



YOUR
BEST
HOLIDAY
EVER



GUIDE
to

Charitable Giving

'Tis the season for end-of-the-year donations. Here's how to spread goodwill the smart way: by choosing a charity where your dollars will go far.

BY MARK SORKIN

December isn't just the month to buy holiday gifts for friends and family. It's also prime time to support the causes that matter most to you, in part because it's your last chance to get a 2012 tax deduction for charitable donations. "Historically, Chicago has been a very generous community," says Edith Falk, who heads Campbell & Company, a local consulting firm for nonprofits.

If you're thinking about contributing more this year than in 2011, you're in good company. According to the trend trackers at the Chicago-based Giving USA Foundation, after the worst decline in five decades, donations by individual Americans and family foundations reached \$298 billion in 2011, the second consecutive year of gains. And the forecast for 2012 looks promising. "Nationally, everybody is very optimistic," says Geoffrey Brown, Giving USA's executive director.

Sadly, the recent recession-fueled downturn dealt some local charities a deathblow. The Jane Addams Hull House, for example, ceased operation in January after more than a century. But there are still 25,000 or so nonprofits in the area clamoring for your dollars. The big question: Which of them will make the best use of your money?

That's where this story comes in. *Chicago* quizzed professors, philanthropic consultants, and the brains behind the website Charity Navigator—a nonprofit that rates the viability of charities on a four-star scale—to come up with key guidelines for sizing up an organization (see "How to Vet a Charity"). "Donors should look at three things: financial health, commitment to accountability and transparency, and results," says Sandra Miniutti, vice president and CFO of Charity Navigator.

Don't have time to do the vetting? We did it for you, identifying 15 standout area nonprofits in seven categories (see opposite page) that meet widely accepted guidelines for financial health and deliver on their stated missions in measurable ways.

If you can't afford to add a new charity to your list this year, remember that you can offer another valuable asset: time. The nonprofit Chicago Cares (chicagocares.org) organizes groups of volunteers for more than 200 local opportunities every month, from reading with at-risk students to cooking breakfast for seniors. Check their calendar for an event near you.

PHOTOGRAPHY: YIN YANG/ISTOCKPHOTO

HOW TO VET A CHARITY

If you answer yes to all five questions, your prospective recipient gets the green light.

1

Is the charity tax-exempt? To confirm that the organization is registered as a 501(c)(3) charity, check for a listing on the rating website Charity Navigator (charitynavigator.org) or in the nonprofit directory Guidestar (guidestar.org). The latter provides links to an organization's IRS 990 form, which details its financials.

2

Does a hefty percentage of its budget go toward its mission? Well-managed charities spend at least 75 percent of their funds on programming. Charity Navigator does the math for you—but it ranks only the biggest and most established organizations. For smaller and newer nonprofits, look at the 990 form and divide the total program service expenses by total expenses. Multiply by 100. If the number raises a red flag, speak with someone who works at the organization. Any charity worthy of your resources should be able to articulate its accomplishments, challenges, and goals.

3

Is the organization clearly committed to transparency and accountability? Top-notch charities demonstrate viability by hiring independent auditors, granting board members oversight authority and regular opportunities to vote on key decisions, and adopting conflict-of-interest, whistleblower, and privacy policies.

4

Is the CEO's pay in line with other expenses? The 990 form lists the salaries of the CEO and directors. The median nonprofit CEO salary in the United States is \$150,000, according to a 2010 survey by Charity Navigator. But salaries fluctuate widely, so a good rule of thumb is less than 5 percent of the budget.

5

Is the charity making an impact? Call and ask questions or schedule a visit. Far more important than an elegantly phrased mission statement is the charity's ability to demonstrate that it's getting the job done.

The Gold Standard

Not only do these 15 local nonprofits pass the screens at left, but they're recommended by experts in the charity world for making excellent use of donations.

	Organization	Director name and salary	% of budget spent on programs	Mission and accomplishments
HUNGER AND HOMELESSNESS	Greater Chicago Food Depository chicagosfoodbank.org	Kate Maehr \$197,000	93% of \$79.7 million	This massive network of shelters and food pantries distributed more than 64 million pounds of food last year to area residents in need.
	Habitat for Humanity Lake County habitatlc.org	Julie Donovan \$61,000	88% of \$1.7 million	One of the most productive Habitat affiliates in Illinois, this group is on track to build, rehab, or repair homes for 40 families in 2012.
	Inspiration Corporation inspirationcorp.org	Shannon Stewart \$94,000	87% of \$4.3 million	This innovative organization helps Chicago's homeless become self-sufficient through housing and job-training programs.
ENVIRONMENT	Alliance for the Great Lakes greatlakes.org	Joel Brammeier \$114,000	80% of \$1.9 million	A vocal protector of our lakes, this group recruits thousands of volunteers annually to help clean up polluted shorelines and restore wetlands.
	Environmental Law & Policy Center elpc.org	Howard A. Learner \$278,000	79% of \$5.5 million	In 2011, this green policy advocate successfully negotiated an end to the dumping of untreated sewage into the Chicago River.
HEALTH	American Lung Association of the Upper Midwest lungum.org	Harold Wimmer \$236,000	86% of \$20.8 million	Look for a new public awareness campaign this winter from this regional group, which aims to combat asthma, cancer, and lung disease.
	Lynn Sage Cancer Research Foundation lynsage.org	Stephanie Lieber \$0	75% of \$1.7 million	During its most recent grant cycle, this organization donated \$1.2 million in seed funding to five breast cancer research projects.
	United Cerebral Palsy of Greater Chicago ucpnet.org	Paul J. Dulle \$179,000	95% of \$8.7 million	An advocate for disabled children and adults, this foundation plans to open a group home in Lombard in 2013.
KIDS AND EDUCATION	Big Shoulders Fund bigshouldersfund.org	Joshua Hale \$285,000	92% of \$13.1 million	This fund supports programs in 93 inner-city Catholic schools and administers more than \$4.5 million annually in scholarships.
	Ronald McDonald House Charities rmhc.org	Martin J. Coyne Jr. N/A*	90% of \$28.9 million	Chicago is home to this global network, which arranges for temporary housing and other resources for sick children and their families.
	SOS Children's Villages Illinois sosillinois.org	Tim McCormick \$270,000	86% of \$7.4 million	Over the summer, this resource for foster children and parents opened the Wellness Garden in the Auburn Gresham neighborhood.
PETS	PAWS Chicago pawschicago.org	Rochelle Michalek \$121,000	91% of \$5.3 million	The city's most vocal advocate for pet adoption and the humane treatment of animals is frequently cited as Chicagoans' favorite charity.
CULTURE	Chicago Public Library Foundation cplfoundation.org	Rhona Frazin \$191,000	80% of \$5.5 million	Founded by Cindy Pritzker, this group sponsors literacy programs, including a free summer reading push that, in 2012, reached 60,000 children.
	Joffrey Ballet joffrey.com	Christopher C. Conway \$216,000	90% of \$13.5 million	The classical dance company—founded in New York in 1956; returned to Chicago in 1995—teaches weekly classes in 35 local schools.
GLOBAL	Rotary Foundation of Rotary International rotary.org	John Osterlund \$167,000	87% of \$193.9 million	One of the world's largest humanitarian organizations, Rotary recently raised \$228 million for a polio eradication campaign.

METHODOLOGY: CHICAGO STARTED WITH A LIST OF 53 FOUR-STAR LOCAL GROUPS FROM CHARITY NAVIGATOR, THEN NARROWED IT DOWN TO 15 AFTER APPLYING THE SCREENS AT LEFT AND INTERVIEWING STAFF. SALARIES COME FROM THE MOST RECENT 990 FORMS BUT, IN SOME CASES, WERE UPDATED BY THE CHARITIES THEMSELVES; BUDGET PERCENTS COME FROM CHARITY NAVIGATOR. *COYNE IS COMPENSATED THROUGH MCDONALDS CORPORATE.