

# WISE GIVING™

GUIDE

BBB WISE GIVING ALLIANCE : FALL 2021



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**DONOR TRUST REPORT  
ON CHARITY IMPACT**

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THE GOOD NEWS  
AND BAD NEWS ABOUT  
**TOTAL GIVING IN 2020**





A Publication of the  
BBB Wise Giving Alliance

The *Wise Giving Guide* is published three times a year to help donors make more informed giving decisions. This guide includes a compilation of the latest evaluation conclusions completed by the BBB Wise Giving Alliance.

If you would like to see a particular topic discussed in this guide, please email suggestions to

[guide@give.org](mailto:guide@give.org)

or write to us at the address below.

#### FALL ISSUE 2021

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# president's MESSAGE

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**W**e at BBB Wise Giving Alliance hope all our readers are hanging on and continuing to manage the stressors that have been affecting all of us for more than a year now. The pandemic, politics, economic upheaval, work (or lack thereof), and caring for children and other family members have certainly made for a memorable, if not overwhelming, start to the decade. Hopefully you can take a few minutes to relax and read about some of the exciting work we have been doing at BBB WGA and an update on the direction of charitable giving in the U.S., which may be surprising given the turmoil of 2020.

As always, we continue to work hard to evaluate charities so donors can keep making sound giving choices. In this edition of the *Wise Giving Guide*, we will begin by looking at a couple of the other projects we've been working on. First, we look at the results of our June 2021 *Donor Trust Special Report*, with this edition focusing on charity impact. Next, we turn to our very own GiveSafely.io, a platform offering donors a secure method of giving via cryptocurrency or credit card using blockchain technology. Finally, we examine the results of *Giving USA 2021*, the highly reputable, yearly report on contribution statistics in the U.S. philanthropic sector.



H. Art Taylor, *President & CEO*



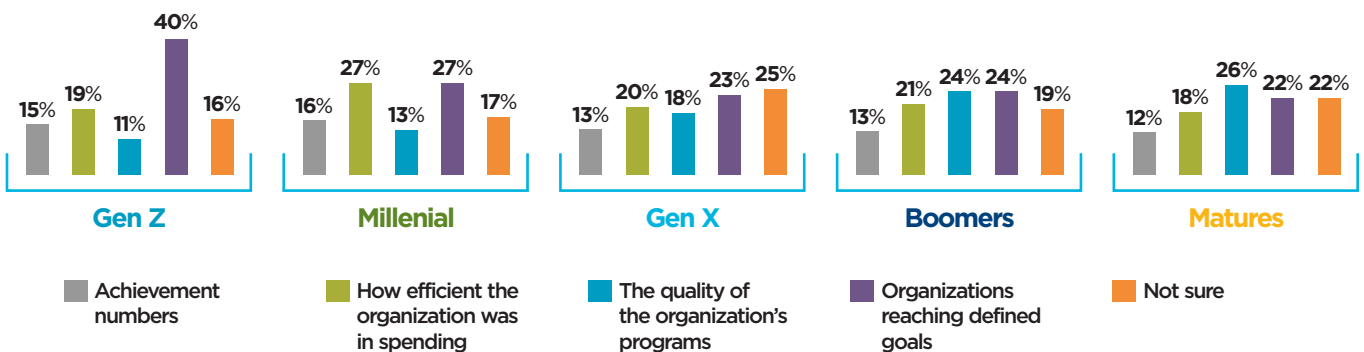
# A LOOK AT OUR **DONOR TRUST REPORT ON CHARITY IMPACT**

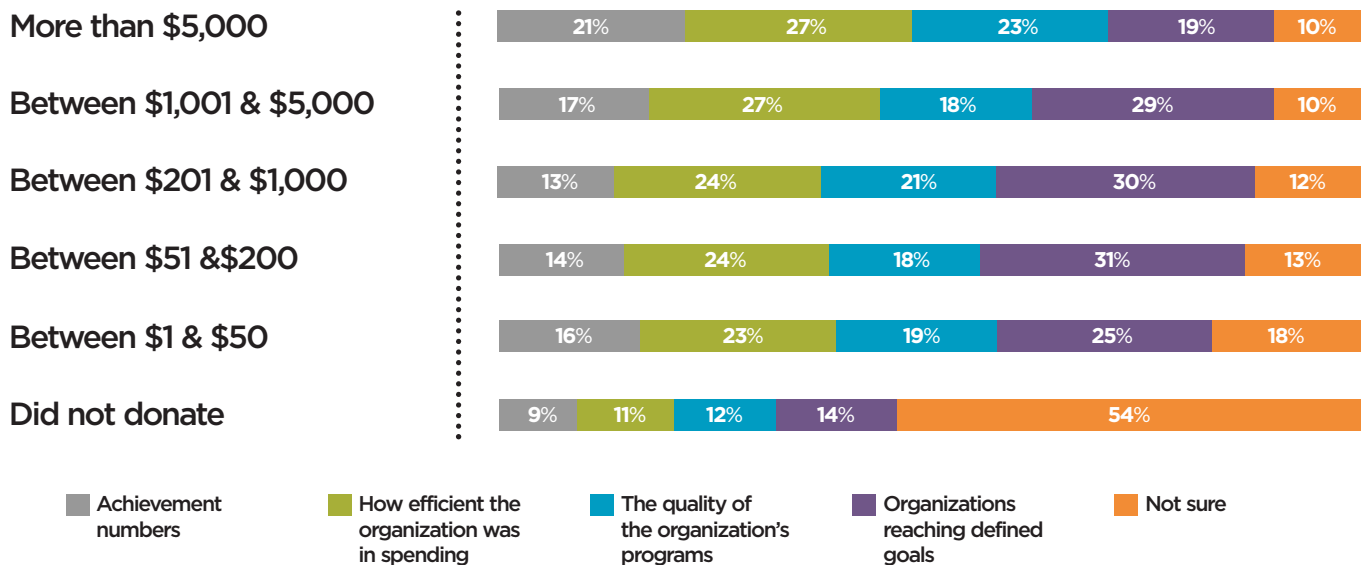
Charities depend on supporters to pursue their mission, and supporters—whether they are private foundations, corporations, or individual donors—want to know that their contributions make a difference.

In a data-driven society, some institutional funders seek to identify impactful organizations in a quantifiable way. How individual donors perceive the issue of charity impact is less understood. Our recent *Give.org Donor Trust Report on Charity Impact* explored how the donating public understands the term “charity impact” and how important “impact” is in their giving process. The report provided results of a survey of more than 2,100 adults in the United States (as well as a separate survey of more than 1,000 adults in Canada) and explored how individual donors perceive charity impact.

While it has become a common assumption that donors want to support highly impactful organizations, survey results showed that the donating public does not have a clear understanding of what the term means. **47% of survey participants indicated they are either unclear or do not know what “charity impact” means.** The remaining 53% of respondents claimed they know what a charity means when talking about “impact.”

The results were also a reminder that charities need to be aware not only of what they say, but also of what potential donors hear. When it comes to the term “charity impact,” it turns out people from different generations and giving levels may respond to different messages.





When asked to consider possible definitions for the term “charity impact,” survey participants were split, with significant generational differences. For example, Gen Zers are most likely to define “charity impact” as “organizations reaching defined goals” (40%); Millennials were most likely to select “how efficient the organization was in its spending” (27%); and Matures most frequently select “the quality of programs” (26%).<sup>1</sup>

Similarly, respondents with different giving levels were split about how to best describe the term. People of giving levels between \$51 and \$5,000, for example, were most likely to define “charity impact” as “organizations reaching defined goals.” People who donated more than \$5,000 were most likely to define “charity impact” in terms of “how efficient the organization was in its spending.”

Broadly speaking, charity impact refers to how these organizations make a difference. Still, finding uniform ways for charities to quantify or communicate their “impact” is complicated. Optimistically, charity impact information can help individual charities improve or become more efficient, and it can help impactful charities attract support. At a macro level, charity impact information has the potential to help direct social investment toward more effective organizations.

On the flip side, charity impact metrics can fail to account for differences in context across charities and remove the choice on how to measure impact from the charity’s leadership in favor of some constituents.

As a wise giver, keep in mind that:

- As mission-driven organizations, charities have an obligation to monitor their effectiveness and seek to improve their “impact.”
- To be thoughtful and precise in measuring impact, charities need to consider their unique context and mission work. Charities with similar mission work can legitimately measure impact in different ways.
- While charities can have different ways to measure and communicate impact, wise donors should look for specificity and clarity in the charity’s communication.
- Donors are drivers of change. If you care about long-term results, for example, look for impact statements that show the charity has the same priorities.

1. Matures (ages 75-92), Baby Boomers (ages 56-74), Generation X (ages 40-55), Millennials (ages 24-39), and Generation Z (ages 18-23).

# GIVESAFELY.IO

## CONNECTING DONORS WITH TRUSTED CHARITIES

When giving, we often worry whether the charity we are giving to is trustworthy. As a donor encountering a new charity, or revisiting a familiar one, we often want to engage with them to find out more about how they approach the causes we care about, but do not know how. Some donors also want to donate to charities in new ways, for example, via cryptocurrency. Overall, we have come to recognize that personal data is valuable, yet we hear the constant stories about company data hacks, breaches, and the unauthorized sharing of personal information.

With these issues in mind, BBB WGA launched GiveSafely.io. GiveSafely is an online donation platform that provides donors a safe way to give to trusted charities via credit card or cryptocurrency. GiveSafely uses blockchain technology to secure donor data and rewards donors for sharing personal information with charity experiences around causes they care about. GiveSafely takes no transaction fees.

### ***GiveSafely only lists trustworthy charities:***

Unlike platforms which list all charities—trustworthy or not—on GiveSafely, donors only find charities that have been accredited by the BBB. This means that each charity's governance, results reporting, finances, and fundraising practices have been evaluated and the charities all meet the *20 BBB Standards for Charity Accountability*.

### ***GiveSafely secures donor data with blockchain technology:***

All data shared by donors is encrypted directly onto the blockchain. Thanks to this technology, there is no central database of donor information that could be hacked, monetized, sold to third parties, or misused. GiveSafely has no contact with donations or

donor data. Donors choose what data to share, and the data only goes to the charity they donate to and the charity with whom they redeem their rewards.

### ***GiveSafely rewards donors with charity experiences around causes they care about:***

When giving, donors are required to provide their name and email address. This automatically earns the donor three GivingPoints. Each additional piece of information a donor chooses to share (age, annual income, gender, etc.) will earn them additional GivingPoints. Donors can later redeem these GivingPoints for experiences listed by any of the charities. For example, a donor could sign up for a 15-minute conversation with a charity staff person about a particular cause and learn more about that organization and its programs.

### ***GiveSafely allows donors to give***

***cryptocurrency to charities:*** On GiveSafely, in addition to credit card donations, donors can give their Bitcoin, Ethereum and Ardor to the listed charities. Cryptocurrency adoption is on the rise, especially among younger donors. A December 2020 Give.org poll of 2,000 adults across the US found that 23% of Millennials and 25% of Gen Zers owned cryptocurrency. Of those who did not own cryptocurrency, 14% of Millennials and 19% of Gen Zers expected to within the next 5 years. Similarly, 78% of Millennials and 73% of Gen Zers indicated that they would consider making donations via cryptocurrency. We are working closely with our Accredited Charities to help build their capacities around cryptocurrency.

GiveSafely is an online donation platform that provides donors a safe way to give to trusted charities via credit card or cryptocurrency.

For more information, please visit [GiveSafely.io](https://givesafely.io). We also welcome your suggestions on how we can strengthen and improve this donation platform.

# THE GOOD NEWS AND BAD NEWS ABOUT ABOUT GIVING IN 2020

The big news from *Giving USA 2021* is that, seemingly against all odds, there was a 5.1% increase (3.8% when adjusted for inflation) in American charitable giving in 2020, with \$471.44 billion donated in the face of economic and social unrest and a global pandemic. Produced by the Giving USA Foundation and written and researched by the Lilly School of Philanthropy at Indiana University, *Giving USA 2021* shows a steep rise in foundation giving, which was up 17%, as well as bequests, which were up by over 10%. Corporate giving was down by over 6.1%.

Notably, individual giving, by far the largest category of support for the charity sector at 69% of total giving, only grew by a little more than 2% in 2020. According to the *Chronicle of Philanthropy* in an article posted on June 15, 2021, without MacKenzie Scott's massive \$5.7 billion shot in the arm to hundreds of charities, individual giving would have actually declined by almost a percentage point. Scott, the former wife of Amazon founder Jeff Bezos, is one of the richest women in the world.

Many factors likely contributed to people's willingness or ability to give in 2020. Individuals normally accustomed to giving may have lost jobs or needed to divert funds to a sick relative or childcare rather than to charity, for example. For others, giving may have simply fallen off the radar while balancing telework with homeschooling. Sadly, many struggled with mental health issues in 2020 during the stress of the pandemic and other crises, which may have also affected giving.

*Giving USA 2021* also includes a breakdown of what types of charities donors chose to support in 2020. Gifts to groups supporting public and societal benefit increased by over 15%. Giving to human services groups also saw significant gains in 2020, increasing by almost 10%, perhaps partly due to the effects of the pandemic.

Arts, culture, and humanities groups took the biggest hit in 2020. These charities saw a 7.5% decrease from 2019 to 2020. Many American may have considered these types of groups as less of a priority given the turmoil of 2020. Somewhat surprisingly, giving to health charities also declined in 2020, with support decreasing by 3%. The reasons for losses in this category are trickier to parse out, but it may be that donors were more focused on responding to crisis response organizations. Medical research, for example, might have taken a back seat to direct support of those involved with boots on the ground involvement combatting COVID.

*Giving USA 2021* shows a steep rise in foundation giving, which was up 17%, as well as bequests, which were up by over 10%.

It's hard to predict with any certainty what giving figures in 2021 will look like given the fluctuations of the stock market, unemployment rates, the state of the pandemic and a host of other variables. One analysis from the Association of Fundraising Professionals Foundation for Philanthropy and GivingTuesday found that giving was up 6% in the first quarter of 2021 and saw a 10% increase in donors compared to the same time period in 2020.

No matter what the giving landscape looks like in 2020, we encourage donors, as always, to continue to look to BBB WGA charity reports before making giving decisions. While natural to give to organizations helping with the pandemic or pressing social issues, keep in mind that other groups need your support too. If you have a little money to spare, remember that charities supporting arts and culture, as well as health, need your sustained support, and charities can't rely on massive gifts from billionaires to keep the lights on year to year. They count on individual donors like you to achieve their missions. ■