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Dalia Fahmy spent two decades covering business, banking, financial markets and philanthropy for The New York Times, Financial Times, Inc. Magazine, and others. She's now using her expertise to help corporations and associations communicate more clearly.

Donors Aren't Perfect: Things That Annoy the Charities You Support

Donors receive a lot of positive attention. They're wooed by non-profits, celebrated by the media and given tax-breaks by the government. For the most part, donors deserve all this for trying to make the world a better place. Sometimes, however, donors do things that make life more difficult, not easier, for the charities they support. Often, they don't even realize it.

Understandably, non-profit executives are reluctant to admit this. "Donors are the backbone of our organizations, and if they have a good idea, they deserve our attention," says Rudy Rosen, director of the Conservation Leadership Initiative at Texas State University, and an expert on non-profit management. "It's just that you have to work out a deal with them - what they do still has to be part of the organization's business plan."

That's where some donors trip up. They forget that a non-profit is a kind of business, one that has to stick to its program goals and financial objectives. Sometimes, donors are so eager to help that they forget to ask how they can best do so.

"I am often amazed by the major donor who comes up with a pet project idea and who asks the organization's staff to drop all other fundraising and solicit the organization's other contributors to fund the pet project," says Rosen.

That's just one of several complaints. Here is a list of top donor pet peeves identified by non-profit executives.

Putting the Corporate Solution Before the Charitable Goal

It sounds perfect: tie a marketing campaign to a worthy cause, and win over customers while helping the poor. In principal, that's a good idea. In practice, the campaigns often put corporate interests ahead of philanthropic ones, and as a result can do more harm than good. Sandra Schimmelpfennig, a donorship consultant, cites TOMS Shoes' "One for One" campaign - which donates a pair of shoes to a needy child for every pair sold - as an example. For one thing, she argues, sending US-made shoes to developing countries creates unfair competition for local shoemakers already struggling to survive. More importantly, children in poor countries don't necessarily need shoe donations. "I challenge you to find a single country in the world where there are not shoes for sale in the marketplace," she writes on her blog, 'Good Intentions.' "There are many better and cheaper ways to get shoes on the feet of the poor."

Diverting Resources to a Pet Project

Rosen, who has led several environmental non-profits, recalls a major donor who wanted the non-profit he supported to build an educational facility. The donor offered to donate a plot of land, but nothing else, expecting the non-profit to raise additional funds for the project, oversee construction of the building, hire staff and maintain the program. Because the educational facility was not part of a long-term strategic plan, the non-profit struggled to raise the necessary funds. "Dealing with the additional fundraising when you already have other projects underway is very burdensome," says Rosen. "Eventually something else has to fall off the table." Donors often underestimate the "behind-the-scenes" work that goes into getting a new initiative off the ground. Non-profit executives say that pet projects are fine, as long as donors agree to substantially finance them.

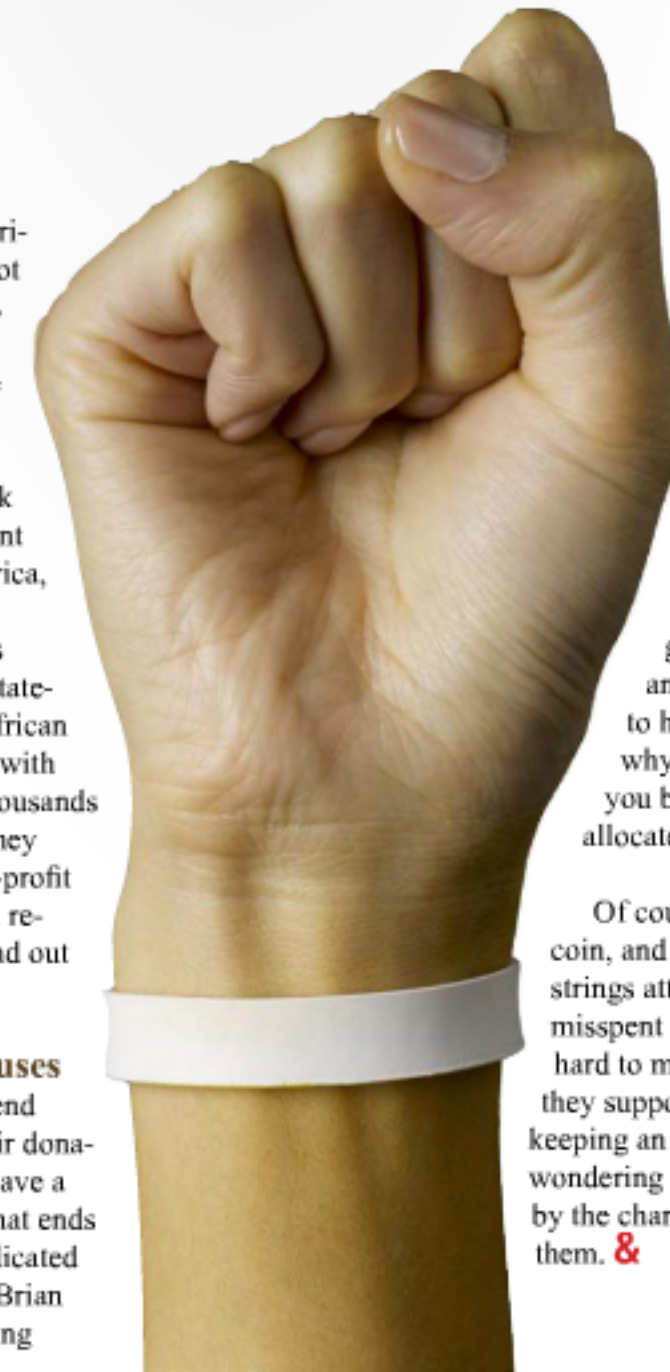
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Outsized Focus on Popular Causes

Breast cancer and HIV/AIDs are serious, deadly diseases, but they are not - by far - the most prevalent killers out there. Yet, these two causes routinely receive a disproportionate amount of health-related donations. A few years ago, an HIV/AIDs expert wrote an op-ed in the New York Times, pointing out that the US spent \$3 billion on AIDS programs in Africa, but only \$30 million on safe-water projects there. Lamenting this gross imbalance, he noted that there are state-of-the-art HIV clinics in wealthy African nations that don't know what to do with the surplus of donations, even as thousands of Africans die each year because they have no access to clean water. Non-profit experts suggest doing more indepth research before picking a cause, to find out where funds are really needed.

Directing Gifts to Very Specific Causes

This can take many forms, but the end result is the same: donors make their donations so restricted that non-profits have a hard time spending the money. "What ends up happening? The gift sits in a dedicated account for years or forever," says Brian Sheridan, development and marketing



manager at the Council for Watershed Health in Los Angeles. "Meanwhile, the cost of the project or program continues to rise, making the gift less and less meaningful." This dilemma often arises when donors state that their donations can only be used for programmatic spending, not for operations. Smaller organizations especially might not have the staff to oversee the programs earmarked by the donation, and might have trouble raising funds to hire that additional staff. That's why it's better to find a non-profit that you believe is effective, and letting it allocate the funds as necessary.

Of course, there are two sides to every coin, and for every donation that had no strings attached, there was a non-profit that misspent its funds. Both sides need to work hard to make a real difference in the causes they support. The most important thing is keeping an open dialogue. If you're ever wondering about whether you're doing right by the charity you're supporting, just ask them. &