

Does Size Really Matter? Explaining the Determinants of Nonprofit Organizations' Success in Obtaining Federal Grants

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I. Introduction

Nonprofit organizations and non-governmental organizations (NGOs) have worked for decades to provide services to traditionally underserved communities domestically and abroad. These organizations offer specialized care to recipients in various sectors to provide services beyond the government's ability. These organizations vary in size, area of focus, populations

served, approach to service, and funding sources. In recent decades, the presence of NGOs in international development efforts has grown largely and taken up a wide range of development roles such as disaster relief, human rights work, peace mediation, economic development, etc. (Lewis and Opoku-Mensha 2006). The services of these organizations are largely marked by their presence in certain communities and the relationships they are able to foster due to their nongovernmental affiliation.

This study seeks to empirically analyze the organizational characteristics of faith-based and secular organizations located domestically that engage in international development work. By analyzing the common characteristics of these organizations this study will identify which traits are key determinants in applying for and successfully receiving a government grant. This paper presents data gathered from a national survey of nonprofits that partake in international development work in various sectors. The organizations in this survey vary in size, mission, focus, religious affiliation, and region of work. The goal of this paper is to clearly display the key organizational trait an organization possess and the ways in which these characteristics are linked to success in receiving federal funding.

II. Background

Philanthropic organizations providing services to communities have existed in the United States for centuries. With more than 1.5 million organizations existing in the US today (McKeever 2018), nonprofit organizations have a heavy presence in American life providing not only essential social services, but entertainment and educational ones as well. Traditionally,

charitable organizations have been viewed as purely altruistic and operating out the need to fix societal ills. Most nonprofit organizations can be characterized as operating from these four approaches to philanthropy: relief, improvement, social reform, and the emerging lens of civic engagement (Lynn and Wisely 2017). These philanthropic traditions work in conjunction with one another in order to provide assistance and actively counter issues in the way these organizations see fit.

While the reliance on philanthropy has served to help sustain vulnerable populations access to care domestically and internationally the nonprofit system itself is not without its flaws. In the early 1900s, private foundations were used by the wealthy as means to disguise their fortunes as charity, and also as a way for them to use their massive amounts of wealth to influence social policies and movements (INCITE 4). The 1969 Tax Reform Act was monumental in providing rigorous regulations of these private foundations which taxed them, limited their business operations, and required them to meet charitable commitments (Simon 1995). This legislation led to a decline in the formation of new private foundations (Simon 1995), but was accompanied by a rise in the formation of 501(c) (3) nonprofits due to the ability of these foundations to make tax deductible donations to nonprofits as a means of transferring the funds that were no longer protected by unregulated foundations (INCITE 7). In recent years nonprofits have had exceptional economic growth that has produced trillions in revenue and assets (McKeever 2018).

The growing ties between industry titans, the government, and nonprofit organizations has given rise to what some scholars call the nonprofit industrial complex (NPIC). The NPIC can be defined as “a set of symbiotic relationships that link political and financial technology of the state and owning class control with surveillance over public political ideology, including and

especially emergent progressive and leftist social movements” (INCITE 8). The NPIC functions mainly as a means of controlling the most essential resources of charitable organizations (money) and functioning as a gatekeeper of activity by using the nonprofit system to push these organizations to adopt capitalist corporate structures to secure funding, while also allowing corporations to mask harmful behaviors as charity. Following the philanthropic tradition of social reform, nonprofits theoretically would serve to correct the ills of capitalism and society by redistributing resources, but most funding opportunities that are provided by private foundations are not geared towards radical social change and often leave the recipients of their monies with funds that are derived from exploited labor (INCITE 9).

While private funding and donations are essential to the livelihood of nonprofit organizations, funding for their work also exists from the Federal Government. The United States provides aid to foreign countries through various avenues that include governmental agencies, cooperative agreements, and through grants to NGOs. The United States Agency for International Development was created specifically to promote development projects abroad and has relied heavily on the partnership of NGOs to achieve this mission (Keck 2014). NGOs typically have been able to operate with levels of autonomy on how services are delivered, programs are designed, and where they are administered. Striving to care for diverse populations of many different areas, NGOs take specified approaches that have often manifested and relied on core organizational principles such as mission statements and religious affiliations.

In the United States faith communities particularly have long provided more social services to people than any other kind of charitable organizations (Cnaan and Heist 2016). Recognizing the long tradition of work faith-based organizations do for communities, several pieces of legislation have been enacted to highlight and facilitate the pathways of funding for

these organizations. In the 1996 Welfare Reform Bill, the Charitable Choice provision in the law, set forth guidelines for how religious organizations could work with the government to gain financial assistance for the services they provide. The primary purpose of the legislation was to expand the substantive areas in which religious organizations could apply for funding such as poverty alleviation, family assistance, and prevention and treatment of substance abuse, and allow them to seek grants and compete for contracts like their secular counterparts without having to compromise their religious character (Burke 2001).

Though the intentions of the law were clear, the viability was limited by a lack of collaboration, knowledge and other factors. President Bush sought to provide a solution to this by establishing the White House Office of Faith-Based Community Initiative in 2001. Bush's main objectives with the implementation of the Faith-Based Initiative was to create a more level playing field for faith-based organizations seeking federal funding for social services by streamlining the process and expanding program eligibility (National Archives and Records Administration).

Controversy around this Executive action arose, but was settled by the Supreme Court in *Hein v. Freedom From Religion Foundation*, 551 U.S. 587 (2007). The Court's ruling held that taxpayers do not have standing to bring suit against Executive branch programs because Congress did not authorize the expenditures used through direct appropriation (Vile). The Court's opinion significantly notes that in *Flast v. Cohen*, 392 US 83 (1968), the case which was used as precedent by Seventh Circuit Court, standing was granted to the taxpayer to due to the narrow, but logical link that was made between taxpayer money and the Congressional appropriation of funding to religious schools under the Taxing and Spending Clause of Article. I, §8 of the Constitution. Because Congress enacted no law and the program originated from the

Executive branch's general appropriations the former ruling did not apply. A shift is noticeable in the Court's interpretation of the Establishment Clause here as it moves away from the wall of separation between church and state that had been previously established, to adopting a position of equal opportunity for religious institutions as seen in *Trinity Lutheran Church of Columbia, Inc v. Comer*, 582 U.S. ____ (2017) (Haynes 2020) and most recently in *Espinoza v. Montana Department of Revenue*, 591 U. S. ____ (2020).

Although programs have been implemented in the United States the work of faith-based organizations has exceeded the domestic context. Governing bodies such as the UN and WHO have recognized the contributions faith-based organizations make to international communities and praised them while seeking out partnerships to achieve development goals (Bandy and Crouch et al. 2008, United Nations). While faith-based and secular organizations alike have multiple avenues to compete for government funding on an equal playing field, the Federal Government's initiatives have not mitigated all of the barriers that they may encounter.

III. Literature Review

NGOs and nonprofit organizations are often distinguished from their for-profit counterparts for their altruistic nature, moral capital, and reliance on donor funding (Hielscher, Winkin, Crack 2017; Fafchamps and Owens 2009; Gent, Crescenzi, Menninga, Reid 2015). Although these organizations operate with a level of autonomy, they heavily rely on fundraising, voluntary charity, and outside donors to financially sustain their projects. Many scholars have

used the theoretical frameworks of the resource-dependence theory and principal-agent theory to classify the relationship between nonprofits and their funding sources (Gent, Crescenzi, Menninga, Reid 2015; Keck 2014; Hieschler, Winkin, Crack, Pies 2017; Guo 2007; Arik, Clark, Raffo 2016).

The resource dependence theory articulates that organizations are made up of coalitions that are formed to influence and control behavior, and that the environment they operate in contains resources that are essential, but scarce which leads organizations to try and acquire control over resources to make themselves more independent and have others rely on them (Arik, Clark, Raffo 2016). The implications of this theory are most clearly seen in nonprofits through their board of directors and executives. The board of directors bring social capital to an organization, as well as other skills, that may cause them to look more attractive to potential funders. In Guo's (2007) study that analyzes the reliance on government funding and nonprofit board representation, results indicated that organizations that received less government funding had greater community representation on their boards, and half of the 95 organizations in the study sought to recruit board members with ties to public agencies for greater chances at receiving government funding. A study of the determinants of funding of NGOs in Uganda found that of the 1,700 registered NGOs in Kampala, grants were likely to go to a few organizations with well educated, well connected leaders, and skilled grant writers rather than organizations that had demonstrated the ability to raise funds independently (Fafchamps and Owens 2009).

While NGOs are assumedly autonomous in decision making their reliance on appealing donors for financial support serves to diminish their agency in some capacity. The principal-agent theory can be defined as "a contract under which one or more persons (the principal[s])

engage another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent” (Jensen & Meckling, 1976, p. 308). In the case of nonprofit organizations, oftentimes the government and private donors act as the principal by delegating responsibilities and funds to these organizations to carry out services in a specialized way. This relationship isn't always seamless as sometimes differing interests may arise between the principal and agent. This can clearly be seen in the Federal Government’s actions that barred NGOs who received government funding from working in certain countries during the Cold War (Keck 2014).

Ron and Cooley (2002) bring forth the idea that the liberal norms and growing reliance on NGOs to take on development projects has contributed to what they call the marketization of funds. They interrogate the idea that optimistically marketization would serve to spread power among people, breed new ideas, advocate, and mobilize public support. Realistically, Ron and Cooley (2002) show that with more states relying on NGOs marketization has caused organizations to compete for contracts and funding, sometimes leading to poor project implementation in order to produce quick results. The principal-agent relationship between contractors, donors and organizations also allows those providing funding to have more control over distorting project outcomes that may reflect negatively on an organization.

The idea of getting caught in what Gent, Crescenzi, Menninga, and Reid (2015) coin as the “reputation trap” is a direct result of the principal-agent relationship. The trap can be understood as the NGOs rely on donors to function and donors need to be shown that an organization is a worthwhile investment. While NGOs are often thought to work out of altruistic motives, they are ultimately beholden to producing tangible results to show investors that they’re work is producing results. This dynamic may cause the organizations that rely heavily on outside

funding to act in self-interest and pursue short term projects in lieu of long-term ones for quicker results. The actions taken to protect their organization's reputation and financial security may subsequently result in forgoing an organization's once prioritized objectives to compromise for a donor's policy interests resembling some behavior of their for-profit counterparts.

The principal-agent relationship between NGOs is not only apparent with private donors, but governmental interests as well. Keck (2014) acknowledges and analyzes how state foreign policy can not only diminish the autonomy of an organization but alter its agenda. Keck provides five hypotheses that state US aid to NGOs is likely to go to organizations working in states the US has economic, security, and political ties to while also going to poor and nondemocratic states. Keck's study closely parallels what this paper seeks to present in concept and method. However, Keck's paper largely differs from ours in that the study makes no account for the existence or impact of religious affiliation of NGOs. Faith-based organizations makeup 59% of international development organizations (Heist and Cnaan 2016) and while they are less represented in receiving funding from the government, their presence in the international community is still large.

The literature surrounding the definition of the term "faith-based organization" is extensive and technical. The lack of uniformity in defining the term results from the fact that there is no universally accepted definition. Some scholars note that the inclusion of the language "faith" in lieu of something like "religious" may be perceived as limiting the term faith-based organization to a Judeo-Christian context and distancing itself from other religions since the terms do not always translate into other traditions or simply may not be as meaningful (Jeavons 2004). One might say an FBO is a non-state actor that holds religious values or faith as its core philosophy, and service approach, but are not missionaries (Heist and Cnaan 2016). In her study,

Harb (2008) makes the case that Hezbollah, the Lebanese political party and militant group, functions as a faith-based organization due to their proclaimed religious grounding and the range of services they provide to their community. For the purpose of this study I will define faith-based organizations as “non-state actors that have a central religious or faith core to their philosophy, membership, or programmatic approach, although they are not simply missionaries” (Dicklitch and Rice p. 662)

Many of the studies that look into faith-based organizations and NGOs the way this study intends to tend to focus exclusively on the faith-based or secular organizations, are normative, and many of those that are empirical usually rely on case studies in specific geographic regions. Chafetz, Ebaugh, and Pipes (2006) study focusing on faith-based social service organizations and government funding is very similar to what I am attempting. Although this study focusses solely on faith-based social service organizations the method of analysis and data collection closely mirrors those used in this paper. The objective Chafetz, Ebaugh, and Pipes study was to test the hypothesis that government funding to faith-based organizations is positively related to attitude towards funding, organizational professionalism, and social activism while negatively related to religiosity. Data from the national survey of 656 organizations was used to find that their results were mixed when it came to assessing professionalism, but that the more religious an organization the more they are dissuaded to look for and receive federal funding.

While literature exists examining the role of faith-based organizations domestically and internationally, the vast majority of studies encountered focus on domestic organizations that work domestically (Ebaugh and Pipes 2002; Chafetz, Ebaugh, Pipes 2003; Chafetz, Ebaugh, Pipes 2005; Chafetz, Ebaugh, Pipes 2006; Berry et al. 2004; Dyrness et al. 2007; Andersen et al. 2016; Hackett, Hsu, Wunthow 2004). As this study incorporates faith-based and secular

organizations to examine the determinants of government funding the scope of this study is on domestic organizations working internationally. While a very similar study (Chafetz, Ebaugh, Pipes 2005) utilizes alike methods, the data, and findings of that study are now 15 years old and do not include a representative sample of NGOs. The sample Chafetz, Ebaugh, and Pipes (2005) used consists of faith-based social service organizations only, rather than a representative sample of nonprofits involved in international development, subsequently containing FBOs. Particularly the focus on “faith-based social service organizations” in lieu of faith-based organizations in several studies (Ebaugh and Pipes 2002; Chafetz, Ebaugh, Pipes 2005; Chafetz, Ebaugh, Pipes 2006) sets the intent of my study apart from others as I use significantly different criteria to define the organizations I am looking at. Through the use of Q codes on IRS 990 forms a more representative sample of nonprofit organizations involved in international development was formed, including those that identify as faith-based, but excluding congregations.

IV. Methodology

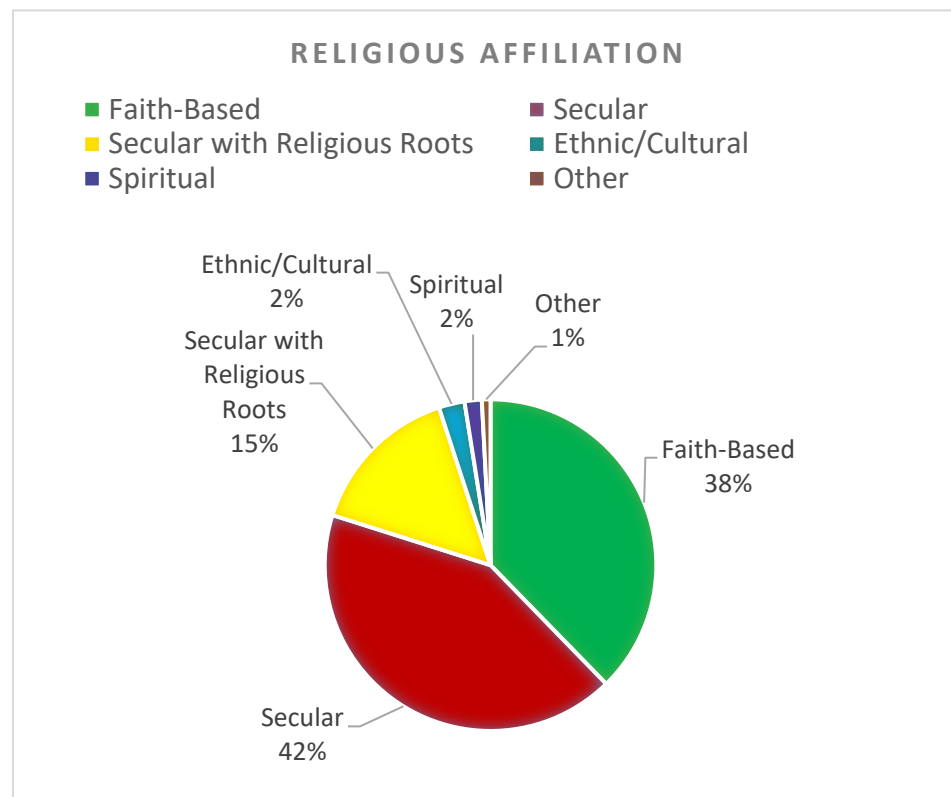
The data gathered in this study was compiled from an original survey that consisted of 13 questions in 11 different sections. Participants were given an in-depth overview of the study’s goal to identify barriers and collect experiences of US nonprofits in pursuit of government funding. Organizations were informed of the confidentiality of their responses and consented to voluntary participation in this study.

The survey explores multiple characteristics of the 405 organizations that responded including: realm of work, religious affiliation, finances, regions of service, size, and attitude towards government funding. The answer choices are exhaustive, and certain questions route survey takers to more specific questions based on their particular responses and self-identification as faith-based or secular. After the consent form, the first two questions were screener questions asking the organizations name and whether they served domestic or international constituents. If the survey taker selected domestic, the survey automatically ended since a sample of domestic nonprofits working internationally is the subject of this study. My analysis therefore includes only response organizations that focus their work internationally alone and those that combine international with domestic focus. Of the 405 organizations that initially responded to the survey, 351 fit the criteria and the overall response rate for this survey was 16%. The total margin of error of the sample was $\pm 5\%$.

Because there is no definitive list of faith-based organizations, the population was created by accessing the National Center for Charitable Statistics data on all 501(c)(3) nonprofits that filed IRS 990 forms, which does not include churches. From there, the list was trimmed to all organizations that had a code Q on their IRS 990 form for fiscal year 2019. The code Q indicates that these organizations were involved in international affairs work. This list provided us with a representative sample of nonprofits in the United States that are engaged in international development work. It did not comprise a representative sample of faith-based organizations in the United States because of the inability to determine how such organizations exist. Guidestar, an information service that reports on US nonprofits, pulls reports on all nonprofits in the United States with a code Q that had contact information available and was used to create a sampling frame.

This provided a list of 7,515 domestic organizations, and from there a systematic random sample was conducted. With a sample size of 2,271, these organizations were contacted and sent the survey. The survey was administered to each organization online and sent via email to the most appropriate contact that was typically the development office, or a general email if no such office existed. Although 405 organizations responded to at least one question it is important to note that the survey allowed participants to exit or submit the survey without having completed all sections. For this reason, the response rate for each question differs from the overall response rate to the survey.

Of the organizations that responded to this survey the top focus areas were education (n = 239), children's issues (n= 167), and health (n = 162). Of the organizations that disclosed their



Graph 1: Religious Affiliation of Sample

religious affiliation 134 were faith-based organizations and 154 identified as secular. From the sample of 351 respondents, 79 organizations reported applying for government funding and 59 reported having success in receiving a grant. More secular organizations indicated applying for grants than their secular counterparts, and the same can be said when it comes to receiving grants.

The survey responses were then coded based on religious affiliation and dummy variables were created for multiple questions that allowed participants to select more than one answer when assessing their attitudes towards government funding, reasons for not applying for grants, organizations focus areas, and regions of work. The data was then put into SPSS where binary logistic regression was used to analyze the relationship between the (1) the decision to apply, (2) outcome of grant application and the different independent variables.

	N	Min.	Max.	Mean
Grant Seeking (DV 1)	404	0	1	.146
Grant Success (DV 2)	404	0	1	.196
Democracy & Human Rights	404	0	4	.767
Economic Growth & Empowerment	403	0	8	2.556
Peace & Security	404	0	4	.394
Number of Paid Employees	260	0	4	1.14
Annual Organizational Expenditures	259	1	6	2.41
International Presence	258	1	4	1.71

Table 1: Descriptive Statistics of Sample

V. Variables and Hypotheses

For this analysis I have constructed four hypotheses to assess and test the relationship that certain organizational characteristics have to determining grant application, and subsequently success.

H₁: Larger organizations are more likely to apply for funding

H₂: Larger organizations are more likely to receive funding

Another study (Haynes 2020) conducted with this same data set found that there are no real differences in size between faith-based and secular organizations. Using the resource dependence theory as the basis, I believe larger organizations are more likely to apply for funding due to their increased capacity, social capital, and ability to complete more work. I hypothesize that these organizations are able to employ expert workers that can help secure grants and provide well delivered services that may serve to improve their reputation. The first set of hypotheses target the resources, particularly the size of non-profit organizations. The second set of hypotheses target the area of focus of the nonprofit.

H₃: Organizations that focus on areas that align with US foreign policy are more likely to apply for funding

H₄: Organizations that focus on areas that align with US foreign policy are more likely to receive funding

In a similar study (Keck 2014) the results of their analysis indicate that US-funded NGO aid was more likely to go to states that had US security interests. The majority of US foreign aid is distributed in the categories of peace and security, investing in people, economic growth, and democratic governance (Lawson and Morgenstern 2020). I also hypothesize that organizations that focus in these areas, or areas adjacent to these foreign policy objectives will not only be more encouraged to apply for funding from the government, but also more likely to receive it. I believe there is a link between the US government funding organizations that will complement their soft power initiatives globally and promote a more altruistic view of the United States.

In order to test my hypotheses, I use the same six independent variables for my two models that are split into two categories: those that measure size and those that measure organizational focus. The independent variables used to measure size are the number of countries an organization works in (international presence), number of annual organizational expenditures, and the number of paid employees. In order to measure organizational focus I took the original fourteen focus areas that an organization could indicate they worked in on the survey and placed them in three broad categories (Peace and Security, Economic Growth and Empowerment, and Democracy and Human rights) that aligned with the US foreign policy apparatus.

Table 2: Organizational Focus Groupings

Organizational Focus		
Peace & Security	Economic Growth & Empowerment	Democracy & Human Rights
Peace/Security	Economic Growth	Democracy/Human Rights
Culture/ Diplomacy	Disaster/Crisis Relief	Environment/Climate Change
Migration/Displacement	Housing	Gender/Women's Equality
Law & Justice	Health	Agriculture/Food Security
	Water Sanitation	
	Ministry	
	Education	
	Children's Issues	
Cronbach's alpha: .56	Cronbach's alpha: .66	Cronbach's alpha: .50

I first ran a correlation analysis on all fourteen individual focus areas and grouped those that were statistically significant and correlated highly together. I then conducted a reliability analysis to determine how well each sub focus fit in the broader category I placed them under. These six independent variables were then used to in both of my logistic estimates where in the first model the decision to apply for a grant was the dependent variable, and in the second model where successfully receiving a grant was the dependent variables.

VI. Analysis

The results for my first model sought to assess the relationship between the six independent variables and likelihood of an organizations applying for a grant. In this estimate, four of my six variables are statistically significant: organizational expenditures, international presence, peace and security, and economic growth and empowerment. It is important to note that while number of paid employees was not statistically significant at the .05 level, it is significant at the .10 level, indicating that we are 90% confident in the result. For three variables, their effect is positive, and negative for one variable.

Logistic Estimate for Grant Seeking Organizations				
Independent Variables	B	S. E.	Sig.	Exp (B)
Annual Organizational Expenditure	.622**	.195	.001	1.863
International Presence	.672**	.206	.001	1.958
Number of Paid Employees	.364*	.223	.102	1.439

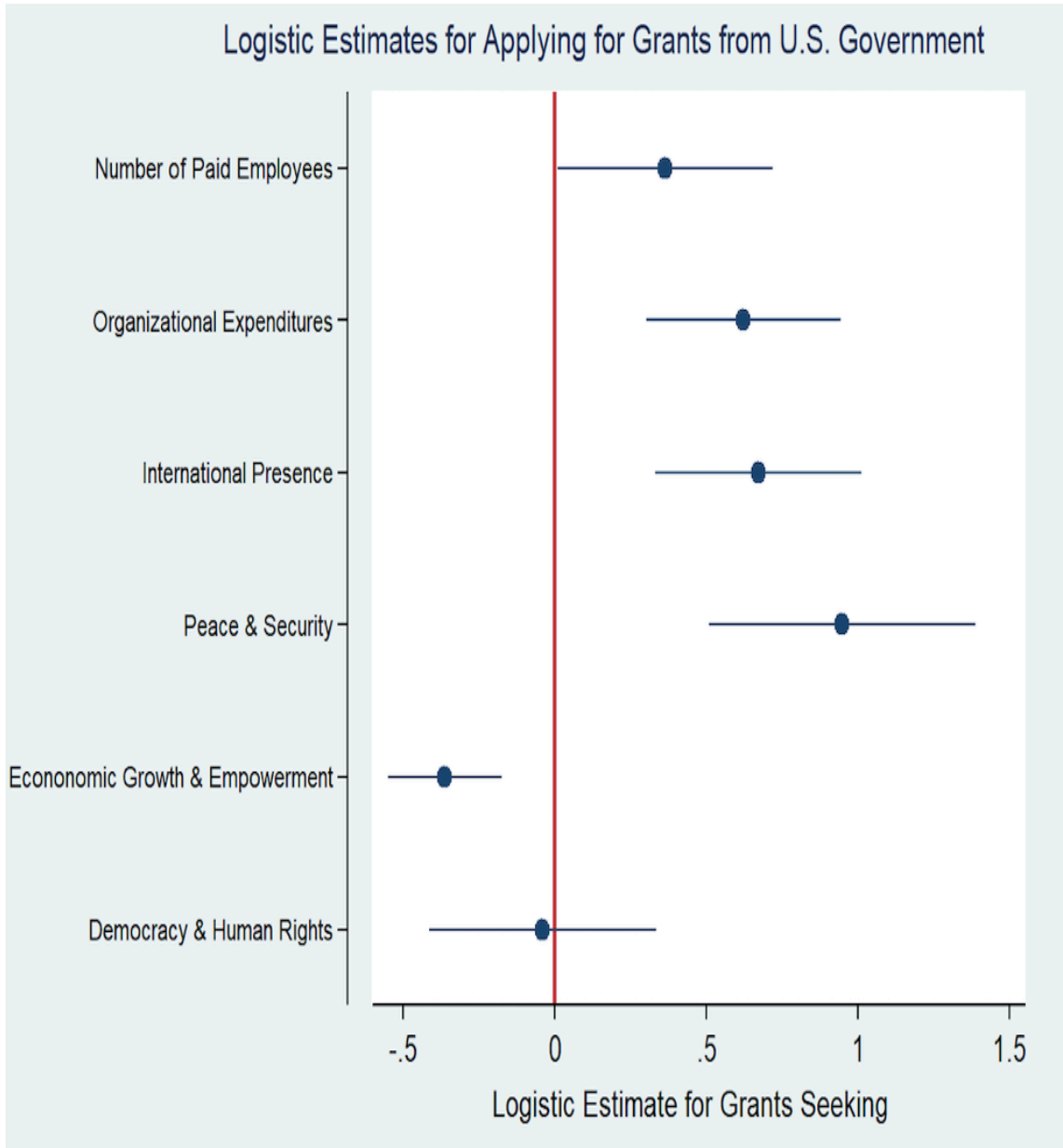
Economic Growth & Empowerment	-.362**	.108	.001	.697
Peace & Security	.947**	.256	.000	2.579
Democracy & Human Rights	-.040	.199	.842	.961

Table 3: Regression Table for Grant Seeking Organizations

** $p < .05$; * $p < .10$ (one-tailed test)

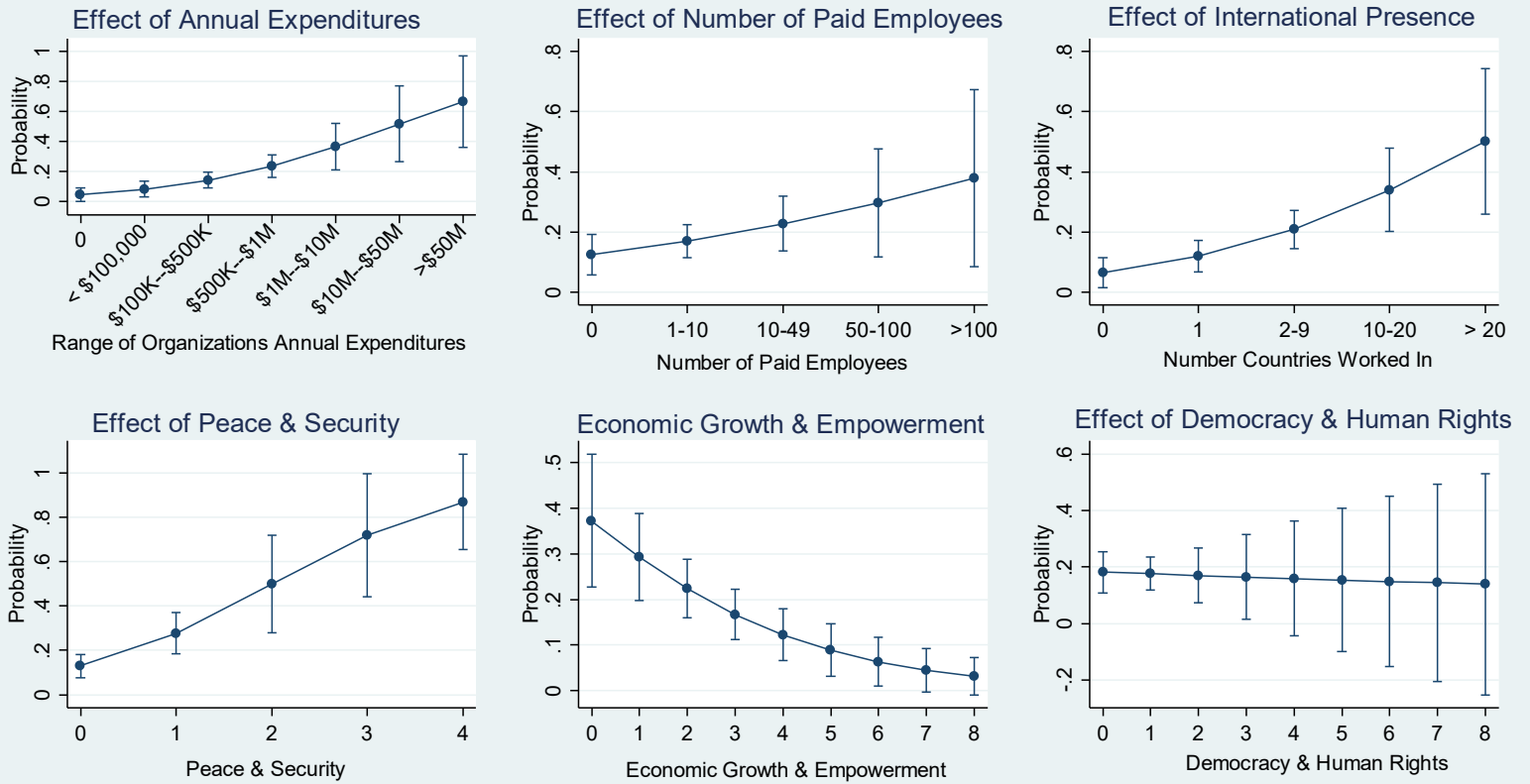
Overall percentage correct 83%

N=351



Graph 2: Coefficients Plot for Grant Seeking Organizations

Predicting Grant-Seeking Behavior of Non-Profit Organizations



Graph 3: Margins Plot for Grant Seeking Organizations

The regression results emphasize the importance of resources such as organizational size. Organizations that have greater annual expenditures, as well as a large international presence are more likely to apply for government funding. This result falls in line with the resource dependence theory and demonstrates how larger organizations have a size advantage that allows them to utilize their resources to secure funding. These organizations may be able to employ more specialized employees that are well versed in how to secure funding. It is also possible that these large organizations are able to do more work because of their size and carry strong reputations and track records of positive project implementation that lead them to feel confident in applying for grants. The significance of these variables supports my hypothesis that larger organizations are more likely to apply for funding.

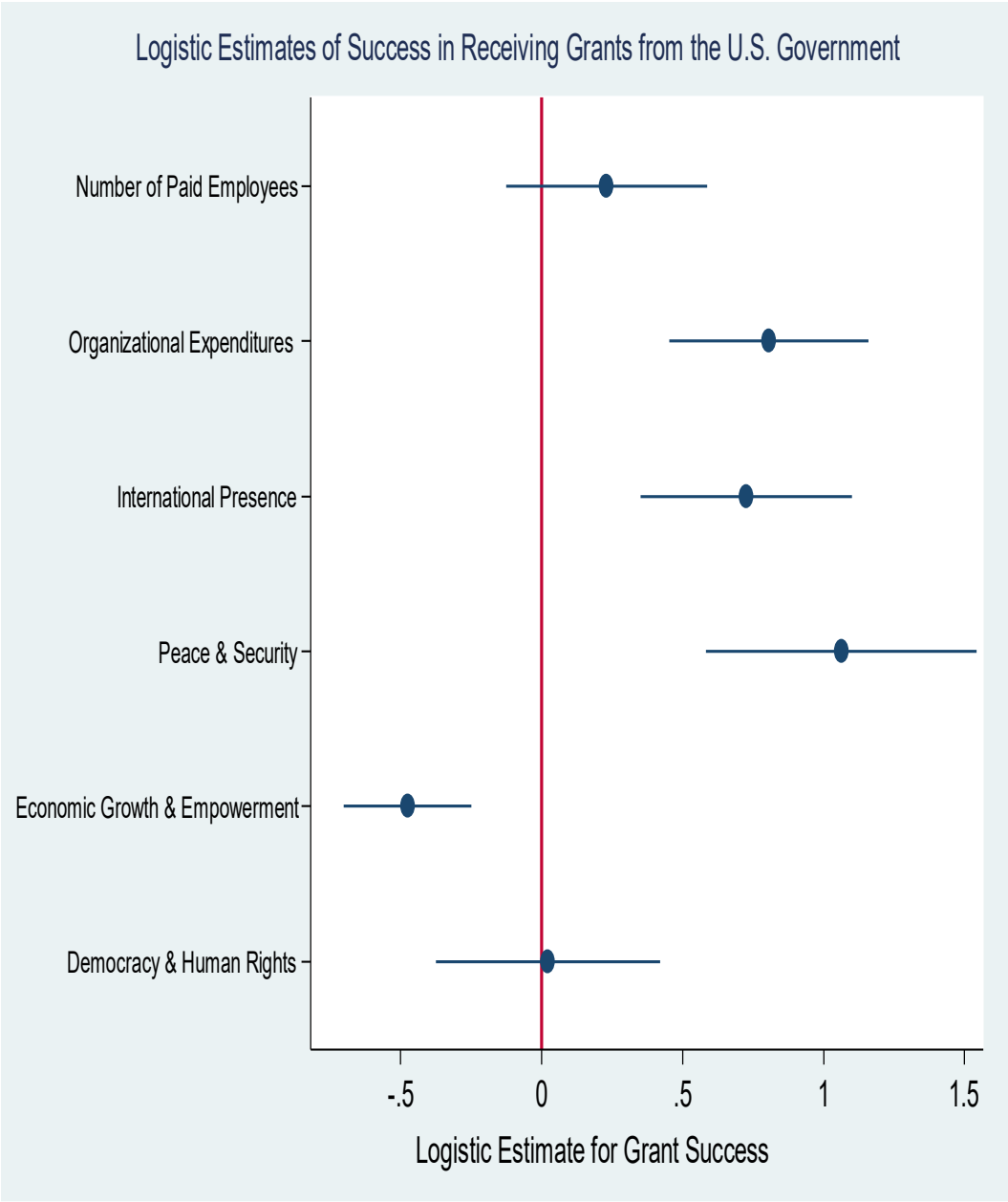
As for the measures of organizational focus, the variable peace and security has the largest impact on determining grant application. The United States dedicates the highest percent of its foreign aid budget to supporting programs that focus on peace and security (Lawson and Morgenstern 2020 p.5). With funding available from many government entities such as USAID, US Institute for Peace, and the State Department, it is likely that organizations with strong focuses in peace and security are aware of the United States' interest in these programs and feel more inclined to apply. The only negative variable in this model is economic growth and empowerment. This result initially seemed somewhat counterintuitive as economic growth is the third highest spending category for US foreign aid (Lawson and Morgenstern 2020 p.5). However, it is possible that this result may be attributed to the vast funding opportunities made available by corporations, private foundations and international bodies such as the IMF, World Bank, and the UN causing these organizations to not seek government funding.

Table 4: Regression Table for Grant Success

Logistic Estimate for Grant Success				
Independent Variables	B	S.E.	Sig.	Exp (B)
Annual Organizational Expenditure	.805**	.216	.000	2.236
International Presence	.726**	.219	.001	2.066
Number of Paid Employees	.230	.239	.335	1.259
Economic Growth & Empowerment	-.476**	.123	.000	.621
Democracy & Human Rights	.022	.214	.919	1.022
Peace & Security	1.063**	.276	.000	2.895

** $p < .05$ (one-tail test)

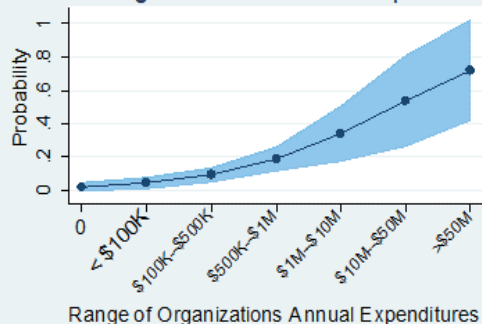
Overall percentage correct 85.2%



Graph 5: Coefficients Plot for Grant Success

Predicting Success in Receiving Grants from the U.S. Government

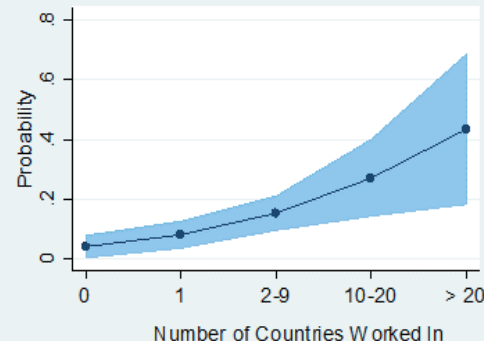
Effect of Organizations Annual Expenditure:



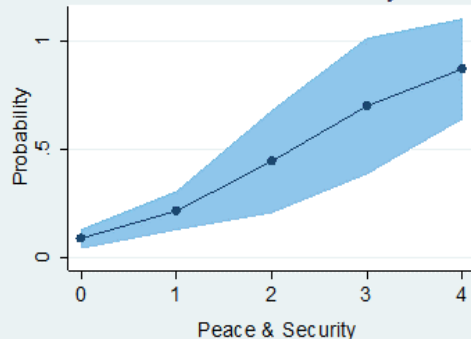
Effect of Number of Paid Employees



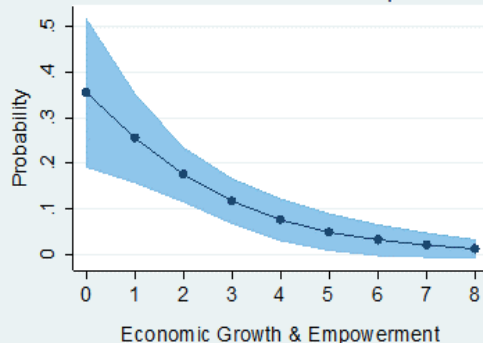
Effect of International Presence



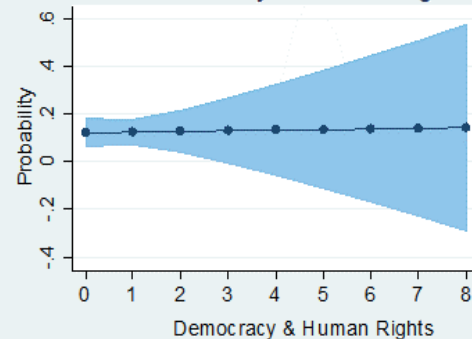
Effect of Peace & Security



Effect of Economic Growth & Empowerment



Effect of Democracy & Human Rights



Graph 6: Margins Plot for Grant Success

The results of my second regression model that measures the relationship between organizational characteristics and grant success are similar to my first model. The same four variables are statistically significant with economic growth and empowerment still being negative. My results here indicate that when it comes to grant success organizations that have higher amounts of annual expenditures are more likely to receive grants. Organizations that have a large international presence are also more likely to receive funding when they apply. These two variables seem to indicate that large organizations operate similarly to what the resource dependence theory states and displays the size advantage that allows large organizations to have increased capacity and access to more resources, similarly to my first model. It is likely that

organizations that are larger are more attractive to the government for their ability to disseminate more services to people and maximize their funding in a way that smaller organizations may lack the capacity to do. Relying on these organizations with large international presences and high annual expenditures may also serve to paint the United States in a more positive image in the places that they serve which may also cause the government to look upon them favorably and allot them funding. The results for my measures of organizational size support my two hypotheses that larger organizations are more likely to apply for funding and receive it.

In this model, organizations with a strong focus on peace and security are also more likely to receive funding. As the US government itself allocates most of its foreign aid budget towards peace and security spending they may view nonprofits with a strong focus in this area as a way to supplement their own foreign policy initiative. This result confirms my hypothesis that organizations that focus in areas that align with US foreign policy are likely to receive funding. Allowing the organizations to further US soft power in unique, niche ways may present itself as another way to assert hegemony. I believe the result for economic growth and empowerment to largely be the same as the first model for the same reasons. However, it is possible that the US government chooses not to additionally fund these organizations out of its own economic interest. The United States is not the only country that provides assistance to foreign countries, but the United States has the largest, capitalist economy in the world. The Federal government may choose to forgo additionally funding organizations that want to promote economic prosperity in other countries for fear of creating too many competitors for American businesses and industries. When governmental agencies are able to promote economic growth abroad, they are able to do so in ways that the government has full oversight and control over. When nonprofits and NGOs provide these services, the government has no say in how they are allowed

to go about it. Out of self-preservation, the US government may choose to fund its own economic programs so that they retain full autonomy over what is being promoted abroad.

VII. Conclusion

Overall, the results of my two models seem to support the hypotheses that I have proposed although the variable for number of paid employees and democracy and human rights were both statistically insignificant at the .05 level. I believe that going forward introducing more variables to measure size and organizational focus could assist in producing a more precise result that accounts for more of the organizational nuances. This could include inquiring into how many grant writers an organization has, the size of the populations they serve, levels of political engagement, and questions that examine the board and management composition. Measuring the way organizational characteristics impact grant application and success across different presidential administrations could also provide insight as to whether the organizations that do receive funding from the government differ in attractiveness over changed foreign policy agendas.

Incorporating a mixed methods approach by implementing interviews could also provide deeper insight about the individual organizations that are motivated or averse to applying for government funding in a way that is not possible through statistical analysis. The qualitative aspect could serve to give stronger credibility and a more comprehensive view to the challenges that nonprofit organizations face when seeking government funding.

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