



Choosing Where to Give: Four Questions Every Philanthropist Should Ask

By Jenna Mulhall-Brereton, Chief Philanthropic Services Officer

There are more than 1.5 million nonprofits registered with the IRS, according to the [National Center for Charitable Statistics](#). Each of them has their own goals and strategies, and there's no way to rank the “best” or “most effective” ones. As a donor eager to make a difference or advance a cause, how can you make sure that your giving is directed at the organizations that are the best fit for you? A good initial step is to develop a personal [charitable giving strategy](#)—essentially, thinking about your goals, your budget and how you plan to give. You may choose to give directly, or through a giving vehicle like a [donor-advised fund](#).

Having a sense of your own charitable goals will help you explore organizations that share your vision. In some cases, donors can turn to charitable ratings by third-party experts like [Charity Navigator](#), [GuideStar](#) and [GreatNonprofits](#). For smaller charities, however, such evaluations may not be available. As you determine where to give, here are a few basic questions you should ask:

- **What is the charity's mission—and does it align with your giving strategy?**
Healthy organizations should be able to clearly articulate their purpose, such as “to drive hunger from our community,” “to protect immigrant rights” or “to restore clean, healthy air.”
- **How does the organization aim to fulfill its mission?**
Every nonprofit should have a roadmap—often called a “theory of change”—that clearly sets out the tangible steps it will take to realize the impact it is striving to make. For instance, an organization with a mission to promote kindergarten readiness might run volunteer reading programs at local libraries to help kids develop a sight vocabulary and to instill the habit of reading. In other words, every nonprofit should have projects and programs in place to accomplish specific outcomes.
- **What progress—or impact—is the organization making?**
Nonprofits should be able to demonstrate progress by sharing metrics like the reduction of waterborne illnesses in villages where an organization has installed wells, or the percentage increase in high school graduation rates for students served by an arts education program. Donors can also get a sense of an organization's impact by volunteering and witnessing its work firsthand.
- **Is the charity transparent about finances?**
It should be easy for donors to access a charity's financial statements and tax returns, whether on the organization's website or via a third-party evaluator like GuideStar.

By answering these questions, you can enjoy greater peace of mind that your giving has the impact you envision.

If you'd like more guidance, National Philanthropic Trust offers a service to help donors identify and establish the best giving strategy to maximize their charitable impact. Our Philanthropic Services team can be reached at philanthropicservices@nptrust.org or by calling (888) 878-7900.

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