

# A quick guide to choosing a charity from This World Needs Brave

Choosing a charity to support can be really challenging, and sites like charity navigator are essentially irrelevant. All they can tell you is that the NGO is not actually fraudulent. That's a good start, but it doesn't take you far.

You need to go deeper. You can get information from the organization's website, publicity documents, and annual report, supplemented by some time on google, and any 501c3 nonprofit will have a tax filing available publicly.

Doing this kind of research can be very slow going, especially when you want to support an emergency response. We all want to help immediately. But taking the time to choose a strong partner means the difference between a highly effective donation and one that goes to waste. You expect your investments to perform, and you do the research to ensure they do. Charitable donations should get the same attention.

## Some things to look at:

### 1. What kinds of projects do they do?

Yes, it's obvious, but a good place to begin. Does the organization have a specific area of specialty they stick to, or do they anything they can find funding for? What parts of the world do they work in? Do they do research? Do they do advocacy? This can't really tell you if the organization is competent, but it can give you a gut feeling about whether you like what they do. You won't want to start a relationship if you don't like their work.

### 2. The Board of Directors

Who's on the board? What is the expertise of the board members? This can give you a good idea of the NGO's approach to its work. For example, take a look at Project HOPE's board, found at <http://projecthope.org/ourmission/leadership.asp>. It's pretty much all pharmaceutical company executives. That says to me that HOPE is going to be focused on bringing donated drugs to the developing world. Donations are a short-term approach to solving health problems, and don't address structural obstacles to good health care. However, Project HOPE probably never runs short of drugs or supplies, which would be great in an emergency.

Or look at the board of the National Democratic Institute (NDI): <http://www.ndi.org/about/bdadv/bdadv.asp>. It includes Madeleine Albright and Tom Daschle. NDI is likely to be in tune with mainstream ideas and well-connected politically; if they issue a report, it will get attention. They'll probably stick to the middle of the road. They are not about to start advocating for radical social justice. Most NGOs will have a list of board members on their website; if they don't, you should wonder why.

### **3. Size**

What is the organization's annual revenue – does it seem like it's enough for all the work they claim to do? How many people work at headquarters? How many are in field offices? I think that a good international organization is skewed toward field staff, but that's my own rule of thumb. You should be able to find this information in their annual report, or by poking around a website. Size is not an indicator of quality, but it does tell you a lot about organizational culture and capacity.

### **4. Where do they get their money?**

Some NGOs are essentially government contractors, and receive almost all their funding from USAID or the US State Department. They may be reluctant to do advocacy work as a result, and they may have to frequently close and open offices based on where they can get funding to work.

Other NGOs have a lot of private support, which can provide more leeway about what work they do, and allow for advocacy efforts. The type of private contributor also makes a difference - private contributors can be individuals, foundations, or corporations. NGOs that get a lot of small individual donations have to make sure that their name and logo stay in the news or their money stops coming.

Foundations generally fund specific projects, and may not provide any support for overhead, which leaves NGOs in danger of exhausting their own resources to meet donor priorities.

It's also useful to know how they do their fundraising. Do they use a dedicated fundraising company? Direct mail? Celebrity spokespeople? I think celebrity spokespeople are creepy if they are paid, and even when unpaid they may reflect more about the NGOs' ability to tell a story than their ability to do good work.

How much does the board give and fundraise? If the board is not giving to the NGO, something is wrong. The board should believe in their work, and show that belief with cash. Charity Navigator can actually be helpful here, because it will tell you how much the NGO spends on fundraising. The NGO website is probably your best guide, however, as well as a google alert for the organization's name.

A note about money and overhead cost rates. Organizations who move a lot of donated goods count the value of their goods among their program costs. That program cost is the basis for calculating the NGO's indirect cost rate (ICR). Therefore, NGOs who distribute donated goods look efficient on paper, but may have higher actual indirect costs. This is one reason that I don't take ICRs seriously as a way of evaluating NGOs.

### **5. Salary and background of the president of the organization**

Is the president a doctor? A lawyer? An academic? Did they have a lot of experience in the organization's area of work before taking over as president, or are they mainly a fundraiser without the skills to be a technical leader? And how much does the president make? The president should definitely not make more than a CEO of a company of a similar size. Some people argue the president should make less than that. Charity Navigator will show the president's salary in their review of the organization.

## **6. Hiring practices**

If your NGO is hiring lots of development staff and no program staff, that's a problem – they're creating new activities without the technical know-how to implement them. If they've had senior management positions open for a long time, that's bad. If they seem to be turning over their senior management quickly, that's very bad. You want to see an NGO hiring slowly, with a high ratio of field to US-based staff.