



**For Immediate Release**

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## **Ethics still a hot-button issue in philanthropy, new survey finds**

**San Diego** (March 31, 2008)--Ethics remain a hot-button issue in philanthropy, according to a new survey conducted by Giving Institute: Leading Consultants to Non-Profits, a Glenview, Ill.-based group comprised of the nation's leading professional consulting firms in the field. Results of the survey were released at the Association of Fundraising Professionals conference, being held in San Diego.

More than half of the 445 total respondents to the survey were able to cite specific instances they had witnessed of unethical behavior over the course of their careers, with percentage-based commissions paid to fundraisers topping the list.

Virtually all the respondents, who represent a cross-section of professionals who work with or within non-profit organizations, strongly agreed that ethical conduct is important as a component of philanthropic fundraising activities and that ethics should be important in philanthropy.

While those results might not be surprising, they are important for the general public to understand, as individuals must decide how and when to donate to charities.

"Knowing that people in the field intend to follow ethical principles and think they are an important component of fundraising should bring confidence to donors," said George C. Ruotolo Jr., CFRE, chair of Giving Institute, which recently revised and strengthened its code of ethics, which was first developed more than 73 years ago, when the organization was known as the American Association of Fundraising Counsel.

Another interesting finding of the survey was that 83 percent of respondents felt that media reports of unethical behavior had damaged the fundraising profession. "While it's important for the media to shed light on those instances where organizations aren't living up to a strong ethical code, we at the Giving Institute feel this makes for an even stronger call for fundraising professionals to ascribe to a code of ethics that disallows the activities that tend to make headlines," Ruotolo said.

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Respondents agree: 98 percent said non-profits should look for a code of ethics when hiring professional fundraising counsel, and 97 percent said they would be more likely to hire a consultant who ascribed to a code of ethics than one who didn't.

In other findings from the survey, which was sent via email to 3767 people who either work in or consult to non-profits, 94 and 93 percent, respectively, agree or strongly agree that there needs to be more education about ethical fundraising among non-profits and their executives and donors and volunteers.

And ethics may be even more important from a financial perspective. According to a study published in the Nonprofit and Voluntary Sector Quarterly last December, some 13 percent of the almost \$300 billion given to charity was lost to fraud in 2006.

If the study, based on data from the Association of Certified Fraud Examiners, is true, that figure represents the total amount given to charities from corporations and foundations in 2006, or \$40 billion. "These data confirm the fact that ethics is an extraordinary part of philanthropy," Ruotolo said.

More results from the ethics survey are available by contacting Sharon Bond of the Institute's staff at 847/375-4836 or [sbond@connect2amc.com](mailto:sbond@connect2amc.com) or by visiting the Giving Institute [Web](#) site.

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### **About Giving Institute: Leading Consultants to Non-Profits**

Giving Institute: Leading Consultants to Non-Profits, an international association of leaders in the philanthropic consulting field, is headquartered in Glenview, Ill. Its 39 member firms have specialties in all areas of philanthropic consulting, including fundraising, executive search, capital campaigns, feasibility studies and marketing communications. Its mission is to advance the practice of philanthropy through research, education and best practices.

It founded what is now known as Giving USA Foundation™ in 1985. The Foundation, also based in Glenview, advances philanthropy through research, and publishes the seminal annual report, "Giving USA," which was first published in 1955. It is the only source of aggregate data on who gives what to whom in the United States.

For more information on either organization, please visit their respective Web sites at [www.givinginstitute.org](http://www.givinginstitute.org) or [www.givingusa.org](http://www.givingusa.org).