Nonprofit Marketing and Technology Trends

By Eric J Einhorn, March 2018

How Much Does A $1,000 Laptop Really Cost Your Organization?

Probably much more than you think. In fact, the most expensive piece of equipment you may own could be that free laptop or desktop you picked up as a giveaway from your old company, your child's school, or your neighbor. We've studied this phenomenon, considered several points of view, and focused on cost, performance, and effectiveness. Through this research we discovered that unmanaged or inadequately supported computers can cost Nonprofits more than $5,000 per year to maintain. This estimate can exceed $8,000 annually when factoring in related network costs, such as firewalls, internet connectivity, printers, routers, servers, and storage. So how much does your laptop really cost?

We realized the initial purchase of computers is just a fraction of the total cost of technology ownership and operation. A $1,000 laptop with a 3-year life-cycle will probably cost an organization more than $15,000 over that span. For a 10-person Nonprofit that upgrades its computers every 3 years, they will likely spend a minimum of $120,000 managing those computers after the purchase, as there is not much economy of scale realized savings. Despite these cost, Nonprofits tend to be sparing when allocating budget numbers to buy and support their technology needs, typically allocating between 1%-2% of their total operating budget to technology. One predictable outcome of the total cost of technology ownership and operation is a Nonprofit having to choose between purchasing newer hardware and software with little to no in-house support, or having outdated equipment supported in house.

Costs of Owning and Operation Per Network Computer

Nonprofits often choose to proceed by depending on in-house economically attractive approaches to supporting their technology such as volunteers, acquaintances, relatives, or the default "tech expert" in the office to keep their systems operational. However, we found that Nonprofits can resolve this dilemma by outsourcing their IT needs instead. By investing in an IT partner who investigates cost savings, provides training for your staff business systems, and is available 24/7/365 to solve your problem, IT becomes a consistent affordable cost that can be budgeted for with no surprise, unforeseen expenses. This is why outsourcing IT makes sense for Nonprofit Organizations.
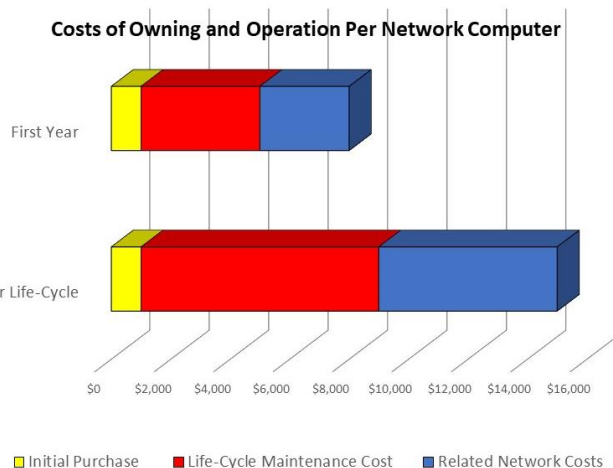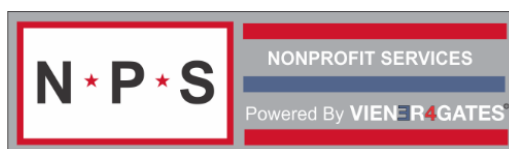
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