

2009 FAQs and Objections

United Way of Buffalo & Erie County
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Q: The economy is really tough. I can't ask my employees to give more this year.

A. You're absolutely right – times are tough. We're all paying a whole lot more for the basics, from gas to groceries. What you and I are able to fit into our budgets is nearly impossible for some in our community. There are so many people in our community who need help now, more than ever. We're in business because people **need** help, and also because people **want to help**. I'm sure that many of your employees would want to help, and all we'd like to do is give them the opportunity to decide for themselves.

Q: We're already asking our employees to contribute more toward health insurance, we've frozen (or cut) salaries, I just don't feel comfortable asking them to make charitable contributions.

A. I understand what you're saying – we've experienced cuts at United Way as well. I do think, even in tough times, people want to feel like they're making a difference. We'd love to just spend a half hour with your employees to let them know how their contribution – in any amount – can make a difference. In addition, there may be services that would be helpful to your employees, like free tax preparation and 2-1-1, that they might like to know about.

Q: The market has been terrible, and business isn't going well – I lost a lot of money in my portfolio, and my bonus is way down. I just can't afford to give.

A. It is a really difficult market, and with no upturn in sight, I understand your hesitation about giving. In an environment like this one, times are particularly tough for people who were just getting by in the first place. For you and me, increased prices on things may be an inconvenience – but for many folks, it's just about impossible. Any amount you can give will make a tremendous difference.

Q: When I worked at XYZ company, we got strong-armed into giving. I really resented it, and I won't do that to my employees.

A. We don't want you to! I know that in the past, many companies did coerce people into giving. I want you to know that we've always had a policy against coercion – we've never supported it, and we're not about to start. You're a leader in this company, and it's up to you to set the tone for your employee Campaign – it's all in your hands.

Q: There's so much competition among agencies. Why should we pick United Way?

A. There are many, many wonderful agencies in this community that help so many people, as you well know. What United Way offers is an opportunity to help in a broader way. We're focused on three things: education, income, and wellness for everyone. These three things are really the building blocks to a better life. With just one gift, you can make a difference in all 3 areas. From a customer perspective, we make it easy to give through payroll deduction. For some, a \$100 gift is too much to make all at once, but \$2 (or \$10 or \$20, or more...) per week is a manageable way to make a difference.

Q: I prefer to give directly to the agency of my choosing.

A: Many people have a very personal connection to a specific agency – we'd never want to stand in the way of that! There are hundreds of agencies doing incredible work in the community, for specific groups of people. What United Way offers is a way to help everyone in Erie County access the building blocks of a good life – education, income and wellness – with just one gift.

Q: I don't give to United Way, ever since the Aramony scandal.

A: United Way of America is an independent trade organization, that provides support and oversight to approximately 1,300 local United Ways across the country. In 1992, William Aramony, United Way of America's CEO, resigned under allegations of fraud against the organization. He was convicted in Federal court of fraud, conspiracy and filing false tax returns and served 7 years in prison.

In response to Aramony's crime against the organization, United Way of America instituted tighter financial controls, ethics requirements, and accountability measures for itself and for its member organizations. United Way of Buffalo & Erie County meets or exceeds every stringent financial and

governance requirement set forth not only by law, but by United Way of America as part of its membership requirements.

Q. The United Way in Charlotte NC was involved in a scandal regarding their CEO's compensation, what safeguards does UWBEC have in place to ensure donors that their donations will not be used in unregulated ways?

A: The United Way in Charlotte, like every other local United Way across the country, is independently governed. United Way of Buffalo & Erie County's volunteer Treasurer, Executive Committee, and Board review our financial statements in detail every month, and our fiscal policies and procedures, including executive compensation and retirement policies, are developed and monitored under the guidance of the Treasurer and the members of the Finance Committee, all of whom are seasoned professionals in the accounting and financial industries.

Q: Do you fund Planned Parenthood?

A: No. We haven't funded them through program investment dollars in the past, and we don't fund them currently through United Way program funding. They are eligible to receive donor designated dollars, as are hundreds of other agencies.

Q. You fund an agency I don't like. Therefore, I don't want to give.

A. United Way's work is so much bigger than just one agency. With just one gift, you can make a difference for so many. We invest millions into agency programs in the areas of education, income and wellness- programs that are making a tremendous difference in advancing the common good.

Q. You don't fund an agency I really like. Therefore, I don't want to give.

A. In an ideal world, we'd be able to fully fund every high-quality program making a difference in education, income and wellness. The simple fact is that we have limited dollars available, and there are so many programs out there worthy of funding that we just can't support. The only way to change that is with your gift!

Q. Why did you cut the American Red Cross, YMCA, and Boy Scouts, and Boys and Girls Clubs?

A: United Way shifted and sharpened its focus on specific issues within education, income and wellness this year. Our investment process was opened to a much wider range of agencies, and as a result we received proposals for significantly

more funds than are available. In the end, we had to make a number of difficult choices, and it's true that there are a small number of agencies with whom we've had a longstanding funding relationship whose programs were not funded because they did not fall within our areas of focus.

However, to assist those agencies that received funding in 2008 and not 2009 we have implemented a financial relief plan. Each of the 41 de-funded programs will receive an initial payment of 25% of their 2008 investment. Depending on the success of this year's Campaign, they **may** receive additional dollars, up to 25% of their 2008 investment, in January and July of 2010. We are also instituting a two-year investment cycle, as opposed to an annual one. The intent of this is to provide programs with a more predictable funding stream; allow us more time to conduct a thorough process; and ensure that agencies receive notification of changes in our funding commitment to them with ample time to make any necessary adjustments.

We are also changing our funding relationship with the American Red Cross and will provide long-term funding for the Disaster Relief Fund outside of our investments process. As you are aware, the Disaster Relief Fund did not receive program funding this year. We did provide \$247,000 (half of their 2008 investment) in transition funding this year; we anticipate maintaining that level of commitment in future years to the extent it is financially feasible

Q. Why are there so many nonprofits and what are we doing about it?

A: Often, a nonprofit agency will be set up because someone is passionate about an issue or a service and isn't aware that it's being addressed or provided by an agency that already exists. United Way has worked with a number of agencies over the years to identify common programmatic areas, and has facilitated several mergers and alliances that have saved millions of dollars in administrative costs while enhancing the services provided.

Q. United Way has raised over 14 million dollars and yet, you invest only 4 million to agency programs. Where does the other money go?

A: Funding programs is part of United Way's work, but not all of it. Initiatives like Closing the Gap in Student Performance, Success By 6, and CASH are administered by United Way as well. In addition, we provide a great deal of technical assistance to nonprofit agencies to help them deliver the best quality services with the greatest efficiency.

In all, United Way will invest up to \$11,560,500 back into the Erie County community this year. This includes the \$4,000,500 in direct program

investments; \$348,000 in transition funding to assist agencies that received significant (greater than \$100,000) investments in 2008; \$800,000 in potential additional funding based on Campaign results; \$112,000 for United Way projects such as its Fund for Alliances, which supports mergers and other strategic alliances among agencies; \$2,500,000 in United Way programs and initiatives such as Closing the Gap, Success By 6 and Creating Assets, Savings and Hope (CASH); and \$3,800,000 in contributions designated by donors to specific agencies through the 2008 Campaign.

Q. What if I pledge and then get laid off? What happens to my pledge?

A: A pledge is just that - a pledge. If you find yourself in a difficult situation like a layoff, your employer will stop sending your pledge to us when your employment ends. If you are able to fulfill the remainder of your pledge, you can do so by sending a check to United Way. If not, we understand.

Q: Your administrative costs are 13%. That's too high!

A. You're right - our administrative costs on designated gifts are 13 percent, That's in line with other United Ways our size, and with other large nonprofits across the country.

We process over 60,000 individual contributions each year, and that work has a cost attached. We also invest United Way contributions in the best possible way, making sure the greatest impact is achieved with every dollar - and that has a cost attached as well.

According to the Better Business Bureau, the overhead percentage for charitable organizations should be no more than 35% - ours is less than half of that, and it's less than most other charities in Erie County. Charitynavigator.org, an independent charity evaluator, has given us their highest rating - 4 stars - for 3 years running based in part on our overhead percentage. We have a stewardship responsibility to our donors, and we're absolutely committed to keeping our costs as low as possible.

Q. How many volunteers were involved in the new Investment process? What were their qualifications?

A: The Investments Process involves over 100 United Way volunteers to review applications, interview applicants, score applications, and decide program funding. Investments volunteers make a year-around commitment. They also

recommend United Way policy changes, keep abreast of best practices, participate in program site visits, monitor program performance, and continually refine investment strategies and program indicators (what needs to happen to advance our work in Education, Income and Wellness). The Investment volunteers are a healthy mix of those who have been with us for decades, along with new volunteers who contribute a fresh perspective. Many have years of practical experience and academic training in their areas of focus. All received required training on how to score funding applications. If you want to be involved in the process, let us know – we're always looking for new Investment volunteers!