

Charities: Tough Times Call for Smarter Giving

By JONNELLE MARTE

When wallets get lean, check-books tend to stay closed—and checks to charity become rarer.

Amid the recession and stock-market losses, philanthropy consultants say all donors are re-evaluating their giving. Those who would normally give new charities a chance are sticking with groups they know. Some are giving smaller gifts or none at all. Over the past year, a number of corporations have ended or trimmed their matching-gift programs.

"Every donor from the smallest local giver all the way to the [Bill & Melinda] Gates Foundation has to make choices every year—and this year it's harder than ever," says Melissa Berman, president of Rockefeller Philanthropy Advisors.

According to the Center on Philanthropy at Indiana University, giving dips an average 2.7% in years with eight months or more of recession. Giving to education and the arts are typically hit hardest, while giving to human-services charities tends to increase and religious organizations feel little impact.

Even if you can't give as much as you'd like this year, you can take several steps to give your dollars extra muscle:

Vet your charities. Choose carefully before you write a check. Web sites such as CharityNavigator.org and GuideStar.org provide information about charities' programming and finances that can help you make an educated decision.

Charity Navigator rates charities and evaluates their financial health. Its reports show how much a nonprofit spends on programming versus administrative expenses, how much it pays its executive board, and how it compares to other charities that do similar work. Charity Navigator also compiles a series of "top 10" lists of charities that fall into certain categories, including a list of organizations that are "routinely in the red."

GuideStar.org publishes information about a charity's fi-

nancess and programming, including its mission statement, program description and federal tax form. Donors can search for charities and donate directly from the site. (You have to register with GuideStar, which is free, to see an organization's contact information, tax forms and leaders. A paid monthly or annual subscription is available for users seeking more advanced search tools.)

Volunteering with an organization is a good way to familiarize yourself with the programs you'd be supporting as a donor. If you're giving a substantial donation, you should also talk to someone at the charity about its accomplishments. Ask how the group evaluates its programs; look at its annual reports. How do the leaders measure if they're making progress toward their goals?

The fundamental question: "Over time, are they treading water or are they making a difference?" says Rich Cowles, executive director of Charities Review Council, which evaluates nonprofits and advises donors on how to give effectively.

Giving Circles. Don't have a lot of money to give? One option is to pool your funds with others' in a giving circle, a group of donors who join to support the same causes. Groups can be as formal or informal as you want. Some meet regularly, name leaders and solicit matching donors; others meet less frequently. Many groups also volunteer for the organizations they support.

When Hillary Nather-Detisch was finishing graduate school at the University of Nebraska at Omaha, she joined nine other young professionals in starting the Omaha Venture Group to support local nonprofits.

The group has since grown to 26 members and has recruited a few private family foundations to match donations of about \$400 a person a year. It awards about \$45,000 in grants annually to organizations serving youth and senior citizens.

"Instead of giving \$400, I'm helping to give \$40,000 to

\$45,000 to the community," says Ms. Nather-Detisch.

Learn more about starting or finding a giving circle at GivingForum.org/givingcircles.

Matching Gifts. You may be able to double or triple your donation by getting a matching gift from your employer. While many companies have cut back on their programs in the recession, roughly one in 10 charitable donations still can be matched by a corporate gift, according to HEP Development Services, a Leesburg, Va.-based company that helps nonprofits maximize their fundraising from matching gifts.

Most participating companies will give a \$1 for every \$1 you give—and some will give \$2 or \$3—up to a certain amount.

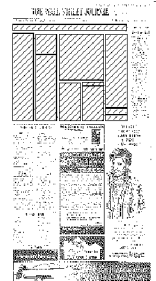
"It's free money and for nonprofits in these times that's very valuable," says Carl Pitruzello, who is in charge of fund raising for the University of New Haven in West Haven, Conn. He says matching donations more than doubled last year when the school began using HEP to send the necessary paperwork to donors who qualified for matching gifts.

Contact the human-resources department of your company. Some limit contributions to certain categories, such as education. You will probably have to fill out a form that can often be found on your company's Web site.

Microloans. Want to put your money to good use without giving it away? Try funding a microloan to an entrepreneur in a developing nation—or even a small business in your community. You get your money back as the loan is repaid.

Through Kiva.org, a person-to-person micro-lending site, you can fund an interest-free loan of at least \$25 for someone outside the U.S., say, a shop owner in Tanzania or a mechanic in Ghana. The nonprofit says it has a loan-repayment rate of 98%. Loan terms run from three months to three years.

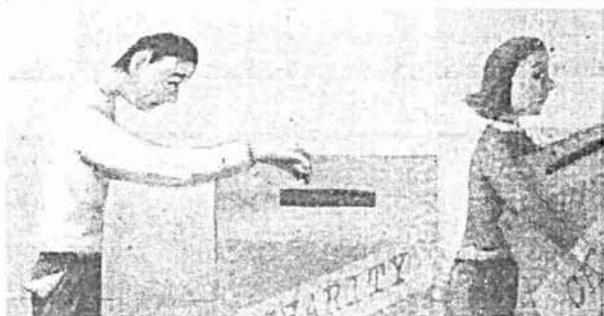
Many lenders re-loan their



money after they're paid back. But "if you have lost your job or if you need the money, you can just pull it out" at that point, says

Fiona Ramsey, spokeswoman for San Francisco-based Kiva.

Email: forum.sunday03@wsj.com.



Ask Before You Give

Some questions to ask about a charity

- What portion of spending goes to programming (versus operational costs)? A figure of 75% or more is considered good.
 - What have its accomplishments been? What challenges does it face?
 - Can I direct my gift to one of the charity's particular programs if I want?
 - Does it sell its donors' names to other groups? Can I ask that my information not be shared?
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