

# A Sad Clown Story: McDonald's Lack of Support for Ronald McDonald Houses

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## Abstract

Ronald McDonald House Charities (RMHC) was created in 1974 to “provide housing for the families of sick children and for children receiving outpatient care” (“McDonald’s gives little,” 2013). RMHC currently has locations in more than 60 countries and regions around the world (“Ronald,” 2015). Each Ronald McDonald House establishes their own policies, budget, and fundraising goals; therefore, assets from each house are not co-mingled (Morran, 2013).

Considering RMHC is named after Ronald McDonald from the McDonald’s Corporation, one would expect that McDonald’s makes extensive financial contributions to RMHC; however, this is not the case. The company has recently come under fire because RMHC only gets about 10% of their money from McDonald’s (Morran 2013). Further complicating matters is the fact that most of this 10% contribution actually comes from McDonald’s consumers via donation boxes at supporting McDonald’s restaurants. McDonald’s contributes only one penny to RMHC for each Happy Meal or Mighty Kids Meal purchased. (“McDonalds,” 2015). Overall, McDonald’s philanthropic contributions are 33% lower than other leading corporations (Kim, 2013).

Critics of McDonald’s funding of RMHC claim while McDonald’s provides little financial support to its signature charity, it reaps many promotional and publicity benefits from this relationship. “McDonald’s is mostly using the charity as a branding device for its food sales because the corporation itself contributes so little to the charity” (Horovitz, 2013). Although RMHC has stated that it “doesn’t have any qualms with the fast-food chain and its deeply appreciative of all the support it gets from McDonald’s” (McDonald’s Fires Back, 2013), critics continue to ask if this charity should be tied to a chain that sells unhealthy products. RMHC acknowledges that it would not be as successful as it is without the awareness that McDonald’s brings to RMHC (Kim, 2013). Should RMHC awareness be enough to justify the publicity benefits that McDonald’s receives given McDonald’s miserly financial support of their namesake charity? And is this type of arrangement even ethical?

## References

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**Keywords:** *nonprofit marketing, ethics, promotion, publicity*

**Relevance to Marketing Educators, Researchers and Practitioners:** This could easily be used to generate student discussion in a number of marketing classes. This situation makes for an interesting study of ethics and corporate social responsibility relating to the nonprofit sector.

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**TRACK: Nonprofit and Public Sector Marketing**