# In Search of Relevance: Observations on United Way Fund Distribution

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## Introduction

Apart from the challenge of always needing to raise more money, perhaps the most difficult problem for United Ways is how to fairly allocate the funds they collect. In fact, questions about fund distribution have haunted federated fund-raising since its earliest days. In the journey to the present, begun in the 1930s in Canada, bases for channelling the money raised back to the community (almost exclusively through member agencies[1]) have included a variety of attempts at assessing needs and establishing priorities for United Way attention. The history of United Way in Canada and in the USA generally, from where most local Canadian United Way trends have emerged, shows the use of block grants to cover unspecified operational expenditures, allocations targeted to defined populations or identified needs, and funds earmarked for specified services and programs provided by the members. The longstanding claim of United Ways has been that these allocation decisions are community driven and are made by 'citizen review panels' drawn 'from all walks of life'. Over time this practice has variously given way to committees of experts and to United Way's own allocations directions, administered by its professional staff, legitimized by largely uninformed lay committees, and strategically chosen to attract donations.

In the beginning when Community Chests and Councils, forerunners of the present United Ways, raised funds under the slogan 'one gift for all', there was some hope that a one-time campaign might serve the financial needs of all the agencies combining under the annual 'Red Feather' umbrella. But with needs and agency demands consistently outstripping the monies raised, the allocations dilemma of who gets how much and on what basis presented the Chests with an ever-present challenge. Changes in the size and complexity of social problems and of the voluntary sector itself have long since made a fiction of the notion that a community's needs could be met by an annual fund drive for an exclusive group of agencies; this has long been recognized by United Way and the slogan was dropped years ago.

As urban populations after the second world war expanded and social problems increased and changed in nature, allocations based mainly on the size and prominence of United Way's member agencies in the community became less than satisfactory in the eyes of donors, of many of the recipient agencies, and of those left outside the federated campaign. This situation was further complicated by some growth in the number of agencies joining the United Way in the 1950s and 1960s, during a drive to increase inclusiveness. But insufficient funds to satisfy agency needs resulted in attempts to distribute the money raised more rationally using priority studies of community need.

This article traces some of the problems and difficulties United Ways have faced in distributing funds through their member agencies by assessed priorities and the complications experienced by those local organizations which also adopted donor choice as a policy to overcome a lack of growth in campaign revenues and maintain relevance in a changing charitable environment. The reality of donor choice weakened United Way's ability to direct funds to needs *it* defined, and this trend has lead to the current abandonment of the promotion of donor choice. With a renewed emphasis on encouraging donations to high-profile community issues, based again on community need assessments, United Way appears to be seeking relevance through a return to the methods of its past.

## Rational Fund Distribution

The problem of distributing funds to fairly meet community needs resulted in United Ways adopting rational needs-based allocations in the 1960s. This took the form of priorities for funding determined by Planned Program Budgeting Systems (PPBS). PPBS had its birth in the U.S. Department of Defence in 1962 under then-Secretary of Defence Robert McNamara and was used, apparently successfully by operational commanders, to select programs with the best mix of forces, equipment, and support to achieve defence objectives. By the mid to late 1960s, PPBS had become a fad for any organization faced with the need to make choices among competing claims for scarce resources. Following the lead of the United Way of America, some United Ways in Canada attempted to adopt a modified PPBS system. No other United Way in Canada embraced it quite as heartily as did the United Way of the Lower Mainland in Vancouver.

In the simplest of terms, PPBS required United Way to specify social objectives (goals), assess the needs to be met in achieving these goals, and to examine the alternative means within the fiscal framework of funds available. This process began with an exercise dubbed LOGAN (an acronym for Listing of Goals and Needs) and ended, each year, with citizen panels recommending the amounts of money member agencies were to receive based on a hierarchy of priorities derived from community needs assessments. With so much emphasis on the determination of needs and the suitability of its agencies to address them, United Way embarked on a cumbersome bureaucracy of data collection and analysis and an expensive incursion into the realm of needs research. In the history of experimentation with different bases of allocating donations, none have attracted so much opprobrium or alienated so many member social agencies as the PPBS did in the 1960s.[2]

## Conceptual and Methodological Issues

The assessment of community need, as experience with PPBS clearly demonstrates, is fraught with conceptual and methodological difficulties. There is little agreement on the concept of need; is it normative need (the expert's desired standard), comparative need (differences between those in receipt of services and similar individuals not receiving them), felt need (equated with want), or expressed need (equivalent to demand)? Even after this is decided, need investigations mostly request information of a general nature from respondents. Such investigations provide data that are imprecise and give no meaningful direction for allocations decisions. Need studies that focus on specific service areas and agencies delivering the services may produce the most useful results for those allocating funds, but the methodological expertise for these studies does not normally reside in, nor is it readily available to, United Ways or their members. Where it is available, the costs and dictates of empirical research plus the impatience for results virtually ensure that the studies are not undertaken rigorously, are quickly done, and are often eventually disregarded.

Community social planning councils once filled a research role for United Ways. In exchange for funding, councils sometimes undertook needs studies and council staff provided planning expertise to assist in allocations decisions. But failed attempts at needs-based priority setting were blamed on the councils that had been assigned this activity by United Way in the first place. United Ways then either embraced the planning-allocations function themselves, as was the case in Vancouver, or cut the councils loose with little or no funding. Because the councils depended largely on United Way funding, the relationship between them further deteriorated. The situation grew worse as United Way found it increasingly uncomfortable to be closely associated with some planning councils whose strong grass roots advocacy positions often criticized not only the corporate sectors of society, with which United Way was intricately tied, but by association, the United Way itself—the very hand that fed them. In Canada the uneasy relationship came to a head in the early 1980s with the separation of the social planning role from the fundraising role in the United Way of Canada. A drastic cut in funding to many local community social planning bodies ensued.[3] In Toronto, for example, the break in amicable relations and reduced funding virtually brought about the collapse of the once prominent Toronto Social Planning Council.

In Vancouver, the in-house allocations function and staff were expanded to manage agency relations and review agency operations. Part of the expansion included a dedicated 'priorities' researcher hired to construct community profiles, undertake assessments of pressing community needs, and provide citizen review committees with technical research advice. Nevertheless, the paucity of good information, the lack of a reliable methodology for its collection, and no agreement on the social indicators to be used often left non-technical panels that were dealing with highly complex situations with little understanding of agency operations or how to apply the planning researcher's findings to allocations decisions. And, anyway, the vast magnitude of community need outweighed any improvement that might be brought about by a minor shift in United Way program funding based on poorly assessed community problems.

The added hope that rational fund distribution through PPBS would address basic criticisms of United Way (that a few large national agencies in most United Way communities took the lion's share of the money, that few agencies ever lost United Way funding or were dropped as irrelevant or inefficient, and that very few new agencies were admitted to membership) was not realised; these criticisms continued to find expression in a climate of slow growth in United Way fundraising success.

Slow campaign growth also mitigated against achieving any advance toward a more inclusive United Way, and its budget control over member agencies was seen to restrict the development of young agencies. Overall, allocations were often frozen with the effect that agencies were permitted to grow only as funds grew, with stultifying effects on service development and delivery. By the mid-1970s mounting agency objection to the sheaf of operational reports required by PPBS reached its zenith, and United Way was increasingly unable to justify its internal cost or demonstrate its efficacy.

The process of allocating funds through the PPBS planning process had put United Way in conflict with some of its larger funded agencies and national organizations. If funds were to be shifted to new programs, what was to happen to old programs? With little agency freedom to raise additional funds (due to restrictive agreements with the funding body), United Way was seen in effect to be encroaching on agencies' mandates. Some agencies were able to redefine programs to partly negate the impact of an unfavourable priority determination, but most were not. Some agencies threatened to leave United Way. However, in the final analysis, it was the *realpolitik* of United Way survival in Vancouver which finally led to the demise of PPBS when United Way realised, principles and priorities aside, it needed high-profile agencies to attract donations more than high-profile agencies needed United Way contributions.[4]

## From Targeted Funding to Laissez Faire

In a short period of time around 1980 the fund distribution philosophy shifted from control to *laissez faire*. The rationale was a simple one: as the front-line deliverers of service, social agencies were in the best position to understand community needs and should have the flexibility to adjust to address unmet and emerging new needs. There was no pretence that agencies' programming decisions would be based on hard data; it was a simple matter of trust. Rather than tie United Way funding to specific social and health problems and services based largely on poorly researched information and the vagaries of Volunteer Priorities Committees, United Way should assist with the basic operational costs of members, provide for agencies' discretion in the exercise of their mandates, and basically trust them to get on with the job (within the bounds of their membership agreements – however informal and largely unwritten they were).

This change in approach, while improving United Way's relationship with its member agencies by removing the trappings of control, had little or no effect on the allocation of funds and further weakened the citizen review process. Citizen review panels simply changed from priorities-based discussions of need to giving *pro forma* endorsement of the agencies' share of campaign revenues based on their historical allocation. Any notion of review panels being able to impact the membership of United Way or determine the target for changes in United Way funding was further undermined by largely stagnant campaign returns. Criticisms continued to be levelled that United Way was a restricted club of mainly old and traditional agencies. In the United States, citizen review was undergoing a similar critique. Beatrice Dinerman (1970) of the Los Angeles United Fund stated, "The supposedly difficult and delicate process of distributing community chest contributions becomes little more than a charade designed to lull the decision maker into the belief that he is, in fact, making a monumental decision."[5] Eventually, in Vancouver, the annual agency review became a three-year cyclical public relations exercise as United Way revenues allowed at best no more than one or two percent across-the-board annual increases in allocations.

## Donor Choice

While the system of discretionary operational grants continued to mollify most member agencies' concern over control, the United Way remained unable to satisfy agency financial needs because of the decline or slow growth in its fundraising capacity. This stagnation and shifts in the philanthropic environment brought about a change in United Way philosophy that profoundly altered the movement and further undermined its claim of volunteer control over allocations. That change was the embracing of 'donor choice' whereby gifts could be designated to specified agencies and causes.

Donor choice[6] had always been possible within the Canadian United Way system but was never promoted or advertised. Insistent donors were allowed to designate their contributions to specific United Way member agencies, but this money was simply counted towards United Way's allocation to the specified agency. Known at United Way as 'first money in', donor designations were honoured as the first contributions to the agencies specified and United Way simply 'topped up' the designations to the level of the predetermined allocation; thus donor designations had no effect on the final money the agency was to receive. This practice was not well received by the agencies, especially those with high public profiles that had expected to benefit over and above the United Way allocation.

Several trends eventually served to change this practice in the early 1980s in Canada to a well-publicised and more extensive donor choice program embracing all registered charities whether United Way members or not. But this expansion of the option created for United Way a series of difficult decisions and complicated operational issues.

The difficulties United Way campaigns experienced with failure to achieve announced targets in some years, extended fundraising periods, and only modest increases in funds raised in other years were clearly the leading reasons for adopting a full donor choice program. Certainly donors wanted more choice beyond the menu of member agency services that remained virtually unchanged from year to year. But it was reasoned that by providing the opportunity for donors, especially in the workplace, to contribute to any legitimate cause of their choice, campaign revenues would be bound to grow and, with clever advertising, United Way itself would benefit with more undesignated contributions.[7] The contributions to the major health charities[8] not included in United Way agency listings were perceived as a potentially lucrative source of additional flow-through monies that would boost overall campaign goals.

Not only were the health charities popular with workers but the organizations themselves wanted into the hallowed ground of the workplace. In the United States, legal challenges were mounted against the monopoly of the United Way campaign in major corporations, and the fear was that similar challenges would be mounted in Canada. Donor choice was seen as a means of satisfying donor desires by channelling funds to the health charities while continuing to exclude them from conducting their own campaigns in the workplace.

Another major trend, a corollary of donors' desire for choice, was the increasing growth of employee-controlled employee funds in large companies. Often with union instigation, employee groups started to collect employee donations and set up their own workplace fund distribution systems, which very often by-passed United Way. Rather than a United Way organized and controlled in-plant campaign with largely predictable dollar outcomes, United Way was left somewhat 'cap in hand' awaiting the decisions of the employee fund as to how much would be turned over to it. United Way's primary milch cow of payroll deductions, the very core of individual support for United Way, was being seriously threatened.[9]

In addition, the impact of employee funds on agencies was seen to be potentially destructive as donations to a 'popular cause' one year could switch to another cause the following year. With the growth of in-plant campaigns, the need for United Way to maintain operational funding of its agencies and not to amplify the uncertainty of the capricious allocations of employee funds further underscored the donor choice dilemma.

With United Way popularity in large workplaces slipping and the number of 'in-company' employee funds growing, something had to be done to maintain an appearance of success. United Way in Vancouver not only embraced donor choice as a salvation but was able, through good relationships with CEOs from some major private and Crown corporations and its connections to organized labour, to persuade employee funds to pass their collections through United Way. This boosted the United Way campaign totals and the image of success, even though most often a major portion of the monies from employee funds was passed on to causes external to United Way. As long as designated funds were raised through a donor choice program managed by a United Way, the funds could be legitimately counted as dollars raised by United Way, although they were dollars that could not be allocated by United Way. However, it is not usually the case with employee funds that United Way manages their campaigns, and to include these monies in a United Way campaign total was a deception that critics were keen to point out. United Way apparently felt it needed to show constantly increasing campaign totals even more than it needed to show constantly increasing allocations to members.

This practice was in evidence continent wide. In her study of the United Way in America, Eleanor Brilliant (1990) states, "…whether or not the money passed through the United Way allocations process seemed to be less important than making the largest nationwide counting of monies raised in the campaign. Undoubtedly, initially corporations were not concerned about this reporting system (and) had been making every effort to keep up both the reality and the façade of increased philanthropic dollars. Moreover, companies were still interested in maintaining the myth of United Way as working 'for all of us', and the fact of one workplace campaign."[10]

By allowing full donor choice, i.e., allowing donors to designate their contributions to any registered charity, whether it was a United Way member agency or not, United Way partially combatted the growing criticism that it was a closed shop that funded primarily the old traditional United Way members. Perhaps more importantly, donor choice gave United Way's major corporate supporters a means of continuing to restrict access to the workplace by an increasing number of other charities that were attempting to tap into payroll deduction. The corporate link to United Way is strongest among a small number of large corporations; United Way successfully shields these corporations from multiple campaigns and, through agreements with its member agencies, prevents them from independently approaching corporations for funds.[11]

## Some Problems with Donor Choice

Certainly, donor choice gave United Way donors and others a greater range of programs and services to support and contributed to declared campaign success and a growth in total United Way dollars raised. But it also brought problems of its own. The popularity of donor choice over a decade of existence resulted in designated donations quickly outgrowing undesignated donations, and among designated gifts, contributions to non-member agencies outpaced those to the United Way 'family' of agencies by a ratio of over four to one.[12] The hope that donors would see the sense of giving to United Way rather than to their favourite individual cause did not occur to any appreciable degree and the expected growth in discretionary dollars (i.e., undesignated contributions to United Way itself) was never fully realised.

Although from the outset donor choice was available to individual donors only, its existence eventually spurred demands for corporate donor choice as the concept of strategic philanthropy (i.e., linking corporate gifts to a specific agency, program, or service) took hold across North America. Having agreed to individual donor choice, United Way found it difficult to resist corporate pressures for the same option. This desire to engage in 'cause-related marketing' was seen by many corporations as more clearly identifying the corporation in the public's mind than promoting connection to an amorphous United Way. The trend not only cast doubt on the commitment of parts of the corporate sector to the United Way's traditional concept, but it was feared that an expansion of this trend would negate the fund allocation and needs assessment role of United Way and, in fact, could eventually undermine the need for United Way itself.

The United Way in Vancouver faced other difficult internal operational decisions and increased costs. Designations to non-member agencies had to be passed on to literally hundreds of charities both within and outside the province of collection; their charity registrations needed to be confirmed and often their correct identity traced. Donors were also allowed to negatively designate contributions; in other words, they could specify individual agencies they did *not* want to support. This in itself proved an impossible task to implement and became, in the aggregate allocation of funds, a fiction in its effect.

Pressed by member agencies to honour designations as additions to allocated funds, the United Way in Vancouver found that a few large high profile agencies attracted the lion's share of designations, and this compounded the criticism that they were receiving disproportionate amounts of the money raised. To counteract this bias, the Vancouver United Way negotiated with these agencies to accept lower allocations from the communal pot in order to be able to assist the less attractive agencies with the money freed up. In effect, having moved from the somewhat dishonest system of 'first money in' to passing on contributions as designated, the United Way in Vancouver replaced one allocations deception, 'first money in', with another.

The issue of a processing fee to cover the staffing cost of the program created further inconsistencies across the United Way movement. In the general trend towards donor choice in North America, it was left to individual United Ways to decide whether or not to charge an administration fee for passing on designated donations. In the early 1990s, Vancouver and some other United Ways in Canada initially passed on the designations at no direct cost to the donor. Others deducted a percentage fee (ranging from 3% to 10% of donations) to offset the increased expense of running the system.[13] A decade later the popularity of donor choice had significantly increased administrative costs, and qualms about charging for the service in Canada were being seriously reconsidered.[14]

But the overwhelming issue for United Way was that full donor choice undermined the United Way's claim that it provided citizen review and rational allocations, features that were now relevant only to the proportionately decreasing amounts of money that United Way itself allocated to members. The role of volunteers as crucial to the distribution of funds was significantly reduced and the marketing of 'citizen review' as a community-based determination of fund allocation was downplayed.

With ever decreasing amounts of undesignated dollars United Way's problems of making fair allocations among member agencies increased. The agencies themselves found they needed to engage in community fundraising, despite their membership agreement to not do so, not only to offset United Way deficiencies but also to meet increasing pressures on them as the provincial government downloaded many of its responsibilities to the charitable sector.

## Donor Choice and Priorities Revisited

While donor choice came to provide a greater choice for all donors, particularly workplace donors, who wanted to designate to charities outside of the United Way membership, it continued to raise money over which the United Way had no control. Starved of discretionary funds to effectively redistribute to new and emerging needs, the United Way in Vancouver introduced a refinement to donor choice by promoting a number of non-members as worthy of designated support. These agencies, known as 'Affiliate Agencies', were chosen to broaden the campaign appeal to causes outside of the membership that would both attract donors and direct funds to specific needs and areas identified by United Way as worthy of attention, without committing United Way to ongoing support.

In Vancouver, changing population distribution and rapid suburban growth, the under-developed social service infrastructure in these growing municipalities, and the need to service an increasing area-wide multicultural diversity presented United Way with another allocation dilemma. The notion of the Affiliate Agency partly addressed the problem, but it did nothing to resolve the inability or unwillingness of the traditional membership to expand into new service or geographic areas. This was to be achieved by the strategic adoption of 'Allocation Emphases' – a euphemism for 'priorities' in agency allocations.

In theory, agencies that were not adequately addressing suburban and multicultural needs were to receive reduced allocations. The money released by these reductions was to be used to help newer agencies, mainly in the suburbs, which did meet these needs but for whom United Way otherwise did not have funding to spare. However, in order to fairly apply this policy to member agencies, United Way needed crucial information on the demographic composition of their clientele as well as data on the way in which they used their United Way allocations. A combination of a genuine lack of good data on which to base decisions about whether to sustain or reduce allocations[15] and the reluctance of some large member agencies to cooperate in the collection of client-based information (no doubt with memories of the PPBS fiasco) created yet another round of strained relationships between member agencies and the funding body in Vancouver.

Although United Way was unable to effectively collect the agency data it required, it continued the focus on 'Allocation Emphases', relying increasingly on broad-based community needs and population health data from the census and local community sources to provide a rationale for its priorities.[16] Allocations to the membership were to be held static over a three-year budgeting cycle, with members' financial allotment treated as core funding. Any increase over and above that could be made on the basis of the degree to which the agency introduced new programs or approaches to address the United Way's priority concerns.

This strategic approach allows United Way to somewhat influence the directions of the member agencies and, perhaps more importantly, to be flexible in the message it sends to the public. As community concerns shift, so can the appeal for donations. A consequence of this recent fundraising approach is to downplay the role of the member agencies and divert attention from the stasis in the membership. To further direct the donor to the United Way's need for discretionary funds. the up-front promotion of donor choice disappeared from the campaign literature in Vancouver (although a space on the 'pledge card' for write-in designations remained), and campaigns at the turn of the century declared their goals and results minus the funds raised from designated donations. The effect of this purely local decision confused the donor and confounded the United Way movement in the rest of Canada.[17] This practice has been most recently rectified by declaring a total fundraising achievement (including designated gifts) and a separate statement of monies directed to United Way itself.[18]

Donor confusion over the accounting of the money handled is nothing new among United Way organizations. Details of allocations to agencies, members and others, have seldom been well publicized by any of the United Ways in North America. As Brilliant points out, "Aggregate allocation figures, or figures about specific groups of agencies by name, have not generally been publicly tallied or disseminated. Such figures undoubtedly would expose the real gap between dollars raised and dollars allocated."[19] Despite repeated claims of the lowest fundraising costs in the charity business, United Way has a difficult time explaining to donors and potential donors why the figures appear to show United Way itself as one of the biggest consumers of the money raised.[20] Locally, the apparent reluctance to publicly declare the multiple pots of money[21] United Way now manages and adequately present its fundraising, allocation, and administration costs in a simple way to the public will continue to fuel scepticism about the costs, size, and complexity of United Way.[22]

## Back to the Future?

In its efforts over time to both increase the flow of charitable dollars and grow its influence over their distribution, United Way adopted incompatible strategies for the achievement of these two goals.

With a fairly static agency membership and insufficient funds to expand it to meet a growing population with a new social complexity, United Way attempted to prioritize fund distribution on the basis of community needs assessments. Faced with failure to influence the direction of agency services amid slow growth in total dollars, it next moved to broaden its appeal and increase donations through the implementation of donor choice. But the popularity of donor choice directing funds outside of the United Way membership progressively weakened United Way's fund distribution. As this strategy backfired and United Way faced the threat of being nothing more than a convenient conduit for donors, designated giving to all and sundry has been relegated to its latent position of the *status quo ante*. The reincarnation of the priorities approach focusing on United Way defined community needs, designed to attract new discretionary dollars, has taken United Way in a direction somewhat reminiscent of the past.

The current strategies, chosen to maintain a future relevance in a changing charitable sector, have led the organization to a more traditional campaign. The changes in the appeal messages seem to have had their effect. Since the downplaying of donor choice, designations as a proportion of the total money raised have declined over recent campaigns in the Lower Mainland.[23] And, mindful of criticisms over the treatment of donations designated in employee campaigns but counted towards the total raised, the United Way in Vancouver has been influenced to properly treat these monies separately as 'flow through' donations. Whether these practices will maintain the United Way system and move it beyond the relatively small contribution[24] it makes in the overall annual collection of charitable dollars in Canada remains to be determined.

**NOTES**

1. The term United Way 'member agencies' used in this article refers to the collection of social and health agencies which, in every community where a United Way operates, are tied together by an understanding of mutual obligation whereby they agree to yield their autonomy over their own fundraising efforts and submit to some form of annual accountability review in exchange for funds annually allocated by United Way. Rather than a strict contractual relationship, the membership is a somewhat loose affiliation of mutual benefit. In all but small communities, member agencies constitute a small proportion of the total number of community organizations and social and health agencies extant in the United Way catchment areas. According to the *Voluntary Sector Initiative*, there were 5000 registered charities in the Metropolitan Vancouver area in 1995; Lower Mainland United Way agencies numbered approximately 100 at this time.

2. By this time, most member agencies were receiving only a fraction of their total operating budgets from United Way, and demands for PPBS accountability were seen by many as an unwarranted incursion into their corporate affairs.

3. Levens, Bruce R., *Social Planning and the United Way: Roles and Relationships*, United Way of Canada, 1980.

4. A case in point occurred when a PPBS priorities report argued for the cessation of funding to medical services, based largely on the argument that this was a provincial responsibility. Caught in this funding recommendation was the Vancouver Children's Hospital, which had received a relatively small allocation over the years, but one which allowed the United Way to legitimately feature the emotive image of disabled and sick children in its campaign publicity. The potential loss of this attraction saw the proposed cutback reversed by the United Way of the Lower Mainland Board.

5. Dinerman, Beatrice, 'Community Chests: The Ignorant Philanthropists' (1970)*, The Nation,* March 30, 369–72.

6. In some United Ways, donor-designated giving was called donor option. This term was eventually dropped in favour of donor choice, and this was standardized across the continent.
7. The hope that the ability to designate gifts would attract new donors who, once captured, would also give to United Way's undesignated fund as 'the best way to meet the community's needs' was not confirmed in practice and most growth in campaign achievement throughout the 1990s was due to increases in designated gifts to non-member agencies.
8. For example, the Cancer Society, Heart and Stroke Foundation, Lung Association, hospital foundations, etc.
9. For an analysis of the impact of employee funds on United Way fundraising, see Berkeley Consulting Group, *Employee Funds: An Analysis and Strategic Assessment*, October 1986.
10. Brilliant, Eleanor L, *The United Way; Dilemmas of Organized Charity,* Columbia University Press, 1990, p.234.
11. This restriction is sometimes relaxed to allow some member agencies to seek gifts in kind.
12. For example, in 2000, the United Way of the Lower Mainland raised a total of $32.1 million. Of that, $14.8 million (46%) was designated, $8.3 million (26%) was allocated to member agencies, and $9 million (28%) was used to cover administrative costs, special issue areas of concern, and other United Way discretionary expenditures and disbursements. Of the $14.8 million designated by donors, only $1.9 million (13%) was directed to member agencies; $8.7 million (59%) was directed to non-member agencies and the remaining $4.2 million (28%) was earmarked for Affiliate agencies, other designations, and insurance policies.
13. Garrard, T. and Levens, B. *A Status Report on Donor Choice*, United Way / Centraide Canada, March 1993 (Unpublished). In this study in 1993, only three of the nine largest United Ways in Canada charged a fee. By the end of the decade, it had become a more common practice.
14. In 2003, in Vancouver, research was undertaken to assess the impact of charging a fee. At about the same time, the parent body United Way / Centraide Canada was gently persuading all United Ways with donor choice to adopt a standard fee. Effective 2006, United Way in Vancouver will apply a $12 fee for processing designations. But a somewhat patchwork practice still exists nationwide and the impact of imposing fees on the flow of designated dollars has yet to be determined.
15. Issues of client confidentiality were also raised by some members. Others, agencies like the YMCA and YWCA, had many clients who used daytime downtown facilities but resided in the targeted suburbs and for whom no geographical or ethnic data were systematically collected. These agencies claimed to be satisfying United Way's emphasis on suburban needs but could not demonstrate that they were to United Way's satisfaction.
16. Such as Success by Six (an international United Way program providing a head start for children), immigrant services for newcomers to Canadian society, keeping teens out of trouble, and a focus on people living in poverty.
17. In 2003 in Vancouver, United Way announced a target of some $20 million following a campaign achievement in the previous year, 2002, of some $29 million. With little public explanation of this change in fundraising philosophy and reporting, the frontline fund-

raisers continued to elicit designated funds while concentrating on boosting discretionary monies for United Way to distribute among *its* community priorities.

18. Most recently, 2005, United Way in Vancouver reported a total funds raised achievement of $31.2 million of which $22.2 million was declared as directed to United Way for its programs and services, the difference being designated funds.

19. Brilliant, *op. cit*., p. 234.

20. In 2004, for example, in Vancouver, money not paid out in allocations to member agencies or distributed to honour various categories of designations is estimated to be 28% of the total raised in the campaign. Some of this money retained by United Way is spent on community projects (how much is not easily determined) and on covering the costs of staff performing functions in support of the fundraising, such as communications (public relations), organized labour liaison, and research.

21. With reference to Brilliant's critique, the United Way in Vancouver, on the expenditure side of the equation, needs to separately account for allocations to member agencies, monies specifically designated to members by donors, donations designated outside the membership, Affiliate agency designations, and so-called Targeted Impact areas (such as children and youth, assisting people in poverty, etc.). In addition to this, donors may direct contributions to the Endowment Fund of the United Way and give through various planned giving options. Add in the various categories of campaign income accounting and it is not surprising that financial statements, when available, do more to support criticism of United Way's size and complexity than they do to dispel it.

22. Reasons for not contributing to United Way, in market research on charitable giving, are frequently cited in terms of it being 'too big', 'too bureaucratic', and 'too costly'. See Levens, B. R., *United Way Market Research: A Critical Summary of Some Recent Opinion Poll Findings*. United Way of the Lower Mainland Research Services, October, 1995.

23. Between 2000 and 2004, designations declined from approximately 46% of the total to 35%, while money for allocations and United Way's discretionary use (largely for targeted programs such as Success by Six) increased by a comparable amount from 54% to 65% in 2004.

24. Total United Way campaigns in Canada in 2004, including corporate donations, raised approximately 5.7% of the total annual charitable contributions of $6.9 billion declared by taxfilers. See Statistics Canada, *The Daily November 1st 2005, Charitable Donations,* and United Way / Centraide Canada, *2004 National Announced Results*.