

NO TIME TO LOSE: RESPONDING TO DISASTER

SPRING 2005

INSIDE

- 2
On A Charitable Note
- 2
Staff Charity Profiles
- 3
Donor Dialogue
- 3
*Creative Ways to use a
Charitable Gift Account*
- 4
*Donor-Advised Funds
Enable Quick Response*



For the first relief workers to arrive in Southeast Asia following the December 26, 2004, Indian Ocean tsunami, the sight was painful. Mile after mile of wreckage and flooding had swallowed people, their homes and even whole villages. "Nothing could have prepared us for the death, destruction, displacement and disease," said a visitor to Sri Lanka, one of the eight hardest-hit countries. The death toll as of late February was estimated at 286,000, with thousands of people still missing and 1.6 million displaced, according to the Red Cross.

Its enormous scale made the disaster exceptionally cruel. There was also a tragic irony to it. The massive wave seemed to come out of nowhere on a sun-drenched, balmy day as people swam and fished in calm waters. Shortly before the tsunami, the ocean retreated past the normal low tide, exposing fish and crustaceans that brought women and children to the beach to collect the windfall of food. When the wave gathered its full force, these vulnerable people couldn't escape.

The tsunami disaster generated the largest humanitarian effort in history. As of mid-February, worldwide pledges for tsunami relief totaled \$5.5 billion, one-fifth of that from the United States.

Disasters awaken the spirit of generosity for many reasons. There is no human failure or political cause at work. There is no dilemma as to whether the victims contributed to their own hardship or not. It is, as we say, an "act of God." Donors simply want to be sure their contribution will be well used and will make a difference.

In any disaster, individual giving can indeed make an enormous difference. Relief agencies depend on private giving for their ability to mobilize immediately to protect lives and public health.

Although many supplies for disaster relief are donated or sold at a reduced cost, non-profit agencies can incur millions of dollars in expenses in a hurry. Their two main sources of support are private donors and governments. But individuals can act much more quickly than governments can—and there is no time to lose when disaster strikes.

Following the tsunami, "the response [from individuals] was so overwhelming that we didn't have to wait for funding from government and larger institutional funders to gear up to a major scale," says Neal Keny-Guyer, CEO of Mercy Corps in Portland, Oregon, which was delivering emergency supplies and medicines to affected areas within 48 hours after the disaster.

Relief agencies depend on private giving on an ongoing basis, not just in a crisis. "We have been building a base of individuals who provide continued support for our work," says Nicolas de Torrente, executive director of Doctors without Borders in New York. "Without that support, we could not act independently, which means trying to go where the needs are and acting flexibly and quickly." Doctors Without Borders, known internationally as Médecins sans Frontières, has sent more than 200 medical volunteers from throughout the world and delivered 2,000 metric tons of supplies to Southeast Asia.

In addition to being faster and more flexible, private support is often more generous than governments can be.

As of February 25, the Indiana University Center on Philanthropy had tallied U.S. private donations for tsunami relief at \$1.1 billion, while President Bush has asked the U.S. government for \$950 million.

What does individual support provide?

Even a modest donation goes a long way to help disaster victims. For example, according to information provided by two agencies

continued on page 3



SCHWAB FUND for
CHARITABLE GIVING™

101 Montgomery Street
San Francisco, CA 94104

www.schwabcharitable.org
800.746.6216

ON A CHARITABLE NOTE



As 2004 came to a close we were feeling gratified to be part of the most generous outpouring from our donors to date. In calendar year 2004 our donors contributed more than \$200 million to their charitable accounts.

On the other side of the world a disaster was unfolding—the earthquake and tsunami in Southeast Asia—bringing almost unimaginable suffering. Consider Afriyanti, a 17-year-old girl from a tiny village in Banda Aceh, just a few miles from the sea. On the morning of December 26, her world turned upside down. Afriyanti lost her mother, her father and three younger siblings. She also lost her school friends. One month after the tsunami, she was living in a tent in a displaced-persons camp with her uncle, her only surviving relative.

Hamdami, a 42-year-old man, lost all of his nine siblings as well as his house and belongings. But he, his wife and their two children said they felt fortunate to be safe and together.

We hear many more stories like these from the disaster relief agencies providing aid and helping restore the affected areas to some sense of normalcy. In what has been called the largest humanitarian effort in history, people from across the globe have come together to bring aid, comfort and hope to the victims of the disaster. There is much more we can do, as rebuilding is expected to take up to four years.

As is typical at the Schwab Fund for Charitable Giving, only hours after the disaster donors were asking us how they could help. We were able to quickly post information on our Web site. For our feature article in this edition of Giving, we tried to capture how your grants are being used by the charitable organizations providing disaster relief to meet basic needs for food, medicine and sanitation supplies and to help people rebuild their lives.

Though the tsunami disaster puts the impact and importance of your generosity in bold relief, you are making a difference in ways big and small every day with the grants you recommend. All of us at the Fund feel fortunate to support and witness your kindness.

Kimberly Wright-Violich
President
Schwab Fund for Charitable Giving

STAFF CHARITY PROFILES

For this feature of the Newsletter, the Schwab Fund for Charitable Giving's staff select charities they would like to profile. For this issue, we have provided profiles of those emergency relief charities mentioned in the feature article.

Mercy Corps

Founded in 1979, Mercy Corps helps more than six million people each year recover from disasters, strengthen their communities and help find solutions to poverty.
<http://www.mercycorps.org>

AmeriCares

AmeriCares is a nonprofit disaster relief and humanitarian aid organization that solicits donations of medicines, medical supplies and other relief materials from U.S. and international manufacturers, and delivers them quickly and efficiently to indigenous health care and welfare professionals around the world.
<http://www.americares.org>

Doctors Without Borders

Doctors Without Borders delivers emergency aid in more than 70 countries (via 2,500 volunteers and 15,000 locally hired staff) to victims of armed conflict, epidemics, and natural and man-made disasters, and to others who lack health care because of social or geographical isolation.
<http://www.doctorswithoutborders.org>





working on tsunami relief, Doctors Without Borders and AmeriCares:

- **\$250** can buy a sterilization kit for syringes and needles used in mobile vaccination campaigns.
- **\$500** can buy approximately 225 lanterns for use in camps for internally displaced people from Sri Lanka.
- **\$1,000** can buy 30,000 packets of water purification treatment sachets, providing approximately 1,000 people with clean drinking water for a month; or emergency medical supplies to aid 5,000 disaster victims for a month.
- **\$5,500** can purchase an emergency health kit to care for 10,000 displaced people for three months.

In any disaster—from 9/11 to the 2004 Florida hurricanes to the earthquake and tsunami in Southeast Asia—the most urgent needs fall into three main categories:

1. Supplies. This includes medical supplies, food, shelter, blankets and clothing. Drugs and drinking-water purification treatment to stop the spread of infectious diseases are especially important.

2. Logistics. Airplanes, helicopters, trucks and other transportation must be found (and often chartered) to get supplies to the right location. Insurance, storage, fuel and related essentials add to the costs.

3. Human Resources. People are needed to drive the trucks and fly the planes, load them and direct them. Doctors, nurses, social workers, psychologists, construction workers, cooks, managers, payroll staff, trainers for local personnel, and many other experienced workers are needed on the ground. Mercy Corps hired survivors of the disaster to clear debris and help with building repairs so they would have money to spend locally to help rebuild their economy.

What agencies need most is cash, according to the Center for International Disaster Information, which is supported by the U.S. Agency for International Development. “Financial contributions allow professional relief organizations to purchase exactly what disaster victims need most urgently and to pay for the transportation necessary to distribute those supplies,” the Center explains on its Web site.

Online Response

The Internet has matured as a fundraising tool. The online response to tsunami relief was an unprecedented example of how generously—and efficiently—disaster response can mobilize. Agencies report that from 40 to 80 percent of donations to tsunami relief have come in via the Web. Many other charitable organizations, including the Schwab Fund for Charitable Giving®, had posted information for donors who wanted to help disaster victims within 48 hours of the catastrophe.

continued on page 4

CREATIVE WAYS TO USE A CHARITABLE GIFT ACCOUNT

With a donor-advised fund such as the Schwab Fund for Charitable Giving®, there are many creative ways to express your generosity and your values.

Did you know that you can open a Charitable Gift Account with the Fund in someone else’s name? It might be a way to say thank you, to celebrate a special day, to remember someone or simply to share your values with someone you love. Here are some recent examples.

One donor opened a \$10,000 Charitable Gift Account as a gift to his grandchild when she graduated from his alma mater. Through the account he passed along his commitment to a lifetime of giving while empowering his granddaughter to identify the charities she’d like to support. Each time she recommends a grant, she will think of her grandfather.

A couple opened a \$250,000 account as a present to each other on their 25th wedding anniversary. Each time they sit down to discuss the charities they would like to support, they celebrate the life they’ve built together.

Siblings might pool their funds to open a Charitable Gift Account in memory of a parent. A husband might open an account in his wife’s name for her birthday. Grandparents might open Charitable Gift Accounts for each of their grandchildren to impress upon them the importance the family places on giving.

Opening a Charitable Gift Account for someone else benefits both the giver and the receiver. The giver who opens and funds the Charitable Gift Account receives the tax deduction, while the recipient enjoys the opportunity of selecting charities to support.

Because of its flexibility, a donor may use an established Charitable Gift Account for creative purposes as well—such as recommending a grant as a gift, a tribute or a memorial. As another example, parents of young children may set aside time once a year, often at Thanksgiving or another holiday, and let each minor child select a charity to support through the family’s Charitable Gift Account. Each child gets to express his or her individual giving interests while participating in the family’s philanthropic tradition.

To learn more about the many ways to use a Charitable Gift Account, please call (800) 746-6216.

DONOR DIALOGUE

“You’re doing something right. Your on line services are excellent, your staff is professional and friendly, and your recent newsletter was so helpful that it prompted me to add my Charitable Gift Account as a beneficiary to my estate plan.”—John K.

“We usually choose to grant anonymously, and select the acknowledgement choice of ‘use account special name on letter to charity’. The grant notification letters accomplish our objectives perfectly.”—Gary Y.

*“When I called another national donor advised fund to make a contribution at year end, they gave me every reason why they could **not** make the transfer happen in time; when I called you guys, you gave me every reason why you **could**.”—Jack F.*



DONOR-ADVISED FUNDS ENABLE QUICK RESPONSE

Giving to disaster relief is easy and efficient for philanthropists with a Charitable Gift Account through a donor-advised fund like the Schwab Fund for Charitable Giving.[®] A donor can simply go online and submit a grant recommendation, and it will be processed in just a few days.

As of mid-March, the Fund had sent more than \$2.27 million from 973 donors' Charitable Gift Accounts to aid victims of the earthquake and tsunami. Most grant recommendations had come in online.

The five largest recipients of grants for tsunami relief from Schwab Fund donors through March 15 are:

- *American Red Cross*, \$744,870
- *Doctors Without Borders*, \$193,439
- *Direct Relief International*, \$154,439
- *Care USA*, \$145,600
- *Mercy Corps*, \$122,475

For more information about supporting disaster relief, call the Schwab Fund for Charitable Giving at (800) 746-6216, or visit www.schwabcharitable.org.

"Our first tsunami donation [\$500] came in online early in the morning of December 26," says Curtis R. Welling, president and CEO of AmeriCares Foundation in Stamford, Connecticut.

Doctors Without Borders received \$4.5 million online in a single day. The agency took in \$50 million worldwide within the first week of the disaster, mainly from its Web sites and toll-free phone numbers. "The outpouring of support was incredible," de Torrente says. "We have never seen anything like it."

In fact, the agency has announced that it has reached its fundraising goal for tsunami relief and is no longer actively raising money for it. The Red Cross has made a similar announcement.

But that doesn't mean that enough has been raised to cover the long-term effort of rebuilding. The United Nations estimates it will cost \$12.5 billion to rebuild areas hit by the tsunami. That exceeds worldwide pledges, which stood at \$5.5 billion in mid-February.

For agencies involved in the long-term rebuilding, fundraising continues. "A year from now, we will still be rebuilding homes, restarting factories and businesses and restoring services to the level they were before the tsunami," Keny-Guyer of Mercy Corps says.

Moreover, there are many other crises throughout the world that need resources. When donors continue to give to tsunami relief, Doctors Without Borders asks permission to put their contributions toward its Emergency Relief Fund, which enables the agency to respond to any disaster quickly. Ninety percent of donors have said yes.

In Keny-Guyer's words, there are many "silent tsunamis"—tragedies that simply don't have the visibility or shock of the one in Southeast Asia.

"At the same time that we have been focused on the tsunami, we have continued our

ongoing efforts to relieve suffering and provide long-term humanitarian assistance in 40 countries throughout the world," says Welling at AmeriCares. "We are currently gearing up for an airlift into Bahr el Jebel, Chad, filled with equipment to help build a hospital serving Sudanese refugees. We are readying our second airlift directly into Darfur, where more than a million people have been displaced. In Latin America we are responding to a serious rotavirus epidemic in El Salvador that is claiming the lives of children."

Among other emergencies, Doctors Without Borders is treating 25,000 AIDS patients around the world, largely thanks to private donor support. "Had we waited for it to be a priority of governments, we would not have been able to start four years ago," de Torrente says.

Among the emergencies in which Doctors Without Borders provides assistance, it listed the "Top 10 Most Underreported Humanitarian Stories of 2004" on its Web site. Number 1: an internal conflict in northern Uganda that has lasted 18 years and displaced 1.6 million people. Wars in the Congo, Colombia, Somalia and Chechnya are among the other "hidden" disasters.

Advice for Donors

Keny-Guyer offers some advice for people who are moved to give to disaster relief. "Look for organizations that have a presence on the ground in the area before the disaster so they understand the local culture and don't have a learning curve," he says. "If they are already working in the area, they can probably leverage relationships and be more cost effective."

Also look for a long-term commitment. "The real needs and challenges are only beginning now," he says.

To contact us, write to the Schwab Fund for Charitable Giving, 101 Montgomery Street, San Francisco, California 94104. Or send an e-mail to giving@schwabcharitable.org.