

Cancer Donations Making Your Dollar Count

By Tetyana Pekar

THE CANADIAN CANCER SOCIETY (CCS) came under scrutiny in early July when a CBC News story revealed that the organization spends proportionally more money on fundraising and administrative costs than on research. According to CBC's Marketplace analysis, research spending decreased from 40.3% of the total expenditures in 2000 to 22% in 2011, while fundraising increased from 26% to 42.7% during that time¹. Researchers quoted in the article and commentators on the webpage were angry at the "inefficient" and "wasteful" spending. Although many believe that the CBC story is misleading, it highlights the importance of identifying charities whose mandate and spending align with donor's priorities.

What should individuals look for in a charity and where would donations make the most impact?

Firstly, it is important to examine the charity's **mandate**, which should be readily available on its website. The CCS, for example, in addition to funding cancer research, seeks to decrease cancer incidence rates and improve the quality of life for those living with cancer. It accomplishes this goal through health promotion and public policy changes and by developing and funding programs for patients and caregivers². Therefore, it is not surprising that the CCS has made a decision to spend less money, proportionally, on research, in order to focus on these areas of their strategic plan. As such, when the priority is to contribute solely to research, individuals should donate directly to research institutions.

It is also advisable to evaluate how the charity allocates their donations and revenue, and the **transparency** of this information on the organization's website. For the CCS, this information is readily available on their website and a quick look reveals that some of the information in the CBC report is misleading. In particular, administration costs amount to just 4% of the CCS's total revenue⁴. Low overhead costs may not necessarily be a good thing from a business standpoint, as employees need adequate salaries and equipment to be proficient at their jobs. The CBC Marketplace analysis also includes the money spent on marketing and prizes of lotteries under fundraising costs, artificially manipulating the relative percent spent on fundraising. In actuality, while the CCS spent \$22,988 million on marketing and prizes, they made only \$23,869 million in revenue, which results in a net gain of a modest \$881 million^{3,4}.

Finally, it is of benefit to consider the **effectiveness of the programs** that have been funded, supported or initiated by the charity. Without evidence of results, money spent on cancer education and promotion is not justified. Charities should have a method for evaluating the success of their programs. Monitoring, evaluating and openly disclosing the effectiveness of the organization's programs are critical attributes of outstanding charities.

In addition to the above considerations, it is important to identify a cause where donations make the most impact. Charity Intelligence Canada (CIC) facilitates this process by pinpointing the most effective and effi-

cient charities, as well as underfunded causes. A recent CIC report focusing on cancer suggests donating to some of the least funded cancers in Canada: **pancreatic, stomach, lung and colorectal**. According to CIC, these cancers together represent 46% of potential years of life lost (an estimate of the average years of life an individual would have lived if they had not died prematurely) and have the lowest 5-year survival rates; yet, they receive only 15% of cancer-specific research funding and only 1.6% from cancer-specific charities⁵. Unsurprisingly, the CIC report states that when evaluating the donations based on potential years of life lost, Canadians donate 151 times more to breast cancer-specific charities than to the four most lethal cancers combined⁵.

Given these considerations, donors should be careful when considering potential charities and causes. A more detailed examination enables donors to make the most impact with their money by contributing to effective and underfunded charities.

References

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