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## Upfront

They Just Don't Understand: *Americans in the dark about nonprofits.*  
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# They Just Don't Understand!

## *Americans in the dark about nonprofits*

When David Lawrence was the CEO and board chair of the Kaiser Foundation Health Plan and Hospitals, his organization investigated whether consumers cared that Kaiser Permanente is a nonprofit. Its finding? “It didn’t make a bit of difference in [their] healthcare decisions,” says Lawrence.

A possible explanation for consumers’ apathy is given in an article published in the December 2004 issue of *Nonprofit and Voluntary Sector Quarterly*: One-third of Americans don’t know what a nonprofit is. The study also showed that Americans who don’t know have less favorable attitudes toward nonprofit hospitals and health insurance plans than those who do. Perhaps most dismaying for nonprofits, explaining nonprofit ownership to those who did not previously understand it makes them even less favorable toward nonprofit healthcare. Those with some prior knowledge of nonprofits, in contrast, like them more when given the additional information.

“My speculation about this result would be that when you take someone’s area of ignorance and try to explain things to them, you might just antagonize them,” said the study’s lead author, Mark Schlesinger of Yale and Rutgers universities.

Lawrence’s experiences at Kaiser led him to a similar explanation: “Americans are socialized to believe in the benefits of a for-profit, capitalist approach, and are therefore suspicious of nonprofits. Many just don’t want to hear the facts.”

The facts, said Schlesinger, are that “there is no evidence that for-profit institutions, on average, provide bet-

ter care than nonprofits for any medical service.” He added that there are healthcare services for which nonprofits decidedly outperform for-profits, such as nursing homes.

For this study, the researchers – who also included Shannon Mitchell of Yale and the New York Academy of Medicine and Bradford Gray of the New York Academy of Medicine – randomly sampled 5,000 Americans with private health insurance, statistically weighting their responses so that they would represent the attitudes of all privately insured Americans.

Overall, the survey respondents were ambivalent toward nonprofits. “There are some things that people would say nonprofits are better at, such as being humane and fair,” reported Schlesinger. “However, people seem to think that for-profits do a better job of providing quality care,” despite the lack of evidence for this belief.

The article clears no direct path to improving the public’s knowledge and attitudes regarding nonprofits, since the knowledge they proffered seemed to backfire for those groups that needed it the most. Nevertheless, Schlesinger noted, they should inform consumers of their ownership status through more aggressive marketing.

Lawrence, on the other hand, decided against broadcasting Kaiser’s nonprofit status. “When people switch to Kaiser, it’s because of its price and benefits. And if they stay with Kaiser, it’s because of their experiences there, not because of its nonprofit status.” –A.C.S.