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Donors Respond To Tsunami Disaster

By Robert Ford and Jeff Jones

Preliminary estimate: \$350 million arrived online

U.S. nonprofits providing relief in South Asia received hundreds of millions of dollars in donations just more than a week after the Dec. 26 earthquake and tsunami killed more than 150,000 people and left an estimated 5 million survivors in need of food, water and shelter.

Early estimates indicated Americans' donations for tsunami relief efforts outpaced the \$350 million the U.S. government pledged in aid to the region. Money poured in so quickly for Doctors Without Borders/Medecins Sans Frontieres (MSF) that the organization announced in a statement posted on its Web site in early January that it had received "sufficient funds for our currently foreseen emergency response in South Asia."

The message continued that the group would "continue to assess our financial needs as the scope of our operations in the affected areas becomes clearer over the coming days." MSF asked people to donate to its general emergency relief fund, which aids efforts in South Asia, Darfur, Sudan, and elsewhere.

Headquarters operations of the Salvation Army (SA) and the American Red Cross (ARC) chose not to set a fundraising goal for tsunami-related relief. Catholic Relief Services (CRS) committed \$25 million to the disaster, but could double its fundraising goal, according to Kevin Whorton, director of the direct response unit at CRS in Baltimore.

When short-term costs and long-term rebuilding expenses are considered, "in Indonesia, we can take all that we can get," Whorton said.

Preliminary numbers provided by nonprofits indicated that online donations comprised half to two-thirds of total donations during the first week after the disaster.

ARC had received roughly half of its \$92 million in pledges (as of Jan. 5) online. CRS raised more than \$14.8 million, as of Jan. 3, with more than \$8.3 million arriving through its Web site. Another \$3.6 million was raised mostly from telephone calls, mail and walk-ins, according to CRS.

CRS's Web site tally was increasing at an average rate of \$150,000 per hour, and the average online donation was roughly \$200 -- twice what CRS would normally receive, Whorton said. At one point, CRS was running two days behind with its online processing, but by Jan. 3 had received wired transfers for a majority of the online money, Whorton said.

SA had collected nearly \$2.3 million online as of the morning of Jan. 4, a spokeswoman said. Nearly \$1.9 million of the total was raised online, \$235,000 via telephone, and \$163,000 in checks.

New York City-based U.S. Fund for UNICEF raised more than \$16 million online in the first week from an estimated 100,000 online donors, said Tim Ledwith, UNICEF's director of interactive donations. The roughly

\$5 million in donations pledged Dec. 30 and 31 exceeded the total number of online donations for all of 2003, said Marissa Buckanoff, assistant director for public relations.

UNICEF launched a revamped Web site earlier in 2004. “The vast majority of donations are coming to us online,” Ledwith said. During that first week, UNICEF raised more than \$25 million. Buckanoff said another \$9 million was in the form of checks mailed to the organization.

Oxfam America, based in Boston, estimated that it received more than \$12 million online the first week after the tsunami, with more than 90 percent of the money used for food, clean water, sanitation stations, and temporary shelters for the survivors. The remaining 10 percent went to pay credit card processing fees and administrative costs.

Approximately \$1 million arrived via the link from Yahoo! as of Jan. 3, said Steve Greene, spokesman for Oxfam America. Yahoo! donated all its services to Oxfam America. The Berkeley, Calif.-based political and social-activism group MoveOn.org, donated \$2.5 million to Oxfam, Greene said.

Several nonprofit organizations said that online donations were subject to a transaction fee charged by credit card companies of roughly between 1.9 percent and 2.2 percent per gift. “In an ideal world we would like not to pay those (credit card transaction) fees,” Whorton said.

A Visa spokesman didn’t immediately say how much money Visa made on processing fees for tsunami relief donations or if Visa waved any transaction fees to increase donation amounts charities received.

The outpouring of donations was one of the most significant since the terrorist attacks of Sept. 11, 2001.

Several contributing factors spurred charities’ online fundraising successes. Strategic placement on Yahoo! and Google, use of online giving portals Network For Good, JustGive.org, and third-party vendors such as Kintera and Convio, fundraising software providers, all fueled giving.

Kintera processed more than 300,000 donations in the first week, totaling more than \$50 million for its clients, according to John Hartman, Kintera’s vice president of client services. The average gift was approximately \$100, he added. Many donations were from new donors, Kintera officials said in a press release.

Convio processed 20,000 donations from Dec. 26 to Jan. 3, which doubled the previous week’s processed donations, said Fred Waugh, vice president of marketing. Convio didn’t have numbers for total dollars donated to its charity clients.

JustGive estimated that more than \$850,000 had been donated to relief organizations through its Web site as of Jan. 3. Ken Weber, president of Network For Good, said that the organization received roughly \$100 million in donations for its fundraising efforts or processed for its member organizations. Network For Good has its own in-house system for processing the donations, with 97 percent of donations going to aid efforts and 3 percent to credit card processing fees and administration, he said.

Yahoo!, Cisco Systems and AOL-Time Warner Foundation created Network For Good three years ago to raise funds for needy organizations and to act as a portal to charities. After Sept. 11, 2001, there was a “massive technology challenge to be able to handle all the donations that were coming in,” Weber said. “Our mission is to help the helpers.”

Network for Good had links on Yahoo’s home page, on Internet search giant Google and on AOL within a day of the disaster.

Internet giant Yahoo!, is using its opening page as a link to five disaster relief agencies. The U.S. Fund for UNICEF, Oxfam America, Network for Good, AmeriCares and the American Red Cross have received more than \$10 million in donations through the link on Yahoo!, according to Meg Garlinghouse, director of community affairs for Yahoo!.

Each of the organizations on the Web site were chosen because they either have a working relationship with Yahoo!, or they are what Yahoo!, believes are the best international organizations to provide relief, Garlinghouse explained.

Kendall A. Webb, executive director of JustGive.org, said her organization, which was created five years ago, has a database of 1 million charities segmented into areas of focus, such as food, education, etc., and a link to four or five charities under each area, Webb said.

Organizations receiving the most money through the JustGive links are the American Red Cross, Foundation for the People of Burma, and Food for Life Global.

At least one nonprofit consultant thinks charities could have raised more online. Rick Christ, a consultant and president of Warrenton, Va.-based npadvisors.org, said many of the large charity umbrella groups missed the Internet boat when it came to raising money for the relief efforts. He said they did not get the word out early enough. But, despite the slow reaction of the umbrella groups, individual nonprofits reacted quickly, posted information on their Web sites, and saw “a broad outpouring of donations,” Christ said.

“There should have been three times to 10 times more donations, and there would have been, if these umbrella groups had been prepared,” Christ said. Organizations saw what a scramble it was getting information and asks online after Sept. 11 and ensuing disasters and should have learned from that, Christ explained.

“Not only were the umbrella organizations ill prepared to deal with a major disaster but so were international relief agencies,” Christ said regarding fundraising.

Traditional methods

CRS was engaged in traditional fundraising for the disaster. CRS dropped some 500,000 pieces of direct mail Dec. 31 and Jan. 3, Whorton said.

Its direct mail message included body count figures, but focused more on the organization’s history in the affected areas, what it’s doing to help, and asking people not to send in-kind donations, Whorton said.

Mail response rates weren’t available as this article went to press. At the grassroots level, CRS has had groups of children, who apparently pooled their allowances, dropping plastic bags full of cash and coins at headquarters, Whorton said. One local taxi driver has been handing out CRS business reply envelopes and telling people to send donations to CRS, Whorton said.

On-the-ground response

CRS and SA officials said their workers were among the earliest to respond to the disaster on-site. Both benefited from existing operations in the area, officials said.

Major George Hood, national community relations secretary for the Alexandria, Va.-based SA, said hundreds of SA workers were already in the affected areas and were engaged in relief within 12 hours of the disaster.

CRS's history of providing food to some 90 million indigenous people in India and long-running relationship the government gave it an advantage in coordinating efforts, according to Whorton.

CRS coordinated some 60 Catholic nonprofit organizations (known as Caritas) in the affected areas, according to Whorton.

CRS was trying to place workers on the Andaman and Nicobar Islands, where a large percentage of indigenous people live. "That's an area that people have been concerned about," Whorton said. It's also an area that the Indian government has prohibited any access to at this point, he said.

CRS is handling coordination in Jakarta, and is a lead agency in Sri Lanka, working with the British government's version of USAID, Whorton said.

Nonprofits' relief efforts were focused on dispensing water, food, mosquito nets and providing shelter as of early January, CRS and SA officials said.

Oxfam America has more than 100 relief workers on the ground in Sri Lanka and Indonesia, Greene said. Many are residents of areas that were hit hard by the earthquake and tsunami, he said. Some workers, having lost family members or their homes, are continuing to distribute aid, Greene said.

Because of the number of people it had on the ground immediately following the disaster and its ability to quickly get help into the hardest hit areas, Oxfam America was named the lead non-governmental organization for relief efforts by the governments of Sri Lanka and Indonesia, Greene said.

Money donated to UNICEF goes directly to purchase supplies for the United Nations' relief efforts on the ground, Ledwith said. To keep donors up to date on those efforts, unicefusa.org posts email messages from relief workers describing their work and conditions they are facing.

After short-term needs are met CRS sees an opportunity for building and re-building in the area, according to Whorton. CRS is conscious that the people it helps don't become dependent on aid.

"Sustainable development is a buzz word for whatever we do," Whorton said.

SA's long-term assessment process began the week of Jan. 3, Hood said. SA will work with USAID and local governments to rebuild villages and water systems, infrastructure and housing, Hood said. That process will take years, Hood said, adding that it took five years to complete a rebuilding project in San Salvador, after hurricane destruction. The San Salvador project was scheduled to be completed in early January, Hood said.

It was unclear how long the disaster relief efforts would keep donors' attention. The effort gained momentum when President George W. Bush called on two former presidents, his father, George H.W. Bush and Bill Clinton, to head a private fundraising campaign for tsunami relief. The USA Freedom Corps stressed in an announcement of the campaign that cash contributions given to humanitarian organizations conducting relief operations were the best way to help.

A list of organizations was provided by USAID. (To view the list visit www.usaid.gov/locations/asia_near_east/tsunami/ngolist.html)

A USAID spokeswoman said the listed organizations were chosen because they have a relationship with USAID and have been vetted, received USAID grants, or met criteria, such as signing anti-terrorism pledges and accounting standards. Organizations already on the ground in the area were chosen, she said.

Sens. Charles Grassley, R-Iowa, and Max Baucus, D-Mont., chairman and ranking member of the Senate Finance Committee respectively, announced a plan to extend the time Americans could claim tax deductions for tsunami relief charitable contributions.

It will allow taxpayers making cash donations to tsunami relief before Jan. 31, 2005 to claim the tax deduction for 2004, according to a press release. Otherwise, taxpayers would have to wait until next tax cycle to claim the deductions.

“This is going to be a massive effort that is going to require long-term recovery,” said ARC spokeswoman Devorah Goldberg. “We’re committed to helping out and channeling people’s generosity to those efforts.”