

Economic impacts of adoption and fundraising strategies in animal shelters

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Abstract

The adoption strategies used in animal shelters can have a large impact on the total number of adoptions and donations that take place. Reducing adoption fees during peak kitten or puppy season is one way to reduce inventories and increase the number of open spaces to save more lives, but does not necessarily increase the financial well-being of the shelter if the per-animal costs exceed the revenues generated. We developed a stochastic model to simulate the expected costs, revenues, and net income of a hypothetical animal shelter for various alternative management strategies, based on US conditions. A total of 8 scenarios were developed and compared to the base-case scenario (BC).

In the model, scenarios which decreased or waived adoption fees caused total costs to increase due to the escalating costs associated with increasing the total number and density of animals housed. This effect was especially pronounced when adoptions were free. When the return on money invested in additional fundraising was predetermined to be 'good' (rather than 'fair' or 'poor'), net shelter income did exceed costs – but even 'fair' return increased net shelter income compared to the BC. Of the eight scenarios compared to BC, the mean monthly net income was significantly different from that in the BC in all eight scenarios ($p < 0.01$). In contrast, variances were different ($p < 0.01$) in five of the eight scenarios (and the uncertainty that comes with high variance would make planning difficult for shelter managers); however, the variance in net income did not differ from the BC for any of the scenarios investigating returns to additional spending on promotion and fundraising. In these scenarios, because the extra cost involved is relatively low compared to the other scenarios, the potential risk of a reduction in net shelter revenue is reduced.

When shelters are aware of the positive and negative impacts of various adoption strategies on mean net income and variation in net income, shelter managers can better strategize saving animal lives and meeting shelter goals, while maintaining the financial health and functionality of the operation.

Keywords

Adoption fees; Animal-shelter adoptions; Animal-shelter economics; Adoption strategies; Computer-based simulation modeling tool; Reduction of adoption fees