

The HOUNDER

Abstract

This paper discusses the results associated with tracking the behavior of nonprofits. The paper depends on data collected over a five year period. We used the collection tool provided by the web site: www.charityHound.org. The iBook, *Dead Giveaway ... Sleuthing Around Nonprofits* provides some insight into the tools provided by the web site.

For the five year duration, we have tried to identify certain nonprofits that, when observed from the 'outside', would appear to be a good 'bet' for donors to contribute to. We will cite a few of these nonprofits in the detail section that follows. Unfortunately, using the tool's reasonable criteria, we haven't been able to say, with confidence, what group of nonprofits are exemplary. Indeed we have found none. Why? In the detailed section we will explain our simple judgement criteria. That should explain our lack of success in finding stellar nonprofits.

For the same duration we have finally accumulated enough 'evidence' to point out nonprofits that potential donors should be wary of contributing to. Again, in the detail section we'll specify our criteria that justifies our analysis regarding nonprofits that belong in the 'do-not-waste-your-money' category. Since we have more reliable data in this segment we'll list more nonprofits to avoid than those to pay attention to. Our hope is that, as the tool matures, over time we'll be able to identify, with great confidence, the 'good-bet' nonprofits.

Discussion

The above research tool (as well as the iBook) were created out of the frustrating 'fact' that, taking all nonprofits together, fundraising costs outweigh actual mission disbursements. An example of fundraising costs are so-called mailed 'solicitations' that beg donors to contribute. These mailed campaigns have taken on costly enhancements that used to be more appropriate for retailers trying to attract customers. They include glossy publications (almost magazines), bulky insertions (e.g. address labels, notepads, gift bags, actual currency - such as coins, etc.). Even though the government provides bulk mail discounts (retailers also get that advantage), the cost of any given campaign is significant enough that, as cited earlier, *more money is used to raise money than help!* Yikes.

We acknowledge that some readers are skeptical about the shocking fundraising costs or, even worse, are accepting to the fact that this is simply the nonprofit 'landscape' and, although inefficient, it won't ever get better. To these cynics we retort: are you actually happy to receive a special appeal from some nonprofit with a custom made envelop (with an extra peek thru window to see, say, a coin)? These special envelops obviously cost more than 'normal' envelops. To add insult, the appeal, is inserting coins to see in the window (rather than asking for coins)! We admit, they do succeed in getting your attention as well as opening the appeal. We call this type campaign (using our research tool's nomenclature), 'currency baiting'. Any donor worth his or her's salt should view this tactic as primitive, wasteful, and, above all, costly! The research tool successfully identifies nonprofits that employ currency baiting.

We mentioned in the abstract that not all nonprofits use these horrible techniques. For example our tool users (site collaborators we call them) make every effort to identify the opposite nonprofits. This group makes real efforts to cut fundraising costs by simply partnering with donors. For example, say you contribute to some nonprofit that you had never given to before but you wish to donate in memory of a friend that passed away. Directly after that (all nonprofits

The HOUNDER

do this - good and bad) you are sent a 'solicitation' for more funds (they now have your name and address - so watch out). The 'good' nonprofits should, in addition to asking for more funds, let you, the donor, decide how often you would appreciate these 'reminder' appeals. You just gave once to honor the memory of your late friend (perhaps his or her's favorite charity). That doesn't mean that it is suddenly *your* favorite charity! It would be much better for you to simply check a box, for example, saying that you would really, really appreciate not being reminded except on some periodic basis (say annually). Think of the money the nonprofit saves from wasteful follow-up appeals alone! There's a negative side to this. We have donated to such nonprofits and then received what seems like a never ending deluge of follow-up solicitations! This has left us with the bewildering conclusion that *all* the monies we had donated in memory of our friend just got wasted on soliciting us time and again!

As detailed at the tool's web site, the mission of charityHound is to persistently 'hound' nonprofits. How are they hounded? Exposure. The nonprofits that employ the exploitive and costly tactics are clearly identified (by the site's collaborators or users). This, in turn, should hound them (via negative publicity) to get their act together, reduce costs, become more donor friendly. Fortunately the site is designed to also expose good players. These nonprofits are clearly paying attention to fundraising costs. By way of a disclaimer we state here: the site continues to evolve and is open to suggestion. The data is as reliable as our conscientious collaborators (folks who undergo training and have guidelines for the enforcement of the judgement criteria).

In a way, the site name, has a double meaning. As we stated earlier, the site 'hounds' nonprofits making them better citizens in their landscape. The second meaning is that the site's goal is to effectively stop donors from being hounded to death by never ending costly appeals that, for whatever reason, the prospective donor has absolutely no interest in contributing to!

Before getting to the details section, we have one final task at hand. If this is a 'White Paper', then we're about to put a match to it and burn it up! Why? The topic in this paragraph is EMOTION. Emotion is acknowledged to be the most compelling process that dictates what nonprofits are lucky enough get your dollar. In some ways that is really good and useful. You really *should* feel guilt, shame, if you do not *intentionally* donate. These emotional responses are evidently very innate and in some mysterious way the emotions ensure the betterment of society. So why the 'torch' threat above? The detail section names names. You will see, in addition to the very few favorably rated nonprofits, quite a few nonprofits that, as measured with the tool, should really be avoided unless and until they are successfully hounded out of their wasteful ways! The experience of seeing what might have been your favorite nonprofit so-listed can almost be as bad as a slap in your face! How can that charity be so listed (we hear you screaming)? Emotions rule here.

The iBook cites several tools (not just charityHound.org) that are really useful for prospective donors to make a 'rational' (not emotional) decision with regards to donation disbursements.

Details

The prior section cites a certain 'class' of donors. Before getting too deep into the details let's describe that class. Folks who contribute to nonprofits *intentionally* don't necessarily have to be hounded often. Indeed, when they discuss their home budget for any given year they're likely to target a larger-than-expected amount for charity. To accommodate this budget they sometimes

The HOUNDER

purposely cut back on little used services such as exotic cable TV station plans. These same folks, as each year starts anew, often donate to their favorite charities. One criteria they use (data observed via charityhound.org) is how frequently a nonprofit wastes time reminding them to donate! These wasted reminders are costly and detract from their intended gift! These proactive 'givers' often exhaust their annual giving budget by the September or October time frame.

Contrast the above group with folks that are *accidental* givers. For them, deciding to give at any moment in time is based more on accidental occurrences and emotional responses. The nonprofit industry preys on them and, sadly, ignores intentional donors. To witness: now that the above web site has acquired significant historical data (over a five year period) in addition to the nonprofit evaluation metrics already cited, there's ample evidence that solicitations are mailed to the unorganized accidental donors in greater bulk during November and December. Why is that? We assume November is popular so as to tug at their 'guilty' hearts as they plan their Thanksgiving feast. A likely reason for December being popular for appeals is that these unorganized folks are more likely to respond to late-year solicitations in order to reduce their tax liability (a selfish reason to be sure).

We'll hesitate here and ask the reader a question: which of the above two donor profiles fits you? If the latter, then read on. Our goal is to convince you to become a better, more intelligent, *intentional* donor. Why? Over time as the pool of intentional donors grow we actually hope that nonprofits will finally start paying attention to them! The end result could be astounding!

Naming names. It's finally time to detail a group of nonprofits that, in effect, ignore would-be-intentional donors. We have accumulated enough data over five years to see patterns and even identify worse offenders. So here we go (three categories follow):

Nonprofits who insult donors by sending solicitations in unidentifiable or otherwise 'blank' envelopes having no return address and no way for the recipient to know who the mail came from.

"Children's Hunger Relief Fund"
"Memorial Sloan-Kettering Cancer Center"
"Special Olympics"
"National Multiple Sclerosis Society"
"SOS Children's Villages-USA"
"Alzheimers Disease Research"
"USO"
"Compassion and Choices"
"Doctors Without Borders"
"Southern Poverty Law Center"
"CARE USA"
"Government Accountability Project"
"Help Hospitalized Veterans"
"Arthritis Foundation"
"Mercy Corps"
"Paralyzed Vets of America"
(There are more)

The HOUNDER

Nonprofits who insult donors by sending solicitations showing currency 'bait' that evidently makes them think that you are 'forced' to open the envelop. A crude and insulting technique at best (not to mention costly).

"Children's Hunger Relief Fund"
"March of Dimes Foundation"
"The Leukemia and Lymphoma Society"
"ORBIS International"
"American Kidney Fund"
"Help Hospitalized Veterans"
"Paralyzed Vets of America"
"Covenant House"
"Sierra Club"
"Wounded Warrior Project"
"Catholic Relief Services"
"Memorial Sloan-Kettering Cancer Center"
"MADD"
(There are more)

Nonprofits that, during the experiment's duration, hounded would-be-intentional donors the most with a deluge of solicitations.

"CARE USA"
"National Multiple Sclerosis Society"
"International Rescue Committee, Inc."
"Doctors Without Borders"
"Southern Poverty Law Center"
"Arthritis Foundation"
"Epilepsy Foundation"
"Nature Conservancy"
"International Planned Parenthood Federation/Western Hemisphere"
"World Wildlife Fund"
"FINCA"
"Paralyzed Vets of America"
"American Cancer Society"
"Greenpeace Fund"
"American Diabetes Association"
"Episcopal Relief and Development"
"TechnoServe"
"ProjectBread"
"Amnesty International of the USA"
"Alzheimer's Association"
"World Vision"
"SOS Children's Villages-USA"
"Special Olympics"
"Heifer Project International"
"Freedom from Hunger"
"Mercy Corps"
"Alzheimers Disease Research"

The HOUNDER

"The Home for Little Wanderers"
"Women for Women International"
"Union of Concerned Scientists"
"United States Fund for UNICEF"
"ORBIS International"
"Multiple Sclerosis Association of America"
"Bread For The World"
(There are more)

At the other end of the prior category's scale, we include those nonprofits that successfully get the attention of intentional givers since they don't 'waste' the donated funds on excessive followup solicitations. This group of nonprofits (with caveats cited later) should get everyone's attention and we hope would be candidates for the reader's consideration for future donations.

"Habitat for Humanity International"
"Hospice Education Institute"
"American Lung Association"*
"American Jewish World Service"
"National Foundation for Cancer Research"
"Help Hospitalized Veterans"
"Wilderness Society"
"Disabled American Veterans"
"Government Accountability Project"
"Alzheimer's Foundation of America"*
"MADD"
"Susan G. Komen for the Cure"
"Center for Victims of Torture"
"National Audubon Society"
"Cystic Fibrosis Foundation"
"American Kidney Fund"
"Grassroots International"
"Catholic Charities"
"Council of Indian Nations"
"Diabetes Action Research and Education Foundation"*
"American Friends Service Committee"
"Civil War Preservation Trust"
"R.O.S.E."*
"Wounded Warrior Project"
"Youth Villages"
"MAP International"
"Americans for Peace Now"
"Humane Society of the United States"
"Christopher and Dana Reeve Foundation"
"Glaucoma Research Foundation"
"Helen Keller International"
"Free The Children"*
"Seva Foundation"
"Student Conservation Association"
"International Fellowship of Christians and Jews"

The HOUNDER

"Blinded Veterans Association"
"People For the American Way"
"American Parkinson Disease Association"
"National Kidney Foundation"*
"Feminist Majority Foundation"
"Salvation Army (National Corporation)"
"Network for Good"*
"ChildFund International"
"Foundation for AIDS Research"
"Food for the Hungry"
"Lupus Foundation of America"
"Defenders of Wildlife"
"United Cerebral Palsy"
"EngenderHealth"
"Adopt-A-Classroom"
"InterAction"*
"Prostate Cancer Foundation"
"Muscular Dystrophy Association"
"Friends of the World Food Program"
"Trust for Public Land"
"American Foundation for the Blind"
"Rainforest Alliance"
"Bike and Build"*
"GlobalGiving"*
"Religious Coalition for Reproductive Choice Educational Fund"
"AFS-USA"
"International Eye Foundation"
"Pathfinder International"
"Water for People"
"Ecologic"
"City Life Vida Urbana"
"Pax Populi"
"National Arbor Day Foundation"
"Guide Dog Foundation for the Blind"
"One Fund Boston"*
"ANERA"
"Make-A-Wish Foundation of America"
"Care Net"
"National Breast Cancer Coalition Fund"
"Mercy Home for Boys and Girls"
"African Wildlife Foundation"
"International Justice Mission"
"National Osteoporosis Foundation"
"National Federation of the Blind"
"Hope for the Hopeless"
"Partners In Development"
"Women in the World Foundation"*
"Advancing Native Missions"
"Girls Inc."

The HOUNDER

"Friends of the Earth"
"Trees, Water and People"
"Newborns In Need"*
"350.org"
"Heritage Foundation"
"Wellstone Action Fund"
"Lutheran Immigration and Refugee Service"
"United Way Worldwide"*
"Prevent Blindness America"
"American Printing House for the Blind"
"GLAD"
"Save the Children Federation"*
"Children International"
"Pennies for Peace"
(There are more)

Some caveats apply to the above data. First, we 'only' have five year's of historical records that are, in effect, captured automatically as registered users visit the web site. The first three categories should be self explanatory: they represent certain groupings of nonprofits that annoy, insult or otherwise waste the donations conscientious intentional donors make! WE DO NOT IMPLY THAT THESE NONPROFITS LACK IN THE WORTHWHILE DIMENSION: THEY ALL DO GOOD!!! We simply state, using very empirical evidence (not their word), that it may be best to divert your donations to some group of nonprofits that are more likely (based on the same empirical evidence) to provide a larger percentage of your donation to their true mission! In effect, the first three groupings ignore intentional donors. Presently this group donates, on average, in the four figure range per year. Probably not wise to ignore. (That figure does NOT include any registered users' church, synagogue or mosque since local religious donations are *never* tracked using the site).

The final listing above represents a start for an alternative list of nonprofits that maybe merit the attention of intentional givers (or accidental givers who, fed up with waste, may consider becoming intentional). The ones listed with an asterisk we have a bit more confidence in but every year we expect, again mining our registered users' information, to shift nonprofit assessments.

We did warn our reader about his or her's projected emotional response before presenting the above lists of *naughty* nonprofits (first three lists only - the forth list constitutes *nice* ones). The naughty categories consist of nonprofits that seemingly don't know about or don't care about the sincere intentional givers. It's a shame. Many of the nonprofit names have emotionally charged words: e.g. 'children', 'veterans', 'bread', etc. Solicitation often have dire images showing starvation, crippling, etc. A very good (adapted from retailers) marketing technique. But really, how efficient are they? That ends up being the basic question intentional givers always ask. The empirical evidence shows a huge quantity of waste, waste and more waste. Some very well known, well-respected even prestigious nonprofits have the gall to employ these below-the-belt marketing techniques.

Fortunately the web site, consisting of intentional givers, is used to expose abusive tactics with the hopes that some of the nonprofits will 'get with the program' and tone down the annoyances while trimming the costly fund-raising drag. Every year we expect to observe movement

The HOUNDER

between the above lists. The web site's goal is to ultimately convince donors to become intentional and to convince nonprofits to pay attention to intentional givers. This could be a boon to the nonprofit landscape since wasteful and redundant publications could be drastically reduced.

Summary

We are proud that the above web site has matured enough to start being a voice that could (and should) be heard in the nonprofit landscape! We offer NO APOLOGIES if we offended the reader by citing his or her's favorite charity as being 'naughty'! Our goal is NOT to mitigate the problem. Our goal is to correct it.

The reader may suggest that we are naive and that huge, well-known nonprofits that are practically machines that churn in money (and do some good with a small portion thereof), either won't change or cannot be changed. Our answer to this suggestion is that we simply will not go away. With five year's experience we're just starting to enter our significant 'impact' years. An example follows.

We noted very early on that, using our data mining techniques, we have ample real data that suggests that nonprofits deluge folks with solicitations during just two months (November and December). Ironically, most intentional givers following a generous budget exhaust all their givings by maybe September or October timeframes (in any given year). Come Thanksgiving they: (1) will NOT be guilted into those silly, superfluous, annoying solicitations; (2) will hope and pray that the accidental givers will use wisdom and join the intentional bandwagon.

Our HOUNDER is a new tool that should actually measure our own success! HOUNDER means "Historical Online Update of the November and December Evaluation Report". This means that, during the next five year period we expect to be able to observe nonprofits seeking out intentional givers using respectable communications and abiding by the givers' preferences (such as agreement or not about 'selling' their names to other nonprofits). By focusing on just the two months data we *should* observe movement in the correct direction.

Readers' opinions are welcome and can be directed to tsoucy@me.com.

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