Fundraising report helps donors avoid Scrooges this holiday season

Local News

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Secretary of State Sam Reed today released his annual report that helps donors steer clear of greedy fundraising groups when making donations during the holiday season and all year-round. Reed will join Attorney General Rob McKenna at West Seattle Senior Center today to talk to members about how to use the 2009 Commercial Fundraiser Report to make smart choices, and shared tips on how to give wisely. Seniors 65 and older – a group that makes up about 12 percent of the state population – are particularly hard-hit by solicitors, and therefore have to be extremely careful and thoroughly research where their donations are going, the state officials warn.

Reed’s report gives a snapshot of the most recent financial information for third-party fundraisers that collect donations on behalf of charity clients, like firefighter groups, food banks and arts associations. Commercial fundraisers use many methods to solicit people, including calling on the phone and sending mailers asking them to give money to a cause. Fundraisers often take a cut of the donations before sending money to the charitable organization or charge a charity an upfront fee for their services.

Overall this year, charities that utilized paid fundraisers in Washington received a little more than half of the total donations raised by those fundraisers. But the behavior of the individual fundraisers was all over the board: Some fundraisers kept less than 5 percent and sent the remaining chunk to charity, while other fundraisers raised less money for a charity than what they charged it. “It’s crucial for the public to remember that when someone asks you for a donation, there’s a good chance it’s a third party getting paid to make that solicitation,” said Reed. “While most of these commercial fundraisers help keep many crucial charities afloat in Washington, some wind up using the bulk of donations to pay for administrative costs and expenses – or to make a hefty profit.”
The 2009 report shows the following:

A total of $791,031,714 in contributions was raised in Washington and elsewhere by the 109 paid fundraisers included in the report.

The average percentage of contributions returned to charity clients was 58 percent overall. Compared to average historic rates of return over the last decade, this is up slightly.

About one-third of the paid fundraisers returned less than 20 percent to charity.

Less than a tenth of the paid fundraisers returned more than 80 percent to charity.

The best: The fundraiser with the highest percentage rate returned 96 percent to charity.

The worst: The fundraiser with the lowest percentage rate came in at minus 23 percent, meaning the charity lost money on the partnership.

Read the Report

? Overview of the 2009 Commercial Fundraiser Activity Report

? Full 2009 Commercial Fundraiser Activity Report

There are about 8,800 charities registered in Washington State. Of those, nearly 600 use paid fundraising services.
“We want everyone to open their eyes before they open their wallets,” said McKenna, whose office handles the enforcement of charities laws in Washington. “Well-meaning consumers and deserving charities can be cheated when people give blindly.”

Each month hundreds of people use Reed’s online charities search at www.sos.wa.gov/charities to get instant financial histories and other information for fundraisers and charities. Consumers can also call toll-free 1-800-332-4483.
Those who believe they are victims of charity fraud should contact the Attorney General's Consumer Resource Center between 10 a.m. and 3 p.m. weekdays at 1-800-551-4636 or file a complaint online at www.atg.wa.gov.