

# Austin Asset

## Charitable Giving

### Make Your Charitable Giving Count

Charitable contributions by individuals, foundations and corporations reached \$303.75 billion in 2009. The majority of these dollars, \$227.4 billion, were given by individuals. If bequests (gifts by individuals at death) and foundations (founded and controlled by individuals) are included, then 95% of total giving is derived from individual resources.

In 2009, three types of organizations received over half of total estimated charitable contributions:

- Religious organizations received the largest share, 33%;
- Educational institutions received the second largest percentage, 13%; and
- Human service organizations accounted for 9%.

Source: [National Center for Charitable Statistics](#)

With so many dollars at stake it is essential that individual givers have access to accurate and timely information. To maximize the impact of their giving, donors must be knowledgeable not only about potential recipients but also about the different ways that resources can be gifted.

### *Tips for Choosing a Charity*

Selecting a charity is often a decision based on emotion, personal history and experiences. However, it is wise to know how effectively a charity will use the resources they receive. How much of a charitable donation will be used to pay administrative or fundraising fees, and how much will support actual programs or services? Even legitimate charities may pay such high fees to professional fundraiser that a significant portion of donations may be consumed by administrative costs, fees, payroll and other overhead costs.

The American Institute of Philanthropy's (AIP) Charity Rating Guide recommends that, in most cases, 60% or more of a charitable donation should directly fund program services. Highly efficient charities are often able to spend 75% or more on programs. Fortunately, there are organizations that track charities and rank them according to their financial health. The rankings encompass several criteria such as overhead costs, ratings, and efficiency. These watchdog organizations often provide access to financial statements, policies, program leadership, and mission statements. Here are a few to consider when researching your charity of choice:

- GuideStar ([www.guidestar.org](http://www.guidestar.org))
- American Institute of Philanthropy ([www.charitywatch.org](http://www.charitywatch.org))
- Charity Navigator ([www.charitynavigator.org](http://www.charitynavigator.org))
- Charity Guide ([www.charityguide.org](http://www.charityguide.org))
- Better Business Bureau Wise Giving Alliance ([www.give.org](http://www.give.org))

