

Two questions to ask before buying pink

by Aradhna Krishna

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As October winds down we'll likely see one last push for pink. Thousands of firms sell pink products trying to show their support for women. With one in eight women developing breast cancer in their lifetime, most of us have been touched by it. We feel good about helping out through a pink purchase, in turn increasing sales and also goodwill for these firms. Firms rise on this wave of empathetic charitable purchases, "giving a part of the proceeds to the breast cancer cause," and practicing what is known as cause marketing. Cause marketing is a great idea and I am a big supporter but I want you to think before you buy pink. Step back and think what you do when you make a donation to a charity. I would hope that you do your due diligence and find out how the charity will use your money. Now ask yourself -- when you buy a cause marketing product, what part of the proceeds are going to the cause? Are you satisfied if it merely states that "part of the proceeds" will support breast cancer research?

Sometimes what the charity receives from your purchase can be extremely low – even less than 1% of the purchase price of the item. Even worse is the fact that there is little you can do to find out what exactly is donated because only about 11 states including Arkansas, Connecticut and New York require by law that the exact donation be declared to the public.

So, does the vigilance in charitable purchases end there? Unfortunately, not. What if the charity that is being supported is phony? First, I would suggest that consumers do not purchase a product where the charity is undisclosed. Second, if it is an unfamiliar charity, spend a few moments checking up on it. Consult websites such as Charity Navigator, which give ratings to charities on their efficiency.

More importantly, if consumers are more vigilant, it will become increasingly difficult for bogus charities to thrive. And thrive they sometimes do. Last year, the New York attorney general's office filed complaints against a number of breast cancer related charities – while the Coalition Against Breast Cancer had raised about \$9.1 million from the public, it was benefiting no one other than its founders; similarly, the Coalition for Breast Cancer was another hoax benefiting a husband and wife founding couple.

Other than checking whether the charity is authentic, another question we should ask is – what percentage of donations is spent on administration? Well-run charities would like to advertise the large proportion of money that actively helps the cause. For instance, SmileTrain advertises that it uses 79.5% of its donations for program services; similarly Susan B. Komen for the Cure's spends about 75% of money raised on program expenses.

So, should we stop buying pink? Absolutely not and that is not what I am advocating. But, I would like us to be more careful of two things – "what" part of the proceeds will be donated to the breast-cancer non-profit and "who" and how well run this non-profit is.

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