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ATTORNEY GENERAL'S SUMMARY OF RESULTS OF CHARITABLE SOLICITATION BY COMMERCIAL FUNDRAISERS

The term "commercial fundraiser" refers generally to a person or corporation that is a for-profit business and contracts with charities, for compensation, to raise money on their behalf. The commercial fundraiser charges charities a flat fee or a percentage of the contributions collected on behalf of the charities. It is important to note, however, that most of the **90,000** charities registered with the Attorney General do *not* use commercial fundraisers to raise funds.

By law, commercial fundraisers are required to register and file annual financial disclosure reports with the Attorney General's Registry of Charitable Trusts. The data here cover activities for 2004 that were reported by commercial fundraisers in 2005.

Historical figures show that a campaign conducted by a commercial fundraiser returns, on average, less than 50 percent of the contributions to the charity. The rest is retained by the commercial fundraiser as a fundraising fee. This summary reflects the results of solicitation campaigns by commercial fundraisers in 2004, as stated in the annual financial reports as filed with the Attorney General. In 2004, commercial fundraisers collected a total of about **\$293.7** million in charitable contributions within this state. The return to charity from the average commercial fundraiser campaign was **36.48** percent. These figures represent an increase in charitable contributions from 2003 of approximately **\$60.6** million (**26%**), with a decrease in the average percent to charity of approximately **4.54** percent.

The "Average Percent to Charity" shown for this and past years was obtained by taking the percentage of contributions returned to charity for each solicitation campaign, adding the individual percentages together, and dividing by the number of campaigns, thus obtaining the "percent to charity" for the average campaign. A second table shows overall revenue raised and overall revenue to charity. Calculation of the percentage of charitable contributions going to charity using these overall figures is skewed by a few individual campaigns with revenue figures that are very high in comparison to most campaigns. Because these overall figures do not yield a "percent to charity" that is reflective of the average campaign, they have not been used in calculating the "Average Percent to Charity".

The following summarizes the total number of commercial fundraising campaigns that yielded specific percentages to charities: more than 50% to charity (**205**), between 31% and 50% to charity (**89**), between 21% and 30% to charity (**61**), between 16% and 20% to charity (**76**), and 15% and less to charity (**181**).

It is important to note that the information in this summary is taken unedited from reports filed by the charities and fundraisers themselves. To be accepted by the Attorney General, the reports must be signed by the commercial fundraisers *and* officers of the charities for whom the solicitations were made. The actual reports should be consulted for more complete information provided by the filers. You may review the reports, as well as a wealth of information about charities and fundraising, on the Attorney General's Internet website:

<http://ag.ca.gov/charities/>

The Attorney General also publishes a Guide to Charitable Solicitation. You may obtain a Guide at the Attorney General's Internet website, or write to the Attorney General's Public Inquiry Unit, P.O. Box 944255, Sacramento, California 94244.