

How to Give Smart

While charitable donations rose in 2006, the amount of money going to health-related charities declined slightly, according to Giving USA, a group that tracks philanthropy. Donations fell in 2005 as well, but it's not too late to turn the trend around in 2007—half of all charitable giving by individuals takes place between Thanksgiving and New Year's Day. The advice below will help you find charities that make the most of your contributions.

■ **EXAMINE THE CHARITY'S TRACK RECORD.** The Better Business Bureau Wise Giving Alliance (give.org) evaluates charities on 20 standards of accountability, issuing detailed reports on finances and organization. Charity Navigator (charitynavigator.org) simplifies things by rating charities based on how efficiently they use their money. Both are good ways to check up on the charity of your choice. You can also call the IRS (877-829-5500) to verify the group's tax-exempt status.

■ **FIND OUT HOW THEY SPEND THE MONEY.** Legitimate charities gladly share information on where your donation will go, says Charity Navigator president Trent Stamp. His group's free reports reveal CEO salaries and how much of the money

goes to fund-raising and other expenses. A charity should spend at least 75 percent of its budget on programs directly related to its cause, says Stamp.

■ **CHECK THE NAME TWICE.** Before you open your checkbook, make sure you're giving to the organization you think you are, says Stamp. Dodgy charities can capitalize on the reputation of legitimate ones by using a soundalike name. For instance, Stamp's group gives the Children's Defense Fund four stars, and the Children's Charity Fund zero. But even legitimate groups can fall short: The American Cancer Society earns just two stars from Charity Navigator. "Only 69 cents on the dollar goes to programs, and that's well below their peers," Stamp says. By contrast, the National Cancer Coalition spends 96 percent of its money on cause-related programs.

■ **BEWARE OF CHARITY TIE-IN PRODUCTS.** Don't assume that buying a product with a charity's stamp can substitute for a direct donation. "For most products, it's just pennies on the dollar that actually reach the charity," says Stamp. "That might make you feel better, but it can be the equivalent of throwing a penny in a donation jar."

—CHRISTIE ASCHWANDEN

SPENDING WISELY: WHICH HEALTH ORGANIZATIONS SCORE HIGH AND LOW, COURTESY OF CHARITY NAVIGATOR

CAUSE	HIGH MARKS	LOW MARKS
Breast cancer	Breast Cancer Research Foundation	American Breast Cancer Foundation
Cancer	Dana-Farber Cancer Institute	Childhood Leukemia Foundation
Global health	Partners in Health	Children's Wish Foundation International, Inc.
Arthritis	Spondylitis Association of America	The Arthritis Trust of America
Alzheimer's	Fisher Center for Alzheimer's Research Foundation	American Health Assistance Foundation
Women's health	National Women's Health Network	National Osteoporosis Foundation
Diabetes	The Whittier Institute for Diabetes	Defeat Diabetes Foundation
AIDS	International AIDS Vaccine Initiative	Design Industries Foundation Fighting AIDS
Heart disease	WomenHeart: The National Coalition for Women with Heart Disease	Heart Support of America
Children's health	Starlight Starbright Children's Foundation	Wishing Well Foundation USA