

# **FOR SPONSORS, IMAGE AND REALITY WORLDS APART**

## **Series: THE MIRACLE MERCHANTS. Special report. First of two parts.: [CHICAGOLAND FINAL Edition]**

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Child sponsorship is one of the most powerful and seductive philanthropic devices ever conceived.

Intimate, it links the sponsor to an individual child through a photo, family history, annual updates on the child's life and the opportunity to exchange letters.

Inexpensive, it pledges that for less than a dollar a day life-changing benefits, such as access to clean water, nutritious food, education and health programs, will be delivered to that child and others in his or her community.

Laden with emotion, it implies that the donor's generosity is indispensable to the well-being of the sponsored child.

"When you look at a child's photo, and read what his or her life is like, you quickly realize just how important sponsorship is to an innocent child," said Save the Children Federation Inc., one of the leading child sponsorship organizations, in an October 1997 solicitation.

"Your continued presence in a young life can mean the difference between sickness and health . . . illiteracy and education . . . despair and hope."

For many Americans, who donate an estimated \$400 million a year to child sponsorship organizations, such appeals appear to offer a simple way of sharing their unparalleled affluence.

But when the Chicago Tribune sponsored two young boys in the African nation of Mozambique, they found that child sponsorship as depicted by Save the Children is a myth:

- As Save the Children executives later acknowledged, there is no guarantee that a sponsor's dollar will ever reach that sponsor's child, and no way of knowing whether it ever does.

- Although SCF assured the Tribune sponsors that their "generosity will . . . show this special child that someone outside his or her immediate world cares," neither of the boys in Mozambique was aware a sponsor gave money on his behalf.

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- Despite SCF's pledge that "your sponsored child begins benefiting from your support right away," the only benefits SCF could cite for the two children sponsored in Mozambique were access to a health clinic and a school they were already attending in the town of Zongoene, an hour's drive away from this provincial capital.

- SCF tells sponsors their contributions "will benefit your special child along with others in his or her community." But like other SCF community development projects in and

around Xai-Xai, the rebuilding of the school and clinic was financed not with sponsors' contributions but by other private donations and U.S. government funds.

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Indeed, a March 1997 SCF policy paper shows the organization is well aware of the difficulty of keeping its promise that every sponsored child is receiving a "life-changing" benefit.

"All too often," the paper says, "children are 'lost.' Despite all the best intentions, the best staff and the best efforts of Save the Children and its partners, we will find during any given review that some boys and girls are not at that moment obtaining significant benefits."

### Failing to keep a promise

Expensive, labor-intensive and fraught with the logistical problems posed by primitive conditions and remote places, child sponsorship as practiced by Save the Children is far more effective as a fundraising tool than as a reliable vehicle for delivering benefits to sponsored youngsters and their communities.

While Save the Children engages effectively in a variety of broad-stroke health, education, sanitation and agricultural programs benefiting people around the world, it often fails to keep the promise implicit in its fundraising appeals: that money donated by generous Americans will be used to better the life of a particular child "who urgently needs you."

Indeed, the children whose somber faces grace those appeals amount to little more than tiny props in a massive industry that privately rationalizes the myth of sponsorship as a necessary, if well-intentioned, fiction.

Still, charity officials acknowledge that nothing ever has been found to raise money

more effectively than the face of a child.

"For a segment of the public, there will be nothing else that will reach those people the way that child sponsorship does," says Charles MacCormack, the president of Westport, Conn.-based Save the Children, the nation's oldest and best-known sponsorship agency.

SCF long ago shifted its focus from providing individual children with "handouts" of money or goods in favor of broader community development.

In virtually every fundraising appeal, the organization now tells would-be sponsors that "Save the Children combines your gifts with those of others so that they can benefit all the girls and boys in the community, not just your sponsored child."

But for all Save the Children's emphasis on the urgency of sponsoring a particular "hurt-ing boy or girl," MacCormack is convinced that SCF's sponsors know their money "is going for things like schools and water and clinics and village health workers."

MacCormack believes a "head/heart reality" is at work, in which sponsors understand intellectually that their money is being used to dig wells and build schools, while "their heart is with a child whose life is improving."

As MacCormack puts it, "An awful lot of people who sign on to a personal human being will not sign on to a well."

But what those sponsors likely do not know is that SCF does nothing to ensure that a sponsor's contributions necessarily find their way to their sponsored child or even the child's community--a caveat that appears in SCF's fundraising solicitations in the smallest print:

"Contributions will be used to support these projects and other Save the Children programs, wherever the need is greatest."

Indeed, the nature of SCF's standards in terms of what sponsored children must receive is far more elastic than many sponsors may expect.

"We have an obligation to deliver to every sponsored child a lasting and positive benefit," SCF finance director Helene Sullivan says simply. "That's Save the Children's

bottom line: Did your child receive a lasting or life-changing benefit?"

The benefit could be construed as education, nutrition or health care, alone or in combination. Moreover, SCF executives say they place no minimum price tag on such benefits and deliberately make no effort to ensure that the benefits are equivalent in value to \$240 a year, the annual cost of sponsoring a child.

"Sometimes it's a lot more than that per sponsored child," says MacCormack. "Sometimes, it's less than that per sponsored child. That's not the measure. The measure is: Does the community have the basic health, education, sanitation and employment opportunities for its children so as to move from just unacceptable human standards to basic human standards."

As long as a sponsored child is deemed to have received a lasting benefit, under SCF's accounting practices some or all of the money donated by his or her sponsor may find its way to the community of another sponsored child in another village.

Under SCF's pooling approach, the organization can't tell a sponsor where the annual \$240 contribution actually goes, nor does it try. "No one seeks to track the money (that) way," says Sullivan. "It's not a legitimate question given the representations we make to donors. We do what we say. We pool your funds and we deliver a significant benefit."

Contractor for U.S. programs

Save the Children does a great deal, but often it is more in the nature of a private contractor for large U.S. government foreign aid programs over which it has little control, but for which it takes ample credit with its sponsors.

To an increasing extent, where SCF operates and what it does are determined by where the U.S. Agency for International Development, the foreign-assistance arm of the State Department, chooses to fund programs. Without USAID grants, Save the Children executives acknowledge, their ability to deliver benefits to children would be hampered severely.

"Government funding is larger volume, shorter term, and it tends to let you do big-ticket items--water systems, irrigation, school infrastructure--that are really costly by spon-

sorship terms," says MacCormack, whose organization manages up to 500 separate government grants.

In Mozambique and Mali, the two African countries where the Tribune sponsored children through SCF, most of the key benefits Save the Children provides come from educational, health, sanitation and agricultural programs funded by USAID.

Responding to congressional pressure to trim costs, USAID now employs Save the Children and other private organizations to administer its foreign aid programs in return for a fee--in the case of SCF, at least 22 percent of the amount of the grant.

It has been a fortuitous conjunction for both partners. As the advertising costs of obtaining new sponsors skyrocket and "compassion fatigue" besets Americans faced with a dizzying array of charitable appeals, government funding has become the largest and fastest growing source of revenue for SCF's development work.

While Save the Children's glowing reports to its sponsors claim credit for government-funded programs, in many cases its true role is minor, such as dispensing USAID funds to local Malian or Mozambican groups that organize and carry out a variety of community development and education programs under SCF supervision.

Because sponsor dollars are not tracked, SCF executives acknowledge that money given on behalf of a sponsored child in Mali may find its way into other Save the Children projects, such as village banks, family planning education or an AIDS prevention program which provides condoms for adult men in villages where no sponsored children live.

To a sponsor who questions whether his or her contributions to Save the Children are actually buying contraceptives, SCF executive Alan Carter says, "The answer would have to be, we can't answer that."

### Pioneers of sponsorship

In operation for 65 years, Save the Children spearheaded the concept of individual child sponsorship in America. Operating in 39 countries, it oversees some 100,000 sponsored children living in pockets of poverty from Appalachia to Africa.

Nowadays, SCF handles fewer sponsored children and a higher percentage of government grants than any other child sponsorship organization, increasingly functioning more as a dispenser of U.S. foreign aid than as a sponsorship agency.

Government grants represent less than 2 percent of total revenues for the three other child sponsorship groups the Tribune examined. But, during fiscal 1997 federal grants to Save the Children totaled more than \$74 million--nearly 60 percent of its total revenues, and more than three times the \$24 million collected from child sponsors.

Indeed, sponsorship dollars essentially underwrite the cost of keeping the charity's doors open, its lights burning and the money rolling in. According to federal tax records, in fiscal 1997 SCF spent some \$23 million on fundraising, salaries and other overhead expenses--nearly the equivalent of the money raised by its sponsorship appeals.

Despite Save the Children's increasing reliance on government funding, SCF President MacCormack maintains that sponsorship money remains "truly crucial to everything else that we do."

Most government grants and some private donations come with restrictions on their use: USAID funds earmarked to build village schools in Mali or dig wells in Mozambique must be used for those purposes. Sponsorship money, on the other hand, can be spent as SCF sees fit, as long as the sponsored child, by the charity's own calculus, is receiving a "lasting and significant benefit."

In Mozambique, for example, Save the Children used money from private donors, other than SCF sponsors, on a three-to-one matching basis to obtain a \$3.7 million USAID grant that, among other things, went to rebuild schools, clinics and other facilities damaged during the former Portuguese colony's 17-year civil war.

Among the schools and clinics refurbished were those used by the Tribune's two sponsored children--a benefit to be sure, but not one provided as a result of their sponsorship.

Nor need a "lasting benefit" last very long. Asked to enumerate what it had done for the Tribune's sponsored children, SCF replied that, among other things, both children's fam-

ilies drew their water from wells SCF had "rehabilitated" in the nearby Limpopo River valley.

Two years ago, in hopes of sparing the village girls the effort of hauling water-filled buckets up the 25-foot shafts, Save the Children installed iron hand-pumps on eight of the wells. What SCF did not foresee was that the pumps, which could fill only one bucket at a time, forced the girls to wait in line for up to 30 minutes.

Not long after the pumps were installed the villagers ripped some out, allowing the girls to revert to the age-old practice of throwing several buckets into the well at once.

### Mechanics of sponsorship

Over the years SCF has chained itself to a bureaucratic treadmill, and its efforts to maintain the quickening pace do much to explain why child sponsorship has become a myth.

SCF needs the money it takes in from child sponsors not only to help the children themselves, but also to pay its own expenses, raise more money and, occasionally, to serve as matching funds for U.S. government grants.

At the same time, SCF enrolls the children who live in the communities where it works to attract new sponsors and keep them paying. To accomplish this, SCF has constructed an elaborate support mechanism designed to reassure donors that their sponsored children are indeed being helped and the money well-spent.

Save the Children field workers engage in a perpetual cycle of tasks designed to bolster sponsorship: taking children's photographs; preparing their personal dossiers; collecting, translating and delivering letters from children to sponsors and vice versa; and gathering health, education and other information for the required annual status reports to sponsors.

"They want to make sure there are results," MacCormack says of SCF's sponsors. "I mean, I think they worry (their money) is going into a black hole. . . . They're relying on the status reports and the annual reports to give them some indication that there's a school, that there's a clinic, that there's an immunization program."

But so focused has SCF become on the mechanics of sponsorship that the children them-

selves sometimes fall unnoticed between the cracks.

There are many potential cracks: children whose deaths go unreported for years, bogus letters purporting to be written by children, even such disconcerting messages as the assurance given the Tribune sponsor of one Mozambican child that "as each year passes, many children in Honduras grow healthier and stronger thanks to you."

There was a time when things at Save the Children were simpler. In the early 1940s, SCF pioneered the concept of individual child sponsorship, initially targeting the war-torn cities of Europe and the poverty-ravaged hollows of Appalachia.

For nearly 40 years, SCF conducted a direct, check-to-child operation. In those years, it was assumed that governments would take care of the big-ticket items, such as clinics, roads and schools, MacCormack said.

By the early 1980s, with increasing government instability in Third World countries where SCF operates, that assumption no longer held. SCF stopped sending individual checks and started pooling money from sponsors, other private donors and government grants to focus on sustainable community development.

"Over 60 years of experience has taught us that direct handouts simply don't work," says one SCF brochure. "The best way to make lasting, positive changes in the life of a child is to work with a community to develop the entire community's ability to take care of itself."

But even as Save the Children's efforts clearly have shifted from the individual child to the broader community, the organization has clung to its signature brand of child sponsorship.

"They're addicted to it, because if they stop, they lose their identity as Save the Children," says Michael Maren, a veteran aid-agency worker in Africa and author of "The Road to Hell," a book critical of private foreign assistance organizations including Save the Children.

"That's their thing," Maren says. "They invented it. That's their problem. The Catch-22 is that the only way to raise money is sponsorship, but that is not the way to development.

The show is the biggest part of what they do. So, they say, let's keep the show going, but try to find ways to make it better."

In recent years Save the Children has grappled with the question of how to ensure that sponsored children receive what the organization promises. But, as illustrated by a recent SCF investigation of its Malian operations, simply keeping track of sponsored children in some of the most remote corners of the planet, let alone monitoring the benefits they receive, can prove impossible.

The logistical headaches prompt Justin Opoku, Save the Children's director for southern and western Africa, to question whether SCF needs sponsorship of individual children as much as MacCormack contends.

Opoku, whose sentiments are mirrored by some field workers for his own and other child sponsorship organizations, believes people will donate to a worthy cause without one child's face being attached to it.

"We think that may be the way to go in the future" Opoku said. "You don't have to track 10,000 kids. . . . It makes overhead much less, so more money goes into the programs."

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### About this special report

Between 1992 and 1996, Americans donated more than \$850 million to four of the largest and best-known child sponsorship organizations: Save the Children, the Christian Children's Fund, Children International and Childreach. That money was sent on faith that it would reach an African village, a Pacific island or a Latin American slum and, in the language of the Christian Children's Fund, "work a miracle" in the life of the little girl or boy whose photographs and letters are the sponsor's only evidence of the child's existence. To determine whether such faith is warranted, in 1995 Tribune reporters and editors began sponsoring these 12 children through four organizations without any mention of their Tribune affiliation. Last May, with no assistance from the four sponsorship organizations, Tribune reporters set out to learn how the lives of the sponsored children had been affected. Part One of this special report recounts what the Tribune learned about two of those organizations, Save the Children and Childreach. Part

Two, which appears next week, examines Children International and the Christian Children's Fund.

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