

OLS05

DONOR PREFERENCES AND BEHAVIOR TOWARD EARMARKING IN INDIVIDUAL VS. INSTITUTIONAL GIVING

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Abstract

Nonprofit organizations (NPOs) depend on two main sources of donations: individual and institutional. Donors are believed to prefer their contributions to be allocated to specific causes, leading many NPOs to offer earmarked donation opportunities. However, this practice can hinder operational efficiency by restricting the flexible use of NPOs' funds. While individual donor behavior regarding earmarking has been explored in the nonprofit operations management literature, institutional donor behavior remains under-studied. In this study, we conduct an online behavioral experiment to examine how preferences for earmarking differ between individual and institutional donors. Our findings offer managerial insights into how NPOs can leverage these differences to balance short-term program spending with long-term capacity building.

Conference Track

Operations, Logistics and Supply Chain Management