



Response to Charity Fundraising Costs Article in *The Age*, 21/12/2013

I see there's another supposed scandal about Australian charities paying too much in fundraising costs – 40c in the dollar, sometimes (**Charities' fundraising costs swallow millions in donations** – *The Age*, December 21).

Well, fair enough; if there's one thing that donors hate, all around the world, it's seeing their money misspent. If you look at the comments on these sorts of stories online you find person after person tut-tutting about how they'd read about this waste and extravagance and just stopped giving – season of goodwill be damned.

Mind you, I do always wonder if such people had given anything much to charity before they'd decided not to give. It's not as if Australians are pouring rivers of gold into the charities that don't spend much on fundraising. Not-for-profits banging away at causes like women's homelessness or family violence that don't lend themselves to nice photos and Facebook "likes" – work that nonetheless changes people's lives – are not being crushed under the weight of donations. Shy and retiring not-for-profits that don't rattle tins in people's faces or send them begging letters can scrape by if they underpay their staff and skimp on their services, but only just.

Australians, on the whole, don't tend to give money to good causes unless they understand the importance of the cause, and they're asked to give. And raising awareness and asking strangers for money costs money.

One problem with rating good causes by how much they spend on administration and fundraising is that there's a lot of variation in how different groups calculate these figures. There are no rules that stipulate precisely what type of expense needs to fall under that heading.

It's also unwise to presume that a charity's own internal processes are the only thing driving up fundraising costs. Governments of all flavours around the country have been useless at establishing meaningful fundraising legislation – anyone who is truly worried about the costs of fundraising should be banging down the doors of every MP in Australia demanding something be done to reduce fundraising red tape.

The most serious problem, however, is that basing one's giving on how much gets spent on administration does rather miss the point. You don't make a choice between buying an iPad or an Android, say, based on what the manufacturers spent on administration. You look at whether you think it's worth the money. If

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there's a choice between two products, your money goes to the one that does the best job for the money. That's the way it ought to be with giving.

If Bill Gates does in fact succeed in wiping out polio and malaria, I really don't care whether he's spending more than others on photocopying (I'd almost be prepared to forgive him for the Microsoft Word talking paperclip). If it turned out that the surgeons at the Fred Hollows Foundation were paid at market rates – hell, even if the CEO was – I'd cut them a bit of slack for the million people whose sight they'd saved.

Australian not-for-profits are doing immense amounts of important things that seriously need doing. They could do better, I'm sure – be more efficient, more cost-effective, more frugal – but then so could I, and so could you.

It's true that you can't give to them all, and you do have to choose. And it is wise to maximise your giving dollar by ensuring you know who you're giving to and what they plan to do with the money. And doing your giving through a commission-free donations service like GiveNow ensures that your money at least makes it to the group intact.

But my plea this Christmas is that you choose the groups that are carrying out the work that's saving lives, reducing human misery, advancing science, caring for sick or disabled people, advocating for disadvantaged people, or bringing our society towards a less self-satisfied, less defensive, less selfish view of our responsibility to our neighbours. Choose groups, perhaps, that are not in the public spotlight, or that have found themselves suddenly out of political favour through no fault of their own. Find out who's doing work that is creating the sort of world you want to live in, and give. Give even to groups that don't ask you.

Denis Moriarty

Denis Moriarty is the Group Managing Director of Our Community, a social enterprise that provides support for Australian not-for-profits. Our Community operates GiveNow.com.au, Australia's only commission-free online donation service, which has collected more than \$37 million for Australian not-for-profits. Denis also chairs a women's homelessness not-for-profit.

