

# Charities' costs eat up 78% of donations



Olive Cooke and just some of the mailshots that asked her for money

Charities have been hit by a new fundraising scandal, with American direct mailing firms found to have been creaming off millions of pounds in donations.

In one case, 90% of the donations intended to help sick and poverty-stricken children never reached them, but instead paid for expensive fundraising campaigns run by the direct mailing firms. Ten charities spent an average 78% of the money they raised on paying for the mailshots.

The scandal has been uncovered by the Charity Commission and comes a year after the suicide of Olive Cooke, 92, a poppy seller from Bristol who in the last year of her life was bombarded by 466 requests for money from 99 different charities.

David Holdsworth, chief operating officer of the Charity Commission, said the findings would be discussed with Lord Grade's new fundraising regulator. The commission found that 350 charities use direct mail as their main source of fundraising. Ten chosen at random were examined in further detail.

Many of the rest of the 350 charities are also thought likely to be spending the lion's share of donations on meeting the fees charged by the firms producing the mailshots.

Child Survival Fund owes £471,372 to the Washington-based Market Development Group. Gandhi World Hunger Fund owed £438,270. Another two charities, Hungry Children Project and World Relief Mission, shut down during the Charity Commission probe.