

Not All Charities Are Created Equally

I recently celebrated a milestone birthday and, like many of us who are no longer “young”, I’ve been doing a lot of reflecting upon where my life is and how I’ve changed over the decades.

In recent years I’ve developed a fear of heights and an apparent inability to keep my emotions in check. I’m now the lady that cries during Disney movies and has been known to sob watching a commercial. My husband and kids find it particularly amusing to try and catch me welling up but I am at least comforted by the fact that many of my friends share my penchant for tears.

I find that I am particularly moved by certain types of stories or causes. I am a huge sports fan and I fully admit that I sobbed uncontrollably during every single biography for the Walter Payton NFL Man of the Year, especially for Thomas Davis the eventual winner. There is just something about a story of a young child leading such a bitterly difficult life and yet coming out an amazingly compassionate and successful person that gets me every time.

As you would imagine, charity fundraisers see me coming a mile away.

Like most people there are certain causes that resonate really strongly with me. Suffering children is a big one. I’ve had an automatic monthly giving plan set up with St. Jude for years, I ring bells for the Salvation Army and I have a hard time limiting myself to just a few tags off the annual giving tree every year. Fortunately, other than an occasional mailing or email none of those groups solicit me too often for additional donations.

My other hot button though does warrant a lot of solicitations. And by a lot I mean a ton.

I feel a deep sense of gratitude for any person that is willing to risk their life for others so any request for money to benefit military personnel, veterans, police officers or firefighters has typically been met with a check, no questions asked. And apparently word has gotten out because requests from groups with those words in the name have become increasingly frequent.

A light bulb finally went off in my head after yet another solicitation call recently. I was fairly sure that I had just given money to the particular organization but then realized that it may have just been one with a very similar name. Wondering what the difference was between the two I decided to check them out.

Turns out many of my checks hadn’t been going where I thought they had all along. While the money wasn’t benefiting a bad cause, it wasn’t benefiting the cause that I was thinking when I sent the money. Feeling a bit foolish, I decided that I really should do a little more research before just agreeing to send money because of one word in the organization’s name.

One of the first things that anyone should know before giving is specifically what cause(s) the charity benefits. Most charities have a website or can send you information explaining what they do and how they work.

Getting information directly from the charity isn't enough though. You should also research how well the organization is run and how much of the money actually goes to the cause versus how much goes to cover the overhead of the organization. I've done quite a bit of research on the topic and have found three good sources for information, each with a different approach, that can help you out.

The BBB Wise Giving Alliance is affiliated with the Council of Better Business Bureaus and they compare charities to 20 benchmarks to determine if they qualify to be a "BBB Accredited Charity" (which only about 40% of those evaluated are). While not every charity is going to be listed, this a great quick reference as they have done all of the work of knowing what to screen for and gathering the information for you. You can start your search with them at www.give.org.

If you would prefer to customize your screens and set your own standards, a good option would be www.charitynavigator.org. You can perform customized searches by interest, location or name and then evaluate the list. They provide their own star rating system or you can perform an advanced search to set up your own criteria.

If you really want to dig into a charity's financials you can visit www.guidestar.org to access the IRS Form 990 and other official records for the close to 2 million nonprofits registered with the Internal Revenue Service. It can be a daunting undertaking but, if you've narrowed your choices down to a small number, things like specific executive compensation information could be a good way to differentiate between them.

I've decided that from now on my answer to every solicitation is going to be that I'll need to check out the organization before committing to giving any money. That's something I should have been doing for years.

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