

Giving charitably: Not as Easy as it Sounds

Jim Hackler, Homily, Unitarian Church, 31 July 2016

How do we encourage people to engage in charitable giving in a way that really makes a difference?

~~Should we keep our giving a secret? If we are sure we know what to do that may be reasonable. But if you are not sure, and need help, how do you get information from others? People want to know where the money is coming from and who is making the decisions?~~

For years my wife and I responded to mailed requests from charities. More letters kept coming. Pictures of hungry children and stories of hardship pluck at your heart strings. For a while I was supporting 19 environmental groups. We had lots of return address labels. How many forests were being destroyed to supply all this paper? How much was actually helping?

I was on the board of one well known charity. The national organization had a fund raising drive by a professional fund raiser using the telephone. We were required to go along. Money was raised. The professional fund raiser kept 87 percent of the donations. We got 13%. Our administrative costs came out of that 13%.

What was the name of the professional fund raiser? That was a secret. Had a police check had been made? No response. If you wish to teach Sunday School you need a police check. I am no longer on the board of this charity.

In the sociology department at the university, I was the chair of the United Way committee. The United Way uses 11% of its funds to administer the redistribution. Would it not be better to contribute directly to a charity of one's choice? I argued that some small charities had difficulty raising funds. They were dependent on the United Way.

I wasn't very convincing. Besides, two Red Cross funds received the largest contributions from the United Way. Why? The Red Cross agreed not to raise money while the United Way was campaigning. But, I argued, the Red Cross did not reveal the salaries paid to their executives. Should the finances of charities who receive United Way funds be open?

I wrote an article: "Why Mother Teresa was wrong." She argued that she did not ask WHY women were poor. She simply helped them. As a sociologist I want to know WHY women are poor. I want to know HOW we change conditions so that women do not *remain* poor.

In that same article (on the table) I pointed out that the head of the United Way in the U. S. was criticized for his high salary; others were annoyed that he was paying his 17-year-old mistress \$80,000 for a job when she lacked the appropriate qualifications. (The Canadian United Way is separate and of course Canadians are nicer.)

Some people feel that wealthy nations should donate 7/10 of one percent of their national income to foreign aid. A few Scandinavian countries meet that goal. Canada and the U.S. do not.

I attended a conference of an organization committed to reducing poverty. It lobbies Washington and Ottawa to raise their national commitment to the .7% level. It seems like a worthwhile task. But what if those foreign aid funds go to dictators in African countries? How much money ends up in Swiss bank accounts? How much is used to equip the military so the dictators can remain in power? Asking that we increase our foreign aid SEEMS to make sense, but should we be looking critically at the consequences?

Dambisa Moyo argues in her book *Dead Aid* that the foreign aid given to Africa HAS HELD THEM BACK and has really not helped the people. Others disagree. But should we be asking the question?

Organizations that are united in their thinking can find inspiring speakers to generate even more enthusiasm. Skeptics and thoughtful discussion slow down the band-wagon. But is the bandwagon going in the right direction? Should we be asking questions instead of leaping on bandwagons?

Imagine a wealthy rock star who wishes to help. One area in Africa needs mosquito netting. The rock star purchases a million dollar's worth of mosquito netting (made in China) and ships it to Africa. A local manufacturer of mosquito netting is driven out of business. He hired 10 employees who fed 50 relatives. Now the employees are out of a job and the 50 relatives are hungry. Five years later the donated mosquito netting

has holes. But those who made mosquito netting in this part of Africa are no longer in business.

In another country a church group provided funds to a group of women to cook a pastry that could be sold for lunches to local businesses. The funds from the sales could expand the business. But some of the women did not turn in the money they received. They could not buy more materials for making pastry. They were scolded for stealing the money, but the women knew nothing would be done. The church continued to provide money for a failing business.

A manager took over and encouraged the women to make better pastries and expand the business. Those who continued to steal were fired and replaced. The business expanded and now supports more women in a growing successful endeavor.

Charitable concerns often involve social activism. Many of us have interests that put us on email lists. Thus, we get requests to take action. Are all of these recommendations well thought out? Are some of these bandwagons going in the wrong direction? One recent plea was against genetically modified food. I have made a modest effort to understand this issue. There are at least two issues: 1) the corporate control of genetically modified seeds and the financial impact on farmers. That is a political issue. 2) the genetic modification itself is a different issue.

Some of my acquaintances are scholars who do research in this area. I learned that most of the people opposed to genetically modified

food are woefully misinformed. They are not familiar with quantitative trait loci, marker assisted selection, or genomic editing, which imitates mutations.

It is fine for wealthy, well fed people to be prissy about eating food with genetically modified ingredients, but should they be allowed to slow the development of drought resistant crops that would feed starving children in Africa? I don't have an answer to this issue, but are poorly informed, enthusiastic activists doing more harm than good?

My point, of course, is not the *specific issue*; rather I am concerned that those with charitable inclinations may be *more* inclined to jump on bandwagons without a serious analysis of the outcome. Are do-gooders *more* likely to ignore facts?

At a recent sociology conference in Japan, I attended some sessions on the "Sociology of Disasters." With the earthquake in Nepal, we can anticipate responses similar to those that took place after the disasters in Indonesia, Haiti, and Japan.

Highly publicized disasters raise a good deal of money. Regrettably, much of it is wasted. High heeled shoes donated to Indonesia by one shoe manufacturer resulted in a large tax write off for the shoe company, but were of little use to Indonesians.

In Haiti, a group of English speaking church members went to Haiti and rescued a group of French speaking children whom they assumed had been orphaned by the earth quake. They were stopped

while attempting to take these children out of the country. Most of these children were **not orphans**. The French speaking parents of these children wondered who had kidnapped their children.

A Canadian province offered to construct buildings in Haiti. What kind? Office buildings.

At this conference in Japan I asked some of the disaster researchers if they could provide any guidelines. The research in this field is new. We don't know very much, but some of them were willing to offer hunches. Well known international organizations, like the Red Cross, can put full page ads in newspapers and raise a lot of money. But do they have knowledgeable people who speak the local language, know who is corrupt, and what actually needs to be done? Do you want to give money to an organization that will not make public the salaries they offer to their executives?

The Royal Bank has offered to handle donations. But the Royal Bank also helps hundreds of large corporations launder their money in other countries to avoid paying taxes. Royal Bank and several other Canadian banks helped Enron cheat their customers. Only the Canadian Imperial Bank of Commerce was taken to court. (In the U. S. of course. Canada simply does not have the clout to prosecute large corporations.) If you wish to help people in disaster areas, do you trust such organizations with your donations? Especially when you realize that most of that money is wasted.

Some disaster researchers noted that international organizations have political clout, but do they have experienced **local staff, in the countries where the disaster took place?** Smaller local organizations, staffed primarily with local women, may understand the situation better and be more effective.

Some charities are better social investments than others. In developing countries, it seems that educating young females (rather than males) yields a better return for that society. Educated girls give birth at a later age and have fewer and healthier children.

When a girl begins to menstruate, she may be embarrassed and drop out of school. A class on hygiene and the availability of sanitary napkins increases the likelihood that girls will stay in school. We need **local** wisdom.

Usually working with a charity makes us feel good. But should we be cautious about what makes us feel good? I spoke with a woman in a shelter for battered women. She was a professional woman, but to protect herself and her child she needed the women's shelter. She was happy to have a local church provide a free meal. But she could also cook, as could many of the other women at the shelter. She would have been happy to help prepare the meal with the church women. But to make these visitors feel good, she needed to play the role of a battered woman in need of a free meal.

Can we distinguish between compassion and actual accomplishment? Some charities may be able to overcome obstacles. But others may fail, overwhelmed by things they cannot control. Is there a time for a funding organization to say, “The corruption in your government and the violence in your society is simply too much. It is time to pull the plug on this project and devote our limited resources to those groups which show more promise.” *This would be a difficult choice to make.* Compassion often trumps factual information. Sometimes recipients of donations think that donors have lots of money. They do not realize that ordinary, single income families sometimes save money and accumulate enough that could make a difference, IF USED WISELY. Providing money to charities that fail means less for those who are accomplishing something.

I do not wish to leave you all depressed or overly cautious. This church, or assembly, or whatever we wish to call ourselves, has some great traditions for helping. These are very satisfying activities. But it takes work, and arguments, and the *careful weighing of information.* Doing the job well is much more rewarding than just doing it because we feel it is an obligation.

This homily is dedicated to Bob Dobbs. Bob did not jump on bandwagons casually. He asked for facts.

