

(1)

## THE COST OF ASKING FOR DONATIONS

- ABC NEWS, “Street fundraisers raised more than \$120m for Australian charities in 2018, report reveals.” By Kevin Nguyen, Updated Fri 4 Jan, 2019
  - “Most Australians dislike being approached by chuggers...”
  - “Research released exclusively to the ABC revealed charities received an average return of \$2.30 for every \$1 invested into face-to-face fundraising last year.” (ed: ...that equates to over 43%...)
  - “The calculations were gathered over five years by the Public Fundraising Regulatory Association (PFRA)- an industry body which represents major charities” (ed: and is the self-regulatory body for face to face fundraising in Australia.)

□ The Sydney Morning Herald,

### “Former 'chuggers' join class action...”

By Adele Ferguson, Mario Christodoulou and Ruth Williams

Updated October 22, 2016 – 8.52am

“King is also concerned that the people donating to the charities don't realise how much is taken in fees .... This can be as much as 60 per cent of funds raised.”

□ [Research into the Commission-based Charity Fundraising Industry in Australia](#) Report by Frost & Sullivan for the Australian Competition and Consumer Commission (ACCC) Nov 2017

- “Virtually all face-to-face fundraising conducted by agencies is commission-based, i.e. the agency is remunerated based on the total value of donations that they collect.”
- “This payment usually takes the form of a multiple of the monthly donation acquired by the fundraising agency, which can range between 8 to 17 times the monthly donation.” (ed: this means the first 8 to 17 months of donations don't get to the charity.)
- “Whilst this payment to the fundraising agencies is made up-front by the charities, usually once the contract with the individual donor is signed, clawback features in contracts with the fundraising agencies typically allow charities to recoup the payment in the event of early cancellation by the donor, usually within the first three months. Donor attrition is a common and accepted fact in the industry, with most charities expecting to lose approximately 50% of new regular donors acquired within the first 12 months.”
- “Regular giving is extremely critical to charities as it not only ensures a level of certainty around income streams, but is also a significantly larger income stream than impulse donations. In fact, regular donors donate six times as much in a year as the one-off donor.”