

Paper 2: Current Event- INDS 6413

Cesar S. Caballero

Southern Utah University

Professor Lexie Grant

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### Celebrities & Charitable Foundations

For this assignment, I decided to focus on an article about how some celebrities give a bad name to both nonprofits and fundraising activities. The title of the article is: “Even celebrities with charitable foundations in their names often aren’t all that generous, New York Post reports” published on January 7, 2020 by Isabel Vincent on MarketWatch.

#### Does Trust in Celebrities Matter?

In this article, author Isabel Vincent discusses in detail some examples of foundations and how their fundraising efforts have consistently derailed from their goal or vision. She further explains that many times those foundations use the fundraised money in ways that completely go against their own guidelines. Some of the examples discussed are as follow:

1. Brazilian supermodel Gisele Bundchen and husband New England Patriots Quarterback Tom Brady- With a combined net worth of \$580 million, the couple continued to help others, but it was also quite noticeable that in some instances, their fundraised money seemed to be untouched. Case in point, with a donation for the amount of \$432,925 from which \$378,401 were unspent. While many people praised their efforts, other critics have definitely paid attention to the fact that there are some funds that have been sitting there for a while without evidence of being used for anything connected to their goal or vision.
2. Martin Scorsese- With a net worth of over \$100 million, he gave out \$175,000 to the Scorsese Family Foundation. While that seems extremely human and nice of him, the fact is that most of that money went to pay the salary of a film archivist that is currently associated with Scorsese’s for-profit production company. Upon close inspection, it is obvious the money supposed to go for young filmmakers and awareness of cultural

topics in new cinema did not go into that vision but instead went to someone who is not even working with that foundation.

3. Kevin Spacey- With a net worth of \$100 million, his foundation crashed and burned along with his reputation around the year 2018. This occurred when the actor was accused of sexual misconduct allegations against young actors, Spacey's foundation, which mission was to mentor and provide grants to young actors (the irony here is so powerful). The foundation found itself at a deficit of about \$7,000 when people refused to take part in it after it seemed clear that Spacey could have been using it as a 'personal service' for his nefarious activities. People simply stopped believing in this organization because of the scandal with the actor and while in other years, the fundraisers had raised above \$130,000, in 2018 it only raised \$22 dollars.
4. Madonna- With a worth of \$850 million, she helped the foundation come out of a deficit herself, but she was also part of multiple investigations. Some of these dealing with the fact that some of the former managers mismanaging \$3.8 million in donations that were supposed to build a school for orphans. The auditors found out that such money went to expensive gold memberships, cars, and other luxury items for its board members. Members were removed but there was some heavy damage done already as people obviously lost trust in the fundraisers associated with the foundation.

So, the question these examples clearly raise is: Should we trust a celebrity just because they are famous and because they are saying that they intend to help. Should we trust that their fundraising efforts will be honest? Can we as the public or donors be quick to ignore all the scandals and concentrate on the good that some foundations are actually doing for the public?

### Implications to Fundraisers and Nonprofit Sector

In situations like the ones mentioned in the article, it becomes clear that many celebrities or political figures could have such an impact when it comes to fundraising activities. Just like we believe in them and appreciate what they are doing for the less fortunate, it becomes harshly clear that their actions whether good or bad can have harmful repercussions to the nonprofit landscape. Isabel Vincent (2020) is quick to point out, “They say they are working to save the oceans, educate needy children and expose youth to the arts, but celebrities who form their own charities don’t always put their money where their mouth is. (p.1)” This holds especially true in some of the examples described before. While some celebrities seem eager to ‘help’ the world and the people around them, it soon becomes obvious that in many instances, they are not as interested in what they expressed. Instead, they end up using the money for other purposes or even in cases where they do follow through, their personal scandals can deeply and permanently negatively affect the foundations they created.

Now, the problem here is that while many celebrities find themselves shrouded in scandals and end up in legal trouble because they mismanaged the fundraised funds, there are still others who may not be doing the same and yet they still end up grouped together with the ones doing so. In other words, many foundations end up being affected by the negative perception of a few. This holds true not only when it comes to celebrities or popular political figures but in general. Whenever any foundation or nonprofit organization is involved in any sort of legal trouble, the trust in the sector in general is tarnished. Looking at Madonna as an example, her foundation did so much for the needy in Africa and she personally put a lot of her money to help a deficit that was created when a hospital needed more money than anticipated. That got some well-deserved attention making headlines all around. A few months later, her foundation was involved in a

legal scandal when as mentioned above, some of the board members were discovered to be using money for other purposes. By then, everybody was second guessing what Madonna had done before and why. Many people were quick to consider that perhaps Madonna was in it and had been stealing from the fundraised money. No matter that she was worth those \$850 million dollars herself, she was part of the foundation and all her good deeds with it were suddenly under scrutiny for the actions her board members took. The same goes all around for the nonprofit world and fundraisers as well. One bad seed pretty much ends up affecting the whole lot.

There is a common saying that states that it takes 20 years to build a reputation and five minutes to ruin it. Sadly, that applies so effectively to the nonprofit landscape. For the fact that a few organizations or foundations do a bad job managing the public's trust and end up mismanaging some of those fundraised funds, well the rest of the landscape ends up paying for it. Is it fair? Not necessarily but that is the way it works. The public loses confidence in the fundraisers and in the foundations organizing them. As a matter of fact, and according to Adrian Sargeant, Jen Shang, et al, (2017): "the reasons for this poor pattern of performance are complex but are undoubtedly a function of well publicized scandals." (p.671). The scandals definitely leave a footprint in not just that one organization or foundation going through it but basically on all others whether they want to or not.

The public and donors do not seem to have time to do research and see that others are not doing the same. People most often than not tend to go the easy route and just generalize. If you see someone doing something bad, then by all means you will probably think that many others who are connected or associated with that group are doing so as well. Examples of these type of reaction can be seen recently on how most of the public perceived all police officers (involved in a terrible public relations scandal) were the same or how the Republican political party (with our

former's president actions) was the same all around too; just like that, it is easy to see why the public can generalize when it comes to bad behavior. We tend to generalize. It is difficult not to do so but with that being said, it is important to know that it is not impossible to demonstrate that we are not the same as the ones before us or the ones who had made mistakes.

#### Application to my Fundraising/Organization

So, while it is important to know that many foundations tend to go to the 'dark side' and mismanage funds or give a bad reputation to the field, we need to acknowledge that our hands are not entirely tied. We have to rebuild the reputation and the trust in what we love. With that in mind, Adrian Sargeant, Jen Shang, et al, (2017) point out that to rebuild that trust we so desperately need, we need to avoid mission vagueness, address the public misunderstanding of the sector, and provide adequate accountability. (pp.674-79). I think we need to consider those three bullets our 'bible' when dealing with how our efforts will be affected by all the scandals that came before. We need to start by hoping we do not get involved in scandals but obviously being prepared for them in case they happen.

The way I would apply what I learned in the article combined with what I have learned from this class and with my background knowledge on fundraisers could be summarized as follows:

1. I would make sure that the mission for our organization is not vague. We need to be extremely specific about what we want to achieve. We want to communicate our mission and vision to the donors and to the general public. The best way to do so is to 'plaster' that goal and mission all over our website, social media, newsletters and anywhere someone can see it. That will not be enough though. If we are putting that out there for everyone to see, then we also need to be very consistent with that mission and

vision. In addition, I would make sure to have strategic conversations with my team to make sure we all understand our vision and our mission and how a simple misstep can deeply affect our organization. This is all about collaborative efforts among the board members and the people working in the organization. We absolutely need to show examples of how we are accomplishing our mission. After all, a picture is worth a thousand words.

2. I would address the public misunderstanding of the sector and showcase our accountability by engaging in several activities. First of all, I would make sure that we put out there that we are not like other organizations that have failed to maintain the public's trust. While I would not want to bad mouth other organizations, I would make sure to explain that we are completely transparent. I am a teacher at heart so what I would specifically do here is show them instead of telling them. I would create virtual events or in person as well where we could go over finances and strategic plans. I would show my public and donors that we actually mean it when we say we are open and transparent. We want to show that our actions are where our mouths are. We could use social media and other sources such as local news or newsletters to make sure we show who we are. We want to be sure that people not only distinguish us from others but also can see that whatever little question they have regarding our finances or numbers will be at their fingertips. In other words, we want to address the shortcomings of the sector without talking bad about the others while still making sure to show who we are and what we intend to do different from those who failed before. I would make sure we feature information, videos and letters or testimonials from people we have helped and basically show the volunteers in action too.

3. I would make sure we show that we are accountable and are prepared for any possible crisis. Part of the accountability was discussed before as being open and transparent. Another thing that could take place would be to just show that we are holding ourselves accountable through different means. More than anything, it is about showing how transparent we are. Regarding the crisis preparedness, I would make sure we have several plans in place to make sure that we are ready for worst case scenarios. If for some reason someone in our organization messed up, then we should be able to show our donors and public that we will be prepared to act. It would be about being ready to part ways with whoever in the organization did something wrong and show there will be consequences to that particular person; then distance ourselves from them and move on. I think it is important to make it clear that we are human and if someone acts against our guidelines, we will as part of our crisis plan hold that person accountable and hope that our donors and public would see us for who we are rather for who that person could be.

### Conclusion

Reading this article confirms what I had known from before, the public perception of nonprofit is so damaged that we cannot work under the assumption that they will just trust us because we say we want to do something good. We need their trust, and we have to earn it. There is no magic way to just get their trust. The only way to do it is to be dedicated and basically open and transparent about who we are. We cannot let those few bad seeds/ scandals destroy our organization and our fundraising efforts. It will not be easy. As a matter of fact, it is exceedingly difficult and laborious, but not impossible. I personally, welcome the challenge to prove that my organization will be better than the others who have failed or lost their way.

### References

Sargeant, A., Shang, J., & Et, A. (2017). *Fundraising Principles and Practice*. Hoboken, NJ: Wiley & Sons Canada, Limited, John.

Vincent, I. (2020, January 7). Even celebrities with charitable foundations in their names often aren't all that generous, New York Post reports [Web log post]. Retrieved March 27, 2021, from Even celebrities with charitable foundations in their names often aren't all that generous, New York Post reports

