|  |
| --- |
| Speak Up - KōrerotiaMaking charity dollars count19 December 2018 |
| Female | Coming up next conversations on human rights with “Speak Up” – “Kōrerotia”, here on Plains FM. |
| Sally | E ngā mana, E ngā reo, E ngā hau e whāTēnā koutou katoaNau mai ki tēnei hōtaka: “Speak Up” – “Kōrerotia”. Tune in as our guests “Speak Up”, sharing their unique and powerful experiences and opinions and may you also be inspired to “Speak Up” when the moment is right.E whakarongo ana koe ki te hōtaka “Speak Up-Kōrerotia” - you’re listening to “Speak Up-Kōrerotia.” This is Sally Carlton, your host. Today we’re talking “Making Charity Dollars Count” and we’re going to be taking two primary angles with this. We’ve got Catherine Low talking about the effect of altruism - and I think you’re going to explain it more, but I think that’s basically where can you put your money that’s most effective - and Bridget Frame who is going to be talking a lot about how and why groups are funded by government. So if you guys could introduce yourselves, please, and tell us a little bit more about what is it you do, the work you do and in your case, Catherine, explain to us exactly what is effective altruism.   |
| Catherine | OK so my name is Catherine, I volunteer for an organisation called Effective Altruism New Zealand and we’re really here to help people learn about effective altruism and donate to effective charities. So the idea of effective altruism is about using evidence and critical thinking to do as much good as we can with the resources we do have - so that could be our career, our time, or our money. So it’s looking really carefully at, for example if you’re trying to donate money to a charity, which charity will give the most bang for the buck, do as much good as you can and thinking carefully about who we help. So there’s a lot of obvious people in the community and that’s great, but there’s also people in faraway countries, there’s other species that we might want to help as well as try to prevent bad things from happening in the future - so looking, perhaps, at the slightly less obvious ways of making the world a better place as well. So that is what effective altruism is all about.  |
| Sally | And you say you volunteer, is it a big organisation here in New Zealand?  |
| Catherine | We have a charitable trust here - there’s five of us in that trust - and we have a community around the country; I guess there’s about 100 people who are really involved around the country. But effective altruism is a worldwide community of people who are all trying to make the world a better place in the best way that they can so it’s quite a neat organisation or group of people to be part of.  |
| Sally | Great, thanks. And Bridget?  |
| Bridget | Right, I have my own little business called Delfi and I look at the grants space. So where money comes from for the many not-for-profits in mostly Canterbury at the moment, because that’s something I can easily put a ring around but I’d love to do it for New Zealand. I guess I got started in this… I have a corporate background and then post-earthquake I ended up working for a small NGO and then worked for a grant maker and during that time I saw some of the inefficiencies within the whole ecosystem. So I developed up quite an obsession, I suppose, to understand where money comes from, where it goes to and the hideously inefficient processes on how it actually gets to the charities in the first place.  |
| Sally | Goodness, we’re going to learn a lot, I’m sure. Bridget, you mentioned the not-for-profit and I think you also said charity sector. It would be great to think about the various terms that are used: ‘charity,’ ‘NGO,’ ‘non-governmental organisation,’ ‘not for profit,’ ‘third sector.’  |
| Bridget | Wouldn’t it? And I suppose the charitable sector is charities defined by the Charities Act 1957, I believe. So they are registered charities that then have a certain tax status: 27,212 registered charities in New Zealand.  |
| Sally | That’s a lot.  |
| Bridget | It’s a heck of a lot. In fact I read a report that says that means that one in 40 New Zealanders are on a board for one of those registered charities.  |
| Sally | One in 40?  |
| Bridget | Yes well if you divide the number of registered charities by the population of New Zealand, it’s an awful lot of charities so we do have an awful lot of charities here. On top of that, we’ve also got a bunch of third sector organisations, like you say, it might be sporting organisations, sports teams, PTAs… There’s around 115,000 third sector / not-for-profit kind of organisations here in New Zealand.  |
| Sally | And what makes them ‘third sector’ or ‘not-for-profit’ but not charities? What’s the distinction there?  |
| Bridget | Well there’s a couple of things. Firstly would be around purpose - we can talk about charitable purpose in a little bit - but the other one is also around effort, I suppose, as well. Catherine will know this. It takes quite a lot of effort to establish a charitable trust and there’s quite a lot involved in the reporting side of things, obligations on, generally, volunteers who are on the governance committees of those. There are tax benefits obviously but for many organisations there is little benefit in them doing that and continuing their activities without that charitable status.  |
| Sally | Bridget, you’ve talked us through the statistics of just how many thousand charities and NGOs there are in New Zealand and I know they make a really big contribution to New Zealand society. Have we got some stats around that as well?  |
| Bridget | Well in fact JB Weir did a wonderful report a few years ago which has around $20 billion of income coming in from the charitable sector, which is coming in through philanthropy, maybe government contracts, trading. A lot of charities will earn money from trading.  |
| Sally | So that’s coming in but do we know about going out? The contribution that’s made in terms of output?  |
| Bridget | This is where productivity…How do you define outputs is a tricky thing. We’ve historically done it on GDP and I think in the case of a not-for-profit organisation, some of the wellbeing work that’s being done at the moment by Treasury and the Reserve Bank is where it can get really exciting in terms of measuring the impact rather than just it always being about the money.  |
| Catherine | Sometimes it’s just really, really hard to measure how much impact the charitable sector is having. A lot of charities do a lot of work but unless you have rigorous scientific studies done on particular actions that they do, it’s hard to know when things are getting better. Were they going to get better anyway or how much was the charities and this $20 billion coming and doing the trick? It’s not an impossible question to answer but it’s a tricky one.  |
| Bridget | And I guess the other element to the point that it’s tricky is that it’s also expensive. And the charity that I was involved in, we did a $30,000 piece of work around the efficacy of the programmes - you know, ticked all the boxes and everything - but we still struggled to put a dollar value on the services delivered after spending that amount of money.  |
| Catherine | Absolutely.  |
| Sally | Some groups lose or have lost their charitable status and I’d be quite interested to know what it is that’s caused that loss in status. What changes make them lose their status?  |
| Bridget | If we go back to the Charities law, it’s based on stuff from around 400 years ago and that is that charitable purpose must fall under one or more of the following categories: relief of poverty, the advancement of education, advancement of religion and other purposes beneficial to the community - and many organisations will try to sneak in under that last one. I’ve had a wee look at some of the deregistrations. We’ve had Swimming New Zealand, which was deregistered I think in 2014, it was quite interesting - this was the Charities Board’s position on sport in general: “As a general proportion, bodies established to administer and manage a sporting code or discipline in a region or for a nation are likely to be established for the purpose of promoting a sport as an end to itself. The promotion of sport, including amateur sport, conducted on a not-for-profit basis as a means to the following ends is not a charitable purpose.” So that’s about grooming elite athletes, so organisations that do that sort of thing aren’t ticking the box on charities. We’ve also had the Family First decision which is I think back on its third appeal. Where Family First was deregistered as a charity for the second time in 2017. The Charities Board decided once again that Family First should be deregistered as a charity because it was seen to be lobbying rather than for a charitable purpose and I think Greenpeace has had a similar fight through the courts as well.  |
| Catherine | So with the list that you had before about the relief of poverty, education and religion: that’s for New Zealand charities. So if a charity working internationally wants to be registered in New Zealand, that’s a smaller restriction set so it’s done to poverty and education so that means that charities working for something like environmental causes overseas have a hard time. If their actions are overseas, they have a hard time getting registered in New Zealand as well. We’ve kind of come up against that as well because there’s some absolutely outstanding charities that are doing things like preventing deforestation, ones that are helping animals in other countries, but we just can’t get charitable status to funnel donations through to them. It is a fairly tight list that we can have as charities and there’s a lot of things that are super worthwhile that don’t fall under the list and are worth supporting too.  |
| Sally | It’s interesting you say it’s so old, that law. Should it be updated?  |
| Catherine | I think so! The charitable status gives tax benefits to donors - so for a New Zealand donor, if you donate $100 to a registered charity, you get $33 back in your tax at the end of the year refunded to you which is really, really nice and it’s good that the government incentives that but there is loads of different ways of doing good and making a difference to our local community or internationally and it’d be really great if that was broadened so we get that advantage through helping in lots of different ways. Having said that, Effective Altruism looks at how effective various charities are and the difference in effectiveness in charities can be absolutely enormous. It depends on how you measure the effectiveness and exactly what you’re looking for but the difference between an average run-of-the-mill global poverty charity and the very top ones might be 100 times as effective, so do maybe 100 times as much good or as much improvement for the people that you’re trying to help per dollar donated than the average ones. Then if you compare to pretty inefficient or poorly run or untested things, a lot of charities probably actually don’t do anything to help.  |
| Bridget | It’s busy work.  |
| Catherine | Yeah and they have best intentions in the world - I’m not saying that these charities are scams or anything - but just some things aren’t that helpful and some things are extremely helpful. So having some charities get charitable status is lovely to get your 33 per cent back but I don’t think it should be the defining reason about whether you donate to a certain organisation or not because you’d be better picking the very, very good ones whether or not they give you your tax back at the end of the financial year.  |
| Bridget | I agree one hundred per cent. If you look at those four parameters, we live in a society with a safety net: we have free education for everybody up until the age of 16; 42 per cent of our people are non-religious - so we’ve got this huge change in society and yet our law that underpins where charities are incentivised is still based on our great grandparents’ behaviours way back in the day. So I think we do need a conversation about that, what it means in a modern New Zealand society. What our charities law should look like.  |
| Sally | One that certainly seems a bit incongruous to me is some of the churches.  |
| Catherine | A lot of churches do do really good charitable work so I wouldn’t want their charitable work segment of what they do to lose charitable status but just having a blanket thing to advancement of religion in general, it’s pretty… I personally agree, but then I’m also not religious so other people might have different perspectives.  |
| Bridget | Well I think the JB Weir report also points to that, it does a really interesting comparison if you’re interested in this looking at innovation. It looks at 40 years of the American Stock Exchange and the top companies in America and as we know there’s been a huge change, we’ve had massive turnovers. In terms of the top charities in New Zealand - no change at all - because all the wealth is being held by the same old charities that have been around forever doing, possibly, the same old stuff. It might be worthy but is it the most worthy? And I think that’s a question that we need to ask in these conversations.  |
| Catherine | And I think part of the reason why this hasn’t changed so much is the economics of charity is just a little bit strange. So if you were, for example, buying a new laptop, you are really incentivised to do your homework and test out different models, talk to your friends, look at the cost and look at the specifications and how fast and how many gigs of RAM or whatever it is that you’re looking for and you try and make a cost effective donation and get the best laptop for the money that you have to spend. But with charities things are really different; the beneficiaries of your money aren’t you, so you’re making decisions to try and help other people. And often we don’t look at how that money helps or whether it helps or not. A lot of people, through no fault of their own, just don’t realise the vast difference in the effectiveness of charities. It’s a little bit like having two pizza shops next to each other and one sells pizza for $1 and the other one sells pizza that’s just as tasty for $100. In an efficient market the $100 pizza is just going to go out of business but in reality we have that with charities all the time and so people are really willing to donate to the names that they’ve heard and they use that as a proxy for trustworthiness and effectiveness.  |
| Bridget | It’s the last bastion of the brand, I think, in our modern society.  |
| Catherine | Yeah, yeah. There are some things that are changing to allow people to find more information because you can’t just hear a name of a charity and think, “Oh that sounds like a good cause, sure” and be confident in it doing a good job. Certainly and to the global health case, there’s now some really rigorous evidence and people who are really analysing the cost effectiveness and looking at charities that are not only really good but are also self-reflective in improving upon themselves and also have a lot of room for more funding. So if you are looking to donate and to help those in global poverty or health problems, Give Well and The Life You Can Save are two evaluation organisations to look at and that way you have an independent organisation looking for some of these really top charitable giving opportunities. There’s also one for animals called Animal Charity Valuator if you care about animals and it’s amazing how many animals you can prevent from a life of suffering for a small amount of money. But unfortunately all of this analysis is really hard to do and I know Bridget has done a lot of work looking at just the charities working in Canterbury. It’s a huge job to try and analyse which ones are going to be doing the most good with your money.  |
| Sally | I think that might be a great place to have our first song. We’ve got ‘Purple Rain’ by Prince and when we come back we’ll pick up the point about charities and facts and figures and what we’re doing about it.  |
|  | **MUSIC BY PRINCE – PURPLE RAIN** |
| Sally  | This is “Speak Up” – “Kōrerotia” on Plains FM 96.9 and today we’re talking with Catherine Low and Bridget Frame about making charity dollars count. It’s been a pretty riveting discussion so far and we’re going to be picking up now a bit more about the funding side of things. In the research that you’ve done, what are some of the most striking findings?  |
| Bridget | If we start at the macro level, using that JB Weir report again, about 31 per cent of the total funding for not-for-profits is coming from the government. We’ve got 45 per cent coming from fees and 24 per cent coming from philanthropy. My work is specifically focused on the Canterbury grants and what was striking there was about 50 pre cent of money coming in from grants in Canterbury - which is, by the way, about $60 million a year - about 50 per cent of that is coming in from the Game Trust grants which is interesting, I think. That trend has been like that for about four years now.  |
| Sally | Do we know what caused the change about four years ago?  |
| Bridget | I guess the earthquake sort of changed things a lot with regard to giving and need. We also had quite a number of post-earthquake organisations sprout up of which many of them have now been told, “Actually no, that’s no longer post-earthquake and we’re going to cut our funding for you.” So there’s a lot of those organisations that are going, “Actually we think we still do some good stuff” and I think that points back to the point I spoke of earlier which was around the lack of innovation within the sector that we’re seeing in terms of the numbers.  |
| Catherine | Can I ask you a question about the gaming funds? So that’s funds from things like people playing pokie machines and Lotto as well?  |
| Bridget | No, not Lotto money.  |
| Catherine | So mostly just pokie machines?  |
| Bridget | Yes. If you include Lotto then about two-thirds of the money is coming in through gambling but we tend to separate them out.  |
| Catherine | I feel very uncomfortable about this especially when I’ve seen a little bit of where that money goes and some of this money does go from some of the poorer people in our community who are gambling and then that money goes to… |
| Bridget | Middle class… |
| Catherine | Yeah and who maybe want it for their local sports team which is all lovely but… Am I being charitable enough with that representation?  |
| Bridget | I completely think that’s what is going on. I did a little bit of work looking at a gaming trust over a year, this was 2015 data so it’s old but I think it largely holds up. What I found was… Gosh, the numbers are about 57 per cent of the money went to what I term ‘middle class organisations,’ the things that the middle class like to do. There was about 30 per cent went to organisations that I would term an every man kind of thing and the balance of 11 per cent or so went to organisations that helped the poor.  |
| Catherine | Eleven per cent?  |
| Bridget | Yes and it was a very arbitrary system I had of categorisation but when you think about where the money is coming from, it strikes me that it’s an example of middle class transfer.  |
| Catherine | So it seems like something that is a lovely generous thing to do, that there’s this funding body from the gaming goes to make the country better but I don’t know, what do you think is the net impact of this? Do you think its positive/negative/hard to know?  |
| Bridget | Well if anyone is listening… Minister?! I think on balance it is probably a negative. I think the costs would outweigh the benefits; however, the problem is as soon as you start to have that discussion, all the organisations - and remember 50 per cent, that’s $30 million of Canterbury money is coming from these organisations - so those organisations that are getting that money say, “Well hang on, how are we going to get our funding?” What we’ve got is another example of supply and demand. The supply has been there. We’ve now got demand growing and growing particularly in the sports clubs - I think that sport gets around 33 per cent of this grant money - so you’ve got jobs that are being created and I’m sure they do wonderful things, lovely things, but are they effective and are they going to get the transformational results that we’re looking for in our society? Maybe a better way is the government to say, “Actually $30 million for Canterbury, that’s probably, what? $300 million for New Zealand, let’s just slice that off and we’ll take care of that, we’ll have some locally elected people decide where that money goes” and that might be a solution to take some of that out of it.  |
| Catherine | Sounds like a good idea.  |
| Sally | Do we have a sense of how much people are donating in terms of personal donations? Not coming from government and not coming from lotteries or gaming.  |
| Catherine | Yeah there’s a Giving New Zealand report that comes out from Philanthropy New Zealand every four to five years so unfortunately the last one is from 2014 but I do have the stats here. For that year, 2014, it was $2.8 billion donated by New Zealanders, so this is not the government funding for charities. Fifty-five per cent of that was just people making their own donations and then 42 per cent was trusts and three per cent was businesses. What I find powerful about that is that’s $1.5 billion coming from New Zealanders. A lot of people seem to think these are big trusts that dictate which charities get to go and do things and have the power but actually most of the giving comes from New Zealanders which is great, although Bridget did point out that a lot of that money is tied into churches. Still, that’s quite a lot of money. The $2.8 billion, that counts for about one per cent of our GDP and apparently that’s fairly high for countries around the world. The USA gives a higher proportion of GDP. A lot of people would sort of argue, “Well that’s probably because they don’t have quite as good a safety net as we do perhaps, I guess private citizens step in” but they also are quite a religious country as well so that might be part of it too. But we do stack up quite well as personal donors in this country which is really nice.  |
| Sally | New Zealand has got quite a high percentage of charities, full stop, hasn’t it?  |
| Bridget | One of the highest in the world, yes.  |
| Sally | Bridget, thinking about your research, is it relatively easy to find the data and the stats that you use? Is there much transparency around this kind of thing?  |
| Bridget | Well it is pretty easy to find the grant stuff, the gaming trusts are actually marvellously transparent and I would commend them for their level of transparency. They’ll often state even why they’ve declined things which is really helpful. I’m on the board of an organisation and they would apply for around 60 grants a year and get around 40 so to know why you’ve been declined is actually a very useful thing but also to know for organisations that give money, it’s helpful to know who has declined them and then you can start to think well why did they do that? Was it simply because they didn’t have enough money or…? There is always a reason behind that.  |
| Sally | One of the dilemmas, I think, that the charity and the NGO sector more broadly has, is that it doesn’t exist to put facts and figures together, that’s not its purpose but so much of what we are talking about relies on having some numbers, some quantitative data behind it. Any comments on that financial imperative versus do the core business, so to speak?  |
| Catherine | Yeah well I kind of think that tracking what your impact is needs to be part of people’s core business if at all possible. So there are definitely some charities that are going to have a hard time working out… Oh you know, for every $100 donated to us this thing happened because what they’re doing is more speculative or research or involving public policy changes and is really hard to measure but when you can, I think it’s imperative that we do. There was a big study done and I think it was the Laura and John Arnold Foundation, that looked at a lot of social programmes that charities and government provided around the world and they found all the ones that had scientific evidence behind them, they’d done really careful studies about how they had… Whether what they were doing was helping and they found that about 75 per cent of all the ones that had been rigorously studied had basically no or very little impact and about 25 per cent showed that they were helping. There were some, a small number, that were actually clearly doing harm. Again, best intentions in the world. There is a temptation to say, “OK this thing makes sense to me, it makes sense that if I do a particular action that’s going to help people” but I think we need as a sector to be a little bit humble about what our capabilities are and say, “Well I think that’s going to help but if I’m not careful and I don’t test, maybe I’m actually causing more harm than good, maybe I’m actually doing nothing and wasting all of these donors’ money.” I basically think it’s essential to do it as much as we can if it’s possible and I know it’s going to be a difficult decision of how much testing you do but you certainly can’t stride ahead and say that you’re saving the world without being careful about it.  |
| Bridget | I had that moment sitting in a conference room listening to someone talking and berating everybody in the room because things were getting far worse and in that room were people who spend hundreds of millions of dollars per year on giving money away to make communities better so at that point I thought, “What’s going on here? Are you just giving money away to organisations just for the sake of giving money away? Are you just doing the same old same that doesn’t actually work?” I also get a little bit nervous with some of the social enterprise work as well. We can sometimes get a little bit misty-eyed about some of these various organisations because of the good that they purport to do but like Catherine said, what are the downstream effects of that? We need to make sure that we put measurements within our organisations particularly if we’re going out for capital. If we’re an investor and we invest our money all the time, where am I going to get the best bang for my buck? And again that comes down to having a good look at the charity that you’re deciding to invest your money in.  |
| Catherine | Yes it is really tricky and I think everybody seems to have this idea of, “Oh, that’s a brilliant idea, that’s going to solve all the problems.” A decade or so ago, it was things like in the global poverty space, like microloans… Oh if we give people little loans of $100 or $200 that’s going to cure poverty and it was a lovely idea but then when they tested it, it sometimes worked and it sometimes caused harm and we’re sending people into debt spirals rather than giving them a leg up. It’s a very tricky thing. And I think social enterprise is kind of one of those things. Absolutely wonderful idea that we have a business that makes money and is good for the community but it’s not a silver bullet, we have to make sure that it does do those things and sometimes maybe it’s better to say well if that’s not a very good organisation, maybe it’s just better to invest your money somewhere and take that money and give it to a regular charity. Just because it’s a social enterprise doesn’t mean it’s fixing all our problems.  |
| Bridget | Yeah it’s doing a root cause analysis. I mean I’ve got children, I’ve got three kids, and I’ve realised over that time that it all comes down to those kids live in a family so if you are going to do some stuff to the kid around enabling them and all that kind of stuff, they might be with you an hour a week, they’re with the family 24/7… Well except when they’re with you for an hour. You get what I mean. It’s working at the root cause of where the problems are, is I think you’ll get the biggest bang.  |
| Catherine | Well I’m not sure about that actually, I’ve done quite a lot with the root causes because I find when I talk to people about some of the highest-ranked charities by Give Well and The Life You Can Save, some of their things where they recommend where you donate to is things like malaria nets to prevent people getting bitten by mosquitos and passing on the malaria parasite while they’re sleeping and a lot of people say, “Oh that’s just a band aid; you should address the root cause of poverty” and sometimes I’m like, “Well actually, malaria is kind of one of the root causes of poverty” and so for example, yes the poor areas have more health problems but the health problems increase the level of poverty as well so you end up having this spiral and just because you might have identified oh this is what I think is the root cause, doesn’t mean that that’s the best way of solving it. According to Give Well’s analysis, something like doing a micronutrients or bed nets or deworming tablets or things that seem like oh we’re just solving this little problem, we’re not making this massive change to how our country operates - those things do actually improve overall income and wealth of the country because people are healthier and they can work more and get more education because they’re not sick from malaria or going blind from Vitamin A deficiency.So that can bring them out of poverty a bit. The other side, if you do try and analyse and say, “Oh I think the root cause of poverty is… I don’t know, corruption in government” but then also that’s a really hard thing to change and if you could… By stepping in and swooping in and trying to make a difference, you could actually cause more harm than good. It’s not to say that policy changes aren’t important in trying to address these causes but it’s just messy and I don’t think there’s any way of saying from somebody’s philosophy from their armchair of deciding what’s work and what doesn’t work.  |
| Sally | I think we might have our second song, ‘Lucky Stars’ by Don McGlashan.  |
|  | **MUSIC BY DON McGLASHAN – LUCKY STARS** |
| Sally  | This is Sally Carlton on “Speak Up” – “Kōrerotia” and today we’re talking with Bridget Frame and Catherine Low about “Making charity dollars count.” Just to finish off in our final segment, we thought we might focus on some of the points we’ve been already talking about but specifically looking about how do people decide what they want to do with their dollars, whether that be the government or whether that be you and me deciding which charities to support. Let’s start off by thinking about what kind of organisations do people tend to donate to and why.  |
| Catherine | Right. So I would say that people often tend to donate based on very little information at all and they donate based on name recognition and they donate based on… |
| Bridget | Heart.  |
| Catherine | Yeah pulling on heart strings. So there’s a little really interesting psychological study done with what they call the single identifiable victim effect. So basically if you see a picture of a little child and you recognise them and you know what their name is then you’re much more likely to give than if you hear about a big problem. I think that’s just the psychological thing about how our brains evolved. I guess the thing that I have a problem with that… I mean, obviously it’s great to empathise with a single person but it does mean that people are more likely to be drawn to charities that do advertise like that and maybe aren’t drawn to charities that maybe are treating a bigger problem and are maybe using the statistics. So we’ve talked a lot about how actually analysis is really important but charities don’t normally get a value because of their careful analysis, they mostly get value from their cute dogs or their cute children. Also there’s a lot of social effects, people donate to charity not just to make a world a better place, they donate so they feel good as well and so people around them go oh good on you and you get a nice smile from the donor.I think that’s fair enough that you do things that make you feel good, what I would really like to encourage people and what Effective Altruism NZ is hoping to encourage people is to at least spend some of their charitable dollar, maybe all of it, but some of that spare money that they have, looking not so much at what pulls on your heartstrings but what really makes a very big difference in the world. So looking at Give Well or The Life You Can Save or Animal Charity Evaluators and finding one of these ones that have rigorous evidence that are highly cost effective. That’s unfortunately a thing about our psychology that perhaps the best charities aren’t always the ones that we’re just drawn to.  |
| Sally | I always wonder about the people in the malls or the people who come and knock on your door, almost like a pressure tactic. Or if you go to the check out and it’s, “Oh would you like to donate $1 of your purchase to a particular charity?” and those kind of tactics that almost make you feel guilty if you don’t.  |
| Catherine | I know, I find it really tricky even though I spend my life thinking about where I’m going to donate my charitable dollars to. I spend hours and hours trying to analyse things and reading all of these scientific studies but still when I find somebody comes to the door, I try and explain why I’m not going to give to their charitable organisation but it’s still hard. Recently I had the Blind Foundation come around and collect money to my door and that was for the guide dog donations. I mean, guide dogs are extremely cute so they definitely pull on the heartstrings - those puppies, oh my goodness! - and they are fantastic animals and they do a wonderful job for their owners but I sort of explained why I don’t donate to them which is that it costs about $40,000 to raise a guide dog and that will help someone for about nine years and sure, if I was a blind person I’d be like, it’s worth it, but then we have to really think about what else could we do with that $40,000 and if it was donated to, for example, the Fred Hollows Foundation which also helps blind people, prevents blindness and mostly in developing countries, and you’re looking at a few hundred dollars to stop somebody from going blind in the first place. So you’re looking at hundreds of times more, maybe thousand times more impact per donation. So I kind of explained to the person and she was still really disappointed and I still felt bad but it was still the right thing to do to choose not to donate to them.  |
| Bridget | And with the chuggers - the ‘charity buggers’ - they are not… |
| Catherine | I’ve never heard that term! |
| Bridget | I’d steer clear; a lot of that money will go to paying their commission. If it’s a charity you want to donate to, I’d do it myself because I think they do use pressure tactics. I mean, it clearly get results because otherwise the charities wouldn’t do it. It doesn’t take long to evaluate a charity. I’ve used a short form of the Give Well criteria, I’ve used a short form because the Give Well criteria is very, very in depth, they actually go to the charity and sit next to them. I do think that all charitable information should be on your computer, online. I mean, the way we evolve is to learn, we show what went wrong and how we’ve changed ourselves from that - so if a charity shows that, to me that’s a great thing. I will even Google my kids’ mufti days and I’ll use it as a teaching moment to show my kids this is how you need to do your evaluations. It’s tough on them and sometimes they have to raid their own money box because mummy won’t pass with $1 to a charity that actually that money isn’t going to do what you think it’s going to do. It’s not that hard to do that sort of work.  |
| Catherine | Yeah and it’s great that we have charity evaluators that we can have a look at and give us some ideas as well. It’s interesting you talk about the ‘chuggers.’ One thing that I’ve noticed that from year to year most countries or most people, they kind of consistently spend about the same proportion of their income on charity year to year if you look across the whole country. This seems really negative but sometimes these people that do go door-to-door and ask for money, they are effectively giving money to their charity but probably at the expense of other charities because if everyone is keeping the same proportions, a bit more to that one and less to any other charity… Just to anyone listening who is perhaps thinking of doing fundraising for a charity, it sounds really negative but you might actually be doing more harm than good because if you are getting people to donate to a little, less-effective charity than they otherwise might have it actually might be a bit negative. So I would say if you’re fundraising for a charity that’s doing a fantastic job and that’s doing a fantastic job and really needs the money and it’s cost effective, that’s fantastic but just something to be aware of.  |
| Sally | Speaking of the different ways, I guess, in which the charity money gets spent, should we be looking at donations to charities in New Zealand versus charities in developing countries the same? Or is it always going to be that if you’re donating to a charity that helps people in developing countries you get more bang for your buck?  |
| Catherine | I wouldn’t say you always get more bang for your buck because there’s harmful charities everywhere and there’s great charities everywhere so there’s certainly some dreadful charities trying to help people but failing. If you’re looking at the very best charities across the world and if you have the moral belief that everybody is worthy of help wherever they are in the world, then you will be able to help more people by greater amount by donating overseas and that is because what Bridget was talking about before, we do have a safety net here in New Zealand. It’s not as good as I’d like it to be - there’s absolutely poverty in this country - but the level of poverty in some other countries is more desperate than the level of extreme poverty here. And also, $1 just goes so much further. So something like a bed net to prevent malaria is $5 or a dosage of deworming tablets for a child that’s just got worms in their gut, that’s $1 to deworm them for a year. So small amounts of money on basic health care things are extremely needed in developing countries, but any of those really low-hanging fruit as far as health care in New Zealand, those opportunities are being taken up by the government and we get some basic health care funded and in some countries they just don’t. And it is hard to decide because I want to help everybody but if I want to help the maximum number of people, I want to help as much as I can, going internationally you do get more impact.  |
| Bridget | I wonder why the government doesn’t fully fund many of the social services that are looking for money at the moment. I mean, you look at Aviva, you look at Family Help Trust - you’re dealing with family violence and often intergenerational poverty cycles and if they’re doing a good job and yeah, Family Help Trust is awesome, the way that they measure their work is wonderful. So if they’re doing a great job then why should they have to shake the tin? It kind of does my head in. The other thing is that often the fundraisers are some of the more highly-paid members of the organisation because it’s a bloody hard job going out there banging on doors and asking for money, I’d hate to do it. But it takes it off-mission. So that’s I think a question that the New Zealand voters can ask the government: Why can’t these organisations be fully funded? The other part about fundraising, I’ve been the chair of our PTA and we usually raise about $30,000 a year for the school which is all wonderful, goes to whatever the kids need, but you can use that fundraising as a catalyst for bringing your community together through the likes of events, those wonderful auctions where everyone gets a little bit tiddly and out of control. So what that does though is form a really strong community around the children and that to me, particularly for a PTA, is one of the wonderful spinoffs for fundraising.  |
| Catherine | And that’s probably more important for the kids than the money itself, being part of that.  |
| Bridget | Absolutely, well it takes a village to raise a child so if we can use fundraising as a catalyst to create that village then stop writing your grant applications and organise a few social events, that would be my message.  |
| Catherine | Another thing I wanted to point out about international versus local is generally people like to help people who are close to them and in their same country and that’s a pattern that’s all over the world. So in New Zealand - this is again from the Giving New Zealand report - about 10 per cent of donations from New Zealanders or New Zealand organisations goes internationally and that leaves 90 per cent staying in the country. And that’s totally understandable, people like supporting their own country, but this is something that happens all the way around the world so what happens is that all of the high income countries like New Zealand and UK and Australia and United States, most of their charitable money stays in their country and that makes it really, really hard for the countries that just don’t have very much money to start with so you end up having the strong getting stronger and helping each other and that’s important but what I would really like to see is a bigger proportion of our donations go to help the world’s worst off, if we can. That’s another thing that Effective Altruism, the community, is really digging into a lot is actually being quite critical about what kind of causes we should be tackling. So traditionally a lot of people involved in Effective Altruism have looked at the global poverty question because so many more people by a greater amount if you look at the people who are living in extreme poverty and having these completely preventable diseases. So it’s something like 4 million children die every year under the age of five from completely preventable diseases like diarrhoea and pneumonia, - like, just ridiculous. So these are really, really low-hanging fruit for improving the lives of others. If you try and expand your circle of compassion as well, you can sort of think, “Well we’re humans but we’re also animals and we have feelings for other species that can suffer and have a rough time as well.” So there are something like 70 billion animals that are killed for food every year and about two-thirds of those live in factory farms and tiny little cages and never see the light of day, they have all sorts of injuries and mental health problems and things like that so that’s another cause area that could be really important and if you think that non-human animals have any moral worth and you’ve got 70 billion of them having this horrible life, that could be another way of us making the world a better place. The final cause area that Effective Altruism is most often interested in is trying to prevent terrible catastrophes from happening in the future so something like nuclear war might not happen, it might happen, but we know if it does it could be terrible and could potentially lead to the extinction of the human race if we have too many nuclear bombs exploded. Similarly, some people are really worried about artificial intelligence, we’re building these machines and we perhaps don’t know whether that’s going to have a long-term positive or negative impact on humanity. So there maybe things we can do now to try and make the future better for humanity.These are extremely difficult to do and we can’t do a careful scientific study about whether our efforts are going to help or not but it’s probably still worth critically thinking about that. So there’s lots of ways of helping, certainly if anybody listening is interested they can go to effectivealtruism.org or effectivealtruism.nz and we’ve got lots of information and books to give away and things like that, so you could actually read up about all of these different ways of helping. There’s a lot of things that you could do to help and what the most salient one is to you in your everyday life might not be the most effective ways of helping.  |
| Sally | I think that seems to me to be the take-home message is do some research.  |
| Catherine | That’s pretty much right.  |
| Bridget | I’d agree. We’re quite tough on brands nowadays; we expect a lot from the brands that we interact with, I suppose, in a consumerist sense and I think we should demand the same from our charities. They exist to benefit our community so do they actually do what they say they’re going to do on the packet and if they’re not telling you that information then perhaps consider someone else that does. Do your research; everybody has got websites these days. For a charity, all their information is available on the Charities Office. In fact, some are getting less transparent, some charities, I’ve noticed lately, which is to me a worrying trend and something I’ll continue to look at. If you’re interested in reading more check out my website [www.delfi.co.nz](http://www.delfi.co.nz) and I blog occasionally on this sort of stuff and I’ve got a couple of reports.  |
| Catherine | It’s very interesting; I always read it so you should look at that. The final things that I wanted to say is that I know that Bridget and I have been a bit negative about some charities but I just wanted to say that there are a lot of ones that are doing an outstanding amount of good and as I say, a small donation can have a massive impact on the lives of others. Also New Zealanders, a lot of the people listening, are actually probably better off than you think you are on a global perspective. We are lucky in New Zealand, not everybody but some of us do have some money left over and I think it’s important to think that with the wealth that we have in this country, we also have some responsibility. We have the ability to make things better for others that are suffering and if we can use critical thinking and do our research we really can save lives and we can transform lives with that money that some of us have so it would be great if people take that opportunity and work towards a better world.  |
| Sally | I’d like to say kia ora, thank you very much for coming in today. It’s been a discussion through which I’ve learnt an awful lot so thank you very much for expanding my horizons and I shall personally go and check out those websites that you’ve suggested and see where I’ll be putting my charity dollars.  |