

**Current Conditions and Development Strategies of
Philanthropy and Fundraising in Japan:
A Comparative Study of the United States and Japan**

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Abstract

The enactment of the Law to Promote Specified Nonprofit Activities in 1998 has resulted not only in the rapidly increasing number of Specified Nonprofit corporations (NPO corporations), but also in a serious need for effective fundraising in Japan. Despite Japan's long and rich tradition of philanthropy and a current need for fundraising, very little research on Japanese fundraising has been available. With original data collected via surveys and interviews from fundraisers in Japan and the United States, this paper analyzes the application of fundraising techniques by Japanese fundraisers and identifies their primary practices. Given the differing views on fundraising between the two countries, which the author ascribes to the issues of cross-national comparability, the study investigates fundraising practices in Japan using the U.S. fundraising model as a baseline. Comparisons of fundraising practices among the Japanese, Japanese Americans and non Japanese Americans are also examined to determine whether or not fundraising practices are influenced by cultural and societal factors.

RESEARCH BACKGROUND AND OBJECTIVE

Worldwide philanthropic efforts have seen vast changes in the last decade, and philanthropy and fundraising have assumed global proportions. In particular, relief efforts have crossed boundaries and motivated highly diverse donors who have crossed borders. And continuing at the national and regional levels as well, effective fundraising today is a critical function for supporting the nonprofits' work.

Japan has seen similar progress and changes, not just as a result from global influences but also by an urgent need by local communities to reform and re-legitimate the current status, (Osborne, 2003), Japan's nonprofit sector is dramatically being developed. The tragic events of 1995 Hanshin Awaji earthquake, in turn, demonstrated the significance of the voluntary and nonprofit sector for social welfare and the critical role civic groups played in compensating for the limitations of government support (Imada, 2003a; Ouchi, 2004). These events began a trend which shows no signs of stopping.

NPO Law and the Increasing Number of “New” NPO Corporations in Japan

As a result, the Law to Promote Specified Nonprofit Activities (hereafter NPO Law) was enacted in 1998. NPO law allows citizens to acquire legal status for their voluntary groups without the judgment of and control by government, as long as their activity is dedicated for public benefit. The number of Specified Nonprofit corporations, grassroots voluntary organizations incorporated under this law (*Tokutei Hieiri Katsudo Hojin*, hereafter NPO corporations²), is rapidly increasing. During the last eight years, 29,934 NPO corporations have been formed and registered (Yamauchi, Tanaka & Kawai, 2007). In 2003, approximately 400 NPO corporations were created monthly, which constituted the fastest growing sector within Japan's nonprofit public-interest world (Matsubara & Todoroki, 2003).

An Increased Need of Fundraising in Japan

The growing number of NPO corporations has resulted in an increased need for effective fundraising in Japan. Japanese NPO corporations are facing a serious fiscal problem. This in turn points to and underscores the increasing need by Japanese nonprofit and nongovernmental organizations (hereafter, NPO and NGO) for fundraising, a discipline that has neither been widely nor actively practiced except by a handful of large-scale Japanese NGOs headquartered in Western countries.

Many data demonstrate critical demands for fundraising in Japan. A 1999 survey of nonprofit managers conducted by the Tokyo Voluntary Action Center revealed that fundraising was the biggest challenge for 65% of the respondents. Behinds this lies the fact that many NPO corporations are struggling to survive. Research Institute of Economy, Trade and Industry (hereafter RIETI, 2003) discovered the average annual revenue of NPO corporations had declined

² It should be noted by US audience that the term “NPO corporation” is the English translation of a new type of nonprofit that Japanese researchers and managers agree to use.

from JPY18.58 million (\$154,800)³ to JPY15.30 million (\$127,500) since the previous survey.

Furthermore, a new regulation by the Basic Law on Reforming Government Ministries of 1998 began designating some quasi-governmental organizations including national museums, the Japan Foundation, and research centers, as Independent Administrative Institution (*Dokuritsu Gyosei Hojin*), based on the concept of separating governmental ministries. This legal reform has been affecting the traditional types of nonprofits, which did not need to raise fund actively due to their close relationship with government (detailed later). As a result, large nonprofit organizations, such as symphony orchestras and universities, began carrying out fundraising like small grassroots nonprofit.

At the same time, a report by the Cabinet Office (2002) suggests that the Japanese public has a diminished trust in the capacity and ethics of Japan's highly centralized government – another fact that points to the need for philanthropic fundraising at this critical juncture in Japanese society whence the pursuit of a vibrant and healthy democracy through civil society organizations seems improbable. Fundraising must play a critical role in their future efforts because of its inherent significant in moving organizations from vision to reality.

Different Views of Fundraising between Japan and the United States

Yet, the interest in fundraising, however, does not necessarily pervade throughout the wide public or even among all nonprofit leaders. During the author's interviews, some even expressed a strong resistance against the idea of advancing fundraising, because fundraising is often regarded as a “forceful act of asking for money in Japan”⁴ (Central Community Chest, 2003). Their concern is not unreasonable. The term can hold an extremely negative connotation: hence, nonprofit managers should avoid undertaking such practices.

The author ascribes such negative views on fundraising to the issues of cross-national comparability. As Salamon and Anheier identify some of the problems in the global nonprofit sector which are (1) conceptual confusion, (2) gross lack of information, and (3) misleading data⁵. These problems also exist in Japan, along with differing terminology and concepts of philanthropy which challenge fundraisers in Japan.

Unlike the Japanese public perception, scholars and practitioners advancing the fundraising field in the U.S. define fundraising as practices beyond the mere technical skills to ask for money (Wagner, 2001), let alone forcing people to pay (“fund raising should never be undertaken simply to raise funds” in Rosso, 2003, p.16). Because trust is the critical foundation in raising funds (Burlingame, 1997; Tempel, 2003), fundraising is the “management of relationships between a charitable organization and its donor publics” (Kelly, 1998, p.8). This discrepancy reflects the terminology as well. For instance, the definition of charitable giving in Japan is “one-time” giving through cash or estates, in return for no goods or services, for an NPO or its projects.”

³ \$1 equal to JPY120.

⁴ Researchers of this report (Central Community Chest of Japan, 2003) mentioned that people even in the US don't wish to be solicited by fundraisers.

⁵ Salamon, Lester M., and Helmut K. Anheier. *The Emerging Nonprofit Sector: An Overview*. Manchester University Press, 1996.

Research Objective

Given the differing views on fundraising between Japan and the U.S., it is almost impossible to determine the condition of Japanese fundraising and conclude that it is weaker than the U.S., unless both countries' practices are analyzed based on the same criteria. Therefore, the present study investigates fundraising practices in Japan with the U.S. fundraising model serving as a baseline (Wagner, 1997) by gathering original data via surveys and personal interviews with Japanese fundraisers and their American counterparts. Although the number of comparative studies about international fundraising is increasing, few appear to take this method.

The findings aim to identify primary strategies undertaken by Japanese fundraisers, which would then help western fundraisers strategize their fundraising programs with Japanese funders, as well as advancing fundraising in Japan. Thus, the final section of the present paper will provide American fundraisers suggestions for fundraising strategies to solicit Japanese funders and information for prospect research. Fundraising practices among the Japanese, Japanese Americans and non Japanese Americans are compared to determine whether their practices are influenced by cultural and societal factors.

COMPARATIVE ANALYSIS ON FUNDRAISING

Legal Structure and Categories of Japanese Nonprofit Organizations

To understand why discussions about need for fundraising began fairly recently while nonprofits existed even before the 1998 enactment of NPO Law, we need to comprehend a confusing array of the incorporation categories, since Japan's nonprofit sector has a very complex structure concerning the incorporate status⁶ (Amemiya, 2002; Amenomori, 1993; Deguchi, 2001; Matsubara & Todoroki, 2003; Yamaoka, 2002). Among various categories, there are two distinctive types⁷: the conventional type called public-interest corporations (*Koeki Hojin*) prescribed by the Civil Law of 1897 and the new type of NPO corporations, many of which used to be unincorporated grassroots civic groups. The broad categorization by Japanese scholars often includes other corporations of the conventional type (TABLE 1). In addition, Amenomori (1993) covers broader organizational types ranging from special public corporations (*Tokushu Hojin*), charitable trusts (*Koeki Shintaku*), cooperatives (*Kyodo Kumiai*), children's associations (*Kodomokai*) to community-based mutual help organizations (*Jichikai/ Chonaikai*).

As Deguchi (2001) called public-interest corporations "institutionalized non-profit organizations" and new NPO corporations "non-institutionalized non-profit organizations," distinguishing these two types is important in this study. Public-interest corporations, over which the government exercises strict and ongoing control especially in the areas of budget and operations, have no incentives for fundraising (Matsubara & Todoroki 2003). As TABLE 1 shows, educational institutes and religions organizations, two major organizations that raise the largest donations in the US, are among the conventional types in Japan. This situation makes the whole scope of Japanese giving distinct, and thus we need to be careful when analyzing available giving data of Japan.

These conventional types of nonprofit organizations have much close relationship with and been controlled by government, and thus, not been as much pressed by the need of fundraising as the new type of nonprofits. However, the recent years have seen a dramatic change. A new regulation by the Basic Law on Reforming Government Ministries of 1998 began designating some quasi-governmental organizations including national museums and the Japan Foundation as Independent Administrative Institutions (*Dokuritsu Gyosei Hojin*), based in order to separate governmental ministries. While planning functions remain within government, operating functions are transferred to Independent Administrative Institutions. Consequently, these newly converted organizations are forced to begin implementing management methods of private-sector to manage their budget, and thus, fundraising becomes their critical task. Although not yet converted completely into Independent Administrative Institutions, many conventional

⁶ This typology conflicts with the Structural-Organizational Definition by the Nonprofit Sector long employed by Johns Hopkins Comparative Nonprofit Sector Projects (hereafter JHCNSP), which defines nonprofit organizations as "institutionally separate from government" (Anheier & Salamon, 2006). Even among Japanese scholars, the standard to define nonprofit organizations varies, and there are a significant number of researchers who do not include this conventional group in nonprofit organizations, due to this close relationship with state. In fact, Amenomori (1993), among the first researchers for JHCNSP, whose research focuses upon the "conventional group," underscores that a large number of Japan's nonprofit organizations, though private and nonprofit in form, may not be qualified as nonprofit organizations under JHCNSP's Structural-Organizational Definition, mainly because organizations are not totally independent from state. However, Yamaoka points out that these organizations can still develop and carry out many unregulated activities like civic movements even under tight control by government, and maintains they should be considered part of Japan's nonprofit sector (Yamaoka, et al., 2002).

⁷ It should be noted there are also numerous civic groups that are not legally incorporated, because it used to be very difficult to obtain the legal status of nonprofit corporations under the Civil Law. Under the NPO Law, these civic groups began being incorporated as NPO corporations (Yamaoka, 2002).

types of nonprofits, such as national universities that have been provided funding by government, are now seeing the decline of government money and began being forced to practice fundraising.

The new type, NPO corporations, need actively raise funds to sustain their operations, as do IRS501(c)(3) in the U.S. This study focuses analysis chiefly upon the second type⁸, while not excluding other types as long as they are undertaking fundraising.

TABLE 1) Typology of nonprofit organizations prescribed by corporate legal systems in Japan⁹

Note: It must be noted that many provisions in the below legal systems were drastically revised in 2006 throughout the 2000-2006 movement to reform public-interest corporations and a 2006 reform act will be carried out in 2008.

Institutional Nature	Prescribing Law (Year)	Organization Type	Description and Tax Treatment	Relationship with/ Control by State
Conventional	Civil Law article 34 (1898)	Public-interest corporations (<i>Koeki Hojin</i>), categorized into two: (1) incorporated foundation (<i>Zaidan Hojin</i>) (2) incorporated association (<i>Shadan Hojin</i>)	<ul style="list-style-type: none"> ● The purpose is “for the benefit of an unspecified number of people.” ● Competent authorities include; the Ministry of Foreign Affairs; the Ministry of Health, Labor and Welfare. the Ministry of Environment, the Ministry of Education, Culture, Sports, Science and Technology, Tokyo Metropolis Board of Education, Osaka Prefectural Governor. ● <u>Income tax rate</u>: reduced for earned-income. ● <u>Tax for nonprofit incomes</u>: exempt. ● <u>Tax deduction for donation</u>: applied, if authorized as Specified public-interest promoting corporations (<i>Tokutei Koeki Zoshin Hojin</i>). <p><i>* It is very hard to obtain this status and a few cases are authorized.</i></p>	Very close/ Significant
	Private Schools Law article 3 (1949)	Private school corporation (<i>Gakko Hojin</i>)	<ul style="list-style-type: none"> ● “For the purpose of the establishment of private schools.” ● Competent authorities are; any of the prefecture governors or the Minister of Education, Culture, Sports, Science and Technology. ● <u>Income tax rate</u>: reduced for earned-income. ● <u>Tax deduction for donation</u>: applied for most. 	Very close/ Significant
	Social Welfare Law article 22 (1951)	Social welfare corporations (<i>Shakai Fukushi Hojin</i>)	<ul style="list-style-type: none"> ● “For the purpose of doing a social welfare service.” ● Competent authorities are; any of the prefecture governors or the Minister of Health, Labor and Welfare. ● <u>Income tax rate</u>: reduced for earned-income. ● <u>Tax deduction for donation</u>: applied for all. 	Very close/ Significant

⁸ The present study uses the term of NPO more broadly as an umbrella term referring to both domestic groups and nongovernmental organizations doing international work. Unincorporated groups, too, are included in the analysis, since most of them need to raise funds.

⁹ Compiled based on the article by Amemiya (2002) and Yamaoka (2002).

TABLE 1 (cont.)

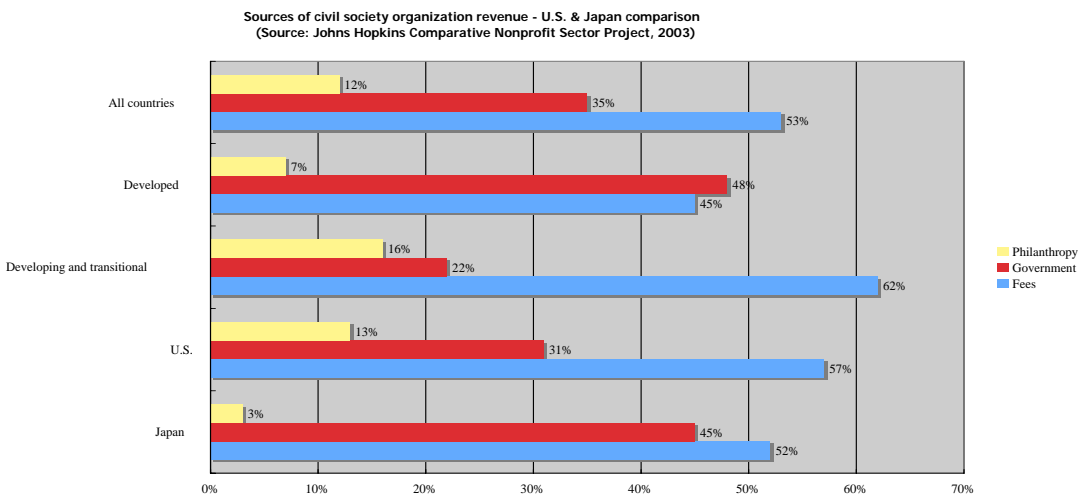
Institutional Nature	Prescribing Law (Year)	Organization Type	Description and Tax Treatment	Relationship with/ Control by State
Conventional	Religious Corporation Law article 2 (1951)	Religious corporation (<i>Shukyo Hojin</i>)	<ul style="list-style-type: none"> ● Based on a group made where “the doctrine of the religion is spread, ceremony events are performed, believers are educated, and cultivating individuals is the main purpose.” ● Competent authorities are; any of the prefecture governors or the Minister of Education, Culture, Sports, Science and Technology, etc. ● <u>Income tax rate</u>: reduced for earned-income. ● <u>Tax deduction for donation</u>: Not applied. 	Very close/ Significant
	Rehabilitation Protection Law (1995)	Rehabilitation protection corporations (<i>Kosei Hogo Hojin</i>)	<ul style="list-style-type: none"> ● <u>Income tax rate</u>: reduced for earned-income activities. ● <u>Tax deduction for donation</u>: applied for all. 	Very close/ Significant
	Nonprofit Mutual Benefit Corporation Law article 2 (2001)	Nonprofit mutual benefit corporation (<i>Chukan Hojin</i>)	<ul style="list-style-type: none"> ● <u>Income tax rate</u>: Not reduced. ● <u>Tax deduction for donation</u>: Not applied. 	<i>Note: This law was repealed in 2006, and nonprofit mutual benefit corps. are to change into non public-interest corporations.</i>
New	Law to Promote Specified Nonprofit Activities (“NPO Law”) article 2 (1998)	Specified nonprofit corporation/ NPO corporation (<i>NPO Hojin</i>)	<ul style="list-style-type: none"> ● For the promotion of health, medical treatment, welfare; social education; community development; culture, arts, sports; environmental preservation; disaster rescue; community safety; human rights or peace; international cooperation; equal gender participation; nurturing of youth; administration of organizations. ● The incorporation process is very simple, compared to that of public-interest corporations. ● There is a freedom in selecting competent authorities. ● <u>Income tax rate</u>: Not reduced for earned-incomes, no matter whether activities are related or not. ● Tax is exempt for nonprofit incomes. ● <u>Tax deduction for donation</u>: applied, only if authorized as “Approved NPO incorporation” by the National Tax Administration Agency. 	Technically independent
N/A	No legal status granted	Civic groups that do not have legal status (<i>Nini Dantai</i>)	<ul style="list-style-type: none"> ● <u>Income tax rate</u>: Not reduced (the same rate as for FP) for earned-income activities, no matter whether related. ● Tax is exempt for nonprofit incomes. ● <u>Tax deduction for donation</u>: Not applied. 	Independent

Japanese Philanthropy and Fundraising

Despite high demand for fundraising, the author's initial study (Onishi, 2005) found that many interviewees maintained fundraising rarely exists and will not develop in Japan. Their major explanations are all factors that the U.S. has, but Japan lacks a culture of giving, tax incentives, the strong tradition of religion and democracy, and wealthy individuals (Matsubara & Todoroki, 2003; Ouchi, 2004).

Giving data confirm weak philanthropy in Japan. The 2003 Johns Hopkins Comparative Nonprofit Sector Project finds that Japanese private philanthropy ranks among the lowest in terms of the revenue size (GRAPH1).

GRAPH 1) Break-down of source of nonprofit revenue



According to the more recent estimate by The Japanese Nonprofit Almanac (Yamauchi, Tanaka & Kawai, 2007), Japan's private giving totals JPY710 billion (\$5.92 billion) in contrast to U.S. giving of \$295.02 billion in 2006. In the last ten years, the annual average giving per household has remained relatively constant at merely JPY3,277 (\$27.3, Yamauchi, Tanaka and Kawai, 2007), except the year 1995 when the Kobe earthquake struck.

Rich History of Japanese Philanthropy

Although Japanese philanthropy may appear far from generous statistically, many also argue that Japan has a long and rich history of philanthropy and fundraising (Aoki, 2004; Imada, 2003a; Katsumata, 2006; Seig & Asaoka, 2002). Katsumata (2006) and Imada (2003a) disagree with the view that Japan has not fostered private philanthropy since the public depend upon the government for social welfare services (such as London, 1991 and Ouchi, 2004).

The source of Japanese charitable organizations can be traced back to *Shika-In* built by

Prince Shotoku during the seventh century (Iamada, 2006). *Kanjin*¹⁰, a Japanese Buddhist model of organized fundraising, dated from the eighth century and developed during the eleventh century (Lohmann, 1995). *Kanjin* resembles today's capital campaign because it was organized to raise funds for a specific project, such as building a temple, and people were solicited according to their financial capability¹¹. The Edo period (1603–1868) saw wealthy merchants in Osaka city making contribution to build public facilities and communities. A merchant created *Akita Kan'on-ko*, a community trust fund, through solicitation with the general public of Akita region to help the needy regardless their geographical locations (Katsumata, 2006)¹². The Meiji period (1868-1912) produced successful industrialists dedicated to philanthropy, such as Eichi Shibusawa. It was during the post Second World War era when the drastic changes were made in the national system and the Constitution, which ended up impeding charitable giving (Matsubara & Todoroki, 2003).

A Recent Sign of Growing Philanthropy in Japan

Some interviewees mentioned that there seems to be a sign of “rebirth of Japanese philanthropy,” which symbolizes a total of over JPY160 billion (\$1.3 billion) contributions made to help the Kobe earthquake relief (Pekkanen, 2003). Mr. Yoichiro Abe, Assistant Director of Central Community Chest of Japan, stresses that the Japanese are noticeably improving their giving attitudes¹³. According to 2000 survey by the Central Community Chest, the majority of respondents “want to continue the support to some degree” (40.3%) and “want to keep the same giving level” (24.8%) no matter if the economy declines, whereas only 15.8% would “stop the support due to personal financial problems.” The same study informs us that the proportion of Japanese individuals making donations is as great as 87% of the total studied, although the average gift amount per year/person remains very slim. Mr. Osamu Sato of the Community Care Program shared an account of several members who were disappointed by not having been solicited and asked him to do so in the future¹⁴. The term *charity* appears over a range of media and Yahoo.com often hosts charity auctions. Ms. Hideko Katsumata, Managing Director and Executive Secretary of Japan Center for International Exchange, regards the recent record revenue of approximately JPY1 billion (\$8.3 million) raised by *Hottokenai Sekai no Mazushisa*, Japan's national campaign for the Global Call to Action against Poverty, as a mark of today's growing interest in supporting a cause among Japanese people¹⁵.

¹⁰ Despite many similarities between *kanjin* and western capital campaign fundraising, English-language references to *kanjin* are extremely rare (Lohmann, 1995).

¹¹ Soliciting agents of the *kanjin* campaigns were called *hijiri*. They were organized into formal groups and chartered by the great Buddhist temples for the purpose of fundraising (Lohmann, 1995).

¹² Examples include *Gansuido* and *Kaitokudo*, higher educational institutions established through charitable gifts from merchants in the early 18th century (Imada, 2003b).

¹³ An interview with Mr. Yoichiro Abe, Assistant Director of Department of Planning and Public Relations at Central Community Chest of Japan, see Onishi 2005.

¹⁴ An interview with Mr. Osamu Sato, the founder of Community Care Program, see Onishi 2005.

¹⁵ An interview with Ms. Hideko Katsumata of Japan Center for International Exchange was conducted on July 25th 2007

Literature Review and Theory Development: Factors Affecting Japanese Fundraising

Overall Application of Fundraising in Japan

The first and foremost question is whether fundraising exists in Japan. The Economic Planning Agency's study on NPO corporations and unincorporated groups (2000) suggests that 43.9% of the incorporated respondents and 79.6% of the unincorporated are not actively seeking to raise contributions. Matsubara and Todoroki (2003) regard this lack of motivation among NPO corporations as one of the major causes for underdeveloped philanthropy in Japan.

On the other hand, U.S. researchers (Frost & Frost, 1999) identify many fundraising techniques employed in Japan, ranging from telethons, child sponsorship, to direct mail and special events, although their study highlights large and western-headquartered nongovernmental organizations (hereafter NGO) and does not reflect situations of the majority of domestic grassroots nonprofits. While many domestic NPO corporations are suffering from insufficient funds, other organizations such as ASHIAGA are successfully raising funds (Matsubara & Todoroki, 2003). Furthermore, the Central Community Chest (2000) identified the biggest reason why the Japanese did not donate was because "they were not asked for support" (36%). Thus, the author first posits:

Premise 1: Fundraising practices exist in Japan. Yet, practices may be skewed to certain organizations or conditions. Consequently, not all fundraising efforts reach a wide public effectively.

The Condition of Philanthropic Market and Cultural Factors

(a) Sources of Funding

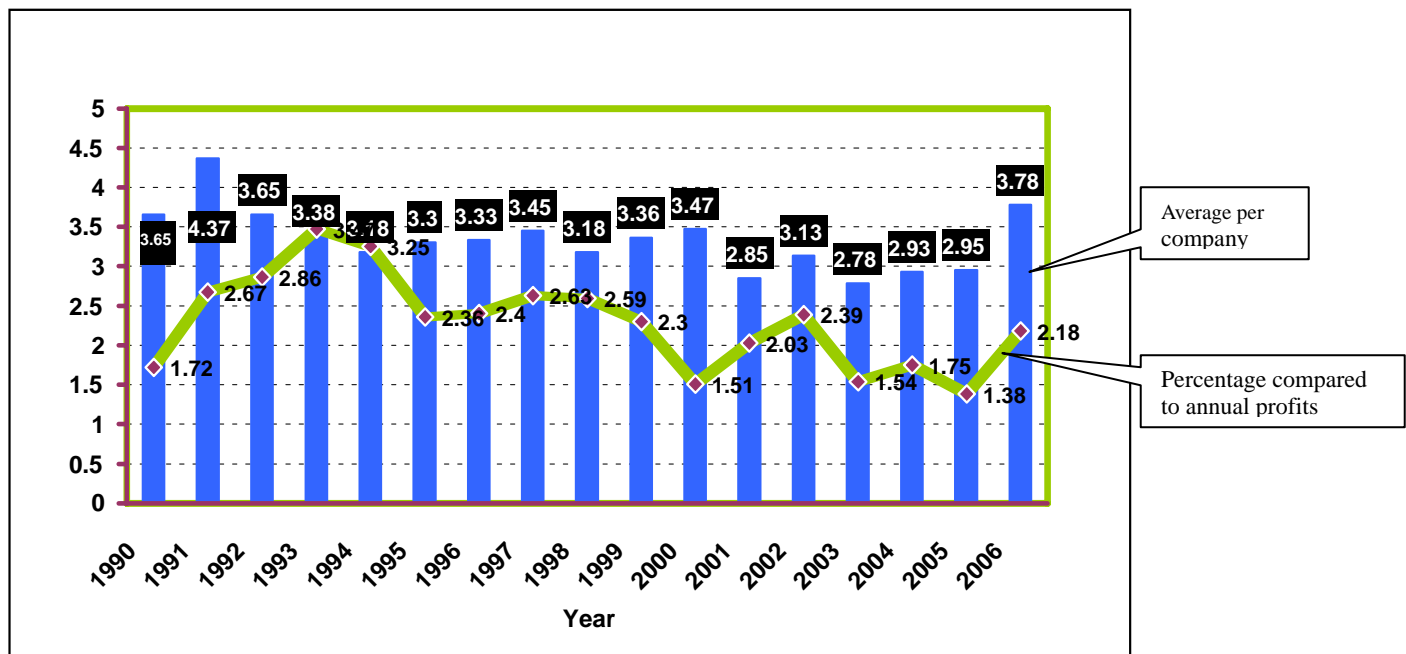
- ***Corporations vs. Individuals***

Fundraising is undoubtedly affected by the condition of the philanthropic market. In Japan, the majority (75.4%) of philanthropic giving comes from corporations, while individual giving accounts for only 24.6% (2004 data, Yamauchi, Tanaka & Kawai, 2007). While Yamauchi and his co-editors (2007) warn that available data of individual giving in Japan is not fully inclusive and does not stand in the same methodology base as does the US giving, it is generally agreed that Japan's major donors so far are corporations (TABLE 2). GRAPH 2 indicates that the average of corporate giving has remain around 2%. Whereas Japan's public appears more interest in giving to charity these days, this corporate giving trend may continue, because a 2007 report by Japan Business Federation suggests that today's societal emphasis on corporate social responsibility (CSR) urges Japanese corporations to become more active in philanthropy.

TABLE 2) A comparison of individual/ corporate giving between Japan and the United States¹⁶

		Japan (2004)	United States (2004)
Individual	Giving Amount	JPY148 billion/ \$1.23 billion (24.6%)	\$207.72 billion (83.6%)
	GDP Comparison	0.03%	1.77%
Corporations¹⁷	Giving Amount	JPY453 billion/ \$3.78 billion (75.4%)	\$12 billion (4.8%)
	GDP Comparison	0.09%	0.10%
Total	Giving Amount	JPY601 billion/ \$5.01 billion	\$219.7 billion
	GDP Comparison	0.12%	1.87%

GRAPH 2) Japanese corporate giving: Average per company and percentage compared to annual profit¹⁸



Analysis (2007) on giving fields estimated by Nonprofit Satellite Account (Yamauchi, Tanaka & Kawai, 2007) proposes distinguished trends of Japanese corporate and individual donors (TABLE 3). TABLE 3 indicates that individual donors primarily give to “religion” (20.7%), “social services” (14.4%), “philanthropic intermediaries and voluntarism promotion” (9.3%), whereas corporate donors give primarily to “education and research” (26.6%), “culture and recreation” (25.8%), “environment” (11.5%) and “development and housing” (10.2%).

¹⁶ Compiled by *Giving USA 2005*, Yamauchi, Tanaka & Kawai (2007).

¹⁷ Corporate giving data of Japan exclude corporate foundation grants.

¹⁸ Compiled by the author, based on data of Japan Business Federation report (2007).

TABLE 3) Giving by type of charity (categorized by ICNPO)¹⁹

	Total amount of giving (in JPY million)		
	Individuals	Corporations	Total
Culture and Recreation	11,109	116,923	128,032
Education and Research	22,658	120,549	143,207
Health	10,333	21,753	43,086
Social Services	33,153	45,319	78,472
Environment	730	52,117	52,847
Development and Housing	16,031	46,225	62,256
Law, Advocacy and Politics	21,560	6,345	27,905
Philanthropic Intermediaries and Voluntarism Promotion	21,454	906	22,360
International	12,062	15,408	27,470
Religion	47,714	N/A	75,358
Business and Professional Association, Unions	N/A	N/A	N/A
Not Elsewhere Classified	33,200	27,645	60,845
Total	230,004	453,190	710,838

The recent survey by Central Community Chest (2006) reveals that the Japanese of ages ranging 40 to 50 give most and females give more than males at all ages. Its data also show that those who are at the higher income class tend to donate noticeably to “education,” “human rights and peace,” “politics,” “arts and culture,” and “science” (Okuyama, 2007).

The same study (Central Community Chest, 2006) furthermore investigates why individual donors give (TABLE 4). The results underscore that main reasons stem not only from the annual giving habit, but also from donors’ positive attitude to support causes helping the society and others. Another study (Yamauchi, 2004) suggests that “financial capacity” is the biggest condition underlying giving decisions (60.8%), followed by “easy methods of making donation” (32.7%) and “accountability and stewardship” (31.5%). Interestingly, “tax deductibility” ranks the lowest (15.7%).

TABLE 4) Why the Japanese give?

Reasons	%
Because I donate every year	45.2
Because I share the same cause as a supported organization	34.9
Because I was asked to give	31.7
Because the organization is credible	14.9
Because I would like to help others	14.8
Because I would like to do good for the society	14.6
Because I can expect my donation to be spent effectively	14.5
Because I do not have time to volunteer and instead would like donate	12.7
Because I would like to express my appreciation for my happy life	10.4

- **Foundations**

A recent report by The Japan Foundation Center indicates that there are 3,822 grant-making foundations in Japan (Japan Foundation Center, 2006). It should be noted that the number of foundations had risen rapidly, especially in the 1980's; more than half of the total were established after the 1980's and years after 1990 saw a steady decline in the number of foundations established in Japan. This downward trend is considered to be the result of the country's economic challenges.

¹⁹ Okuyama (2007).

Total of assets of all grant-making foundations is difficult to grasp, because not all foundations report their assets (Japan Foundation Center, 2006). Nonetheless, surveys regularly conducted by the Japan Foundation Center are great resources to understand the state of Japanese foundations. The total assets of the 644 grant-making foundations responding to the Center's 2006 survey totaled about JPY1.52 trillion (\$12.67 billion). Japan Foundation Center (2006) points out a large discrepancy of assets between US major foundations and Japanese counterparts. According its research, the combined assets of the 20 largest foundations in the United States is almost 31 times of the combined assets of Japan's 20 largest foundations. The difference in the data, however, can be explained because a new accounting system was introduced to public-interest corporations in 2006, which is expected to affect the evaluation of foundations' assets.

The total grant expenditures of the same 644 foundations amounted to about JPY 51.9 billion (\$0.43 billion). The Japan Foundation Center points out that the combined grant expenditures of the 20 largest foundations in the United States are almost 30 times of the combined expenditures of Japan's equivalent.

Japanese foundations are engaged in a wide variety of funding activities and their grant programs can be divided into three types: grant programs, scholarship programs and award programs. "Research grant" ranks first overpoweringly (452 out of a total of 1,450 programs), followed by "award" (162) and "project" (159), in the fields primarily of "science and technology" (438), "education" (400), "health and medical care" (221), "human service" (141) and "arts and culture" (134).

(b) Legal System for Charitable Giving

Under the tax reform of fiscal year of 2005, individual contributions to *Nintei* NPO corporations is tax deductible. The limitation of deductible out of the total annual income rose from 25% to 30% by 2005 tax reform, and the minimum amount of deduction was reduced from JPY10,000 (\$83.3) to JPY5,000 (\$41.7) in 2006. Corporate contributions to any type of nonprofit organizations is tax deductible, whereas another limit of deductible amount is applied to giving to specified public-interest promoting corporations (*Tokurei Koeki Zoshin Hojin*) and *Nintei* NPO corporations (Okuyama, 2007; Interview with Professor Yamauchi).

Despite such improvement made in legal system for charitable giving, serious challenges still exist in Japan. Currently, Japanese charitable law allows tax deduction only for a part of charitable donations for authorized *Nintei* NPO corporations, which total only 70 (as of July 2007, the website of National Tax Agency), would not support fundraisers' jobs.

Furthermore, the recent policy of the Act Concerning Protection of Personal Information, a new national private law, strictly protects consumer privacy in Japan and prohibits any businesses including nonprofits from using the personal data such as names and addresses without a prior consent of the principals. This seriously limits types of fundraising techniques cultivating individual donors, especially direct mail technique and prospect research. Prospect research information, such as WealthID, is not available in Japan.

Other issues include high mailing cost (about 75 cents per mailing piece/envelope). No discount rate is available for nonprofits' bulk mailing, either (Matsubara & Todoroki, 2003).

Koden, a monetary gift given to defray funeral costs, is the common practice among the Japanese (Smith et al., 1999) and some large nonprofits began raising *Koden* gifts. Yet, there are also many legal constraints to planned giving in Japan. Mr. Tatsuo Ota, President of The Japan Association of Charitable Organizations, underscores the current limitation of handling bequests

and charitable trusts to financial institutions that are primarily motivated by economic goals rather than the charitable reasons and this hinders development of philanthropy²⁰. Nonetheless, more and more NPO corporations began exploring bequest giving partly because currently, laws related to Law and Public-interest corporations are being revised simultaneously, which project possibilities of bequest and trust giving in Japan.

(c) Cultural and Religious Factors

Philanthropy and fundraising are deeply tied to cultural factors and personal interest. Despite a low degree of religious consciousness among Japanese people, Buddhism and Confucianism have shaped their tradition and cultural values, which, in turn, influences characteristics of their giving behaviors. A strong sense of duty of exchange etiquettes, respect for elders, and attitude of group orientation are among the underlying factors affecting their giving decisions. Thus, the Japanese are more likely to support individuals, organizations or communities they know in person, especially if asked by respected persons or family (Chao, 2001; Pettey, 2002; Smith et al, 1999; Tucker, 1998). The desire for harmony shapes the Japanese tendency to avoid confrontation (Pettey, 2002) and giving decisions (An interview with Katsumata, 2007).

As analyzed above, thus, the author posits in the two aspects of philanthropic market and cultural factors:

Premise 2a: The selection of fundraising techniques is affected by the condition of the philanthropic market. Since the majority of funding comes from corporations and foundations, proposal writing, a technique generally requested by corporations, is a common fundraising tool. Also, techniques to acquire individual donors and cultivate planned gifts may be limited.

Premise 2b: The selection of fundraising techniques is also affected by cultural factors. Common techniques are likely to have a personal touch and avoid a face-to-face conflict between fundraisers and donors.

Human Resource and Managerial Issues

Imada (2003b) attributes the reasons why NPO corporations have difficulties in fundraising to managerial issues, such as the lack of organizational capacity and insufficient human resources. Frost and Frost (1999) also point out that the dedication of trained, full-time fundraising staff is lacking in Japan. Thus, the author posits:

Premise 3: An organization employing a fundraiser is more actively practicing fundraising.

²⁰ An interview with Mr. Tatsuo Ota, President of The Japan Association of Charitable Organizations, see Onishi 2005.

Execution of Fundraising Cycle

The conceptual confusion, besides the gross lack of information and misleading data (Salamon & Anheier, 1996), is the most serious issue for comparative studies. Definitions of fundraising and charitable giving differ between Japan and the U.S. A charitable gift is defined as one-time giving in return for no goods or services (the websites of the Cabinet Office). Because a gift is not made repeatedly, fundraising does not need to manage the donor relationship. Because professional organizations and educational programs of fundraising are lacking in Japan (Frost & Frost, 1999; Onishi, 2004; Onishi, 2005), very few educational resources are available to inform Japanese fundraisers that fundraising is the cycle of various practices (fundraising cycle). Thus, the next premise is:

Premise 4: The fundraising cycle is not thoroughly executed. Since fundraising does not include maintenance of an ongoing relationship, stewardship is weak.

Professionalism of Japanese Fundraisers

In 1999, Frost and Frost concluded that fundraising as a profession was unknown in Japan. Almost five years later, the author's interviews discovered a very different outlook. Despite numerous challenges including challenging employment conditions and underdeveloped infrastructures, Japanese fundraisers are highly motivated. Hence, the author posits:

Premise 5: A reason for a difficulty in advancing fundraising is not from the lack of motivation of Japanese fundraisers. In fact, their motivation is high and there are signs of growing professionalism among Japanese fundraisers.

Methodology

The primary data for the present study were gathered from the surveys conducted with fundraisers²¹ in Japan and the U.S.²². Prior to the surveys, the author consulted with a wide range of interviewees representing major nonprofits, foundations, corporations, central and local governments, academic and research institutions, and media, in order to comprehend the state of Japan's nonprofit sector. This process helped the author design the survey questions in the way that Japanese NPO managers would more easily answer.

The first survey was conducted in Japan from October 2004 to December 2004. The survey instrument was constructed and mailed late October 2004 to the executive directors or fundraisers of 200 nonprofits throughout all 47 prefectures of Japan. 65 organizations responded

²¹ The present study uses *fundraisers* and *NPO managers* interchangeably, referring to those who are involved in fundraising practices in Japan, since for most of them, the responsibility is not solely fundraising, and thus, they often do not recognize themselves as fundraisers.

²² The project was carried out under our U.S.–Japan collaborative research system composed of Dr. Burlingame and Dr. Wagner and Japanese research committee members, as well as Tamaki Onishi, the investigator who plans and executes the research and author of the final report. Japanese research committee members include Mr. Yu Inoue at Bunka Hompo, Professor Yoichi Nakamura at Rikkyo University, Mr. Kyoichi Tanaka at Toyota Foundation, and Ms. Machiko Yamane at Non-Profit Organization Support Center for NPO Program Development. The author held a total of four meetings with these members.

(response rate of 32.5%). Of all responses, 62 (31%) turned out to be qualified for data analysis. Drawn randomly from the databases of the Japan NPO Center, Japan NGO Center for International Cooperation (JANIC), Environmental Restoration and Conservation Agency (ERCA), and Welfare and Medical Service Agency (WAM), the sample²³ included various corporations such as NPO corporations, Approved Specified Nonprofit organizations (hereafter *Nintei* NPO corporations), and unincorporated civic groups. Public-Interest corporations were excluded. The author proportioned the number of organizations sampled from each prefecture by the population. For instance, more organizations were included from the metropolitan areas than the rural areas. The sub-sectors of the sample organizations include environment, human services, international affairs, and arts and culture. The number of organizations from each sub-sector was proportioned as well²⁴.

In the U.S., two different surveys were conducted via Internet from October 2005 to March 2006²⁵: one survey asked 75 Japanese American fundraisers about their fundraising practices, working conditions, and challenges; and the other asked 202 non-Japanese American fundraisers, who have reached or are trying to reach Japanese funders, about their experiences with Japanese funders. Thirty-five Japanese American fundraisers responded (response rate of 46.7%.), whereas so did 50 of non-Japanese (response rate of 24.8%). The sample was drawn from the public directories and websites of Council for Advancement and Support of Education (CASE), educational institutions that have many Japanese students and alumni, Japan-related organizations, and IRC501 (c)(3) organizations located in New York and California, the areas that have the biggest Asian American populations according to *U.S. Census Annual Estimate* (as of July 1, 2004). The donor lists of Japanese corporations and foundations operated in the U.S. were consulted as well. The sub-sectors of the sample included higher education, arts and culture, international affairs, and human services.

Cross-national comparative research is also cross-cultural research when it comes to philanthropy. Therefore, anthropological techniques need to be employed to investigate factors affecting philanthropy, the roots of which may be so deeply engrained in the minds of the fundraisers in the study that they may not be conscious about them. Thus, interviews were conducted with Japanese fundraisers at meetings or via phone 2004 through April 2007. Thirty fundraisers of *Nintei* NPO corporations were selected, because these organizations are dependant upon charitable donations²⁶. The interview questions included topics ranging from fundraisers' previous work experiences to their challenges. Online-based interviews were conducted with fundraisers in the United States in order to investigate their experiences and challenges in working with Japanese funders.

According to Professor Naoto Yamauchi of Osaka University, the scholar representing Japan for the Johns Hopkins Comparative Nonprofit Sector Project, there had been no national survey on fundraising (Onishi, 2005). Also, most terms and concepts used for U.S. fundraising are not known in Japan. Hence, careful attention was paid to the design and wording of the questionnaires²⁷. For instance, instead of asking Japanese nonprofit managers if they “are doing

²³ The organizations that rely heavily upon the other revenue sources, such as government contracts and fee for service, were excluded as well. The representatives from the organizations such as JANIC and WAM reviewed our sample to check if it reflects the national data so that our survey could produce unbiased data.

²⁴ For instance, Health and Welfare organizations share 50% out of all nonprofit organizations in Japan; hence more of Health and Welfare organizations are included in the sample than other types of organizations.

²⁵ The URL was e-mailed to the identified fundraisers early October 2005.

²⁶ The author wishes to express a deep appreciation to Mr. Akira Matsubara and Ms. Ayumi Suzuki at the Coalition for Legislation to Support Citizens' Organizations for their help during the interview processes in Japan.

²⁷ The author wishes to express a deep appreciation to Professor Naoto Yamauchi at Osaka University and Japanese research

fundraising,” the author broke down each practice and asked if they carried it out. While U.S. fundraising model was the model, the unique cultural practices in Japan, such as “via word of mouth,” were incorporated. The questions also needed to be as simple as possible to make the process easier for Japanese fundraisers. Focusing on the main purpose of the study, the surveys intentionally excluded questions related the revenue raised against the techniques employed. The results were, in general, based on the number of the respondents who utilize each technique.

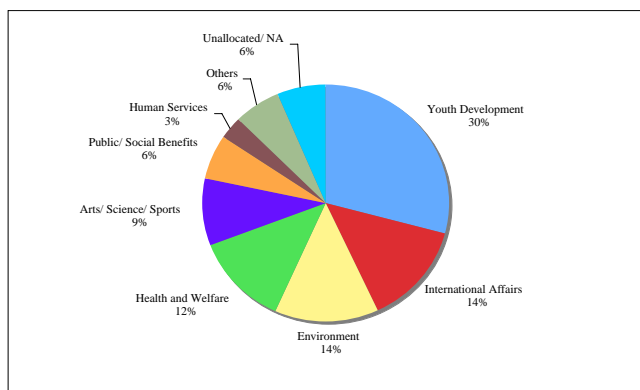
Outcomes: Results and Analysis

Characteristics of Organizations and Fundraisers in Japan

With respect to the incorporate status, NPO corporations belong to the largest group in the sample of the Japan-based survey (34 responses). The second largest group is composed of unincorporated civic groups (26 responses). There is one *Nintei* NPO corporation and one “other.” Regarding geographical areas, three organizations are located in the Sapporo and Sendai Metropolitan areas, 24 in the Kanto Metropolitan area, four in the Chubu Metropolitan area, five in the Kansai Metropolitan area, and two in the Kyusyu Metropolitan area. Twenty-four respondents are located in other areas. Compared to statistics by the Cabinet Office, this sampling appears well-proportioned, thus the data are considered adequate for analysis. The primary activities of the Japanese organizations²⁸ are child welfare (39 organizations), education²⁹ (30 organizations) and social and community development (29 organizations) (GRAPH 3)

35 organizations use fundraisers (45.7% of the civic groups and 48.6% of NPO corporations). The fundraisers’ employment status and positions include in-house/full-time (40%), part-time board (28.6%), and full-time board (25.7%). 71.4% of the survey participants have previous work experience (the median 5 years and average 5.9 years). 11.4% have over 10 years of experiences prior to the current positions.

GRAPH 3) Survey participants by sub-sectors in Japan



committee members for their advice on the design of a Japan-based survey.

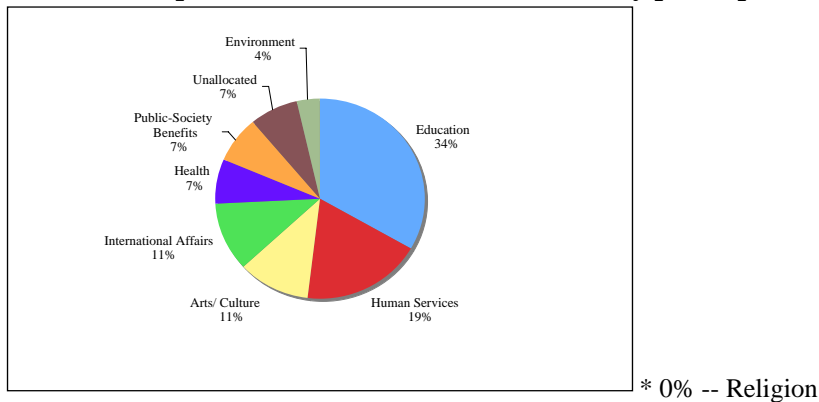
²⁸ NPOs in Japan specify more than one mission-related activity in the registrations with the governments, thus there is some overlap of activities among organizations. Hence, the author chose to use the number of organizations, instead of percentage.

²⁹ It should be noted that these organizations are not the same as the U.S. educational institutions such as universities.

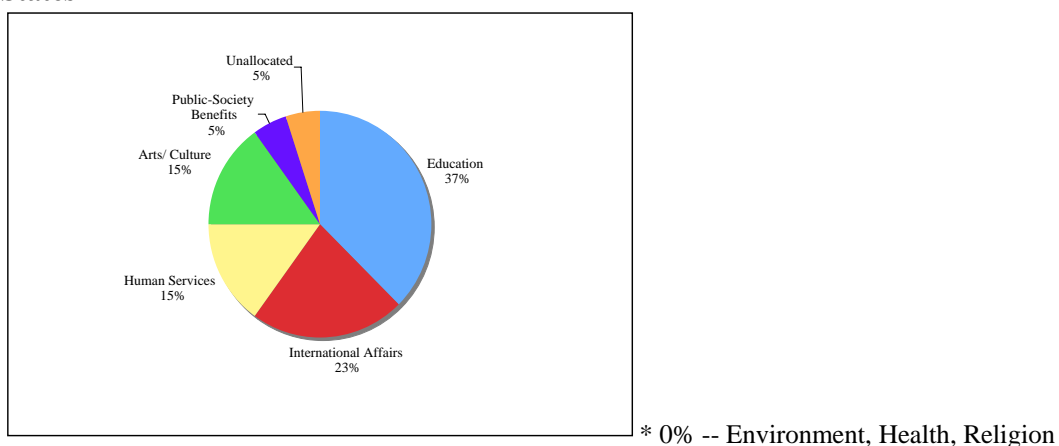
Characteristics of Organizations and Fundraisers in The United Stats

Of the respondents of the U.S.-based surveys, the majority of both Japanese American and non-Japanese American fundraisers are in-house staff members (96% of non-Japanese Americans and 85.7% of Japanese American). Regarding geographical areas, New York has the largest number (7 Japanese American fundraisers and 11 non-Japanese American fundraisers), followed by Hawaii (7 Japanese American fundraisers and 3 non-Japanese American fundraisers), San Francisco (4 Japanese American fundraisers and 5 non-Japanese American fundraisers) and Los Angeles (3 Japanese American fundraisers and 5 non-Japanese American fundraisers). Boston comes next, because of the high number of educational institutions that have worked with Japanese funders. Educational organizations are the majority in both groups (29.4% of all Japanese American respondents and 34%, non-Japanese Americans), followed by health organizations among Japanese American respondents (17.65%) and international affairs among non-Japanese American fundraisers (24%) (GRAPHS 4 and 5).

GRAPH 4) Japanese American fundraisers: Survey participants by sub-sectors in the United States



GRAPH 5) Non-Japanese American fundraisers: Survey participants by Sub-sectors in the United States



Among the Japanese American fundraisers, the majority are third generation (51.5%). 12.1% identified themselves as the first generation or the fourth generation. There were no

second generation Japanese Americans, whereas 24.2% of the respondents identified themselves as “other.” With respect to the Japanese composition of the donor group, 51.72% of Japanese American fundraisers work with almost no Japanese donors, whereas 13.79% work for the donor groups composed of almost all Japanese.

Results to Premise 1) Various Fundraising Techniques are Applied in Japan

The survey results (TABLE 5) support the author’s premise, determining that contrary to critiques’ opinions, various fundraising techniques are being employed in Japan as are in the U.S.

TABLE 5) A comparison of fundraising techniques employed in Japan and the U.S.

Fundraising Techniques	Japanese NPOs*		U.S. NPOs*	
	All Japanese NPOs	Japanese NPOs hiring a fundraiser	Japanese American fundraiser**	Non-Japanese American fundraiser**
Proposal writing	84.6%	97.1%	96.8%	93.1%
Via word of month	38.5	45.7	-	-
E-philanthropy	28.7	42.9	77.4	51.0
Personal face-to-face meeting with a donor	26.2	42.9	96.8	96.6
Personal phone call solicitation	26.2	37.1	87.1	93.1
Public Service Announcement	26.2	37.1	41.9	41.4
Presentation to a corporate donor	24.6	34.3	90.3	97.0
Personalized letter	16.9	22.9	80.7	97.0
Capital campaigns	15.4	22.9	64.5	75.9
Collection box	13.8	22.9	29.0	31.0
In-kind donation	13.8	20	96.8	82.8
Special events	13.8	20	93.6	100.0
Impersonal letter/ direct mail appeal	12.3	17.1	87.1	86.2
Cause-related marketing	7.7	14.3	67.7	51.7
Door-to-door/ Street solicitation	6.2	11.4	3.2	3.5
Corporate sponsorship	3.1	5.7	90.3	100.0
Media advertisement appeal	2.3	2.9	32.3	20.7

* The figure means the percentage of the survey participants who answered that they have used a technique.

** The questionnaire for fundraisers in the U.S. asked the frequency (“Often,” “Sometimes,” “Rarely,” and “Never.”), whereas survey participants in Japan were asked “yes” or “no” questions only for the sake of simplicity of the question, keeping in mind that Japanese managers often are not familiar with fundraising concepts. The figures of U.S. participants include the responses of “Often,” “Sometimes,” and “Rarely.”

Results to Premise 2) Types of fundraising techniques employed by Japanese fundraisers

A closer look at each technique, however, shows a very different outlook between Japanese and U.S. fundraisers. As the author posits the premise, Japanese fundraisers rely heavily upon proposal writing (84.6% of all Japanese survey respondents and 97.1% of the

organizations hiring fundraisers). Most other techniques are utilized only by fewer than one-third of the respondents unless organizations employ fundraisers. This implies that although overall techniques are being applied in Japan, the application of each fundraising tool is skewed.

(a) To Premise 2a) A Reflection of The Current Condition of The Philanthropic Market on The Selection of Fundraising Techniques

A heavy reliance on proposal writing may mirror the current condition of the Japanese philanthropic market, since much funding comes from government, foundations and corporations/corporate foundations that usually request grant proposals.

Techniques to expand a donor base, such as direct mail and special events, are not actively employed in Japan. Compared to results from Japanese American respondents (93.6%) and non-Japanese Americans (100%), only 13.8% of Japanese respondents (20% with fundraisers) use special events. Impersonal letter/direct mail appeal is also less common (12.3% of all Japanese respondents and 17.1% with fundraisers). This result may be a response to the recent policy of the Act Concerning Protection of Personal Information. As prospect research information is not available and mailing cost is high, direct mail appeal is becoming more difficult to implement in Japan. Nonetheless, some NGO fundraisers are still successful to carry out DM campaigns.

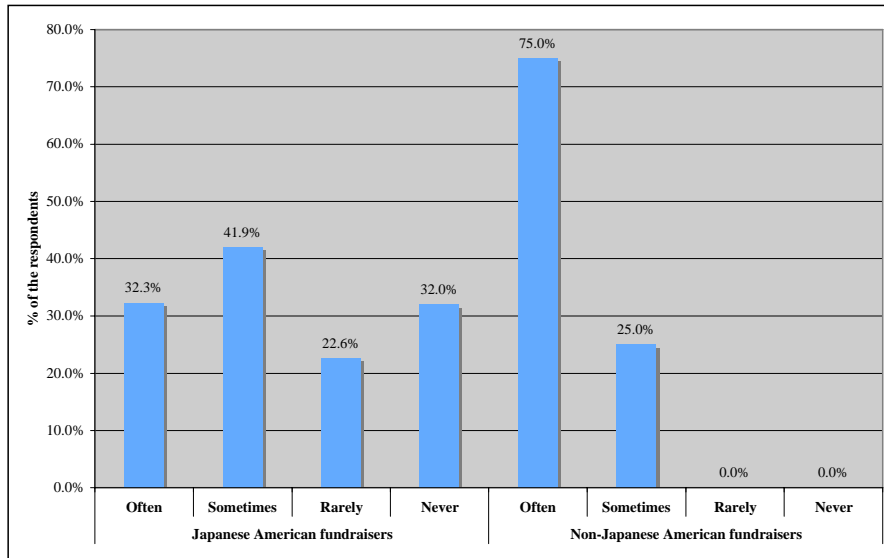
The relatively active use of E-philanthropy reflects the fact that many nonprofits have set up their websites or joined online giving sites. Japanese fundraisers appear much more comfortable and positive in using the Internet for solicitation, since they can avoid face-to-face solicitations with donors.

(b) To Premise 2b) Cultural Influences in The Selection of Fundraising Techniques

Major gifts techniques are considered the most effective among U.S. fundraisers (All time highest reported success rate is 88.7%, see *Philanthropic Giving Index [PGI]*). However, major gifts solicitations, such as a face-to-face meeting (26.2% of all respondents and 42.9% with fundraisers), personal phone call (26.2%, 37.1% respectively), and personalized letter (16.9%, 22.9% respectively), are not as actively employed in Japan. Most of those who answered they use the major gifts techniques work for western-headquartered NGOs so that they are much more familiar with personal solicitation practices.

On the contrary, results from non-Japanese Americans correspond well with the PGI data overall. Major gifts fundraising is their most common technique, besides corporate sponsorship (100%) and special events (100%).

GRAPH 6) The Use of “Personal Face-to-Face Meeting” technique by Japanese American and Non-Japanese American Fundraisers.



However, when compared to results from non-Japanese Americans, Japanese-American fundraisers appear relatively less active in applying major gifts techniques (87.1% use personal phone call and 80.7% use personalized letter). Furthermore, breaking down their response about face-to-face meeting by frequency confirms that Japanese-American fundraisers employ this technique much less frequently (GRAPH 6). The fact that both groups are working under the same legal and societal systems suggests that the selection of fundraising techniques is affected by cultural factors more than the external factors. Japanese American fundraisers are facing cultural and social gaps to overcome. In fact, 54.2% of Japanese American survey respondents answered, “I am deeply attached to Japanese culture.” It should also be noted that a total of 73.7% of the Japanese American participants work with “almost all non-Japanese” or “more than half non-Japanese.”

In general, major gifts techniques require direct solicitation of prospective donors. This can lead to confrontations and the situation of “losing face,” if the negotiations become complicating and prospects reject fundraisers’ requests. Some Japanese fundraisers expressed a fear of rejection and a concern if a “direct ask” may cause unease in donors and completely destroy the relationship with them (Onishi, 2005). A fundraiser at Hunger Free World (HFW), a Japan-headquartered NGO known as one of the most active for fundraising in Japan, said their donors do not appreciate face-to-face solicitation since they are not used to such an approach. Because donors prefer an “impersonal way of making a donation, such as Internet”³⁰, HFW’s strategy to expand their donor base primarily addresses indirect solicitations. The experiences convince HFW fundraisers that less pressuring of donors, especially prospective ones, works much more effectively and ends up motivating them to donate more. This corresponds with the unique attitude of Japanese Americans who “developed at their pace” (Kitano, 1976, see Pettey, 2002, p. 30).

The tendency to avoid direct solicitation is also true among Japanese-American

³⁰ An interview with Hunger Free World, see Onishi 2005.

fundraisers. Although a face-to-face meeting is considered the most effective fundraising technique among many Japanese American respondents (45.2%), only 32% “often” use this, in contrast with as many as 75% of non-Japanese Americans who often use it. Newman (2002) points out “Asian Americans might consider face-to-face meetings rude or inappropriate, as they tend to take fundraising personally and don’t want to lose face” (p. 86)³¹. The survey also reveals that Japanese American survey participants pointed out “an awkwardness of talking about money” (35.7%), tied with “insufficient budget to execute fundraising campaigns,” as the biggest personal challenge in fundraising with Japanese funders.

The second most common fundraising tool in Japan turns out to be “via word of month” (38.5% of all respondents and 45.7% of the organizations with fundraises). Japanese fundraisers appear much more comfortable with employing an informal technique. Since giving to NPO corporations is still new in Japan, solicitation by unfamiliar organizations may cause grave discomfort to Japanese people, thus a strategy addressing their personal relationships appears highly effective. Chao (1999) underscores the similar attitude among Asian Americans: “successful fundraising efforts (with Asian Americans) require a ‘personal’ touch”. The most effective fundraising appeal is the personal ‘ask’ from a well-respected friend or family members” (p.193) since “informal giving practices are common among Asian American” (p. 198).

Results to Premise 3) A Positive Impact Made By Having A Fundraiser on The Application of Fundraising Techniques

TABLE 5 proposes that hiring a fundraiser has a positive impact on the application of overall techniques. The major gifts techniques that often demand much time and effort are particularly affected. The application of face-to-face meeting technique increases from 26.2% to 42.9%, if an organization has a fundraiser.

However, the reality hinders Japan’s NPO corporations from hiring fundraisers. TABLE 6 shows that the biggest problem that Japanese NPOs/NGOs are experiencing is insufficient budget to initiate fundraising programs (41.5%). 33.8% stated they are too busy with managing programs and business and can’t engage in fundraising. On the other hand, we remember that Japanese fundraisers are not efficiently doing their work due to limited staff. This situation forms a vicious circle – Organizations don’t have enough money to secure staff.

³¹ However, the author’s survey found only 7.14% of Japanese American respondents chose the answer of “a fear of rejection/losing face” and 10.71%, of “face cultural/language gaps with non-Japanese donors” as the major personal challenge. There appears to be no correlation between the generation, experiences and a donor profile. This area needs further research possibly by anthropology method such as in-person interviews.

TABLE 6) Challenges that NPOs/NGOs are facing in Japan

Reasons Why NPO Managers Do Not Employ Fundraising	Yes (Multiple-choice)
Do not have enough budget to execute fundraising campaigns	41.5%
Too busy for providing program services to do fundraising	33.8
Do not know how to raise fund at all	15.4
Can not find qualified fundraising staff	13.8
Do not have any problems	13.8
Reluctant to raise funds as Japan's tax regulation requires an NPO corporation to pay income tax on charitable donations	10.8
Other	7.7
Do not think fundraising is necessary	0 %
No Answer	16.9

Results to Premise 4) Implementation of Fundraising Cycle

Neither comprehensive educational programs nor professional associations for fundraising appear to exist in Japan (Frost & Frost, 1999; Onishi, 2005). Without sufficient educational resources, the concept of the fundraising cycle has not been widely introduced, although Japanese fundraisers may have learned it from their own experiences. The author investigated how much the fundraising cycle was implemented, particularly at the marketing/preparation stage and the stewardship stage. To do so, each practice was broken down and asked in a simple manner such as “are you sending an acknowledgement within a week of a gift’s arrival?” (for stewardship) and “are you nominating a volunteer to lead a campaign?” (for marketing/preparation).

(a) Execution of the Fundraising Cycle: At The Marketing/Preparation Stage

The data on TABLE 7 illustrate Japanese nonprofits’ weak execution of fundraising cycle for marketing/preparation, as compared to Japanese American fundraisers. However, hiring a fundraiser helps more in actively implementing the marketing process. Only 10.7% of Japanese nonprofits recruit volunteer leadership. While the figure increases up to 34.3% if an organization has a fundraiser, it is still lower than that of Japanese American respondents (40.0%). Interviews with Japanese fundraisers as well as the survey results suggest two main reasons exist: (1) volunteer recruitment is not considered important for fundraising and/or (2) Japan’s nonprofits do not have enough capacity to recruit and manage volunteers.

TABLE 7) Execution of the marketing/preparation

	Japanese NPOs without a fundraiser	Japanese NPOs with a fundraiser	Japanese American fundraiser
Conduct marketing research	10.7%	14.3%	26.7%
Create a fundraising campaign schedule in advance	39.3	57.1	73.3
Nominate a volunteer to lead a fundraising campaign	14.3	34.3	40.0
Assemble a volunteer fundraising team	7.1	31.4	50.0
We do not prepare for campaign(s)	14.3	2.9	20.0
Other	N/A	5.7	13.3

* As the questions were designed for multiple-answer, the total is not equal to 100.

(b) Execution of the Fundraising Cycle: At The Stewardships Stage

The results in TABLE 8, too, support the author's premise about weak stewardship in Japan. Stewardship is often not considered as part of fundraising. Only 35.7% of Japanese respondents informed donors about the use of their donations. Neither are acknowledgements mailed in a timely fashion (25% "send it promptly"), nor are they viewed as an effective way to build a strong donor relationship (21.4% "send a thank-you letter in addition to a receipt"). 35.7% said they are maintaining the accurate information about donors.

This may be a result from different terminology of charitable giving between the US and Japan. As in Japan, charitable gifts are not made as repeatedly as an annual giving in the US, and fundraisers may not be aware of the need for donor-relationship management and stewardship.

TABLE 8) Execution of the stewardship

	Japanese NPOs without a fundraiser	Japanese NPOs with a fundraiser
Send an acknowledgement promptly	25.0%	37.1%
Send a donor a thank-you letter in addition to a receipt	21.4	60.0
Inform a donor how the donations have been spent	35.7	65.7
Maintain the accuracy of the donor information	28.6	48.6
Make efforts to build a strong relationship with donors	35.7	62.9
Offer various programs to encourage donors to renew	7.1	34.3

* As the questions were designed for multiple-answer, the total is not equal to 100.

Results To Premise 5: An Emerging Professionalization Among Japanese Fundraisers

The survey also found that Japanese nonprofit managers are highly motivated in their fundraising work (TABLES 9 and 10). About 80% of Japanese respondents answered that their work is valued or highly valued within their organizations. 54.3% are greatly satisfied with their work. Their high satisfaction becomes even clearer when compared to Japanese-American fundraisers.

Western researchers suggest the first sign of emerging professionalism is paid work

(Cutlip, 1965). Given this, the data indicate that professionalism has begun growing among Japanese fundraisers. Many respondents hold paid positions, although most of them are not full-time fundraisers. However, the author will attribute the professionalism of Japanese fundraisers to their commitment to their work, which has been dramatically strengthened for the last couple of years.

TABLE 9) Comparison between Japanese fundraisers and Japanese-American fundraisers: “How do you feel your fundraising work is recognized in your organization?”

Recognition level	Japanese fundraiser	Japanese American fundraiser
Highly valued	28.6%	20.8%
Valued	51.4	54.2
Not valued very much	2.9	12.5
Not valued at all	2.9	4.2
I don't know	8.6	0
No Answer	5.7	8.3

TABLE 10) Comparison between Japanese fundraisers and Japanese-American fundraisers: “Are you satisfied with the current fundraising job?”

Satisfaction level	Japanese fundraiser	Japanese American fundraiser
Greatly satisfied	54.3%	12.5%
Satisfied	31.4	37.5
Not satisfied very much	5.7	33.3
Not satisfied at all	0	8.3
No Answer	8.6	8.3

DEVELOPMENT SUGGESTIONS OF FUNDRAISING IN JAPAN

A Sign of Advancement of Fundraising in Japan

Through original data collected via surveys of a comparative study designed with a U.S. model a baseline, the author found evidence showing a much wider application of various fundraising techniques than presumed by critics. The study also confirms a distinct sign of the advancement of fundraising in Japan.

Unique Fundraising Strategies Identified Via Surveys/Interviews in Japan

Despite A limited philanthropic market and unfriendly legal systems, Japanese fundraisers have been designing and implementing unique fundraising strategies that are better applicable to Japanese donors. Through over 2-years of surveys and interviews with Japanese fundraisers, the author has found the following strategies as successful examples (TABLE 11).

Career and Professionalism Advancement of Japanese Fundraisers

Fundraisers in Japan are highly motivated and there is a sign of growing professionalism of fundraisers as well. The last couple of years in particular have seen the strengthened commitment of Japanese fundraisers toward their careers. They do not remain pessimistic about the current undesirable social system for nonprofits and charitable giving. This shift appears to positively affect their practices. A head of Bridge Asia Japan, a major NGO that had been long dependant upon funding from the government and international organizations such as the United Nations High Commissioner for Refugees, said she finally acquired a major donor through her almost three years of cultivation efforts. She did not know the donor personally: the donor was identified through her research of *Nikkei Newspaper*³². Today's Japanese fundraisers also have begun taking their work seriously as a career. Mr. Masami Iwafune, a fundraiser of Shanti Volunteer Association (SVA), earned an MBA degree with research focused on marketing applied to his organization when doing his fieldwork in Thailand³³.

³² An interview with Ms. Etsuko Nemoto, President and CEO of Bridge Asia Japan, was conducted on March 16th 2007.

³³ An interview with Mr. Masami Iwafune of SVA was conducted on March 16th 2007.

TABLE 11) Some strategies currently carried out by Japanese fundraisers

Strategy	Examples
Launching a campaign	<ul style="list-style-type: none"> ● Capital campaign to establish an endowment, schools, or a garden of apple trees. The Japanese tends to give more for a specific campaign, which helps them know a possible outcome of their giving (fundraisers at NGOs and community development NPO). ● Summer and Winter charity campaign via DM with telephone follow-up.
Support from corporation and government	<ul style="list-style-type: none"> ● These days, corporations and governments tend to support NPOs more in a case of a partnership project carried out together with a nonprofit (a fundraiser at youth NPO). ● Partnership campaigns with major business associations such as <i>Keidanren</i> and local governments are extremely helpful to solicit corporations. ● “Used/Disused Article Collection” campaigns are easier to receive tangible or intangible support from corporations, Co-op centers, and labor unions. They allow us to insert our in-kind gift campaign fliers free of charge in their regular newsletters distributed to their members. We often conduct a “Used Post Card Collection Campaign,” by which we raise about JPY18 million a year (a fundraiser at NGO). ● Cause-relater marketing. ● “Click Online Donation” – Corporations give us JPY1 each time an audience clicks their online advertisement linked to our website. All we need to do is to set a link between our homepage and the company’s. Low cost and low labor. Still, we raise about JPY200,000 – 300,000 per month (a fundraiser of NGO). ● A corporation gives better, if they are solicited by a management of NPO.
Major gifts from individuals	<ul style="list-style-type: none"> ● Individual donors support because of their “religious interest” or “wish to leave a legacy.” ● We ask officers of our corporate donors to allow us to solicit their employees (a fundraiser at NGO).
Annual giving	<ul style="list-style-type: none"> ● DM is still effective to raise small annual gifts (a fundraiser at NGO). ● Collaboration with owners in a local shopping district is helpful to access people in a local community. ● Internet charity portal is useful. I see the number of internet gifts increasing (a fundraiser at NGO).
Donor acquisition	<ul style="list-style-type: none"> ● We hold seminars about our organization and programs twice a month (a fundraiser at NGO). ● Publicity Service Announcement in newspapers is very effective to enhance our image (a fundraiser at an environmental NPO). ● Cultivations via personal post cards (a fundraiser at NGO). ● Women in their 20s and 30s are the most interested in supporting charity (a fundraiser at an environmental NPO).

Areas Needed to Develop

Management Issues: Critical Need to Develop Philanthropic Culture in Japan

The study's overall findings imply that the underlying reason for the conclusion by Economic Planning Agency (2000) is resultant from the weak organizational capacity and support systems such as insufficient educational opportunities and professional network, rather than the lack of fundraisers' motivation. It turns out many Japanese fundraisers know various techniques to some degree and try to implement all. However, they are often not aware of the importance of teamwork and the whole systematic process of fundraising cycle. Since most fundraisers are carrying many other responsibilities, they are simply overwhelmed by managing fundraising alone. As the survey results prove, if an organization hires somebody who can dedicate much time to fundraising, the application of fundraising is significantly improved.

As a result, the stewardship process is left out. Nonetheless, Japanese fundraisers must execute stewardship thoroughly. Chao (1999) underscores that the visible acknowledgement tailored to different levels of giving is highly important to Asian donors. Above all, because the market of Japanese individual donors is currently limited, fostering donors' trust and loyalty to educate them to become long-term supporters is much more important than launching many acquisition campaigns to always seek new donors. *White Paper* by Economic Planning Agency (2000) identified that among the reasons why the Japanese did not contribute was very little information available about how their donations were used. This implies that stewardship informing donors about the usage of their contributions would urge more individual giving in Japan. Offering more educational programs to enhance the understanding about the principle of fundraising among fundraisers as well as the public is critical to improve their practice.

In addition to such managerial issues, the surveys and in-person interviews with Japanese fundraisers also reveal insights to many challenges to individual fundraisers, which in turn help us identify development strategies (TABLE 12). This section discusses these challenges and suggests possible strategies to advance fundraising in Japan.

TABLE 12) Personal challenges of Japanese fundraisers (Multiple-choice)

Challenges	%
Do not have enough staff to work with	48.6
Can not find qualified staff to work with	25.7
Do not know how to raise fund at all	17.1
The public and funders have a negative image of fundraising	17.1
Lack support and networking opportunities with other fundraisers	14.3
Lack educational opportunities	14.3
Do not have enough budget to manage campaigns	14.3
Management/ colleagues do not have enough understanding about fundraising	2.9
Other	8.6
No Answer	20.0

Training Issues: Need of Education about Fundraising

Major problems include a lack of available information about fundraising (17.1%). The author's in-person interviews underscore that Japanese fundraisers were lacking fundraising-related training, seminars and publications, and all interviewees stressed an urgent need for educational opportunities of fundraising.

“Please provide publications and seminars about fundraising” (A fundraiser at an environmental NGO)

“I would definitely like to learn how NGOs are raising fund in the United States” (Fundraisers at NGOs)

“The questionnaire of the survey itself was very helpful to understand various fundraising techniques. I will share this with my colleagues and develop fundraising strategies. This sort of information is highly appreciated” (A fundraiser at a youth organization)

Training issues lead to underdevelopment of human capital of fundraisers. TABLE 7 shows that 48.6% of the survey participants do not have enough staff to work with and 25.7% complain about difficulty in finding qualified fundraising staff. These findings respond to the result by the Japan Institute for Labour Policy and Training's study (2004), suggesting that NPO corporations seeking those who are good at fundraising “the most urgently.”

As mentioned previously, Japanese NPO corporations do not actively involve volunteers, either. This situation becomes even more noticeable, if compared to fundraising practices in the United States. While 50% of Japanese American fundraisers participating in the survey assemble a volunteer fundraising team, only 7.1% of Japanese NPO corporations do so (This number increases to 31.4% if they hire fundraisers.). 14.3% of Japanese NPO corporations without fundraisers and 34.3% of those with fundraisers nominate a volunteer to lead a fundraising campaign, whereas as much as 40% of Japanese American fundraisers do this.

Support Issues: Need of Professional Associations and Networks of Fundraisers

In the 1999 publication, Frost and Frost stated that there were no professional fundraising associations in Japan. Since then, the situation has remained almost the same. During in-person interviews, Japanese fundraisers, particularly those who are experienced, stressed a critical need for professional associations and networking opportunities with other fundraisers:

“I have heard fundraising is regarded as profession and there are professional organizations in the United States. I think it is very important for us to know how US fundraisers practice and what training programs are available for them” (a fundraiser at a community fund for youth programs).

Sharing experiences with fellow fundraisers, as many underscore, would be emotional as well as practical support for Japanese fundraisers, because they often struggle from working alone without enough guidance of fundraising and fundraising as a job is not widely acknowledged.

Public Perception Issues: Need of Advocacy and Donor Education To Enhance an Understanding about Fundraising and Charitable Giving

A negative image of fundraising (17.1%) is found to be one of the major challenges against fundraisers in Japan. A Report by Central Community Chest (2003) cites fundraising as a “forceful act of asking for money in Japan.” The negative image usually originates from perceiving fundraising as a mere act of asking for money. Thus, educating the public about the principle of fundraising is critical.

In addition, the author’s extensive interviews with the NPO sector’s leaders, media and scholars indicate many people have somehow viewed fundraising soliciting charitable giving as “an old-fashioned method,” whereas earned-income activities are more “strategic.” Some interviewees said that today’s NPOs should address “business-like” style of launching ventures, instead of seeking charitable giving. What is missing here is that as social-purposed organizations, NPO corporations still need charitable gifts to count on to offset costs.

What AFP Can Do?

Today, Japanese fundraisers are struggling to raise fund without enough support. The interviews with thought-leaders of Japan’s NPO sector suggest that the existence of fundraising professional associations and training schools is not known in Japan. Nonetheless, almost all fundraisers whom the author interviewed stressed that training programs and manuals, professional associations, and networks of fundraisers would tremendously help them raise fund. Given the limited individual giving and stringent legislations limiting their fundraising activities, Japanese fundraisers need emotional support. Also, low public recognition of the importance of fundraising work challenges fundraisers and makes them feel very timid in communication with funders.

The last couple of years have seen a dramatic development of the fundraisers’ community in Japan: The terms “fundraiser” and “fundraising” began appearing in media; Japan’s major media, such as *Yomiuri Newspaper*, has published special articles about fundraisers; the number of seminars and workshops is increasing; and the governments such as Ministry of Foreign Affairs began publishing reports and coordinating seminars. Such advancement suggests a critical role that US major associations for fundraising, such as AFP, can play in near future.

SUGGESTIONS FOR AMERICAN FUNDRAISERS WORKING WITH JAPANESE FUNDERS

There are numerous strategies for American fundraisers when they attempt to enter the philanthropic market of Japan. This section is to review the survey and interview results from American fundraisers and to discuss guidance of effective fundraising strategies for Japanese funders.

Challenges of American Fundraisers to Raise Support from Japanese Funders

Among American fundraisers who have solicited support from Japanese funders, 46.7% also regard “limited information available about Japanese philanthropy” as the biggest problem (TABLE 13).

TABLE 13) Personal challenges of American fundraisers working with Japanese funders

Challenges	%
Limited information available about Japanese philanthropy	46.7%
Cultural gap	40.0
Different tax and legal systems when soliciting Japanese funders across the national border	33.3
Language gap	30.0
An awkwardness that Japanese funders exhibit when talking about money	23.3
Don't have any challenges in working with Japanese funders	10.0
Other	33.3

Information Access Issues: A Lack of Information About Japanese Funders

Limited information about Japanese funders hinders American fundraisers from fundraising with Japanese sources. It turned out that 36.4% of American fundraisers participating in the survey ended up not soliciting Japanese funders. TABLE 14 indicates that the major reasons are because they had no access to information about Japanese funders (53.3%), whereas only 13.3% do not think it is necessary to seek Japanese funding.

TABLE 14) Reasons for not having solicited Japanese funders

Reasons	Yes (Multiple-choice)
No information available about Japanese philanthropy	53.3%
Do not have a connection to reach Japanese funders	53.3
Do not know how to cultivate Japanese funders	46.7
No need to solicit support from Japanese funders	13.3
Other	26.7

Several American fundraisers stated that databases, periodicals/newsletters, and foundation centers would be extremely helpful to obtain information about Japanese prospects:

“Data base with contact information for Japanese funders, including funding preferences, etc.” (A fundraiser at a human service organization in Connecticut)

“A Chronicle of Philanthropy like publication in Japan. I think that there is a lot of philanthropy going on and it just is not publicized because culturally Japanese corporations don't like to toot their own horn. A neutral publication dedicated to promoting philanthropy in Japan could act as a catalyst for more philanthropy I think.” (A fundraiser at an “other” type of organization in San Francisco)

“Japan needs the equivalent of the Foundation Center in the US, where you can do research on those giving to what, and at what level. This needs to be accessible internationally in Japanese and available in English.” (A fundraiser at an international organization in New York)

The recent years have seen a dramatic development of resources about Japanese philanthropy. While most sources are written in Japanese only, some are available in English. American fundraisers who are interested in prospecting Japanese funders are encouraged to check out the following English-written sites (TABLE 14):

Cultural Issues: Difficulty To Understand Unique Philanthropic Behaviors of Japanese Funders

Their second biggest challenge is a “cultural gap” (40.0%). American fundraisers pointed out the cultural variances via their interviews as well. Critical communication and cultural gaps exist between U.S. nonprofits and Japanese funders:

“Differing attitudes toward philanthropy” (a fundraiser at a cultural organization in New York)

“The Japanese culture is very different than US and requires a deeper knowledge of the Japanese hierarchy, so it is more time consuming than an American approach would be and requires different diplomacy” (a fundraiser at an arts organization in New York)

Cultural factors also mean a wide range of factors, including particular behaviors of Japanese funders, who may not give clear yes/no answers since it is considered impolite in Japanese culture. Yet, such Japanese typical style of expression can confuse and frustrate American fundraisers:

“Japanese funders don't get any responses from efforts” (a fundraiser at a cultural organization in New York)

“Educating Japanese prospective funders about the benefits of developing a giving plan, so they have funds designated for philanthropy, have causes that align with their business, and have a comfortable and consistent reason to say ‘No’ or ‘Yes.’ In my experience, many Japanese funders shy away from donations or shy away from public acknowledgement of

their donations because they don't want to be 'flooded' by requests and have to say 'No.'” (a fundraiser at an international organization in Los Angeles)

Given critical communication gaps exist between U.S. nonprofits and Japanese funders, American fundraisers are realizing a need of “*to be more sensitive to Japanese cultural difference - particularly in money discussion,*” or even “*having someone on staff who knows how to deal with the cultural nuance would improve donor relations.*”

TABLE 14) Main resources and databases about Japanese funders

Organization	Source	Note
General		
The Japan Association of Charitable Organizations	Homepage (http://www.kohokyo.or.jp/english/eng_index.html)	● English-published source about tax treatment an charitable organizations in Japan
	“JACO members” (http://www.kohokyo.or.jp/english/eng_04/links_eng.html)	● English-published list of many Japanese funders
Japan Foundation Center ³⁴	Homepage (http://www.jfc.or.jp/eibun/index.html)	● English-published source about Japanese foundations’ giving data and trend.
	“Links of Japanese Grant-Making Foundations” (http://www.jfc.or.jp/eibun/index.html)	● English-published list of many Japanese foundations
Support by Businesses		
Japan Business Federation “Nippon Keidanren”	Homepage (http://www.keidanren.or.jp/english/profile/index.html)	<ul style="list-style-type: none"> ● English-published source about trend of Japanese major business corporations. ● The federation has a dedicated program of corporate giving (http://www.keidanren.or.jp/japanese/profile/1p-club/index.html) and a list of Japanese corporations regarding their philanthropy (http://www.keidanren.or.jp/japanese/profile/1p-club/link-kigyo.html, but these sites are only in Japanese ● The website provides links to other useful sources (http://www.keidanren.or.jp/english/profile/links.html) and
	“Council for Better Corporate Citizenship” (http://www.keidanren.or.jp/CBCC/english/profile/index.html)	● English-published source about trend of CSR by Japanese major business corporations
Support for the Arts		
Association for Corporate Support of the Arts “Japan Kigyo Mecenat Kyogikai”	Homepage (http://www.mecenat.or.jp/english/e_index.html)	● English-published source about Japanese corporate support for the arts.
	“Mecenavi” (http://www.mecenavi.info/2007/)	● Database of Japanese corporations who support the arts (Japanese only)
Support for the environment		
Global Environment Information Centre	Homepage and “Funding Opportunities” (http://geic.hq.unu.edu/index.cfm)	● English-published source about new trends and programs for environmental causes in Japan

³⁴ This is Japan’s equivalent of US Foundation Center.

		● On the left hand side, there is a section of “Funding Opportunities”
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Tips for American Fundraisers

Look for “Familiar” Techniques of Japanese Funders

Proposal writing possibly continues to be the dominant tool for a while because corporations/foundations have been major donors in Japan and that is what they request. The Japanese are not accustomed to being solicited by unfamiliar organizations. All these constraints make individual donor acquisition efforts quite difficult for American fundraisers. Although the present study does not intend to determine the techniques listed on the top of TABLE 5 as the most effective, we should also know that they are much more familiar techniques for Japanese donors, which would help lesson the pressure of the approach. Given the Japanese tendency to avoid direct conflict and pressure (Petty, 2002), comfortable techniques can be considered in approaching prospective donors. Of course, as the relationship develops, some nonprofits employ face-to-face solicitations such as in-person meetings and successfully raise a bigger amount.

Use “Personal Story”

Personal touch and familiarity are essential to attract interest from the Japanese: hence, much public relation and media exposure would be necessary, especially if the organization is new to Japan. The Japanese also have the unique preference of subtle nuance in expressions and wordings, which may be hard for non-Japanese to recognize. Compassion is a core element of the Buddhist and Confucian religions and traditional gifts are often made as a gesture of sympathy (Petty, 2002). Given such cultural values, the Japanese seem more moved by personal stories and gentle expressions. American fundraisers should be able to easily learn from brochures and PR materials of Japanese nonprofits, which are often posted on the website. At the same time, American fundraisers should make all efforts to get to know Japanese people and become part of their community.

Don’t Be Afraid of Hierarchy: Bring A Fresh Perspective If You Are Relatively Young and/or Female Fundraisers

The author’s interviews with many Japanese fundraisers suggest that hierarchy is becoming less critical these days, especially in large cities such as Tokyo. Today, Japan’s young generation is becoming increasingly interested in fundraising and nonprofit management. Many fundraisers are young women and they are successfully raising funds from corporations and foundations despite many challenges. “Being young” is not always negative, as funders are looking for fresh ideas to help improve societal conditions. Of course, men who had long-term corporate experiences can be strong assets, such as the case of People’s Hope Japan, an NGO successfully raising major gifts in Japan. Thus, the author’s research (2005) proposed a Public-Private collaborate program to introduce the newly retired Japan’s Baby Boomers as fundraisers

to NPO corporations. Nonetheless, many NPO managers express strong concerns about whether they can manage older and more experienced men as their staff members.

Be Little Patient In The Beginning

Even more patience would be required to cultivate Japanese donors than the American. They need to confirm a feeling of “sharing” first before being asked. Also, many Japanese donors expect some kinds of return from their giving (Petty, 2002). Hence, preparing goods such as mascots or symbols that remember the shared experience as a return for giving may be more appealing. The author’s survey found that this time-consuming process is among the major challenges frustrating American fundraisers. Yet, this would be a necessary, and eventually rewarding, investment. Considering their strong sense of duty and reciprocity, once they decide to support, Japanese donors would become extremely loyal supporters. Therefore, a distinct strategy to bond a social capital among donors within the community and nurture their sense of reciprocity is required to design effective fundraising strategies.

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