

And despite the grim news from DC Catholic Charities, the IS study shows **Americans responded to very personal post-attack appeals**, such as workplace appeals (39%), appeals from religious organizations (32%), and in-person solicitations (23%).

The most common channel for donations was mail (23%), followed by telephone (9%). Survey findings also indicate that 5% of donors gave over the Internet, and for 8 in 10 of these Internet givers it was the first time they used the Web to make a donation. (More information from IS at 202/467-6100 or visit www.independentsector.org.)

ITEMS OF INTEREST TO PROFESSIONALS

¶ **Trust In The Federal Government And Civic Engagement Have Increased** among college students, according to a survey by the Institute of Politics at Harvard. "Perhaps one silver lining in this national tragedy is that students are more civically engaged and less cynical toward the federal government than in previous years" notes Senator David Pryor, director of the Institute. Findings from a survey of 1,200 undergrads across the country – part of an annual study – show:

- 60% trust the federal government to do the right thing all or most of the time, compared to 36% in 2000
- 75% trust the military to do the right thing, 69% trust the President, 62% trust Congress
- 71% have donated blood, given money, volunteered in relief efforts since 9/11
- 77% say politics is relevant to their lives, compared to 68% last year
- 69% have volunteered for community service, up from 60% last year
- 68% named terrorism as the issue that concerns them the most; it was not named as an issue in the 2000 survey.

¶ **Media Insert Scores High As An Educational Tool, But Does It Change Behavior?**

Recently, the Arthritis Foundation conducted a survey to assess the effect of an insert it placed in the Reader's Digest. Insert included a self-scoring questionnaire to help readers identify risk factors and symptoms of osteoarthritis. After the insert appeared, a 4-page questionnaire was mailed to a random sample of 500 readers. Findings: 65% of those completing the questionnaire found themselves at risk for arthritis, 60% were experiencing symptoms, 74% took or plan to take action. 47% plan to increase physical activity and 41% plan to lose weight – the two most important steps in prevention and treatment of osteoarthritis. A big question that remains unanswered is, will a plan become a behavior, even if one's health is at risk? Another program seeking behavior change is The American Heart Association's "Choose to Move" – a 12-week computer- or print-based physical activity program designed to increase activity levels. It faces the same behavioral issue. More than 23,000 women participated in the program and most who finished significantly improved their diets and activity levels, according to the Detroit News. But nearly 20,000 may have dropped out. Perhaps a *person-to-person relationship component would increase the likelihood of change*, similar to Weight Watchers or Alcoholics Anonymous.

¶ **Organization Websites Rank Only 4th As Favored Way To Receive Info**, reports Kirk Kallahan (Colorado State U) and David Hachigian (Hewlett-Packard) in their study "Journalists' Perceptions of Public Relations Web Sites" presented at the PRSA International Conference. Phone, face-to-face and news releases are preferred to websites. Only press conferences are less preferred. Journalists report heavy use of websites for computer product information. They gave low marks for navigation and design quality to most sites and say they need to be updated more frequently. Corporate sites are considered less credible than association and government sites.

THE BUCK STOPS AT BAXTER; COMPANY RESPONDS TO CRISIS WITH ACTION, CONCERN IN WAKE OF PRODUCT RELATED DEATHS

When faced with allegations that a product or service may be linked to death or injury, many organizations instinctively duck, dodge and blame. Not so for Baxter International, a Deerfield, Illinois-based manufacturer of biomedical devices and therapies. Though the company is currently in litigation over the 50+ deaths caused by a fluid used in the manufacture of its dialysis filters, which are used by patients with renal disease, the company is nonetheless being praised for responding to the crisis in a big way. "We kept waiting for Baxter to blame one of its suppliers," notes columnist David Greising. "We waited, but **the blame-dodging never came.**" Instead, the company exhibited grace under fire by 1) recalling the dialyzers, 2) setting aside \$150 million to compensate victims, 3) closing the plant that produced the product, and 4) putting CEO Harry Kraemer out front and center.

EVENTS WARRANTED IMMEDIATE ACTION

Last August, Baxter execs were puzzled

by deaths of several hemodialysis patients in Spain. Upon learning of the deaths, the company immediately a) initiated a global distribution hold on the specific dialyzers, which were used by at least some of the patients in Spain; b) tested the dialyzers. "We immediately began a series of initial tests to determine any problems," Lisa Scheff, media rels dir., told *pr*; c) recalled the product. "Until more information was available from the investigation we initiated a recall in Spain, France and Belgium of the specific dialyzers used by the patients." The company then d) dispatched a team of experts to the affected hemodialysis centers, where they met with patients, customers, and health and government officials. A premature pause came in October, when test results showed no link between the patient deaths in Spain and the dialyzer. This development was supported by internal tests conducted by Baxter. The company released the global hold on the product, believing that the deaths were fluky, isolated incidents.

DEATHS IN CROATIA & TEXAS

In mid-October, after learning over the weekend about several patient deaths in Croatia, Baxter re-issued the global hold. "We immediately dispatched a team of experts to the country to help investigate the situation. On the same day, we held a press conference and issued a global media

OPEN AND EARNEST COMMUNICATION EARLY ON

Throughout the crisis, CEO Kraemer was highly visible, flying to Spain and Croatia to meet with families, patients and officials, holding conferences, talking to the media, overseeing the investigations. He says he never felt inclined to blame suppliers (3-M manufactures the chemical) or clinicians, insisting instead that Baxter take full responsibility. "If you live in a world of let's find somebody to blame, then you're into a Ford-Firestone thing," he told *Chicago Tribune*. "The reality of it is, we're responsible." That made it a priority to make findings public and take swift action, even though 100% of the facts were not available, Scheff adds.

statement that expressed our concern and urged a comprehensive scientific analysis of hemodialysis treatment safety," says Scheff.

In addition, Baxter requested the establishment of an independent panel of leading nephrologists to help investigate this issue, collect and understand the clinical facts, and ensure patient safety. Meanwhile, news of additional deaths, this time in Texas, prompted Baxter to send teams there and conduct similar protocols. "During the same week, Baxter issued a global recall of all dialyzers manufactured at our Ronneby, Sweden, and Miami Lakes, Florida, facilities." Baxter immediately established communication with:

1. Health and government authorities worldwide, and the FDA in the US.
2. Third-party suppliers and distributors.
3. Customers around the world – in writing, by phone and in person – to inform them of the situation and make sure they were no longer using these dialyzers. "We also sent letters to patients to clarify facts and calm fears as there was conflicting and confusing information in the media."
4. Baxter's website also carried information on the developments.

PROBLEM IN THE PROCESSING FLUID AT SWEDISH PLANT

Early this month, Baxter announced that it had traced the problem to its Ronneby, Sweden facility. There, filters inadvertently included a

processing fluid, which had been intended as a manufacturing aid and was never supposed to be part of the finished product. The fluid could produce bubbles that could potentially stop a patient's heart. "The fluid was never supposed to come in contact with the human body," Scheff says. "Upon learning about this probable link, we immediately notified our competitors and other manufacturers to make sure they were not using this processing fluid in their manufacturing processes." Although definitive proof was never established to link the fluid and the patient deaths, Kraemer initiated recalls and press conferences announcing the finding. "I didn't need to study a lot of cases on this. I needed to do what was common sense," he says.

"In terms of managing this crisis from a media relations standpoint, we had a group of internal and external communicators in various regions around the world and have been open to conducting and addressing numerous broadcast, wire and print interviews and inquiries on almost a daily basis over the past couple of months," says Scheff.

Baxter is now entering a litigation period with respect to the situation and will not be able to be as forthcoming with news on the case, but updates are made available on its website (baxter.com).

DECLINE IN GIVING MAY HAVE MORE TO DO WITH ECONOMY THAN DIVERTED FUNDS; NPOs WITH LONG CYCLES MAY FARE BETTER

A recent report by the Independent Sector (IS) points to stable giving habits despite the September 11th attacks. But nonprofits, especially those on short appeal cycles, already say they feel the pinch. The study, conducted for IS by Wirthlin Worldwide, surveyed 1,009 adults and found only 26% of those who contributed to post-attack causes say they will give less to their usual charities. But the attacks aren't the only reason for waning donations: Half of those who plan to reduce or stop giving cite the

economy as the reason. And while some charities are waiting for year-end figures to weigh in, others are already floundering.

LESS FREQUENT APPEALS MAY WORK BEST

In DC, Catholic Charities reports that organizations helping the needy are seeing huge losses. "With so much generosity being poured out for the disaster, there may not be so much left over for the needs of the community," says CC pres., Edward Orzechowski. But the head of a DC area pregnancy aid center notes that those nonprofits reporting losses are the ones that tend to collect at frequent intervals. "Those that say they've felt it are those that have monthly giving cycles," Mary Suarez Hamm, pres. of Centro Tepeyac, told prr. Could the nonprofits that do a semi-annual push fare better in the current climate? Suarez Hamm notes that a colleague who heads up another charity reports losses of 80%. Centro Tepeyac stages its big drive at year's end. "We won't collect on our appeals until January. We know the impact is coming but we haven't felt it yet."

NOT A HARMONIC CONVERGENCE

What nonprofits (and all organizations) are experiencing right now is a combination of three devastating factors:

1. **Terrorist attacks and their immediate impact** on people's behavior, the economy and the American psyche;
2. An already **faltering economy**, cited as primary driver by half of those giving less;
3. **Increased need**, as, subsequent to the attacks, folks in the airline and service industries are laid off. "We saw a huge increase in need three to four weeks after the September 11th attacks," notes Orzechowski. Brendan Buckley, exec dir. of the Spanish Catholic Center, says "funding has dropped while the number of those seeking help has doubled."

The study reveals that the **greatest potential negative impact on charitable giving appears to come from the economic slowdown** – more than any other factor. One in ten Americans indicate they will completely stop their giving and an equal number say they will greatly reduce their giving if the economy worsens. Other findings:

- Of those surveyed, over half (58%) gave money to charities in response to the terrorist attacks in the four weeks just after September 11.
- 13% gave blood and 11% gave time. Overall, 70% reported charitable involvement in some way.
- Half (52%) of America's largest givers (those who give more than \$1,000 annually) say that an economic slowdown will have virtually no impact on their giving.
- Over a quarter (27%) of these larger donors say a slowdown may somewhat reduce their giving; another 14% say it will greatly reduce their giving; and 7% say it will stop their giving. "Thus, those who give the most are no more likely than average to reduce their giving," reports IS.

YOUTH MORE ENGAGED

The attacks have brought younger donors into the giving pool. IS reports that a higher percentage of donors aged 18 to 24 who gave in response to September 11 say they plan to give more (29% compared to 14% for all age groups). In addition, 16% of September 11 donors had not given to any charitable cause in the previous year.