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CHARITIES

A Guide to Giving in Tough Times

Looming government tax changes mean that even if you still can afford to donate, you might not reap the benefits that you once did. More than ever your dollars could determine whether smaller charities survive these tough times and can continue to provide the services that you want your dollars to support.

By Rick Cohen

LeAnne Moss of Seattle's Women's Funding Network recommends that donors ask the potential recipients of their charitable giving this question: "What keeps you up at night?" Considering the current tough times, most probably would answer "plenty."

Even if the economic downturn begins to reverse this year, charities will pressure donors to give more, and the charities themselves will be under pressure to provide more with fewer resources. The numbers are grim: In the past 2 years (as of June), 7.2 million Americans lost their jobs. Net household wealth fell \$11 trillion.

Should charitable donors factor what some economists, including Nobel prize-winner Joseph Stiglitz, have characterized as "the worst recession since the Great Depression" into their charitable giving strategies? Yes, experts say, but knowing that the need is greater now doesn't mean that you should be any less vigilant. You want to see your money go to charities that still will be around to use it—and use it well.



CHARITIES UNDER STRESS. The Index of National Fundraising Performance, which Target Analytics published in June, reported a 2.1 percent decline in charitable-donation revenues per donor for the first quarter of 2009 when compared with the same period in 2008. It is the first such decline since the market-research firm began to publish its study in 2002. Experts with whom we spoke foresee a continued plunge in 2010.

These tough times are likely to mean that the biggest donors—foundations and perhaps government, as well—will

pressure charities for collaborations in the name of efficiency and innovation, warns Mark McCrary of Mississippi Center for Nonprofits, because such partnerships often are seen as evidence that charities are reducing program duplication and stretching dollars. But are those pacts more than just lip service?

You might check whether a charity's "partners" also talk about the collaboration on their Web sites, and if they do, whether the description of goals matches up.

If the facts don't match the rhetoric or public relations, that doesn't mean that the charities aren't valid, but it should tell you to be wary about sending donations.

In these tough times, you'll hear more about social entrepreneurialism—applying entrepreneurial business methods to nonprofit operations. For example, this might include the establishment of and emphasis on for-profit business ventures as appendages to nonprofit programs, as well as "hybrid" nonprofit/for-profit organizations, such as *L3Cs* (low-profit

limited liability corporations) and *B corporations* (private companies that are organized to provide environmental, social and other public benefits—hence, the "B" in the name). Only six states have authorized the creation of *L3Cs*—Illinois, Maine, Michigan, Utah, Vermont and Wyoming, plus Native American groups for Crow and Oglala Sioux.

As giving ebbs, some experts believe that the future for the charitable sector is in these new models. Although social entrepreneurialism isn't new, the success of

America's Top Charities

How to Read Consumers Digest's Chart: For our chart, Consumers Digest focused on 800 or so of the top charities as defined by size and reputation among independent analysts. We whittled the list and asked each of the charities listed below to provide an IRS Form 990 for the latest tax year. We scrutinized the numbers received and created the corresponding chart, which is divided by general goals (health, human services, religious, etc.) and then sorted by direct public support, or the amount that was received directly from individuals or private foundations.

We looked at the percentage of how much a charity spends on its mission compared with its total expenses. (On Part IX of the 2008 Form 990, divide Line 25B by Line 25A and multiply by 100.) A charity should spend at least 65 percent of its total expenses on its programs. We also compared a charity's spending on fund raising with the amount that its fundraising efforts bring in. (Divide Line 25D on Part IX of the 990 by Part II, Line 4e and multiply by 100.) A charity should spend no more than 35 percent, or \$35 per \$100 raised, of its contributions on fundraising.

We also noted whether an organization reports joint costs, which are typically

fundraising solicitations that also provide an educational component.

Organizations can include some of these costs as program services. It's legitimate, but potential donors might want to consider this when assessing a charity's value.

A number of organizations, most prominently Salvation Army, were dropped from consideration because they are not required to file 990s, rendering apples-to-apples comparisons impossible. Non 501(c)(3) organizations also were scratched. Donor-advised funds, which distribute money to charities, were not considered for this chart.

Other organizations were not included because they have local affiliates that file separate tax documents, and the national group could not produce complete information—again eliminating the possibility of accurate comparisons. This group included: Camp Fire USA, Catholic Charities, Children's Miracle Network, Girls and Boys Town, Girl Scouts of USA, Hadassah, Junior Achievement, Lupus Foundation of America, Mental Health America, National Federation for the Blind, National 4-H Council, National Kidney Foundation, PKD Foundation, St. Jude Children's Research Hospital and YWCA USA.

Organization	Phone Number	Direct Public Support	Spending Efficiency	Cost to Raise \$100	Joint Costs	Recent Accomplishments/Organizational Goals
Development/Distribution						
United Way of America	703/836-7100	\$4,052,704,828	85.80%	\$8.63	N	National program offers free tax preparation for low-income workers.
AmeriCares Foundation	203/658-9557	\$1,010,493,364	98.72%	\$0.87	N	Donated more than \$1 billion in aid to 87 countries.
United States Fund for UNICEF	800/486-4233	\$440,160,557	90.51%	\$6.66	N	Distributed clean water to 982,000 people in Darfur.
Gifts in Kind	703/836-2121	\$385,039,239	99.63%	\$0.06	N	Works with corporations to donate unused products.
Brother's Brother Foundation	412/321-3160	\$329,701,348	99.81%	\$0.05	N	Shipped 6,500 tons of relief items, valued at over \$1.1 billion, overseas.
Pew Charitable Trusts	215/575-9050	\$308,683,300	93.47%	\$0.61	N	Conducts research to develop practical solutions for public policy problems.
Habitat for Humanity International	800/422-4828	\$198,780,065	82.89%	\$19.00	N	55,000 homes built, rebuilt or repaired in 2008.
Direct Relief International	805/964-4767	\$198,338,082	98.93%	\$0.42	Y	Provided more than \$70 million to global partner organizations.
UJA/Federation of New York	212/980-1000	\$177,534,000	76.91%	\$19.17	N	Groceries provided to 120,000 New York families in need.
Robin Hood Foundation	212/227-6601	\$153,760,584	94.24%	\$4.20	N	Helped create \$200 million fund to maintain low-cost housing.
PATH	206/285-3500	\$139,129,867	85.62%	\$0.49	N	Developed formulation to prevent vaccines from freeze damage.
American Nicaraguan Foundation	305/374-3391	\$136,276,768	98.94%	\$0.69	N	Built 1,842 homes for low-income families in 2007.
Nat'l Assn. for the Exch. of Industrial Res.	800/562-0955	\$134,381,940	98.05%	\$1.24	N	Receives donations from more than 7,500 companies for redistribution.
Children's Hunger Fund	818/899-5122	\$127,231,838	99.15%	\$0.33	N	Distributes 20-pound boxes of nutritional food to poor neighborhoods.
William J. Clinton Foundation	646/775-9175	\$124,136,983	94.76%	\$2.97	N	Made agreement with drug companies to reduce prices to \$1 per dose.
Jewish United Fund/Jewish Fed. of Chicago	312/346-6700	\$118,111,122	84.99%	\$10.64	Y	Embarked on new fundraising campaign for disaster victims in Asia.
Local Initiatives Support	212/455-9800	\$89,424,941	83.88%	\$6.10	N	Invested \$1.06 billion in community revitalization across the country.
Helen Keller International	877/535-5374	\$74,306,097	94.32%	\$1.09	N	Performed 20,000 eyesight restoration operations in Asia.
American Near East Refugee Aid	202/842-2766	\$68,072,562	96.64%	\$0.48	N	Constructed 42 greenhouses for farmers in the West Bank.
Tides Center	415/561-6300	\$66,755,102	78.98%	\$8.73	N	Has operated 677 socially responsible projects since 1996.
World Emergency Relief	888/484-4543	\$60,317,763	95.97%	\$3.28	Y	Hospitals/orphanages in Honduras received \$5.7 million worth of medicine.
Opportunity International	800/793-9455	\$58,761,307	88.92%	\$12.75	N	Provides microloans to 40,000 in India; will reach 80,000 by 2010.
TechnoServe	202/785-4515	\$41,598,994	83.84%	\$5.50	N	Business development programs led to 32,600 new jobs.
Project C.U.R.E.	303/792-0729	\$40,582,123	98.61%	\$0.45	N	Shipped 83 forty-foot containers of medical supplies abroad.
Lutheran World Relief	800/597-5972	\$28,508,110	91.06%	\$3.93	Y	Responded to four Haitian hurricanes with food, medical supplies.
Action Against Hunger USA	212/967-7800	\$25,941,906	89.20%	\$1.25	N	Staff of 380 experts and 4,000 volunteers work in 40 developing countries.
Hope for the City	952/897-7799	\$23,175,736	97.22%	\$2.14	N	Distributes companies' excess food and medical supplies to the poor.
Children's Health Fund	800/708-7589	\$22,744,371	87.20%	\$6.89	N	Provided 23,190 children and families with medical care.
Global Fund for Women	415/248-4800	\$16,922,555	77.95%	\$13.02	N	Awarded \$7.7 million to 617 international womens' groups.
Baptist Medical & Dental Mission Int.	601/544-3586	\$11,996,207	93.12%	\$0.47	N	Establishes churches, homes and medical centers in Central America.
Global Fund for Children	202/331-9003	\$8,187,108	85.87%	\$6.14	N	Will invest \$10 million in childhood programs in the next decade.
Food Gatherers	734/761-2796	\$7,592,506	96.74%	\$1.42	N	Lead agency for hunger alleviation in Washtenaw County, Mich.
Mazon: A Jewish Response to Hunger	310/442-0020	\$6,547,833	80.90%	\$9.32	N	Grants \$4 million annually to 300 hunger-relief agencies nationwide.
Educational/Cultural						
Public Broadcasting Service	703/739-5000	\$298,203,884	96.14%	\$0.11	N	Received 10 daytime and 10 primetime Emmy Awards for its programs.
WGBH Educational Foundation	617/300-5400	\$231,464,266	77.37%	\$9.38	N	Produces several Emmy award-winning TV programs, including "Frontline."
New York Public Library	212/930-0800	\$164,241,215	85.84%	\$4.78	N	Summer reading program served 54,000 children and 14,300 teens.
Smithsonian Institution	202/357-4300	\$161,991,092	77.86%	\$12.28	Y	19 museums contain more than 136 million items.

such practices in the nonprofit sector has been inconsistent. A 2007 report from nonprofit organization SEEDCO concluded that, despite successes such as DeLancey Street Foundation in San Francisco and Greyston Bakery in Yonkers, N.Y., more-typical results were “frustration and failure, drawing attention and resources away from the organization’s core work.”

If getting a tax break is important to you, know that you won’t be able to claim donations to these new models as a federal tax deduction. Internal Revenue

Service restricts charitable deductibility to 501(c)(3) and religious organizations.

GIVE AND TAKE. Speaking of tax deductions, you should know that a federal rule change that might bring you big tax benefits is still around. That rule, which was adopted in 2006 as a 1-year program, allows individuals who are age 70-1/2 and older to donate up to \$100,000 from their individual retirement accounts to public charities without a tax penalty. The “IRA Rollover”

was extended in the economic stimulus bill through this year. Proposed legislation seeks to make it permanent and to lower the eligible age to 59-1/2, and the rollover stands a good chance of being extended, because money that existed in IRAs already is tax-exempt.

The same cannot be said for legislation that was proposed by many national nonprofit organizations that would permit “nonitemizers”—the approximately 70 percent of taxpayers who claim the standard deduction rather than itemize

Organization	Phone Number	Direct Public Support	Spending Efficiency	Cost to Raise \$100	Joint Costs	Recent Accomplishments/Organizational Goals
Metropolitan Opera Association	212/362-6000	\$122,641,466	88.22%	\$11.44	N	Expanded “Live in HD” movie theater showings to 700 locations.
Metropolitan Museum of Art, New York	212/535-7710	\$114,933,623	84.33%	\$8.02	N	Reopened American Wing in May 2009 after 2 years of renovations.
Institute of International Education	212/984-5381	\$102,368,725	98.35%	\$0.56	N	Sponsors student exchange programs that serve more than 18,000.
Art Institute of Chicago	312/443-3626	\$97,223,916	86.55%	\$6.69	N	Collection encompasses 260,000 works of art, furniture and architecture.
American Museum of Natural History	212/769-5100	\$92,889,316	81.53%	\$5.81	N	Collections include over 32 million specimens and artifacts.
Scholarship America	800/279-2083	\$89,375,699	93.82%	\$1.83	N	Supported 100,666 scholarships through 1,160 local chapters.
Population Services International	202/785-0072	\$79,229,058	92.98%	\$2.28	N	Delivered 18.4 million insecticide-treated mosquito nets to fight malaria.
Cold Spring Harbor Laboratory	516/367-8397	\$75,755,498	89.00%	\$2.41	N	Research institution studying genetics, cancer, plant biology and other fields.
National Public Radio	202/513-3232	\$65,465,706	82.30%	\$2.81	N	Won three Peabody Awards for outstanding radio broadcasting.
National Gallery of Art	202/737-4215	\$59,773,526	82.60%	\$6.93	N	Program distributed 2,500 works of art to museums.
San Francisco Opera Association	415/861-4008	\$58,158,984	76.91%	\$8.73	N	87th season features nine operas, including “Faust” and “Die Walküre”.
Philadelphia Museum of Art	215/763-8100	\$55,902,176	83.31%	\$9.57	N	Galleries house more than 225,000 objects, spanning 2,000 years of art.
Academy for Educational Development	202/884-8000	\$51,993,352	90.78%	\$0.61	N	Provided 600,000 Indian village residents with water filtration programs.
John F. Kennedy Center for Performing Arts	800/444-1324	\$50,479,490	84.69%	\$16.05	N	Launched Arts in Crisis in 2009; will tour to support struggling nonprofits.
Robert W. Woodruff Arts Center	404/733-4200	\$40,624,193	80.27%	\$16.17	N	Received a \$12 million grant to expand K-12 educational programs.
National Trust for Historic Preservation	800/944-6847	\$35,546,983	84.19%	\$18.47	Y	Completed restoration of President Lincoln’s cottage in Washington, D.C.
Nelson-Atkins Museum of Art	816/751-1278	\$26,416,745	83.07%	\$8.65	Y	Opened renovated American Art gallery as part of 75th anniversary.
Common Cause Education Fund	202/833-1200	\$4,282,124	91.18%	\$3.71	N	Lobbies on behalf of citizens’ interests to Congress and executive offices.
TEAK Fellowship	212/288-6678	\$2,386,873	84.40%	\$4.22	N	Dispenses scholarships for low-income New York City students.
International Peace Institute	212/687-4300	\$1,176,290	87.90%	\$20.84	N	Works with the UN and governments to develop solutions for world issues.

Environment/Wildlife						
Nature Conservancy	703/841-5300	\$753,810,465	80.25%	\$10.06	Y	Purchased 1.7 million acres of water-rich land in the Australian Outback.
Conservation International Foundation	800/429-5660	\$222,985,406	84.64%	\$3.12	Y	Conservation agreements have protected 7,700 square miles of forests.
Trust for Public Land	800/714-5263	\$118,807,661	89.12%	\$6.22	Y	Completed 231 projects park-building projects, totaling 202,600 acres.
Environmental Defense	212/505-2100	\$118,194,135	81.57%	\$9.35	Y	Began “catch share” program for sustainable fishing off the West Coast.
World Wildlife Fund	202/293-4800	\$111,618,233	79.45%	\$20.00	Y	Efforts in Nepal reduced the number of rhino poachings from 13 to 1.
The Conservation Fund	703/525-6300	\$102,346,700	97.12%	\$1.58	N	Works to both protect the environment and stimulate economic growth.
Natural Resources Defense Council	212/727-2700	\$99,046,953	83.20%	\$8.54	Y	Won lawsuit protecting the Arctic National Wildlife Refuge from oil exploration.
Humane Society of the United States	202/452-1100	\$85,224,988	82.77%	\$13.68	Y	Rescued more than 2,000 dogs from puppy mills in four states and Quebec.
Ducks Unlimited	800/453-8257	\$77,840,935	80.24%	\$32.21	Y	Conserved 300,000 acres of wetlands in 2008.
National Audubon Society	212/979-3000	\$63,090,282	76.78%	\$24.52	N	Opened Wildcat Glades Conservation & Audubon Center in Joplin, Mo.
Am. Soc. for Prev. of Cruelty to Animals	212/876-7700	\$62,671,111	81.29%	\$19.58	Y	Rescued more than 400 animals; investigated 5,227 cases of abuse.
National Wildlife Federation	800/822-9919	\$62,190,563	79.30%	\$20.23	Y	Secured 500,000 acres near Yellowstone National Park.
Wildlife Conservation Society	718/220-5100	\$44,324,660	84.91%	\$16.67	N	Conservation Cotton Initiative promotes eco-friendly farming.
Jewish National Fund	888/563-0099	\$41,689,892	83.11%	\$10.07	N	Began project to provide sustainability for 250,000 Negev residents.
Woods Hole Oceanographic Institution	508/457-2000	\$39,401,953	96.02%	\$6.35	N	Areas of research include industrial pollution, geology and global warming.
Union of Concerned Scientists	617/547-5552	\$30,733,594	85.72%	\$5.98	Y	Serves as independent scientific voice for public policy guidance.
Rocky Mountain Elk Foundation	800/225-5355	\$26,950,229	94.41%	\$7.08	N	Purchased 99,348 acres of wildlife habitat in nine states.
African Wildlife Foundation	202/939-3333	\$20,150,054	83.05%	\$9.36	Y	Secured 7,000 acres for conservation in 2008.
Chesapeake Bay Foundation	443/482-2045	\$16,086,060	80.12%	\$17.44	Y	Worked with several states to reduce nitrogen pollution in waterways.
National Arbor Day Foundation	888/448-7337	\$14,699,280	88.13%	\$26.04	Y	Planted 3,456,747 trees in forests across the United States.
Trout Unlimited	800/834-2419	\$12,308,628	84.52%	\$19.07	N	Launched 2007 campaign in New Mexico to re-introduce cutthroat trout.
Rainforest Alliance	212/677-1900	\$8,941,779	94.67%	\$13.42	N	Certifies sustainable forests through Forest Stewardship Council program.
Earth Island Institute	415/788-3666	\$7,808,541	85.46%	\$8.33	N	Managed 46 environmental projects in 2007.
Elephant Sanctuary of Tennessee	931/796-6500	\$5,116,018	88.39%	\$0.80	N	Shelters old, sick or needy elephants and provides constant care.
American Forests	202/737-1944	\$3,036,069	81.89%	\$5.77	N	Awarded grants that led to planting of 3.7 million trees across the US.
Animal Welfare Institute	202/337-2332	\$2,056,353	95.82%	\$1.91	N	Successfully lobbied for Congress to pass bill protecting wild horses.
Environmental Health Coalition	619/474-0220	\$1,398,834	74.97%	\$3.65	N	Supports renewable energy, cleanup and conservation efforts.

Health						
American Cancer Society	800/227-2345	\$977,654,276	73.31%	\$22.34	Y	Relay for Life campaign has raised \$1.5 billion in donations since 1985.
American Heart Association	800/242-8721	\$468,132,071	75.37%	\$24.09	Y	Achieved goal of reducing heart disease/stroke death rates by 25 percent.
Mayo Clinic	507/284-5005	\$350,945,822	83.67%	\$9.66	N	Opened 214-bed hospital in Florida, combining two outdated facilities.
Leukemia and Lymphoma Society	800/955-4572	\$251,821,608	74.33%	\$17.07	Y	Pursuing 388 active research projects as of June 2008.
Memorial Sloan-Kettering Cancer Center	212/639-2000	\$238,605,800	95.11%	\$13.72	Y	Opened Cell Therapy and Engineering Facility for biological research.
March of Dimes Foundation	914/997-4488	\$230,737,298	75.70%	\$15.18	Y	Invested \$26.8 million in birth defect and infant mortality research.
National Multiple Sclerosis Society	800/344-4867	\$223,844,524	77.18%	\$16.88	Y	Invested \$50 million in 440 MS research programs nationwide.
Cystic Fibrosis Foundation	800/344-4823	\$223,787,015	89.70%	\$9.20	Y	Helped to develop breakthrough anti-cystic fibrosis drug.
Juvenile Diabetes Research Foundation	800/533-2873	\$204,641,278	85.43%	\$10.35	Y	Funded nearly 40 human clinical trials with \$156 million in grants.
Susan G. Komen Breast Cancer Fdn.	877/465-6636	\$201,631,357	86.45%	\$8.51	Y	Reaches more than 200 countries with education and awareness programs.

their deductions—to deduct charitable donations. Reports by Congressional Budget Office and Urban Institute in 2002 show that such deductions would cost the federal government more in foregone revenues than they would generate in charitable giving.

As charities strive to cope with fewer donations and more clients, little has changed in national policy that affects charitable giving under President Barack Obama and the Democratic majority in Congress.

In fact, one proposal to help pay for any health care reform by limiting the deductibility of charitable donations might not even materialize. That change would limit the deductibility to 28 percent for households that have incomes above \$250,000, but experts with whom we spoke estimate that that won't reduce charitable giving by much. For wealthy donors who might be affected by this proposed change, tax savings typically rank far behind more altruistic reasons for giving, and past changes in the chari-

table deduction for this class of donors have not caused major donation shifts. (Current tax law caps deductions at 33 percent or 35 percent, depending on your income level.) But even if it were enacted, the proposal would not go into effect until 2011, and write that in pencil, lightly: The administration has pledged to further delay the change if the nation is still in the midst of a recession.

Perhaps of greater significance for charities is the \$787 billion economic stimulus package (known as the Ameri-

Organization	Phone Number	Direct Public Support	Spending Efficiency	Cost to Raise \$100	Joint Costs	Recent Accomplishments/Organizational Goals
Alzheimer's Association	312/335-8700	\$173,204,078	76.64%	\$15.09	Y	Funded over \$26 million in research initiatives.
American Diabetes Association	800/342-2383	\$165,411,492	74.30%	\$29.63	Y	Funded \$42 million in diabetes research programs in 2007.
National Cancer Coalition	919/821-2182	\$151,890,569	97.46%	\$1.78	Y	Programs have provided \$500 million in medical care since 2003.
Dana-Farber Cancer Institute	617/632-3000	\$141,795,043	88.45%	\$10.78	N	Affiliated with Harvard Medical School; has 400 ongoing clinical trials.
Muscular Dystrophy Association	800/572-1717	\$136,822,818	78.40%	\$15.89	Y	Allocated \$47 million for 330 research studies in 2008.
Cleveland Clinic Foundation	800/223-2273	\$122,716,344	88.56%	\$8.74	N	Ranked America's top heart care hospital by U.S. News & World Report.
IMA World Health	877/241-7952	\$121,211,287	99.07%	\$0.12	N	Treated 750,000 cases of Neglected Tropical Diseases in Haiti in May 2009.
Help the Children	323/980-9870	\$101,195,786	99.30%	\$0.45	N	Building hospital in Guatemala to serve more than 300,000 people.
City of Hope	626/256-4673	\$99,345,692	85.07%	\$19.07	Y	Has California's largest prostate cancer program.
American Lung Association	800/586-4872	\$97,362,358	77.60%	\$18.67	Y	Helped draft legislation allowing FDA to regulate tobacco.
The Scripps Research Institute	858/784-8134	\$71,250,483	94.13%	\$4.39	N	Discovered two antibodies that might be able to fight HIV.
Project ORBIS	646/674-5500	\$55,013,652	85.67%	\$10.13	N	Trained 40,000 doctors and health care employees in eye care fields.
Christian Blind Mission USA	800/937-2264	\$54,159,731	98.42%	\$0.81	N	Has treated more than 2 million people around the world for cataracts.
International Medical Corps	310/826-7800	\$47,816,314	91.66%	\$0.89	N	Delivered 5.76 tons of medical supplies to 45,000 displaced by cyclone.
Breast Cancer Research Foundation	646/497-2600	\$39,814,172	91.81%	\$5.45	N	\$34.5 million in grants awarded to 166 international researchers.
Crohn's and Colitis Foundation	646/943-7430	\$36,418,857	79.71%	\$12.36	N	Funded 53 research programs with \$15.5 million in fiscal year 2008.
American Kidney Fund	800/638-8299	\$27,499,279	96.71%	\$11.41	Y	Health Insurance Premium Program served 40,000 dialysis patients.
Arthritis Foundation	404/872-7100	\$27,160,825	75.54%	\$31.99	Y	Funds \$415 million to 1,200 research fellows studying arthritis.
Henry Ford Health System	800/436-7936	\$24,292,908	91.02%	\$18.79	N	Performed \$132 million worth of medical care without compensation.
Multiple Myeloma Research Foundation	203/229-0464	\$21,839,595	92.93%	\$3.84	N	Sequenced multiple myeloma cancer genome in 2009.
Diabetes Research Institute Foundation	800/321-3437	\$16,721,968	82.12%	\$12.46	N	Scientists use stem cell and technology research seeking cure for diabetes.
Population Council	212/339-0500	\$15,440,757	84.75%	\$3.42	Y	Promotes reproductive health, youth development and HIV/AIDS prevention.
NARSAD	800/829-8289	\$14,835,388	89.92%	\$5.60	N	Granted \$238 million to fund research on various mental disorders.
National Organization for Rare Disorders	800/999-6673	\$11,297,074	95.98%	\$1.12	Y	Sponsored Rare Disease Day in February 2009 to raise awareness.
Cancer Research Institute	800/992-2623	\$11,022,177	85.90%	\$11.94	Y	Scientists discovered new link between immune system and tumors.
Project Concern International	877/724-4673	\$9,181,339	83.91%	\$3.64	N	Reached 2.6 million people in India with anti-polio programs.
Prevent Blindness America	800/331-2020	\$9,053,637	78.80%	\$17.24	Y	Partnered in campaigns about cataracts, macular degeneration.
Food Allergy Initiative	212/207-1974	\$5,433,362	85.76%	\$6.56	N	Helped to pass food allergen labeling laws for schools.
National Breast Cancer Coalition Fund	800/622-2838	\$5,237,848	83.52%	\$9.25	Y	Has helped increase research funding by 400 percent since 1991.
American Brain Tumor Association	800/886-2282	\$3,944,852	86.87%	\$9.33	N	Funded \$2.6 million in brain tumor research.
Action on Smoking and Health	202/659-4310	\$2,782,913	90.68%	\$2.31	Y	Promotes smoking bans and educates the public regarding smoking risks.
First Candle	800/221-7437	\$1,365,874	80.28%	\$15.60	N	Launched Kicks Count! nationwide campaign for stillbirth awareness.
Human Services						
YMCA National	800/872-9622	\$935,186,000	81.66%	\$13.94	N	2,686 YMCA facilities serve 21 million members annually.
Boys and Girls Clubs of America	404/487-5700	\$671,827,297	80.01%	\$12.34	N	Club locations in all 50 states supervise, support 4.5 million children.
Goodwill Industries International	800/741-0186	\$527,122,049	88.10%	\$4.41	N	Employment and training programs reach 2.5 million annually.
Boy Scouts of America	972/580-2000	\$367,594,000	86.98%	\$13.64	N	Launched 100th anniversary celebration and global anti-malaria initiative
Rotary Foundation	866/976-8279	\$243,263,017	90.89%	\$5.60	N	Granted \$1.1 million to support volunteers' overseas travel.
Marine Toys for Tots Foundation	703/640-9433	\$233,917,573	96.96%	\$2.47	Y	Distributed 16.2 million toys to 7.6 million children.
Special Olympics	202/628-3630	\$182,515,398	74.46%	\$24.44	N	Marked 40th anniversary in 2008; serves more than 3 million athletes.
Big Brothers Big Sisters of America	215/567-7000	\$147,793,218	78.00%	\$23.53	N	Mentored more than 255,000 children across the United States.
Make A Wish Foundation	800/722-9474	\$135,118,313	75.60%	\$22.03	N	Has granted 182,000 wishes since 1980.
Arc of the US	301/565-3842	\$84,062,798	89.80%	\$26.36	N	Provides support, promotes legislation for mentally disabled individuals.
United Service Organizations (USO)	888/484-3876	\$72,756,586	73.10%	\$16.46	Y	119 celebrities entertained 240,000 service members in 20 countries.
Easter Seals	312/551-7147	\$59,237,700	79.55%	\$24.82	Y	Developmental and job-training programs for people with disabilities.
Harlem Children's Zone	212/360-3255	\$52,766,996	80.42%	\$2.85	N	Free tax-preparation service returned \$4.8 million to Harlem residents.
Foundation for the Carolinas	704/973-4500	\$52,670,615	94.53%	\$1.83	N	Committed \$2 million for 15-county Carolina Thread Trail network.
Girls Inc.	212/509-2000	\$49,130,932	87.66%	\$15.89	N	Seeks to empower girls to resist stereotypes and make a difference.
Union Rescue Mission	213/347-6319	\$47,572,000	82.13%	\$12.31	N	Served 933,568 meals and provided 246,736 nights of free lodging.
Fisher House Foundation	301/294-8560	\$35,644,755	95.68%	\$1.60	N	Provided housing for over 11,000 families visiting veterans' hospitals.
Children's Defense Fund	800/233-1200	\$19,866,341	84.51%	\$9.22	N	Works to advance medical, mentoring and growth programs for children.
Homes for our Troops	508/823-3300	\$17,066,249	89.66%	\$1.91	N	Completed handicap renovations for 16 houses.
Lighthouse International	800/829-0500	\$15,865,856	75.81%	\$20.76	Y	Opened Diabetes Center in March 2008.
Operation Homefront	800/722-6098	\$15,506,096	91.14%	\$3.64	N	Provides families of soldiers with financial and morale support.
Nat'l Ctr. for Missing & Exploited Children	800/843-5678	\$10,420,670	93.61%	\$18.16	N	Recovered 10,592 missing children in 2007, 96 percent of all cases.
Guide Dog Foundation for the Blind	631/930-9000	\$8,437,122	85.49%	\$6.80	N	Breeds, trains and matches guide dogs to people with disabilities.
Intrepid Fallen Heroes Fund	800/340-4376	\$7,067,205	74.27%	\$2.20	N	Constructed \$45 million rehabilitation center for disabled veterans in 2007.
Public Citizen Foundation	202/588-1000	\$5,865,379	85.87%	\$7.86	Y	Represents consumer interests in government and the courts.
National Military Family Association	703/931-6632	\$5,676,310	85.10%	\$4.86	N	400 military spouses received scholarships through new career program.
Veterans of Foreign Wars Foundation	816/756-3390	\$4,285,235	87.00%	\$6.55	N	Funds provide support for VFW facilities and programs.

can Recovery and Reinvestment Act), of which some portions are slated to go to and through 501(c)(3) charities.

Nonprofit groups that are poised to acquire and rehabilitate foreclosed homes will get a share of the Neighborhood Stabilization Program funds; community-action agencies and other nonprofits will participate in expanded Community Services Block Grant funds; nonprofit lenders will tap the infusion of Coalition of Community Development Financial Institutions' money; and addi-

tional funds will benefit community health centers, nonprofit charter schools and other charitable ventures.

Although some donors might decide that those federal dollars will mean that they can keep their wallets in their pockets, experts believe that few smaller groups will be tapping the stimulus funds. And donors should anticipate that groups that do receive such funds might face "funding cliffs" (drop-offs) when the stimulus money runs out and then will ask for donations for programs

that were initiated with these 1-year federal infusions.

AVOIDING SINKHOLES. According to a March 2009 survey that was conducted by Johns Hopkins University Listening Post Project, more than four-fifths of nonprofits acknowledged suffering financial stress, and 40 percent called it severe or very severe. Eight percent of nearly 3,000 nonprofits that were surveyed by Guidestar, which is a Web site that provides information on the fi-

Organization	Phone Number	Direct Public Support	Spending Efficiency	Cost to Raise \$100	Joint Costs	Recent Accomplishments/Organizational Goals
National Alliance to End Homelessness	202/638-1526	\$1,639,253	94.20%	\$2.81	N	Helped to pass several federal laws that assist the homeless.
Project Angel Heart	800/381-5612	\$1,545,276	84.62%	\$14.55	N	407,279 meals delivered by volunteers in 2008.
Sunshine Foundation	215/396-4770	\$1,299,186	82.83%	\$7.93	N	Grants wishes to chronically ill, disabled and abused children.
Humanitarian						
Feeding America (America's 2nd Harvest)	800/771-2303	\$643,788,448	96.98%	\$1.64	Y	Supports 63,000 local charities nationwide.
American National Red Cross	202/303 5000	\$534,243,563	90.16%	\$26.85	Y	Opened 1,400 shelters; served 18 million meals for disaster victims in 2008.
Save the Children Federation	800/728-3843	\$322,469,905	91.71%	\$6.56	N	Distributed 130,000 metric tons of food to individuals in 16 countries.
Operation Blessing	757/226-3401	\$268,110,255	99.13%	\$0.55	Y	Trained 12,781 individuals in worldwide vocational programs.
Project HOPE	800/544-4673	\$159,779,924	92.84%	\$4.81	N	Education program for AIDS prevention reached 215,000 students.
International Rescue Committee	212/551-3000	\$159,167,476	89.89%	\$6.77	N	Provided 1.8 million people with clean water and sanitation.
Childfund Intl. (Christian Children's Fund)	800/776-6767	\$154,483,708	83.15%	\$14.23	N	Assisted 15.2 million children and families in 2008.
Doctors Without Borders	212/679-6800	\$150,234,288	87.38%	\$11.70	N	Aid workers embarked on more than 300 assignments in 37 countries.
CARE USA	800/422-7385	\$148,093,000	90.38%	\$18.85	N	Education programs reached 9 million students.
Children International	800/888-3089	\$142,205,446	80.46%	\$12.09	N	Provides children with food and medical care.
Mercy Corps International	800/292-3355	\$127,690,539	86.36%	\$8.37	N	Advanced programs in Afghanistan to support sustainable farming.
Medical Teams International	800/959-4325	\$126,878,439	96.62%	\$2.37	N	Directed more than 2,600 volunteers in 44 countries.
Heifer Project International	800/422-0474	\$126,435,593	77.52%	\$14.40	Y	Animal donation, development programs have impacted 48 million people.
United Nations Foundation	202/887-9040	\$121,294,281	90.77%	\$3.31	N	Nothing But Nets campaign provided 70,000 mosquito nets for Africa.
Heart to Heart International	913/764-5200	\$118,853,212	99.11%	\$0.41	Y	Treats 3,500 AIDS patients in Nigeria every month.
Cross International/Catholic Outreach	561/392-9212	\$83,907,696	98.62%	\$0.94	N	Constructed 42 greenhouses for farmers in the West Bank.
Oxfam America	800/776-9326	\$70,440,436	80.18%	\$12.48	Y	Program increased rice yields for 80,000 Vietnamese farmers.
Kids in Distressed Situations	800/266-3314	\$61,981,552	99.31%	\$0.38	N	Worked with Toys R Us, Gymboree to distribute excess inventory.
Asia Foundation	415/982-4640	\$59,678,499	93.27%	\$0.67	N	Develops governance, gender equality and economic reform in Asia.
Human Rights Watch	212/290-4700	\$42,196,971	76.69%	\$16.77	N	Promoted anti-cluster-bomb legislation in Congress; law passed in 2009.
PLAN USA	800/556-7918	\$38,299,309	75.88%	\$15.10	N	Introduced sanitation programs to 200 villages in Bangladesh.
Pathfinder International	617/924-7200	\$23,845,693	88.64%	\$7.53	N	Contraceptive and family planning services in underdeveloped countries.
Operation USA	800/678-7255	\$22,266,604	97.95%	\$0.65	N	Constructed 350-student school following the 2008 Sichuan earthquake.
Grameen Foundation USA	888/764-3872	\$16,022,609	83.56%	\$2.78	N	Anti-poverty efforts have reached more than 45 million people.
Africare	202/462-3614	\$13,121,871	94.21%	\$5.12	N	Vaccinated 65,000 women and children against malaria.
Relief International	800/573-3332	\$4,540,068	87.95%	\$2.87	N	Supplies 72,000 Pakistani refugees living in the war-torn Swat Valley.
Religiously Affiliated						
Food for the Poor	954/427-2222	\$1,513,923,690	97.74%	\$1.67	Y	Has planted over 100,000 fruit trees in Haiti since 2007.
Feed the Children	405/942-0228	\$1,177,947,451	91.91%	\$6.12	Y	Supplements 760,000 meals per day in Third World countries.
World Vision	888/511-6548	\$823,398,962	86.77%	\$11.73	Y	9,200 volunteers work nationwide to combat blindness.
Map International	800/225-8550	\$380,398,244	99.17%	\$0.90	N	Treated 100,000 children for digestive parasites in Cote D'Ivoire.
Compassion International	719/487-6345	\$270,103,266	83.11%	\$11.96	N	Among first to resume work in Bangladesh following Cyclone Aila.
Samaritan's Purse	828/262-1980	\$261,958,379	88.64%	\$6.89	Y	Program in Bolivia will provide 11 villages with boats, fishing equipment.
Catholic Medical Mission Board	800/678-5659	\$206,122,652	95.87%	\$2.54	N	Provided care and treatment for 121,592 individuals stricken with AIDS.
Christian Aid Ministries	330/893-2428	\$183,648,698	98.73%	\$0.34	N	Distributed 16 million pounds of food, medicine and other materials.
Young Life	877/438-9572	\$154,280,470	85.92%	\$7.03	N	961,652 children attended weekly ministry clubs in 2007/2008.
American Jewish Joint Distribution Comm.	212/687-6200	\$142,621,563	92.23%	\$2.25	N	Collected funds, provided emergency relief for 2008 Pakistani earthquake.
Wycliffe Bible Translators	800/992-5433	\$139,550,032	90.32%	\$3.87	N	Plans to translate the Bible into 2,393 languages by 2025.
Christian Foundation for Children/Aging	800/875-6564	\$104,176,370	94.58%	\$2.55	Y	Provides 300,000 children with school books, uniforms and supplies.
Kingsway Charities	276/466-3014	\$97,319,328	98.94%	\$0.17	N	Delivers surgical supplies, eyeglasses and medications to poor countries.
Volunteers of America	800/899-0089	\$93,570,149	87.82%	\$21.47	N	16,000 volunteers administer care for the elderly.
Billy Graham Evangelistic Association	704/401-2585	\$87,755,929	86.88%	\$4.53	Y	European festivals attracted more than 500,000 participants.
Food for the Hungry	800/248-6437	\$82,998,047	92.50%	\$6.50	N	Helped 9,720 households obtain clean water in Ethiopia.
CRISTA Ministries	206/546-7200	\$74,887,978	94.89%	\$4.82	N	Ministry programs provide humanitarian and spiritual services worldwide.
In Touch Ministries	770/451-1001	\$69,374,837	83.19%	\$6.59	N	Televised sermons are translated into more than 100 languages.
P.E.F Israel Endowment Funds	212/599-1260	\$68,250,266	97.68%	\$0.00	N	Disperses donations to various Israeli charitable organizations.
InterVarsity Christian Fellowship	608/274-9001	\$59,919,460	83.23%	\$9.18	Y	718 students traveled overseas for Global Mission Projects in 2008.
Fellowship of Christian Athletes	816/921-0909	\$53,276,219	83.34%	\$7.38	Y	45,000 students attended 284 spiritual camps nationwide.
Prison Fellowship Ministries	877/478-0100	\$46,945,493	72.77%	\$16.91	Y	Visited 25,000 prisoners through Operation Starting Line program.
Moody Bible Institute	800/356-6639	\$46,792,529	85.43%	\$19.52	Y	University has enrollment of 4,000 undergraduate students.
Church World Service	212/870-2676	\$43,958,054	82.74%	\$21.78	N	Resettles about 8,000 refugees in the United States annually.
American Bible Society	212/408-1200	\$38,712,311	68.66%	\$31.97	Y	Worked with international partners to deliver 100,000 Bibles to Gaza.
RBC Ministries	616/974-2210	\$36,031,621	81.69%	\$5.89	Y	Publishes over 10 million copies of devotional booklet per issue.
American Jewish World Service	800/889-7146	\$28,854,476	81.65%	\$10.36	Y	\$3.2 million in grants to grassroots development agencies.
Christian Relief Services	800/337-3543	\$27,177,771	83.33%	\$17.12	N	Development programs served 40,000 in Africa.

nances and governance of charities, in February said they were in imminent danger of closing their doors. You might be concerned that contributing to such charitable organizations during a recession might be akin to throwing money into a sinkhole—that your money is wasted, because it went to groups that did not use the funds productively.

Experts disagree on whether that matters. Whether a charity is meeting an immediate need is first, says family philanthropy adviser William Diétel.

But donors who want assurance that the organizations that receive their generosity will stick around can seek information about sustainability. Experts say you should look for whether an organization has a reserve fund that is equal to at least 3 months of operating costs and whether the reserve fund increased rather than declined before the recession. Charities' tax statements on end-of-the-year "net assets or fund balances" (Part I, line 22 and Part X, line 33b on the new Form 990) can be used by donors as the equivalent of operating reserves. Noting a reserve fund is useful because the fund helps groups to survive short-term cash-flow gaps.

A May survey by Bridgespan Group, which is a consulting firm, showed that nearly 40 percent of nonprofits that have less than \$1 million in revenues carry 1 month or less of reserve funding, which means that a cash shortfall of as little as 2 weeks can leave an organization unable to pay its bills.

But many charities that have weak balance sheets and minimal reserves provide important services that have been hurting for charitable support during the recession. For instance, in 2008, the striking change in charitable giving was the significant downturn—almost 16 percent—in donations to human-service organizations, which are the front-line safety net organizations.

"The harder piece is trying to get the donor to listen to something like counseling services or mental health services," explains Paul Castro of Jewish Family Service in Los Angeles, "as opposed to basic-needs stuff, like food pantries."

MEASURING UP. The required IRS form 990 for 2008, which is to be filed this year, was expanded to include infor-

mation that potential donors might be hard-pressed to compile on their own.

Charities that have income that tops \$1 million or gross assets that exceed \$2.5 million must file the revised, more comprehensive 990s this year (for their 2008 fiscal years). (For charities' 2009 fiscal year, the new 990s will be required for groups that have gross receipts above \$500,000 or assets above \$1,250,000, and beginning with the 2010 filings, nonprofits that have assets of more than \$500,000 or gross receipts of more than \$200,000 must file the new tax form.)

on the edge | nearly 40 percent of nonprofits that have less than \$1 million in revenues carry 1 month or less of reserve funding.

The expanded 990s, which include an 11-page form and as many as 16 supporting schedules, will provide information about the programs and governance of charities and not only their finances. Some of this information might be helpful to donors when they try to assess the "value" of their donation. For example, you'll find a clearer, expanded delineation of the charity's tax-exempt programs and services, which includes information on those that have been discontinued; business dealings or transactions with the family members of executives or board members; and the charity's salary levels and policies for employees, independent contractors, all board members and officers. Also detailed are fundraising activities, which includes fundraising through gambling, and information about the charity's connections to for-profit subsidiaries and other noncharitable business interests.

Small charities, which were exempt from filing 990s, now must file a 990-N (or e-Postcard), which confirms basic information, such as the organization's tax ID number and that its income was below the \$25,000 revenue threshold that triggers the filing of a full 990. (The threshold will rise to \$50,000 in the 2010 tax year.) If small charities fail to file their 990-Ns for 3 years consecutively, they automatically will lose their tax-exempt status. Guidestar reports that as many as 500,000 small nonprofits failed to submit 990-N e-Postcards in 2008. The resulting pruning of the tax-

exempt rolls might help you to avoid giving money to charities that are not providing services or do not really even exist except for a tax ID number.

Tax forms aren't the only tool that is available to help you to evaluate potential charities. There are plenty of rating agencies that compile information, too. Critics of these charity "watchdogs" caution that rating agencies emphasize statistics while providing only a limited look at charities' impacts and outcomes. But it almost goes without saying that such ratings provide you with a starting

point and don't tell the whole story.

So, how can you tell whether charities will give you a clear picture of where they stand beyond what the tax forms or rating agencies say? It all comes down to common sense, Castro says: Look for organizations that have streetwise strategies for fulfilling their missions. Those strategies might include putting a larger proportion of human and financial resources into core programs, rejecting the launch of new programs and paying attention to the bottom line of delivering quality services.

Also, you should look at an organization's record of service, connection to the community, reputation among other donors and community leaders, and, of course, the personal connection that it has with you—the donor.

Although it's not a sure-fire guarantee, your interaction with the charity and the community that it serves—volunteering, in other words—gives you a network of personal connections for gauging sincerity, says Lew Feldstein of New Hampshire Charitable Trust. Of course, the time that you spend volunteering is a donation that might be even more precious than the money that you give—but it just might be the remedy that allows you to sleep at night. ●

Rick Cohen is a national correspondent for Nonprofit Quarterly magazine and writes about nonprofits and philanthropy for the Chronicle of Philanthropy and Philanthropy Journal.