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Embargoed for release:

Tuesday, October 29, 2013

MEDIA RELEASE

Is McDonald's Clowning Around with Charity?

Report exposes McDonald's for exploiting charity to market junk food, deflect criticism

OAKLAND, Calif.—While the nation suffers from an epidemic of diet-related health problems, McDonald's positions itself as a philanthropic hero to avoid scrutiny for its relentless marketing of junk food, especially to children. In her latest report, *Clowning Around with Charity: How McDonald's Exploits Philanthropy and Targets Children*, author Michele Simon, president of Eat Drink Politics, exposes the burger giant's most sophisticated and subversive form of marketing—its exploitation of charity to market its brand and deflect criticism.

The report, produced in partnership with <u>Corporate Accountability International</u> and <u>the Small Planet Fund</u>, pulls back the veil on McDonald's modest giving relative to the marketing boost and goodwill it receives in return for its branded charity and presence in schools. The report finds that, for its "charity of choice," the Ronald McDonald House Charities (RMHC), McDonald's reaps 100 percent of the branded benefit while giving the cause only a small fraction of its revenue.

"In attaching the Ronald McDonald name to a vitally important charity, McDonald's gains an emotionally-loaded marketing vehicle while shielding itself from critics," said report author Michele Simon. "Because of how little the corporation donates to the cause, even local Ronald McDonald Houses told us the McDonald's name is often a bigger liability than it's worth," she added.

The report finds that despite the perception that McDonald's contributes all or most of the money Ronald McDonald Houses needs to do its good work, the reality is that at only about 20 percent comes from the burger giant. The corporation also routinely takes credit for the generosity of its customers, who contribute as much as 1.5 times more to RMHC than McDonald's itself.

"The findings of the report raise the question: 'Can't the important work of the Charities be done without simultaneously promoting the world's most well-recognized junk food brand and its products?" asked Dr. Yoni Freedhoff, a contributor to the report. "We'd never allow a children's charity to be branded by Philip Morris, yet a corporation with a similar adverse public health impact profits from its brand association with this worthy cause."

Though it is no surprise McDonald's originally got involved in and uses charity for what a former CEO called "very selfish reasons," the details of how the burger giant hides its relatively stingy philanthropy has never before been exposed.

Also detailed in the report are McTeacher's nights, where teachers serve as free labor for McDonald's and parents buy food to raise money for their children's school. McDonald's only donates 15-20 percent of the proceeds, which often amounts to about a dollar a student.

"The time has come to decouple the McDonald's brand and mascot from charities supported by so many other sources," said Sara Deon, spokesperson for Corporate Accountability International. "It's shameful for McDonald's to continue to associate its brand—one synonymous with today's public health crisis—with an important charity committed to children's wellbeing."

The report recommends that McDonald's stop marketing in schools under the guise of "education," the renaming of Ronald McDonald House Charities, the retirement of Ronald McDonald, as well as McDonald's conformity to philanthropy best practices regarding transparency.

To download the full report visit: Eat Drink Politics or Corporate Accountability International

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Additional Quotes:

<u>Pablo Eisenberg</u> – Leading scholar, Philanthropic Accountability advocate and a founder and former board member of the National Committee on Responsive Philanthropy: "McDonald's lack of transparency and exaggeration of its giving flies in the face of best charitable practices. Worst of all it is exploiting the unassailably good work of the charity to distract from the health impact of its kid-targeted marketing."

<u>Dr. Richard Bruno</u>- former Ronald McDonald House volunteer and Department of Family and Preventative Medicine, Johns Hopkins University: "I used to volunteer at a Ronald McDonald House Charity local house. There's no question that the charities do incredibly valuable work--I talked to families that were so thankful for charities. But for me the tragedy is that these charities are linked to a corporation that is driving the obesity epidemic. McDonald's is using a charity that helps sick kids to perpetuate a brand that makes kids sick."

<u>Dr. Bruce Lanphear MD, MPH</u> - Clinician Scientist at the Child & Family Research Institute, BC Children's Hospital: "Ronald McDonald Houses provide an important service for children and their families, but I doubt pediatricians want their hospitals to be used for branding corporations that promote disease and disability in children."

<u>Rosa Perea</u> - Assistant Director, Centro Comunitario Juan Diego: "Time and time again in Chicago, we've seen McDonald's try and ingratiate itself to worthwhile causes and charities. What McDonald's gets in brand goodwill from a charity that bears its name serves only to distract from the overwhelmingly negative impact the corporation is having on the health of our community."

<u>Esther Sciamarella</u> - <u>Executive Director</u>, <u>Chicago Hispanic Health Coalition</u>: "In Chicago, there's a real appeal for groups like ours to take what money they can - to take McDonald's money. Every year, there's a

struggle to pay for critical programs. But taking the money undermines the integrity of our work, our trustworthiness in the eyes of the community, and acts as an endorsement of a junk food brand."

<u>Casey Hinds</u> – **Mother and blogger, KY Health Kids:** "I want my children to know that when it comes to health, McDonald's is not their friend despite the billions of dollars the company spends on advertising to make them think otherwise. This report is important for parents like me because it gives us the facts and figures we need to back up our requests to keep McDonald's marketing out of every nook and cranny of our children's lives including the schools they attend and their sports events. It helps disentangle the good work of the Ronald McDonald House Charities from the health harms of McDonald's."

<u>Michael McMahon</u> - Father of two: "I'm the father of a child who has spent significant time in the hospital. I know the value of having a place to renew your strength but never be far from your child. There's no question that the charities do incredible work, but I always assumed that McDonald's paid 100% of the charities' budget. I was troubled to learn that McDonald's funds a relatively small portion of what the charities need, yet reaps the full benefit of the branding, using it to further market unhealthy food to kids."

Raj Patel- Award-winning writer, activist and academic: "There's something deeply wrong with McDonald's presence in hospitals treating children with diabetes. It's a comedy so dark that if it were on TV, it'd only be shown after children went to bed. McDonald's uses PR to bloat its apparent philanthropy, while giving far less satisfaction than they purport. All in all, it's not too different from its food. It's a pantomime so ludicrous, not even Ronald McDonald should be able to pull it off."

ABOUT Michele Simon

Report author and public health attorney Michele Simon is president of Eat Drink Politics, a consulting firm on the politics of food. Her two most recent reports exposed corporate influence on the food stamp program and the largest professional organization for nutritionists. She is the author of "Appetite for Profit: How the Food Industry Undermines Our Health and How to Fight Back."

ABOUT The Small Planet Fund

The Small Planet Fund, founded by Anna Lappé and Frances Moore Lappé, funds grassroots changemakers in the United States and around the world addressing the root causes of hunger and poverty.

ABOUT Corporate Accountability International

Corporate Accountability International is a membership organization with a 35-year track record that protects human rights, public health, and the environment from corporate greed and abuse around the world.