



ORPHANS NEW PRICING MODEL

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OVERVIEW OF THE PRICE INCREASE

New Price Model
for the Orphan
Sponsorship Program

\$90
/MONTH

\$1080
/YEAR

1 What is the cost to sponsor an orphan through Islamic Relief Canada?

The price is **\$90 per month**, or **\$1,080 annually**, across all countries. With your increased cash support, your orphan will be overjoyed to receive an amount that helps them better meet their needs with dignity, removes critical barriers for them, and allows them to truly build towards a brighter future.

2 Why did Islamic Relief choose to increase the price for sponsorship?

Inflation and the dramatic increase in the cost of living over the past few years has had a substantial effect on orphan families and their ability to cover even essential needs.

Through regular consultation with our frontline orphans teams, who are in regular contact with sponsored orphan families, we consistently saw that the need for a price increase was a primary concern. It was clear that our previous prices were no longer enough to sustain the orphans we support, and they are struggling now more than ever to afford the essentials. For the sponsorship to truly support the child with their basic necessities, such as food, health, and education — the amount being provided to the family needs to increase.

Based on needs assessments conducted on the ground across regions and thorough research conducted by our implementing partner, Islamic Relief Worldwide, the new price point of \$90/month or \$1,080/year was determined to be sufficient to give orphan families the supplemental income required to cover essential needs while remaining affordable to our donors. This helps to better account for their unmet needs, ensuring your sponsored orphans can attain quality food, continue their education and afford rent.

3 How did Islamic Relief Canada determine the \$90/month price point across all countries?

Determining the \$90 price point was not a simple or sudden process, but took years of thorough research and consultations within every country of our Orphan Sponsorship Program.

Our teams took time and care to conduct needs assessments with the orphan families as well as our front line staff, to understand their concern in the face of the rising cost of living, and the amount needed to cover the key essentials of food, water, shelter, and medical assistance in each sub-region. The amounts per region were then averaged to obtain a price that worked across the whole country.

Upon obtaining the average price point per country, our teams conducted further research and consultations to determine a global average that would help meet the needs across the entire program. This was again revised with each country office and agreed on to gain consensus across the global Islamic Relief family. The purpose of this process was to increase the quality of the sponsorship program, and answer the concern of the orphan families to the best of our ability, while keeping the price reasonable for donors as well.



4 Why is this increase happening now?

This is the first time we have reviewed the sponsorship prices in 20 years. While the pricing has been relatively constant during that time, the cost of living in all countries has increased considerably. We found it increasingly difficult to meet the basic needs of the orphans' families in most countries with the previous pricing model. Considering the impact of inflation and soaring costs worldwide, we felt this was the right time for increases.

5 Why is it the same price for all countries, and why did Islamic Relief remove the three-tier price system?

The three-tier system was first rolled out over 20 years ago, and was based on the cost of living at the time. However, over the years, it became clear that there was a preference to sponsor orphans in the lower tier, leaving many orphans in the higher tier unsponsored. To correct this, we have introduced a fixed rate for orphan sponsorships across all available country options.

Furthermore, the cost of living has increased across the globe, and therefore, the costs that were relevant at the time of inception are no longer applicable. More and more, what we have seen is that orphans across all regions will benefit from the increased support. Developing a unified price handle allows us to support the most needy orphans, and uplift them with a value that can truly cover their basic necessities, and more.

6 Why is the price the same for all if the cost of living is higher in some countries?

Although the cost of living as well as value in currency does vary from one country to another, We want to be fair to all orphans we're sponsoring, which means that if we vary the sponsorship price, this will result in those orphans in the generally more expensive countries not getting sponsored. Although this means that in some countries the family can make the amount go further, it is still a better scenario than some children missing out on a sponsorship completely.

While this amount alone may not be enough to meet all their needs, it is highly transformative for the quality of life of orphan families in each country. It is important to note that there are many other factors that impact each family and how far the \$90 goes. It is not only the cost of living, but also their unique circumstances, health conditions, location, etc.

Alhamdulillah \$90 will go a long way to help meet the basic needs and the protection of an orphan. We choose to focus on the transformative capacity that this amount does have to heavily subsidize their basic needs of food, water, medicine and any immediate costs. This frees up their capacity and ability to work or focus on meeting other bigger needs, once their basic needs are met.

7 Will there be further price increases in the future?

We plan to review pricing every few years and if required, we may gradually introduce increases in line with inflation and the cost of living. We do not expect an increase as large as the current one when updating pricing in the future.

HOW THIS IMPACTS DONORS

8 How does this impact my existing sponsorship and what is the timeline?

As a current orphan sponsor, we want to assure you that we are fully committed to working closely with you to ensure a smooth transition. We will continue reaching out about transitioning over to the new pricing before any changes are made to your existing sponsorships.

MONTHLY SPONSORSHIP

New price of **\$90/month** takes effect as of **January 1, 2024**

ANNUAL SPONSORSHIP

New price of **\$1,080/year** takes effect as of your next donation **renewal date in 2024**

9 My sponsorship is paid annually and I just renewed, will I have to cover the difference for my yearly sponsorship?

Thank you for renewing your sponsorship! Covering the difference is optional for you, as you do have a grace period before your next donation renewal in 2024 when the change takes effect. If you would still like to cover the difference sooner than that, please contact us at orphans@islamicrelief.ca or call our office at **1-855-377-4673** (Monday-Friday 9am-5pm EST).

With your increased support, your orphan will be overjoyed to receive an amount that helps them meet their needs with dignity, removes critical barriers for them, and allows them to truly build towards a brighter future!

10 If I can't afford the new price, what can I do instead?

We would like to express our sincerest gratitude for your continued support towards our orphan sponsorship program. If affordability is an issue, we invite you to consider shifting your sponsorship donation to our **Orphan Care** fund.

This allows you to retain the current amount you're donating (or a new amount of your choosing) to continue supporting orphans with specific needs. Through our Orphan Care fund, donations are pooled together to support multiple orphans who are in need of some extra care, assist their mothers and even entire orphan families. Your gift is allocated to meet their most essential needs including:



Medical Aid: Assistive equipment, surgeries, therapy or treatment



Educational Support: Tuition fees, educational materials, tools, or skills training



Shelter Repair: Home repairs, electricity supply, clean water or sanitation facilities



Orphan Projects: Supporting education, health, social welfare, sports and leisure activities

Although this is not a direct 1-1 orphan sponsorship, your donation is still going to provide critical care and support to specific orphans we have in our system. A standard annual report will be provided to all donors of this fund, covering the impact of the fund with highlights on specific cases.

11 What happens to my orphan if I'm not able to continue sponsoring them?

Thank you for your support and concern! We want to assure you that there will be no discontinuation of support to your previously sponsored orphan! Alhamdulillah, we are blessed to have a continuous flow of donors signing up to be paired up with orphans, and so your sponsorship will immediately transfer to a new donor.

In the rare case that we do not have another donor to transfer this sponsorship to, we utilize funds from our Orphan Care general fund to cover the temporary gap until they are sponsored again. In either situation, we ensure that the orphan and their family do not experience any discontinuation of support.

SETTING UP MY PAYMENTS DIFFERENTLY

12 Can I pay more than \$90 if the cost of living is very high in my sponsored orphan's country?

Yes, this is always welcome and will go a long way to helping your sponsored orphan even more! You can always opt to give more for your sponsorship by giving an additional monetary gift every month.



HOW OUR PROGRAM IS DIFFERENT

13 Why do some other charities have a much lower price for orphan sponsorship?

We are aware that some charities offer much lower sponsorship prices however, we believe that meeting competitor pricing is secondary to meeting the basic needs of the orphan children we support.

To our knowledge, Islamic Relief is perhaps the only charity to offer a **true one-to-one orphan sponsorship program**, where the donation continuously goes to the same orphan. This allows for the life of the same orphan to be **continuously transformed long term**, which means that the change isn't short term but they are able to truly rise above their circumstances, gain the opportunities they deserve, and build a better life for themselves and their families.

It is a common practice of some charities to direct orphan sponsorship funds to support groups of orphans as a whole through communal programming, rather than an actual one-to-one program. This allows for lower prices that overall can help supplement the needs of orphans and provide uplifting programming, but do not offer the opportunity for transformative change for individuals.

OVERHEAD COSTS

14 Is the increase due to higher overhead costs?

No. The price increase is part of an Islamic Relief global shift to increase the quality of our support for orphans. This was based on the rising cost of living, thorough research and needs assessments across all regions.

15 What percentage of my sponsorship money directly reaches the orphan, and will they be receiving more cash now?

The amount directly received by the orphan is **80%**, but can sometimes be impacted by fluctuating exchange rates. Yes, your orphan will receive a significantly increased amount now with the price increase, which will better help provide for their needs of food, water, shelter, education and medical care!

16 What percentage of my sponsorship money goes to overhead costs?

All orphan sponsorship programming including donations to Orphan Sponsorship, and Orphan Family Sponsorship incur overhead costs around **20%**, subject to fluctuating exchange rates.



80% of your sponsorship directly reaches the orphan

20% of your sponsorship goes to overhead costs

17 What do these overhead costs cover?

Overhead costs are essential to the success and quality of the orphan sponsorship program, and are all ultimately for the orphan's benefit. This is how we are able to meet your expectations that your donations are truly capable of making a difference that is sustainable and impactful for each orphan. They support the following costs and aspects of the sponsorship program:

- Obtaining the biodata and progress reports for each orphan. Typically, **a single orphan case worker** is usually taking care of **up to 300 orphans every year**. Coordinating this task is not a simple one by any means, especially when many orphans are in remote areas within that region.
- Field office work that Islamic Relief conducts to ensure best practices are in place for your sponsored orphan. Orphans are monitored through both regular home visits conducted by our social workers and group gatherings to ensure that they are receiving the full benefits of sponsorship
- Using monitoring gatherings for awareness sessions on the sponsorship process, how to maintain good health, the importance of education, and various other topics
- Supporting the basic needs of the child case workers who are from the same impoverished communities and are providing support to your orphans
- Some field offices actually pool the overhead cost amount to fund communal activities to benefit the same orphan families
- Operational costs to administer the payments and facilitate transfers
- Data quality and protection, including our donor and orphan data
- Regulatory compliance across 40 countries
- Inflation and fluctuating exchange rates

18 Why is the overhead cost for OSP different from your regular overhead cost?

The program is unique in comparison to our many other programs. Due to our one-to-one model, the overhead costs are also uniquely tailored to support the delivery of a high quality sponsorship program as detailed in **Question #17**.

We operate in an international context and this program spans **over 20 countries**, with quarterly transfers to each country. As such, the program experiences unique challenges and is impacted by macroeconomic factors such as foreign exchange fluctuations globally.

Additionally, ensuring the wellbeing of your sponsored orphans is paramount for us, and doing so at an international scale with **over 24,000** sponsored orphans requires a consistent level of care. Standardizing the overhead applied to this program allows us to ensure this consistency is feasible and achieved on an ongoing basis.

