Doing the right thing: applying ethics

Hampshire Cultural Trust, June 2017
This lecture

- About Rogare
- Learning outcomes
- What do you think is unethical in fundraising?
- Ethics
- Applied and normative fundraising ethics
  - *With various breakouts and discussions along the way*
Learning outcomes

• Understand the broad principles of fundraising ethics
• Apply ethical frameworks/principles to practical fundraising problems
• Critique the ethical context of fundraising codes of practice
• Develop opinions and constructively contribute to the debate about which ‘normative’ theory of fundraising is most appropriate to professional practice
About Rogare

- Part of the Hartsook Centre for Sustainable Philanthropy at Plymouth University
- Rogare is the engine that turns academic ideas into actionable information for fundraisers, by pulling together academic and practitioner branches of the profession.
- We aim to achieve a paradigm shift in the way fundraisers use theory and evidence to tackle the biggest challenges facing their profession.
About Rogare

• Using a mode of enquiry we call ‘Critical Fundraising, we will explore:
  – *Under-researched*
    • Topics where there is simply not enough reliable data to inform current practice.
  – ‘*Under-thought*’
    • Topics where the arguments, discussions and debates lack cohesion, substance and/or internal logic. Little theory behind them.
Fundraising ethics

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

Lord Grade
Chair of the Fundraising Regulator (UK)
What do fundraisers do that is unethical?

Breakout groups

a) What do you consider to be unethical fundraising practice?
‘Unethical’ charity practices

- 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.
Why do we have ethics?

- How to live a good life
- Our rights and responsibilities
- The language of right and wrong
- Moral decisions – what is good and bad

For concise introduction to ethics, see:
- [http://www.bbc.co.uk/ethics/introduction/](http://www.bbc.co.uk/ethics/introduction/)

For more detailed explanations of ideas, search on:
- [http://plato.stanford.edu](http://plato.stanford.edu)
Why do we have ethics?

• It is about doing the ‘right’ thing.
• But...
• …how do we know what the ‘right’ thing is?
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
Levels of ethics

Meta ethics

• Deals with the nature of moral judgement. It looks at the origins and meaning of ethical principles.

Normative ethics

• Concerned with the content of moral judgements and the criteria for what is right or wrong. Attempts to proved a general theory of how we ought to live.
Two normative ethical theories

Consequentialism
• 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)
A third normative ethical theory

Virtue ethics

• We ought to act in a way that emphasises the virtues of our moral character.
• A right act is the action a virtuous person would do in the same circumstances.
Levels of ethics

Normative ethics

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

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.
Levels of ethics

Meta ethics — origin and meaning of ethical principles
- e.g. Divine Command Theory
- e.g. Moral Naturalism

Normative ethics — content of moral judgements/criteria for deciding right and wrong
- Virtue ethics
- Deontology (duty ethics)
  - Kantian ethics
  - Religious ethics
  - Libertarianism
  - Contract theory
  - Rights theory
- Consequentialism
  - Rule
  - Act
    - Egoism
    - Utilitarianism
    - Altruism
      - Effective altruism
- Hedonism

Applied ethics — application of ethical theory to real world issues
- Animal rights
- Sexual ethics
- Racial equality
- Criminal justice
- Medical ethics
- Sexual equality
- Professional ethics/codes
- Politics
Applied ethics in fundraising
Applied ethics in fundraising

The Fundraising Regulator (ex-Institute of Fundraising)
- Code of Fundraising Practice

Fundraising Standards Board (disbanded)
- Fundraising Promise

Association of Fundraising Professionals (USA)
- Code of Ethical Standards
- International Statement on Ethical Principles
- Donor Bill of Rights
Applied ethics in fundraising

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

Fundraising Promise (The Fundraising Regulator)

• We comply with the law including those that apply to data protection, health and safety and the environment.
• Where we have a promotional agreement with a commercial company, we make clear how much of the purchase price we receive.
• If you tell us that you don’t want us to contact you in a particular way we will not do so.
• We tell the truth and do not exaggerate.
• We will not put undue pressure on you to make a gift and if you do not want to give or wish to cease giving, we will respect your decision.

Applied ethics in fundraising

Association of Fundraising Professionals – International Statement on Ethical Principles

• Funds will be disbursed in accordance with the donor’s wishes, if expressed.
• Fundraisers will provide truthful information about use of funds, without exaggeration or underestimation.
• Fundraisers should not accept commissions or compensation based upon a percentage of the funds raised.
• Fundraisers are strictly answerable to all stakeholders including donors, beneficiaries, and employers.
• Fundraisers will object if the organisation they work for does not comply with applicable local, state, provincial and national or international civil and criminal laws.
• Funds will be collected carefully and with respect of donor’s free choice, without the use of PRESSURE, harassment, intimidation or coercion.
Applied ethics in fundraising

The Fundraising Regulator Code of Practice. It is unethical to (among other things):

- Take advantage of mistakes made by the donor (s1.2)
- Exaggerate facts about beneficiaries (s1.2)
- Try to get someone to switch a donation from another charity (s1.3)
- Not act in the best interest of the charity when deciding to refuse a gift (s1.3)
- Include a gift in DM that’s aimed at generating a donation based on ‘financial guilt’ (s6.3)
- Enter into a corporate partnership where there are conflicts of interest (s13.2)
- Not terminate a solicitation on the street when requested to do so (s16.10p)
- Call on houses displaying a No Cold Callers sticker (s16.10s)
Applied ethics in fundraising

Association of Fundraising Professionals – International Statement on Ethical Principles

• Funds will be collected carefully and with respect of donor’s free choice, without the use of PRESSURE, harassment, intimidation or coercion.

The Fundraising Regulator – Fundraising Promise

• We will not put UNDUE pressure on you to make a gift and if you do not want to give or wish to cease giving, we will respect your decision.
Applied ethics in fundraising

Problematic applied ethical questions

• What constitutes ‘pressure’ in the AFP statement? And ‘undue’ pressure in the FRSB promise?
• So some pressure is ‘due’ (permissible) – how much?
  – The British Code of Fundraising Practice (Fundraising Regulator) also forbids “unreasonable intrusion” into privacy and “unreasonably persistent” approaches – some intrusion and persistence is therefore ‘reasonable’.
Applied ethics in fundraising

Association of Fundraising Professionals – International Statement on Ethical Principles

- Fundraisers are strictly answerable to all stakeholders including donors, beneficiaries, and employers.

- How can you be ‘strictly’ answerable to your donors AND beneficiaries AND employers?
Applied ethics in fundraising

Fundraising Regulator Code of Practice. It is unethical to:

• Try to get someone to switch a donation from another charity (s1.3)
• Include a gift in DM that’s aimed at generating a donation based on ‘financial guilt’ (s6.3)

• Why is it unethical to do these things?
Applied ethics in fundraising

Unaddressed normative ethical questions

- Is it acceptable for people to feel guilty if they say no to a fundraiser?
- Is it acceptable to spend donors’ money on fundraising and if so, how much?
- What is the ‘best interest’ of the charity?
- 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?
Normative ethics in fundraising

Breakout groups

• Why shouldn’t fundraisers make donors feel ‘guilty’?

• Assuming you can define pressure, why shouldn’t you exert pressure on a donor?

• Why shouldn’t you try to persuade a donor to switch their donation to your charity?
Normative ethics in fundraising

• When we come to the stage of ethical decision-making where we are using some kind of framework, that framework needs to be informed by some kind of normative theory.

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

• Normative ethics tells you WHY you ought (or ought not) do it.
Normative ethics in fundraising

Consequentialism
• 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)

• Fundraising theory often tries to apply one of these two to practical dilemmas.
Why do we have ethics?

• If ethics is about doing the ‘right’ thing.
• But…
• …we know what the ‘right’ thing is
• How do we know what is the ‘right’ thing to do in fundraising?
Four possible normative theories of fundraising ethics

1. Protection of public trust – ‘Trustism’

2. Relationship management

3. Servicing the donor’s needs, wants and aspirations – Donorcentrism

4. Servicing philanthropy
Trustism

“Public trust is the most important asset of the nonprofit and philanthropic community. Donors give to and volunteers get involved with charitable organizations because they trust them to carry out their missions, to be good stewards of their resources, and to act according to the highest ethical standards.”

(Independent Sector 2002)
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
Trustism

• Consequentialist

• Fundraising is ethical when it maintains and protects public trust.
“Fundraising is the management of relationships between a charitable organization and its donor publics”

Kelly 1998, p8

“The purpose of fundraising is not to raise money, but to help charitable organizations manage their interdependencies with donor publics who share mutual goals and objectives.”

Kelly 1998, p9
Relationship management

- Press agentry
- Public information
- Two-way asymmetrical
- Two-way symmetrical.

“Only the two-way symmetrical model provides a normative theory of how fundraising should be practised to be ethical and effective.”

Kelly 1998, p156
Relationship management

- Deontological

- Fundraising is ethical only when it conforms to the two-way symmetrical model of public relations.
Donorcentrism

‘Putting the donor at the heart of charity communications.’

• Prompt and personalised acknowledgement of a gift
• Use gift as intended
• Convey impact of gift

• Burke 2003, p10
Donorcentrism

• Fundraisers need to understand donors…
• …so they can connect them to a cause…
• …by focusing on the cause not the organisation…
• …and build deeper relationships with them…
• …by using two-way communications.

• MacQuilllin 2016, pp15-22
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.”

Burnett 2002, p38
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.

• Deontological
  
  Fundraising is ethical when it gives priority to the donor’s wants, needs, desires and wishes.
Donorcentrism

• Discussion

• Are you a consequentialist or deontological donorcentrist fundraiser?
Service of philanthropy

“Fundraising is justified when it is used as a responsible invitation guiding contributors to make the kind of gift that will meet their own special needs and add greater meaning to their lives.”

Hank Rosso
(Tempel 2003, p4)
Service of philanthropy

• Consequentialist

• Fundraising is ethical when it delivers meaning to a donor’s philanthropy.
<table>
<thead>
<tr>
<th>ETHICAL THEORY</th>
<th>TYPE</th>
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<th>OTHER DUTIES</th>
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Rights balancing fundraising ethics

- Fundraisers have a ‘duty’ to ask
Rights balancing fundraising ethics

• Doctrine of the logical correlativity of rights and duties
  i. All duties entail other people’s rights
  ii. All rights entail other people’s duties
• Feinberg and Narverson (1970)

• “Rights cannot be maintained without a network of duties attached to them.”
• Freeden (1991)
Rights balancing fundraising ethics

- Beneficiary rights – UN Universal Declaration of Human Rights
  - Life, liberty, security (article 3)
  - Health (article 25)
  - Education (article 26)
  - Etc

Rights balancing fundraising ethics

“The community may itself act as intermediary between individual rights and duties. If welfare-rights may be held against a community or its agents, the duty to uphold them is communal.”

Michael Freeden (1991)
Emeritus Professor of Politics
Mansfield College, Oxford
Rights balancing fundraising ethics

- Fundraisers are (one type of the) agents of beneficiaries (rights-bearers), representing their claims to the communities responsible for upholding those rights.

- This provides the ethical basis for the duty of fundraisers to solicit the donations that will enable voluntary organisations to better the conditions of their beneficiary groups.
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.

• It is in this space – the space between the rights of the beneficiary and the rights of the donor and other stakeholders – that ethical decision making frameworks need to be used to determine what amounts to ‘reasonable persuasion’.
Rights balance fundraising ethics

• But it is **NOT**

• A justification of ANYTHING just because it raises more money.

• It is an attempt to strike a genuine balance.
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**SUSTAINABLE PHILANTHROPY WITH PLYMOUTH UNIVERSITY**

**ROGARE** the fundraising think tank
Normative ethics in fundraising

Choose a normative theory and apply it to these dilemmas

• Why shouldn’t fundraisers make donors feel ‘guilty’?

• Assuming you can define pressure, why shouldn't you exert pressure on a donor?

• Why shouldn’t you try to persuade a donor to switch their donation to your charity?
Normative ethics in fundraising

Making donors feel ‘guilty’ during a solicitation

• Service of philanthropy – NO
• Relationship management – NO
• Trustism – NO (as a general rule)
• Donorcentrism (deontological) – NO
• Donorcentrism (consequentialist) – NO (as a general rule)
• Rights balancing – POSSIBLY
Rights balancing fundraising ethics

- Any right (such that it exists) not to be approached by fundraisers, may be outweighed by the fundraisers’ duty to ask for support on behalf of their beneficiaries.
Unethical FR practices

• 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
• Fundraiser salaries.
Rights balancing fundraising ethics

Ethical dilemmas often occur when there is tension between:

• What beneficiaries need fundraisers to do (ask for support to fund services) and...

• What the public often want fundraisers to do (ask for less, at different times or in different ways, or not at all)
Also ‘unethical’ FR practices

- Not asking for a sufficiently high gift
- Allowing donors to dictate how funds will be used (mission creep)
- 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
Decision making framework

No → Don’t do it.

1b. Is it code-compliant? Yes → Decision making framework.
No → Don’t do it.

No → I now see it is prohibited by the code → Don’t do it.

Go ahead → Decision making framework.

Ethical dilemma:

2. Decide on your overall ethical approach: consequentialism or deontology.

3. What do you need to consider?
   - Beneficiary
   - Donor
   - Trust

4. Weight these factors. Compare them: Balance them.

5. Make a decision.
   *This decision can be a decision NOT to do something.

6. Evaluate and test this decision for effects on:
   - Beneficiary
   - Donor
   - Trust

Go back to any previous step → Decision making framework.

Does decision hold up? Yes → Go ahead.
No → Decision making framework.

Sustainable Philanthropy with Plymouth University

Rigare: the fundraising think tank
Decision making framework

Step 1a – Is it illegal?
Step 1b – Is it compliant with the code?
Step 1c – Is it ambiguous under the code?
Decision making framework

**Step 2** – What is your overall ethical approach – deontology (duty- or rights-based) or a consequentialist (best outcomes)?

**Step 3** – What are relevant considerations – this means accumulating facts and evidence (or in their absence, your most informed, best-reasoned, well-argued guess)?

- **Effect on public trust** – trustism.
- **Effect on/wishes of donor** – donorcentrism.
- **Effect on/needs of beneficiary** – rights balancing.
Decision making framework

Step 4 – How will you weight these considerations?
Step 5 – Come to a decision – this can be a decision NOT to do something
Step 6 – Evaluate and test your decision.

- Is your beneficiary helped?
- Does it have an effect on public trust?
- Does it infringe the rights of your donors and/or the public? If so, can you justify this infringement?
- Ask stakeholders what they think of your decision. Ask your donors. But also ask your beneficiaries?
- If using rights balancing ethics, does your decision represent the mutually optimal outcome for donors and beneficiaries such that neither group is significantly harmed?
- Can you justify your decision to your stakeholders – principally your beneficiaries.
Decision making framework

**Step 7** – Does your decision hold in the teeth of your evaluation and testing? If not, go back to any previous step to consider an alternative decision or move to step 8

**Step 8** – Enact your decision, monitor outcomes, go back to any previous step if necessary.

- See also:
  - [https://www.scu.edu/ethics/ethics-resources/ethical-decision-making/a-framework-for-ethical-decision-making/](https://www.scu.edu/ethics/ethics-resources/ethical-decision-making/a-framework-for-ethical-decision-making/)
Genuine ethical cases

1. A woman with a terminally ill child says she doesn’t want to talk to a telephone fundraiser calling from a children’s hospital. Should she be called back at a later date?

2. A tobacco company wants to embark on a major corporate partnership with a leading disability charity. Should the deal go ahead?

3. A swingers club offers the proceeds of its next event to a local charity caring for disabled children. Should the donation be accepted?

4. Including a free gift in a direct mail pack is proven to increase response rates. Is this OK if it makes the recipient feel obligated to make a donation?
Virtue ethics and fundraising

• Virtue ethics
  – We ought to act in a way that emphasises the virtues of our moral character.
  – A right act is the action a virtuous person would do in the same circumstances.

• Role ethics
  – The right act is in part sharpened by the role of the actor: what’s right for a soldier to do might be wrong for a police officer to do.

• Virtual ethical role ethics
  – Virtues are role-differentiated.

• Feminist care ethics
  – The right act is how we respond, not whether the response is ‘just’
The virtuous fundraiser

- Caring
- Benevolent
- Trustworthy
- Etc, etc

- Ensures care can be provided for those who need it
- Can exercise judgement in balancing her duties to her donors and her beneficiaries.
Fundraising ethics

“We must scrutinize our beliefs, our choices, and our actions to ensure that we a) are sufficiently informed, b) are not unduly swayed by personal interest and c) are not governed by the views of others. Otherwise we may perpetrate evils we could avoid, evils for which future generations will rightly condemn us.”

Hugh La Follette (1997)
Cole Chair in Ethics
South Florida University
Fundraising ethics

Otherwise we may not ask for donations we should have solicited, actions for which our beneficiaries will rightly condemn us.
References


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Download the white paper: