

Why fundraising ethics is harder than you think

ROGARE

THE FUNDRAISING THINK TANK

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How do you make ethical decisions?

- What factors are you using to make your decision?
- Whose interests are you considering?
- Are you using any facts or evidence to support your decision?
- Are you using any theory to support your decision?
- How much of your personal moral values go into your decision making?

What is unethical fundraising?

- What do you – as a fundraiser – think is unethical practice in fundraising?
- What do you think the public might consider to be unethical practice in fundraising?

Would you use this image?

If not, why not?



If you would not use this image...

Would evidence that you could raise much more money by using it change your mind?



Outline

What is Rogare?

- Fundraising think tank
- Latin for 'to ask'
- University of Plymouth 2014-19
- Community Interest Company 2019 to date

What is Rogare?

- The bridge that links the academic and practitioner branches of the fundraising profession and the engine that turns academic theory and research into actionable ideas for fundraisers.

Rethinking Fundraising

Rogare's twin objectives:

1. Develop a richer knowledge base
2. Change the culture of learning in fundraising.

Rethinking Fundraising

Under-researched

Topics where there is a perception that there is simply not enough reliable data or evidence to inform current practice.

Under-thought

Subjects where the arguments, discussions and debates lack cohesion, substance and/or internal logic.

Ethics

The foundation for everything else.

- <https://www.rogare.net/fundraising-ethics>

Knowledge base

- Ethics
 - Including regulation
 - Relationship fundraising
 - Stakeholder engagement/understanding
 - Learning, innovation and praxis
 - Including application to practice
 - The fundraising profession
 - The philosophy of fundraising.
-
- <https://www.rogare.net/index>
 - <https://www.rogare.net/theory-of-change>

Why is fundraising ethics harder than you think?

Ethics eh, who needs it?

"Whatever happened to just plain ol' knowing 'right' from 'wrong'. Have we grown so Trumpified that we can no longer tell the difference? Either it's the truth or it's a lie. It happened or it didn't. Gray areas will only get one in trouble. It's like quicksand: once you're in it, it can be pretty hard to dig yourself out."

Unnamed US fundraiser

It's so easy

“We all know what's ethical and
what isn't ethical [in
fundraising]”

Lord Grade
Former chair of the
Fundraising Regulator (UK)



Historic challenges in fundraising ethics

- Little theory in which to base applied ethics
- People do what they feel is right without basing it in sound ethical theory or practice
 - Lord Grade: “We all know what is and isn’t ethical fundraising”
- Conflation (Gleichsetzung) of code compliance with ethics.

What fundraising ethics is NOT!

- Mere code compliance
- Your gut feel (i.e. subjective opinion) about what you think is right.

Ethics 101: Two facets of ethics

1. The philosophical study of the moral value of human conduct and of the rules and principles that ought to govern it
2. A code of conduct considered correct, especially for a professional group.

Ethics 101: Normative ethics

- Concerned with the content of moral judgements and the criteria for what is right or wrong. Attempts to prove a general theory of how we ought to live.

Ethics 101: Normative ethics

Consequentialism (teleology)

We are obligated to act in a way that produces the best consequences (e.g. Utilitarianism)

Deontology (duty ethics)

We are obligated to do the 'right' thing, irrespective of the consequences (e.g. Kant's injunction against lying)

Ethics 101: Applied ethics

Applies normative ethical theories to specific issues, such as racial equality or animal rights, telling what it is right and wrong for us to do.

Ethics 101: Applied vs normative ethics

Applied ethics tells you WHAT you ought (or ought not) do.

Normative ethics helps you understand WHY you ought (or ought not) do it.

What is unethical fundraising?

- What do you – as a fundraiser – think is unethical practice in fundraising?
- What do you think the public might consider to be unethical practice in fundraising?

‘Unethical’ fundraising

- Not using money for purpose it was donated
 - ‘Shock’ advertising
 - Undignified portrayal of beneficiaries
 - Targeting vulnerable people
 - Guilt-tripping
 - Aggressive/intrusive fundraising
-
- Too much money spent (‘wasted’) on fundraising and admin
 - Senior staff salaries.

Applied ethics in fundraising – codes

Association of Fundraising Professionals (USA)

- Code of Ethical Standards
- International Statement on Ethical Principles in Fundraising
- Donor Bill of Rights

The Fundraising Regulator (UK)

- Code of Fundraising Practice

Switzerland

- Ethische Richtlinien für das Fundraising

Applied ethics in fundraising – codes

General principles

- Don't engage in activities that bring the profession into disrepute
- Fundraisers will tell the truth and not exaggerate
- Donations will be used in accordance with donors' intentions
- Ensure all solicitation and communications materials are accurate and reflect the organization's mission and use of solicited funds
- Give donors the opportunity to remove their names from marketing lists
- Don't accept commission-based pay.

Applied ethics in fundraising – codes

Ethische Richtlinien für das Fundraising

- Fundraisers refrain from intrusive collections
- Fundraisers neither pay nor accept commissions or fees in a percentage ratio to the funds raised
- Fundraisers ensure that donations are raised efficiently and used effectively. They direct the funds received to the goals and purposes intended by the donors.
- Anonymous cash and material donations, however, should be rejected.
- Fundraisers respect the rights of those receiving support, especially children, and protect their dignity. They do not use any materials or methods in fundraising that undermine this dignity.

Remember that...

- Fundraising ethics is not mere code compliance

What comes first – ethics or the code?

Is something unethical because it is in the code of practice?
Or is it in the code of practice because it is unethical?

Take commission-based pay...

What comes first – ethics or the code?

- 1) Is commission-based pay unethical because it is prohibited by the code?
- 2) Or prohibited by the code because it is unethical.
 - If 1), if the prohibition is removed from the code, does paying by commission become 'ethical'.
 - But if not, why not?

Applied ethics in fundraising

Unaddressed normative ethical questions

- Is it acceptable for people to feel guilty if they say no to a fundraiser?
- Are donors allowed to derive benefits from their giving or should all charitable giving be purely 'altruistic'?
- Do fundraisers have a right or a duty to approach people for a donation?
- Do the public have a right NOT to be asked for donations?
- How transparent about the costs and mechanisms of fundraising should charities be?
- Do people have a 'duty' to give to charity and if so, how can fundraisers help people discharge that duty?

Pressure

- Fundraiserinnen und Fundraiser beschaffen Spenden sorgsam und mit Respekt vor der freien Wahl der Geberinnen und Geber – ohne Druck, Belästigung, Einschüchterung oder Zwang.
- Fundraisers raise donations carefully and with respect for the free choice of donors – without pressure, harassment, intimidation or coercion.

Pressure

Fundraising Regulator (UK)

- Fundraisers will not place undue pressure on a person in the process of a solicitation (s1.2.1).

Pressure

What constitutes 'pressure' in the Swiss code?

And 'undue' pressure in the British code?

Undue pressure (UK)

Must not put undue pressure on a person to donate (s1.2.1).

- Implies some pressure is 'due' or permissible
- How much, to whom, in what circumstances?

Must not unreasonably intrude, nor be unreasonably persistent (s1.2.1)

- Some intrusion and persistence is therefore reasonable.

"Reasonable persuasion is allowed" (s1.2.1)

- 'Unreasonable' persuasion is therefore not allowed.

What makes fundraising ethics difficult?

- When faced with these grey areas, people often use their own subjective feeling – their gut instinct – about what is right and wrong.
- And that's because we don't have the theories and frameworks that would allow us to make more guided ethical decisions.
- So...

Who do we make fundraising ethics easier...

Or less difficult?

Normative fundraising ethics

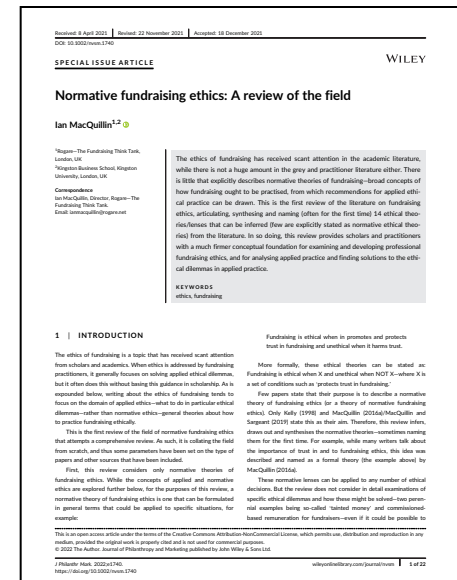
Normative ethics in fundraising

13 lenses of normative fundraising ethics.

We'll examine three, starting with:

1. Protection of public trust – 'Trustism'
2. Servicing the donor's needs, wants and aspirations – Donorcentrism

<https://onlinelibrary.wiley.com/doi/pdf/10.1002/nvsm.1740>



Trustism

"One way in which organizations can enhance the public trust is to maintain the highest ethical standards and to communicate this commitment to donors and prospective donors."

Michael Rosen (Rosen 2005)

Trustism

Josephson Institute for the Advancement of Ethics – 10 core values:

- honesty
- integrity
- promise-keeping
- fidelity/loyalty
- fairness
- caring for others
- respect for others
- Responsible citizenship
- pursuit of excellence,
- accountability

11th for nonprofits:

- Safeguarding public trust

Ethische Richtlinien für das Fundraising

- Ehrlichkeit
- Respekt
- Integrität
- Professionalität
- Transparenz

Trustism

Consequentialist

- Fundraising is ethical when it maintains and protects public trust.
- And unethical when it does not.

Donorcentrism

"An approach to the marketing of a cause that centres on the unique and special relationship between a nonprofit and each supporter. Its overriding consideration is to care for and develop that bond and to do nothing that might damage or jeopardize it. Every activity is therefore geared toward making sure donors know they are important, valued, and considered, which has the effect of maximizing funds per donor in the long term."

Ken Burnett, *Relationship Fundraising* (2002), p38

Donorcentrism

*"An ethical belief in the importance of the donor" that
"recognis[es] that the donor comes first...always
putting the donor first in regard to when to ask, how to
ask and what to ask for."*

Geever 1994

Donorcentrism

Consequentialist

- Fundraising is ethical when it gives priority to the donor's wants, needs, desires and wishes and this maximises sustainable income for the nonprofit – and unethical when it does not

Deontological

- Fundraising is ethical when it gives priority to the donor's wants, needs, desires and wishes – and unethical when it does not.



swissfundraising

Wir leben Fundraising.

Rights-Balancing Fundraising Ethics

Putting beneficiaries into ethical decision making in fundraising

<https://onlinelibrary.wiley.com/doi/pdf/10.1002/nvsm.1740>

<https://www.rogare.net/fundraising-ethics>



Rights stuff

Fundraising's ethics gap and a new theory of fundraising ethics v1.1

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ORIGINAL PAPER

Fundraising Ethics: A Rights-Balancing Approach

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Abstract
The topic of fundraising ethics has received remarkably little scholarly attention. In this paper, we review the circumstances that precipitated a major review of fundraising regulation in the UK in 2013 and describe the ethical codes that now underpin the advice and guidance available to fundraisers to guide them in their work. We focus particularly on the Code of Fundraising Practice. We then explore the purpose and rationale of similar codes and the process through which such codes are typically constructed. We highlight potential weaknesses with the current approach adopted in fundraising and conclude by offering a series of normative perspectives on fundraising ethics that could be used to review and revise the current code and potentially improve the quality of future fundraising decision making.

Keywords Codes of practice · Ethics · Fundraising · Professional standards

Abbreviations
AFP Association of Fundraising Professionals
FRSB Fundraising Standards Board
F-Reg The Fundraising Regulator
Inf Institute of Fundraising
NCVO National Council for Voluntary Organisations

Introduction
In May 2015, Britain's longest serving poppy seller, a 92-year-old woman called Olive Cooke, took her own life. Her death was reported in the UK media with headlines such as 'Killed by her business'... Olive Cooke, 92, was hounded by 10 charity begging letters a day' (Olive 2015, p. 1). The media concluded her suicide may have been due in part to the activities of charitable charities 'door-knocking' her with requests to give money. Although the *Charity Commission* subsequently found no such link (BBC 2015; Rickman 2015), a report by the Fundraising Standards Board concluded she

had probably received some 3000 solicitations in the year prior to her death and that it appeared that a quarter of the organisations she had supported had swapped her contact details with others (Fundraising Standards Board 2015). These disturbing revelations were quickly followed up by other investigations that uncovered wrongdoing by charities in other forms of fundraising, most notably the abuse of the elderly through the application of 'unappropriate levels of pressure' in telephone fundraising. It appeared that even those suffering with dementia had been aggressively targeted by fundraisers eager to make their targets (Lair 2016; Daily Mail Investigation Unit 2015). Such was the media focus that the Chief Executive of the National Council for Voluntary Organisations (NCVO) was prevailed upon to convene a formal review of the system of fundraising regulation in England and Wales (Ellingham et al. 2015). In its conclusion, the Ellingham review recommended the creation of a new Fundraising Regulator (F-Reg), the enforcement of Data Protection measures, the creation of a Fundraising Preference Service (FPS) where individuals could opt out of receiving charity solicitations (Fundraising Regulator 2016) and an overhaul of the Code of Fundraising Practice. Ellingham et al. (2015) also argued that this Code should no longer be written by members of the profession and instead become the responsibility of the Fundraising Regulator and thus be set by a panel of lay representatives. Ethical crises have been reported in many other sectors but few have given rise to measures capable in their original formulation of stopping a series of one fall-in

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ORIGINAL PAPER

Normative fundraising ethics: A review of the field

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Abstract
The ethics of fundraising has received scant attention in the academic literature, while there is not a huge amount in the grey and practitioner literature either. There is little that explicitly describes normative theories of fundraising—broad concepts of how fundraising ought to be practiced, from which recommendations for applied ethical practice can be drawn. This is the first review of the literature on fundraising ethics, articulating, synthesizing and naming (often for the first time) 54 ethical theories that can be inferred from an explicitly stated or normative ethical theory. In so doing, this review provides scholars and practitioners with a much longer conceptual foundation for examining and developing professional fundraising ethics, and for analyzing applied practice and finding solutions to the ethical dilemmas in applied practice.

Keywords
ethics, fundraising


1 INTRODUCTION
The ethics of fundraising is a topic that has received scant attention from scholars and academics. When ethics is addressed by fundraising practitioners, it generally focuses on solving applied ethical dilemmas, but it often does this without being the guidance in scholarship. As is expected below, writing about the ethics of fundraising tends to focus on the details of applied ethics—what to do in particular ethical dilemmas—rather than normative ethics—general theories about how to practice fundraising ethically. This is the first review of the field of normative fundraising ethics that attempts a comprehensive review. As such, it is collecting the field from research, and thus some parameters have been set on the type of papers and other sources that have been included. First, this review considers only normative theories of fundraising ethics. While the concepts of applied and normative ethics are explored further below, for the purposes of this review, a normative theory of fundraising ethics is one that can be formulated in general terms that could be applied to specific situations, for example:

Fundraising is ethical when it promotes and protects good in fundraising and prevents harm to donors and beneficiaries.

More formally, these ethical theories can be stated as: Fundraising is ethical when X and unethical when NOT X—where X is a set of conditions such as 'promotes trust in fundraising'. First papers state that their purpose is to describe a normative theory of fundraising ethics (or a theory of normative fundraising ethics). Only (1998) and MacQuillin (2016a/b; MacQuillin and Sargeant 2017) state this as their aim. Therefore, this review refers, down and up, to the normative theories—sometimes naming them for the first time. For example, while many writers talk about the importance of trust in fundraising, this idea was described and named as a formal theory (the example above by MacQuillin 2016a).

These normative theories can be applied to any number of ethical dilemmas. But the review does not consider in detail examinations of specific ethical dilemmas and how these might be solved—thus general examples being so-called 'limited money' and 'contribution-based' fundraising for fundraising—more if it could be possible to

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Rethinking Fundraising: Professional ethics

Rogare's work on fundraising ethics

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Rights-Balancing Fundraising Ethics

Consequentialist

- Fundraising is ethical when it balances the duty of fundraisers to ask for support (on behalf of their beneficiaries) with the relevant rights of the donor...

...such that a mutually optimal outcome is obtained and neither stakeholder is significantly harmed

- And unethical when it does not get this balance right.

Rights-Balancing Fundraising Ethics

Consequentialist

- Fundraising is ethical when it balances the duty of fundraisers to ask for support (on behalf of their beneficiaries) with the right of the public not to be put under undue pressure to donate.
- And unethical when it does not get this balance right.

Rights-Balancing Fundraising Ethics

- Aims for the mutually optimal outcome for donors and beneficiaries such that neither group is significantly harmed.

But it is **NOT**

A justification of ANYTHING just because it raises more money.

It is an attempt to strike a genuine balance.

Normative ethics in fundraising

Making donors feel 'guilty' during a solicitation

- Trustism – **PROBABLY NOT** (as a general rule)
- Donorcentrism (deontological) – **NO**
- Donorcentrism (consequentialist) – **PROBABLY NOT** (as a general rule)
- Rights balancing – **POSSIBLY**

Also potentially unethical fundraising

From beneficiaries' perspective

- Not asking for a sufficiently high gift
- Allowing donors to dictate how funds will be used (mission creep/'donor dominance')
- Pulling a fundraising campaign because of media pressure
- Not asking for gifts you could/should have asked for
- Using images less likely to raise money.

If you would not use this image...

Would evidence that you could raise much more money by using it change your mind?



The core of fundraising ethics is...

The core of fundraising ethics is...

MONEY

SORRY!

The core of fundraising ethics

- The purpose of fundraising is to ensure nonprofits are sufficiently resourced through voluntary donations to deliver the missions.
- The purpose of fundraising ethics is to help fundraisers to make the best decisions that will enable them to fulfil that role.

The core of fundraising ethics

- If you don't factor in the amount of money you raise in your ethical decision-making process...
- ...then you are only doing half the job.
- You might be doing relationship ethics, or communication ethics, or data protection ethics...
- ...but unless you consider how much money will be raised (or not raised), you are not doing fundraising ethics.

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