whatever public cause they support, they are faced with several ethical questions. Such questions include how they will approach the alleviation of whatever cause they support. What actions are appropriate for an organization that desires to relieve hunger when it hinders the values and beliefs of multi-cultural clients? How will they
decide who ought to receive the most aid? Will the staff continue to work hard with so low financial incentives? How do they remain successful and keep costs low so that the funding they do receive is benefitting the public? These questions and decision are faced by NGOs every day. The inability to be organized and successfully answer these questions leads to the breakdown of non-profits all over the country.

**Case Study: Children’s Hunger Fund**

Although numerous obstacles face non-governmental organizations, many organizations are successful in their specific areas of focus. One such organization is Children’s Hunger Fund (CHF). CHF is a non-profit based Pacoima, California. They work both domestically and internationally to relieve hunger in local neighborhoods and around the world. As an organization “Children's Hunger Fund seeks to alleviate the suffering of children by equipping God's Church to communicate the Gospel through effective compassion ministry” (CHF- Web 2009). According to Charity Navigator (2007), an online tool to rate NGO efficiency, more than 99.8% of the organization’s revenue goes directly towards feeding hungry families. Similarly, according to Forbes.com, CHF maintains a charitable commitment of 99%. Through human resource techniques including maintaining a small staff and utilizing manpower outside of their organization, fundraising efforts, and methods of diffusion, they are able to keep costs low and make huge impacts.

**Children’s Hunger Fund: History and Growth**

Although the United States is one of the most developed countries in the world, it still faces serious poverty and hunger issues. There are vast problems among the unemployed, working poor, and homeless in the U.S. Such issues are heightened in urban areas. CHF originated to help meet the needs of this marginalized population in the Los Angeles area.
According to Resource Development head Peter Allen\(^1\) (2009), Founder Dave Phillips and his wife started the organization in 1993 and originally ran a food bank out of a warehouse the size of a garage. After some time they realized that they were engaged in an inefficient effort. A great degree of dependency was created among those coming to the food bank and very little relationship building occurred (Allen, 2009). Part of Phillips’ philosophy was creating relationships with the underclass while helping to meet their physical needs. In a sense CHF sought to create a safety net for those hurting in the surrounding neighborhoods, not simply a new place to find their next meal. They realized the basic food bank was not creating a helpful system for those in need. Their needs for the next day were being met, but no action was being taken to change their dependency on the food bank for food. If anything, the food bank was giving them a reliable place to find a meal, and since little relationship building was happening, no steps outside of the initial food were taken to help change the lives of these people. So, CHF sought other avenues to help relieve their hungry neighbors. In time they developed a system utilizing the *Mercy Network*, “which is a title CHF has given to a local grouping of churches that are trained resourced, and encouraged by CHF” for hunger and poverty relief (Marquez, 2009, p. 1).

CHF has come a long way since 1993. In 2009 they had a total revenue of $127 million (Forbes.com). Today the organization has offices in 3 different areas of the country, West: Headquarters in Los Angeles, South West: San Antonio, and Midwest: Chicago (CHF- Web, 2010). In 2008 they also provided millions of dollars of international aid, delivering food, goods and medical services in twenty-two different countries (CHF- Annual, 2009). They currently have forty-nine employees spread among their three state-side locations (Allen, 2009). The organization is broken up into two main branches, resource development and ministry.

\(^1\) Name has been changed to protect confidentiality.
development (Allen, 2009). Each branch of the organization has specific roles. Simply put, the resource development department handles everything that comes into the organization and the ministry development decides where goods go and how they will be distributed.

*Children’s Hunger Fund Organization*

**Resource development/fundraising.** Resource development includes fundraising, finances, and marketing. Because fundraising is the backbone of a non-profit organization, successful fundraising is essential for an organization’s success. CHF was given a 100% fundraising efficiency rating by Forbes.com in 2009. They spend a mere .2% of revenue on fundraising efforts that effectively raised over 120 million dollars. In 2008, $418,719 was spent on fundraising while 300 times that amount was spent on program services (CHF-Annual, 2008). There are several ways that CHF maintains such high fundraising scores.

One way that CHF effectively raises such high revenues at little cost is through reaching their specific donor clientele. Being a religious organization has worked to their advantage, especially in fundraising. They have a huge donor pool to pursue because of their religious affiliation. A study done by the Stanford Innovation group found that large growing non-profits, “grew large by pursuing specific sources of funding—often concentrated in one particular source of funds—that were a good match to support their particular types of work” (Foster et al., 2009). This is the exact approach that CHF has taken in terms of monetary donations. CHF uses three of the specific models that Foster explains in the Stanford Innovation Review but is still seeking donations from one type of individual and any form of in-kind donations from corporations. Christianity is deep rooted in charity, and was a huge part of the initial movement towards organized charity in Europe. For monetary donations, CHF seeks to partner with churches. Such churches will sometimes give large donations equating to a certain percentage of their weekly
offering. Some churches hold fundraisers on behalf of the organization. Churches can also run campaigns and partner with CHF providing the goods they need to distribute to the needy, equating to a $10,000 donation at times (Allen, 2009). By using the connections they have from their religious identity gives donors a greater incentive to give to CHF if they are affiliated with the same group. Tithing is also a practice that Christians engage in, donating 10% of their income to the church or God’s services. Many Christians may tithe to CHF. By using their religious affiliation to build trust, build partnering relationships and utilize a group inclined to give, CHF has maintained very successful fundraising scores.

Another way they maintain such high efficiency rates in fundraising is through being flexible. Some of their regular donors include Best Buy and Staples (Allen, 2009). It seems peculiar that office supply and electronic companies would be regular donors to a hunger cause. Corporations have serious tax incentives to give to an organization like CHF. Part of the CHF resource development team pursues companies for donations and sales. Resources development head Peter Allen (2009) explains that “it’s a lot of sales.” Because CHF has a local and global presence, donors can give goods and direct them overseas, ensuring that their product will not be devalued. CHF doesn’t say, “No.” Many organizations give extra stock that they have as well. In a headquarters visit in December 2009, a section of the warehouse was holding items that were donated but not directly related to hunger relief. Items such as desks and office supplies are then donated to local churches or other non-profits to be able to help them keep costs low as well. They view every donation as valuable, and have extensive social networks and relationships that provide an ample array of locations to redirect resources not immediately useful to them.

Finally, CHF has specific fundraising events to raise funds and maintain good relationships with their donors. One such event is an annual formal fundraising dinner. During
this time, regular donors are invited to enjoy a dinner that will include information and statistics from the last year at CHF. During this time, donators are able to see exactly where their donations went. They see the magnitude of the organizations’ effectiveness and global presence. In this way, it connects the donor with the work that is being done. The connection between the donor and the end goal that is created in this personal way is a vital part of maintaining consistent financial partners. The also includes time for donators to make commitments for the next year, and be recognized for the ways they have made significant contributions in the past.

In Winter 2009 CHF held another creative fundraising campaign. They issued a gift catalog in the form of a menu to provide donors with opportunities to fill the tables of families in need during the Christmas season. The menu catalog, complete with an order form, was intended to make the donor think about food. The catalog, like the dinner, provide the donor with a direct connection to the product and cause they are supporting. Menu items cost as low as $5 and up to $15,000 (CHF- Menu, 2009). Choosing specific items also allowed the donor to have more control over their donation. They could purchase a 1,000 lb. bin of beans, a flat of 12 canned food items, or completely fund the shipment of 50,000 pairs of shoes. This strengthens the connection for the donor, giving them a tangible gift to purchase for those in need rather than just donating an amount of money that goes to providing for the ambiguous needs of the poor.

Ownership plays into donor consistency. By creating a personal connection between the donor and the families in need, CHF helps to ensure that their donors believe in their mission and will continue to support it, both through gifts in kind and monetary donations.

CHF receives most of its food donations directly from companies or distributors. Most of their distribution costs are covered through private contributions. They accept product donations
such as “food, clothing, hygiene items, medicines, toys, and school supplies”\(^2\) in order to
distribute to those in need (CHF, 2009). And they give groups training and resources to be able
to run a campaign to support specific needs. They also take advertising space as a charitable gift,
asking organizations to advertise for them. Through this fundraising breakdown, CHF is
delivering a product that is completely free to the recipient and them. Through these four main
types of financial contribution, CHF manages to give away 99% of their revenue.

**Ministry development/food distribution.** CHF has a very efficient method of fundraising,
but even more unique are their methods of distribution. Resource development is only half of
CHF’s operations, the other half of the job is transferring donations to those in need. The
Ministry Development department includes partner development and the distribution of
resources. CHF mainly distributes resources through an extensive network of churches. Churches
in need, or located in poorer areas go through an application process to become on of CHF’s
recipient churches. A recipient church will apply and if accepted go through extensive training.
The process of becoming a recipient church has three different phases with two steps in each
phase (Marquez, 2009). Before a church starts training, they are encouraged to develop a strong
team to run the program in their neighborhood. They are then trained on CHF’s specific home
delivery method. And finally they create a plan for their area, deciding how they will use the
resources they get from CHF to feed hungry families in their community. In becoming a
recipient church they become a part of what CHF calls a Food Pak Program.

The application process is quite intensive. Churches are asked specific questions about
how their church runs and exactly what they believe. They are asked to tell the history of their
church and give their opinions on controversial issues and opinions within the Christian religion.
(CHF, 2009). In requiring such extensive information, it ensures that CHF is supporting other

\(^2\) Retrieved from www.chfus.org
churches and organizations that are working with the same religious philosophy. The recipient church, if accepted, goes through extensive training through CHF’s Compassion Institute. The Compassion Ministry Essentials Training is a basics program that provides biblical training through a small paid staff and volunteer network (CHF, 2009). Churches learn how to run these programs and why the bible says they should during these training times. Later on through the Compassion Institute, the Pastors of recipient churches and volunteers who help run these programs are trained beyond the basics to be able to continue growing in their biblical understanding of helping the poor, and to help pastors grow in their abilities to care for their own churches. It is education that is not available to churches with limited budgets.

The Food Pak is “an 18-20lb. box of staple foods used by CHF’s Mercy Network to provide food for poor families,” targeting single parent households (CHF, 2008). Each Food Pak is delivered directly into the home of a family in need through a specific home delivery process run by individuals from a recipient church. Recipient churches that use the Food Pak Program must be Gospel centered, biblically driven, and logistically capable (Marquez, 2009). The program was designed to “take the gospel of Jesus Christ to the home, compassionately meet the needs of the poor and the hungry equip churches to effectively visit homes, build caring relationships, and to strategically reach specific parts of a community” (CHF, 2009: 8). CHF believes that the home is where people are most authentic and where their beliefs are formed. By bringing food into such an environment, it builds trust and creates a platform from which CHF to share their message. The program also equips churches to fulfill part of their own mission in caring for those less fortunate around them. In the New Testament letter written by James, he writes “Religion that God our Father accepts as pure and faultless is this: to look after orphans and widows in their distress and to keep oneself from being polluted by the world” (NIV, 1:27).

3 Retrieved from CHF Food Pak Brochure.
Christians ought to take caring for the poor very seriously; CHF provides an effective avenue for reaching the poor.

By equipping the church to distribute the donations that they receive, CHF keeps their costs low. Their mission is to equip the church to feed the hungry around them. In passing off the distribution of food to churches, CHF is able to reach thousands more families than if they were responsible for distributing resources themselves. A staff team of 45 would not be able to distribute over $126 million in aid without the work of churches and volunteers. By developing relationships with these churches and requiring them to go through such an extensive application, interview process, and training, CHF still has a high degree of control over the distribution process. By becoming a recipient church, churches agree to distribute goods they get from CHF in the way that CHF wants them to, including the religious message. So CHF has a strong influence over distribution without the high cost. Churches benefit from the programs too. If they are like-minded with CHF, they want to bring food into the homes of those in need in their neighborhoods. CHF provides them with goods that they would not be able to provide to their neighborhoods otherwise. The Food Pak program keeps CHF distribution costs low, gives churches a way to give to those around them, and brings food into the homes of hurting families.

Another way that CHF keeps costs so low is through maintaining a small staff and calling upon the help of thousands volunteers. Volunteers are a huge part of what makes CHF run the way it does. Volunteers can be seen regularly in the organization’s warehouse. CHF holds volunteer days twice a week from 9:00-11:00AM on Wednesday and Saturday. During these mornings, volunteers “fill Food Paks, package soap and toothbrushes, bag beans and pasta and wrap toys in the fast paced adventure that is the CHF workday”4 (CHF 2009). It is an exciting environment and a great way to connect people to the cause. The number of volunteers varies

4 Retrieved from www.chfus.org
according to the day. On some days they have as few as 20, but during special Christmas gift wrap campaigns they have over 1,000 volunteers wrapping gifts for families in need. CHF is also trying to create more volunteer opportunities within their office. They hope to pass off some of the fundraising efforts, specifically phone calls, to volunteers as well as create volunteer internship positions for bible college students in the area (Allen, 2009).

Clearly, Children’s Hunger Fund is an organization that does great things for those in need in the United States and around the world. By maintaining a small staff, having reasonable salaries, and utilizing churches and volunteers, they have been able to keep their overhead low and made the greatest impact with the donations that they receive. They have also created systems to maintain good relationships with donors, directly connecting them to the relief work they are supporting and therefore increasing the levels of trust and accountability between them and donors. They are using creative ideas to fundraise and distribute resources. By passing off distribution responsibility to local churches, they are releasing those costs and responsibilities as well as ensuring that international aid is being provided in a culturally appropriate manner.

**Sociological Analysis of Children’s Hunger Fund**

Even though CHF is an amazing organization, are their processes efficient and sociologically thinking, how are they impacting the community around them? In terms of efficiency, CHF has found a truly unique system that works in amazing ways. Still, there are some sociological and perhaps ethical questions that are brought up from their processes. First, are there certain people groups that are discriminated against because they are not a part of the Christian religion? Second, what is the message of power that is being sent by CHF, and how will that affect religious decisions? And finally, why does religion, and Christianity especially, lend itself to so many relief efforts?
The first critique against CHF is discrimination. CHF is unashamedly Christian, and unfortunately, this will affect the people to which they provide aid. First and foremost the aid will go to Christians because that is part of Christian ideology as explain by Allen (2009). According to Galatians 6:10, Christians should pay special attention to the needs of other Christians. The verse states, “let us do good to all people, especially to those who belong to the family of believers.” Although people of the Christian faith may clearly be in need, it is unlikely that they would always be those most in need. This implies that aid that is essential for one family may go to supplement another family simply because they have differences in religious beliefs. With a discriminatory ideology, it is impossible to distribute aid based on urgency. Also, because the local church is used as the distribution base for resources, it limits the neighborhoods that resources reach. If there are certain cultural and/or religious enclaves in a city, those areas will not be penetrable to CHF because there are no distribution centers that meet their requirements in that area. So although there are numerous churches to distribute resources on behalf of CHF, using churches also seriously limits their impact from a cross-cultural perspective.

Second, with every Food Pak CHF is sending a message about power and the distribution of resources in the world. Because CHF uses food as an evangelistic tool, they are making their message the end goal rather than the food. The Christian message of CHF is so important that they affiliate themselves with other Christian organizations and churches and won’t use a distributor that asks them to quiet their message. Every Food Pak includes a bible verse and is delivered by an individual who intends to talk about Jesus Christ with the family to which they deliver. Because CHF sends such a strong Christian message, it may intimidate the families. It may put pressure on families to respond to the message in a certain way, because this belief
system is now intertwined with their sustenance. The families may feel pressure to respond positively in order to encourage the flow of food. Family members will also most likely have an emotional reaction to the message because the presence of food is a stress reliever. I assume that a family in great need would be elated to have a caring person come to them with exactly what they have been looking for that week. This emotion will change the family’s reaction to the message CHF brings with their relief. On the other hand, it would seem obvious that a negative response from a family to the church volunteer’s life purpose statement would inhibit the volunteer from going back to that house. Also, because the message is a huge part of what CHF does, it may make the actual food or supplies a less important part of the equation, even though it is vital for those people.

Not only does their religious message have greater power because it is supported by the food that meets the family’s immediate need, the whole situation sends a message of power to the families. It conveys ideas about wealth and religion. The fact that so much is done for the family by an organization with a specific religious affiliation may say that Christianity is associated with wealth. This association might influence the response decisions that families are faced with. Because food is showing up on their doorstep in the name of Christianity, maybe accepting Christianity will provide them with ample surplus to be able to feed themselves and deliver boxes full of food to others. It can create an understanding that adopting the belief system represented by this organization will lead to a role reversal; in time the individuals in the family can be on the other side of the equation, through adopting the main driver of the transaction—Christianity. Although many of the recipient churches who deliver Food Paks are generally poorer and in poorer areas, this message might not be as strong. Regardless, the message says
that somewhere, someone who believes in this religion is able to pay for this 30lb. box of necessities for my family.

Still, immense amounts of good are done in the name of religion and Christianity. As well as immense amounts of bad. It is important to understand the role that religion has played in giving to the needy. Charities were started because governmental agencies were not adequately caring for the needs of the poor (Leiby, 1984). Most of the first charities and charity organizers were motivated by religion. The disciples of Jesus believed “that how they lived their lives would have an impact on how they would experience their future” (Bird, 1982, p. 155). The decisions they made on earth influenced their eternal destiny. An influx in organized charity occurred in the late 1800s, pushed by a group of Christians who upheld the same principle as the disciples. Christians are expected to tithe, giving 10% of their earnings to the church. Tithing would increase charitable giving because it is another degree of motivation for the giver. With tithing, giving is part of religious ethic, creating a layer of accountability surrounding charitable giving patterns. Even without the obligation of tithing, Christians have other religious motivations to give. Jesus, the focal point and founder of the Christian faith, was a huge advocate for the outcast and downtrodden. Throughout the account of Jesus’ life in the New Testament of the Christian bible, he rebukes the rich and arrogant (Mark ch. 12), commands those who follow him to throw banquets for the poor (Luke ch. 14), and reaches out to the outcasted (Luke ch. 5). The core of the Christian faith is believing that Jesus is God and becoming more like him. Their is motivation to reach out to the poor, because that is exactly what Jesus did, and what Christianity says it’s followers should do.

In a study comparing self declared religious preference and frequency of charitable giving, the data shows that for Catholics and Protestants, religion has an influence on the frequency of their gifts to charity compared to those who have no religious preference. Catholics
and Protestants gave to charities more frequently than those with no religious affiliation. This may be due to religious, in this case, specifically Christian values or social norms. Those with a self-proclaimed religion gave to charities more often. The high value of loving God through loving thy neighbor (Leibly, 1984), combined with the religious expectation of tithing may account for the high frequency of charitable giving among Protestants. It may be advantageous for governments to encourage and subsidize giving to private charities to reach a broader charitable support audience. It seems that religious charities may have a greater pool of supporters, as religious people give more often. Throughout history, religion has been tied to charities.

Although CHF delivers a loaded message with their aid programs, they are currently one of the most effective food aid charities in the Unites States (Forbes, 2009). By focusing their fundraising efforts, utilizing volunteers, and passing off distribution to local churches they keep their costs extremely low while making big impacts. Religion is deep rooted in charities, but can sometimes cause a disturbance when a strong message is being sent with aid, without initial knowledge or against the will of those receiving aid. From their mission statement, it is clear that CHF is a mission-minded organization that believes that relieving hunger is vital in today’s world (CHF, 2009). Still it seems that there are strings attached. The structure of CHF is a great start to an efficiency model that can help many NGO’s lower their costs and make greater impacts. Next this paper will attempt to secularize this distribution model to make it more available to NGO’s with no religious affiliation.

**Creating a Secular Model**

There is much to be learned from CHF. They have amazing efficiency rates and have seen significant growth in the past 5 years. They are clearly doing something right in their modes of fundraising and diffusion. I will use CHF and their practices as a launching ground to form a
new organization. As stated previously, there are also many limitations that they experience because of their religious affiliation. I will seek to create an organization that is similar to CHF but not tied to any specific religion. There are even certain ethical issues that may be raised because of CHF’s mode of diffusion. It will seek to capitalize on the positive things that CHF does and limit the practices that seem are discriminatory. It won’t be a perfect match, but we can utilize several resources to be able to effectively plan for a new organization. Such resources include funding models, CHF’s model, and staff selection methods.

The diffusion method that CHF uses is unique. It is inexpensive and reliable, creating a middle-man position for the organization. Because CHF is not responsible for the distribution of food into homes, they can keep costs low while having high impacts. They exists as a catalyst to equip the Christian church for hunger relief and change in their specifically geographical surroundings rather than seeking to alleviate such great needs on their own strength. This paper will seek to replicate the diffusion model using an unbiased source of distribution. The organization will not be responsible for diffusion, but rather equipping a group with the goods they need to relieve hunger. The specificity that CHF seeks in gathering donations is another strength that can be replicated in a secular model. I will seek to find a specific donor clientele in order to maintain consistency among donors. Another quality of CHF that I will replicate in my model is the reliance of the volunteer. By utilizing volunteers, CHF keeps costs low and creates a greater network of both diffusion and funding for shipping Food Paks. As volunteers feel a part of CHF, they are more likely to give to the organization. The same will be true of volunteers in a secular organization, whether it be giving more time or financially.

Some CHF qualities I plan to avoid include discrimination and power structures. Because CHF is associated with a religion, certain discriminations occur. It would be easier, and maybe even in line with their belief system, to share with people of similar beliefs more frequently.
Because all food is delivered with a message, those who oppose the message may discourage the volunteers from returning. CHF has very high regulations on their distribution churches, making those services available in limited areas. If a church has different beliefs than CHF they may not be granted a position in the program. Also, if areas do not have any churches in them, the people in that area will not even have an opportunity to receive aid. I seek to find a different form of diffusion that can serve the same role as churches do for CHF. In searching for this mode of diffusion, I seek to find a group or organization that will be unbiased, making resources more available to those who truly need them. Like churches in much of the United States, the new mode of diffusion should be common in most neighborhoods or areas. I also seek to limit the appearance of power to those who are receiving aid. The general power message will exist to some degree no matter what changes occur. Secularizing the model should limit the power messages by removing the complicated ties of religion.

The new organization, which will be called Student’s Helping the Hungry (SHH), will seek to alleviate hunger in the same way that CHF does. The most unique aspect of CHF’s model is their methods of diffusion. Many organizations today focus on the distribution of resources as well as fundraising. As this mode is ideal-having a hand in all steps of the aid process- it is extremely expensive. For that reason SHH will mimic CHF’s focus, being a middle-man between the resource and its distribution. It will designate itself as a bridge between the hungry and food by using college students as a resource and diffusion tool. SHH will exist to alleviate hunger and basic needs of people in college communities. Their goal is to empower the student to be a part of change in the world, and in their backyard. By working closely with universities and their associated student clubs, SHH can find additional sources of funding. SHH will also have access to extensive social networks of students and volunteers.

_Diffusion Through the University_
There are many reasons that the university is a good source of diffusion for SHH. Universities already have extensive organization and social structures intact. SHH can utilize all of this structure to help organize programs specific to each university. Each university will have a staff member to oversee the processes but will be run by a group of student volunteers, who know the specifics of their university. Universities also have extensive associations and social networks. SHH can use these networks to their advantage as well. Many universities have fraternities and sororities that have a focus in community service. By being an organization that works closely on campus with students, SHH would be ideal for the Greek system. SHH will provide the services and food that members can then pass out to the community, saving them half of the responsibility in any form of food drive. Universities are also academically organized. SHH can use the specific colleges as an avenue of diffusion, engaging in campaigns within each college or major.

Another avenue of diffusion within the university that can be utilized is the classroom. Some schools have required community service for certain classes. Volunteering has become a part of the learning process as hands on experience and exposure to poverty or inequality helps students understand and apply the information they learn in the classroom. A student community learning program exists at Cal Poly and is utilized by several professors. Students learn through personal experience and are a part of helping their community. This kind of program is an ideal place to provide with food resources. Volunteers that are involved in community service as a part of their education will have a greater source of accountability. Providing internship opportunities and programs will provide ample volunteers as well. Because many majors require at least a semester internship, many students are seeking out internship opportunities. Interns are a great way to keep costs low.
Another benefit to using universities and community colleges to distribute resources is trust. Public universities are 501(c)(3)s and are responsible to the government for their expenditures. They can be trustworthy sources of diffusion. Universities and their representatives will be required to go through a training process to learn the specific values and goals of SHH and agree to help the organization pursue those goals. Universities will also set their own campus-wide or college specific goals. Having a staff-member responsible for each college will help to maintain accountability as well. Another great resource that universities have is the extensive social networking that students engage in. Facebook and other social networking tools can be used for advertising and spreading information.

**The student volunteer.** The most important part of the university setting as a point of diffusion is the role of the student volunteer. CHF used volunteers to help keep their costs low, and SHH will do the same. By using volunteers to distribute resources and decide exactly who the resources should go to, SHH will be responsible mainly for obtaining goods and training students. Unlike families, students have much more time and freedom. Not all are required to work, because some receive funding for school from their families. The freedom from work creates a lot of time for students to spend on other activities, including clubs or community service. Students who live off campus can also use the location of their houses as a starting point for helping their neighbors. Being connected directly to students help diffuse information as well. On college campuses, information in spread readily and often. Students share information verbally, visually, and constantly. Because there is a high value on social activities, volunteer opportunities can quickly become social events, pulling in even more volunteers.

The most important quality of the student volunteer is passion. The student volunteer is passionate and eager. He or she desires to start change now, and encourages all of his or her friends to join him. College is a very formidable time for young adults. Many college students
are living away from home for the first time. They are faced with decisions and opportunities that they never faced before. And their knowledge is greatly expanding as they take courses in subjects they may not have even heard of before. Certain things that they have learned as truth during their upbringing are redefined in courses. It is a time for change for them. Young adults are also faced with deep questions of philosophy and learn about injustices occurring all over the world. The accumulation of these factors often create a sense of urgency for change in students. This sense of urgency will drive students to change and help increase trust and accountability among student volunteers. There are few better volunteers than students.

**Funding.** One obstacle that SHH will face, like all NGOs is funding. Obtaining goods will happen in the same way as donations occur for CHF. SHH will be a “resource recycler” (Foster et. al., 2009, p. 1) meaning it receives donations from corporations and redistributes resources to people who would be unable to purchase them on their own. This form of funding and distribution is extremely effective. But CHF has a specific donor clientele they market to in order to receive donations to cover administration and shipping costs. The university does not offer the same clear opportunity for funding. Students are able to contribute to the cause through volunteering, but won’t be able to contribute much financially. If programs are heavily supported by the university, they may not need extensive sourced of outside funding. Still, consistent funding will be an important part of SHH success. Parents of students are already hit for donations from clubs and the university. Community members are also asked for many donations. It will be important to discover a specific donor pool to reach into for administration and shipping costs.

The university is an ideal location of diffusion for food resources and excited volunteers. Many social change campaigns in the history of our country started with university students. Limiting hunger in the United States can be another such movement. By giving students an
avenue to live out their passion, they will be empowered to be effective community members and expand their education through learning from interactions with the world around them. Although outside of the savings incurred from using volunteers, no clear funding clientele has been found, the power of student volunteers and their creative ideas can help to find sources of funding specific to each campus and community.

**Limitations of the SHH Model.** Although it is ideal to secularize the model that CHF uses to be able to reach more people and limit discrimination, the new model faces many new limitations that were avoided by CHF. Some of the limitations include commitment, volunteer turn-over, and time. The use of religion was more of a strength for CHF than a hindrance in many ways (Allen, 2009). The methods of diffusion are still a strength for the new model as well.

One unique aspect of CHF’s model that can’t be transferred to a secularized model is the funding and distribution occurring from the same people group. The church is targeted for monetary donations and as a mode of distribution. The same can not be true of a university based model. By reaching their donor and their distributor in one step, CHF limits the resources they use on marketing. SHH will have to market themselves to at least three different populations. The first group to target is the university. SHH must gain the approval and support of the college or university to engage in their programs and possibly integrate into curriculum in certain circumstances. The organization must also be marketed to a population for outside funding—either the community, government, or population. And they must also market themselves to the student volunteer who will be key to their success. By spreading their marketing resources among three different populations, SHH will spend more money and time trying to integrate these three important contributors to the organization.
Another way that transferring the diffusion model to universities may inhibit success is based in the short lifespan of a college career. Many colleges have four year programs for undergraduate students. This means that a student is introduced to the university and graduates within the short span of four years. Once a student is an expert in resource diffusion, they will graduate and SHH representatives will be responsible for recruiting new club members. Churches are often stable institutions that have prevalence in a community for several years. Although the church population changes, its core values and much of its population remains, making transitions easier.

The commitment level of college students will differ from that of church members as well. College students are often involved in several different activities, encouraged to make the most of their college experience. The push to do several things during the four short years a student has will create variable commitment levels among students. It can also make it difficult to encourage students to catch the vision of SHH in the first place. The popular idea in U.S. college culture today that college is the best time in your life and all about you, may inhibit students from understand SHH and supporting the program. Churches also have moral and religious standards that will encourage cooperation with an organization like SHH that the average college student may not have.

Even though there are many limitations to the new SHH model, it is the start of a secularized model that can be implemented to make more general use of the diffusion methods used by CHF. CHF has done an amazing job in their specific area of focus: they effectively equip the local church to care for those in need around them. In the same way SHH can empower universities and student populations to be able to impact their community. The excitement and passion of college students will be an asset to any organization seeking social change. By using a less biased form of diffusion, different populations will be taken care of by SHH. SHH will also
adopt much CHF’s example in flexibility, being willing to store goods and find effective places for them to belong.

In the future, other organizations can be explored as sources of diffusion, including volunteer organizations like the Elks Lodge, the FFA, Rotary Clubs, as well as unions. Another way to transfer this model is by adding a new sect to an existing organization and marketing specifically the diffusion method as a way to help existing NGOs lower their costs. In transferring the goals of a new organization from starting from scratch to simply benefitting existing organizations, it will increase the NGOs likelihood of success. Many new organizations fall into the trap of creating extremely lofty goals. Although these goals may be beautiful ideals, they are rarely attained. Starting with lofty goals will only discourage organization members and volunteers when they are unattainable.

Hunger is a serious problem in the United States and the world today. Our society can take small steps toward solutions, including helping existing organizations become more efficient. Empowering existing organizations by altering infrastructure is an efficient use of resources. Also, the volunteer diffusion model used by CHF is a huge money saver. By minimizing the role of the organization in the process of hunger relief, millions of dollars can be saved and used towards food for more individuals in need. No perfect organization for hunger relief exists, or ever will. By continuing to think in innovative ways, and expanding or recreating programs that are already affective, our society can take steps toward greater impacts. The opportunities for hunger relief are endless and must continually be explored with passion and innovation.

This small project is a starting point for analyzing and strengthening organizations with a 501(c)(3) status. The 501(c)(3) provides organizations with amazing opportunities and financial incentives for doing good. By starting with a 501(c)(3), this paper has explored the specific
obstacles NGOs face. By using CHF as an example I have explored the inter-workings of a non-profit with exceptional efficiency rates. Much of what CHF does can be projected to other organizations. By using CHF as an example, I have discovered a few keys to success for any 501(c)(3). These keys are organizations, a hardworking and flexible staff, efficient fundraising, and keeping costs low through delegation.

It has been important to approach this project from a sociological point of view. Although CHF has very impressive efficiency scores and impact, there are costs that are paid to keep those rates. Some of those costs are rooted in their religious basis. The discrimination or limitations that occur because of this basis pushed me to try and secularize the mode of diffusion that CHF uses. Many of their practices can be imitated by other organizations to help them minimize costs. By exploring the practices of CHF, I have been able to grow in my understanding of 501(c)(3) organizations and will be able to share this information with other NGOs. By helping to spread these ideas of diffusion, more organizations can save and make bigger impacts. Through engaging in critical thinking, I have a broader understanding of organizations and expanding ideas to fit different models. The university and its students will forever be a place of great passion and change. Many organizations can utilize university students to help their causes.

By understanding CHF’s efficiency scores and methods of diffusion, other organizations can implement those practices to help strengthen their impact. There is no one perfect 501(c)(3), but by combining their strengths, more efficient and effective organizations can be created. In such a unique field of work, innovation is essential. Highlighting the role of the volunteer also empowers individuals to make effective change in their communities. 501(c)(3)s are on the rise and more injustices are discovered and created with increasing globalization. With more places to invest, it is vital that investments are utilized to their greatest capacity. It is vital for NGOs to have efficient use of funds and passionate people behind their cause. By continuing to explore
creative forms of fundraising, volunteers and diffusion, NGOs can step closer to their world-changing goals. The results depend on the NGO community’s willingness to be constructively critical and innovative. A great hope exists for the suffering of the hungry to be alleviated with more efficiency and power in the next 10 years, as the role of the 501(c)(3) continues to change.
References


5 Name has been changed to protect confidentiality.


