

# WISE GIVING™

GUIDE

BBB WISE GIVING ALLIANCE : SPRING/SUMMER 2021



## In This Issue:

Estimated 2020 Giving Totals  
Mental Health Heroes  
Spotlight on Fraud: Robocalls





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.

## SPRING/SUMMER ISSUE 2021

BBB Wise Giving Alliance  
3033 Wilson Blvd.  
Suite 710  
Arlington, VA 22201  
(703) 247-9321  
[www.give.org](http://www.give.org)

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# INSIDE

**Moving in the  
Right Direction**

**Charitable Sector Quiz**

**Mental Health Heroes**

**Spotlight on Fraud:  
Robocalls**

**8**

**List of Nationally  
Soliciting Charities**

**2** How to Read the **6**  
List of National  
Charities

**3** Q&A about the **43**  
**4** Wise Giving  
**5** Guide

National Charity **43**  
Seal Program

BBB Standards **44**  
for Charity  
Accountability

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# president's MESSAGE

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Over the past year, our lives have all been transformed in so many ways. We thought we'd change this up a little too. Instead of long form articles on a single topic, this edition of the *Wise Giving Guide* focuses on several sections we hope will be of interest to you, the donor.

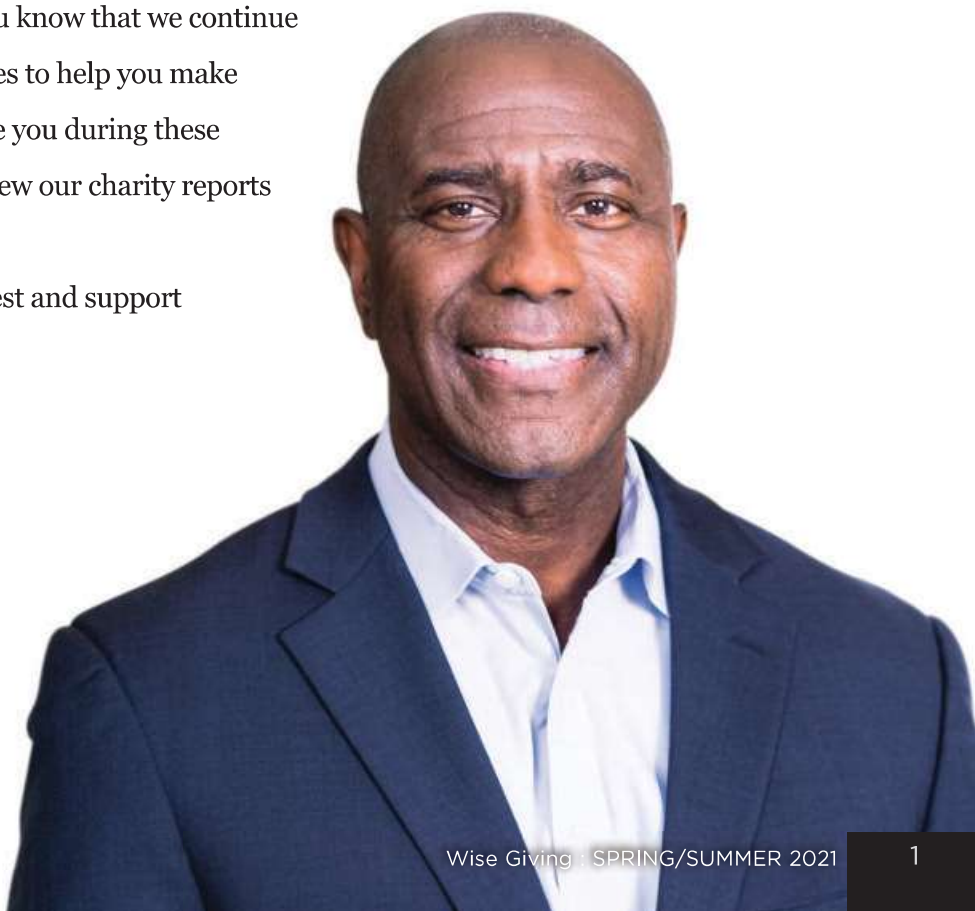
We begin with some good news for the charitable sector and then cover some of the work charities have been doing to help those struggling with mental health issues during the pandemic. We also offer a little advice on those annoying automated phone calls, or robocalls, that can disrupt our family and work lives. Finally, we thought we'd have a little fun and test your knowledge of the charitable sector.

With so many changes in the last couple of years, we hope we can offer a little stability by letting you know that we continue to do the hard work of evaluating charities to help you make informed giving decisions. We encourage you during these challenging times to visit Give.org and view our charity reports before you give.

Thank you for your continuing interest and support of wise giving practices.



H. Art Taylor, *President & CEO*



# Moving in the Right Direction

The past year has been fraught with turmoil. The COVID-19 pandemic has led to unprecedented, unparalleled challenges, and the nonprofit community is no exception. Charities are called on to fill in the gaps and meet needs where governments and the private sector aren't able, and these organizations have always had to rise to the occasion to complete their missions while making constant adaptations, especially since March of 2020. The same goes for donors, who act as an important stakeholder in the relationship between charities and the populations they serve. Without your support, charities would not be able to function.

While we're not out of the woods yet, there are glimmers of hope that, with any luck and lots of planning and hard work, we may see a return to something closer to normalcy in the coming months. We've also seen some hopeful news in the charitable sector. Donors have stepped up. Blackbaud's 2020 *Charitable Giving Report* was recently published and provided an initial estimate that overall giving increased by 2.0% in 2020. This is great news! At the beginning of the pandemic, there was a lot of anxiety

from both donors and charities concerning the effects of the pandemic on the sector. Looking more closely at the numbers tells a more complex story, of course, as large organizations with fundraising expenses over \$10 million saw giving increase by 5.3%; medium-sized organizations, with fundraising expenses between \$1 and \$10 million, experienced a more modest increase of only 1.2%; and smaller organizations, with fundraising of less than \$1 million, actually experienced a 7.2% decrease in revenues.

While the report shows that larger, established charities fared well during the pandemic, it also shows that smaller groups were hit hard with lack of funding. For charities across the board, there are also the challenges of reaching those they are trying to serve, training staff to work in entirely new ways, or even having to lay employees off. For smaller charities, however, the margins are tighter and losing even a small percentage of donations can make or break the organization. Another consideration when examining the data from the *Charitable Giving Report* is that many of the organization types that benefited most



were groups operating in areas that specifically address critical needs during the pandemic, and rightly so, such as providing food and medical care. Human services donations were up 12.1% in 2020, but Arts and Culture (-9.5%) and Environment (-7.0%) both suffered. Hopefully these numbers will balance out as some normalcy, fingers crossed, returns to the charitable sector. In the meantime, we encourage donors to continue to give to charities doing the boots-on-the-ground work to help the needy in this crisis, but also consider helping organizations that may be struggling to stay afloat.

Blackbaud's *Charitable Giving Report* also shows that online giving was up 20.7% in 2020. We've become well acquainted with restrictions on our movement in the past year, so it's not a surprise that people turned to online giving. We're curious to see if this trend continues. Online giving is quick and convenient, but we encourage donors to put the same thought and care into vetting charities when donating online that they would when writing a check. Also, keep in mind that charities rely on sustained support, so consistent monthly donations or a yearly gift can help them plan, budget, and do their work better.



## What do you know about the charitable sector?

- 1) Donations to 501(C)(3) charities are both tax deductible for donors and tax exempt for the recipient organization.
- 2) Some charities can operate with absolutely no overhead costs and can usually use 100% of your donation on programs.
- 3) If you are on the National Do Not Call Registry, charities can't contact you for donations.
- 4) A charity that sends me a direct mail appeal must be legitimate and doing the right thing.

See answer key on page 5.

# Mental Health Heroes

The pandemic has been different for everyone. Some of us are juggling virtual school and telework, while others have lost a job or a loved one, not to mention sleep issues and isolation. The stress of the past year has taken a toll. A recent Yahoo/YouGov survey found that 35% of U.S. adults reported that their mental health has declined since the beginning of the pandemic, and 44% indicated that their depression had increased. Additionally, 48% of respondents stated increasing anxiety.

The recently passed COVID-19 relief package earmarked close to \$4 billion towards mental health and substance abuse services, school programs and workforce training. However, the scope of the pandemic means charities have been an important piece of the puzzle. With that in mind, we think it's a good time to look at some of the work charities are doing to fight mental health issues, a fight that will likely continue long after schools open and we can gather with friends.

National Alliance on Mental Health (NAMI), a BBB Accredited Charity, provides “advocacy, education, support and public awareness so that all individuals and families affected by mental illness can build better lives.” During the pandemic, NAMI joined the #FirstRespondersFirst initiative with its own community-centered campaign, Frontline Wellness, which helps support frontline health care and public safety professionals dealing with

mental health issues. The program offers professional as well as peer support, support for families of these essential workers, and techniques for building resilience. Frontline Wellness is not a one-size-fits-all approach as the program provides information and resources specific to different professions. There are support groups for doctors, paramedics, fire and police professionals, and nurses. NAMI also offers resources on wellness and sleep.

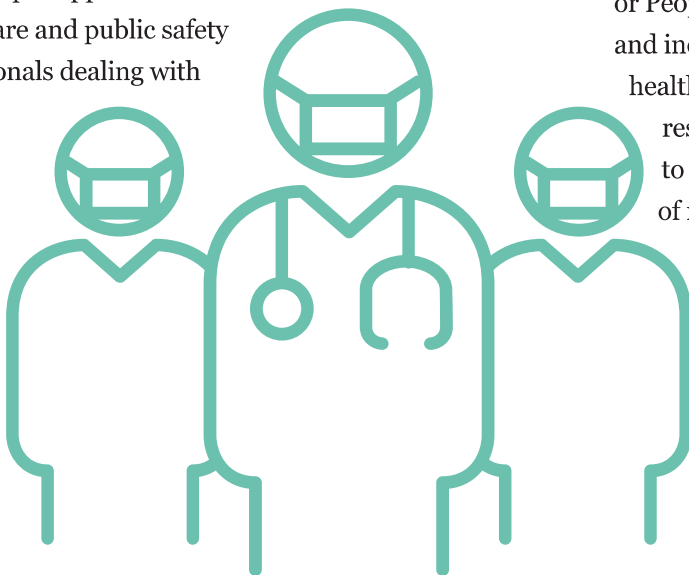
NAMI provides support for other populations that might be feeling mental health strain during these unusual times. Specifically, the charity has hosted webinars on both workplace mental health and supporting the emotional needs of the young; released a *Spanish-Language COVID-19 Information and Resource Guide*; and produced a report on the mental health effects of social isolation brought on by COVID-19 in communities of color.

Mental Health America (MHA), also a BBB Accredited Charity, seeks to “address the needs of those living with mental illness and promote the overall mental health of all.” Much of their work is focused on mental health screenings, including those for depression, anxiety, and PTSD. MHA’s Online Screening Program offers 10 clinically validated tests, and while just over 900,000 were screened in 2019, this figure rose to over 2.6 million in 2020, clearly demonstrating the deep need for mental health services in the face of COVID-19.

In addition to screenings, MHA provides information and resources specific to caregivers, parents, frontline workers, the Black, Indigenous, or People of Color (BIPOC) and LGBTQ+ communities, and individuals who were suffering the effects of mental health concerns before COVID-19. In addition to

resources for specific groups, MHA tailors webinars to specific circumstances, including navigation of relationships during the pandemic, telehealth, remote working, and social and emotional support in the remote and hybrid classroom.

The charity’s blog doesn’t shy away from tough topics, covering subjects from helping children talk about grief to the mental health challenges faced by nursing home staff.



# Spotlight on Fraud: Robocalls

We've all been there. You get a call from your own area code or one identified by caller ID as a legitimate organization, and you think it might be someone you know or, at the very least, some important business you need to attend to. Who's on the other line? An automated voice trying to convince you that your car warranty has expired. However, these **robocalls**, even from legitimate businesses, are illegal, according to the Federal Trade Commission (FTC), unless you have given consent. These calls are also on the rise. While robocalls took a dip during the pandemic, according to YouMail, a cell phone robocall blocking app and call protection service, Americans received 4.6 billion of these automated nuisances in February of 2021, the highest figure since February of 2020.

In an April 2021 Supreme Court decision, the high court ruled in favor of Facebook, saying the social media giant cannot be sued for repeatedly texting customers security alerts. The decision was based on an interpretation of the Telephone Consumer Protection Act of 1991 (TCPA), which affords cell phone users protections against robocalls. The bottom line is there is now a narrower qualification to be considered an autodialer and fall under TCPA regulation. It's yet to be seen, but the results of *Facebook v. Duguid* might end up meaning more robocalls for consumers.

In March of 2021, the FTC, along with 38 states and the District of Columbia, shut down Associated Community Services (ACS), a telefunding operation which made 1.3 billion calls to over 67 million phone numbers. According to the complaint, ACS and related defendants "made abusive, unsolicited, deceptive fundraising calls that intruded into the lives of hundreds of millions of Americans." These bad actors claimed to be working on behalf of charities benefiting homeless veterans, families of children with cancer, fire victims, and breast cancer patients, among others, while almost no money was actually used for charitable purposes. ACS was also accused



of harassment for the volume and frequency of these robocalls, calling 1.3 million phone numbers over ten times in a single week.

The FTC reports that ACS is both subject to a \$110 million penalty (which was suspended due to inability to pay) and has been "permanently prohibited from conducting or consulting on any fundraising activities and from conducting telemarketing of any kind to sell goods or services."

There are special circumstances that allow for robocalls, such as pharmacies calling about refills, debt collection, and political calls. Also, donors should know that many robocalls from charities are allowed under FTC rules. ■

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## ANSWER KEY:

- 1) True. Donations to 501(C)(3) charities are usually tax deductible to those donors who itemize on their federal income taxes. But, for 2020, a donor can deduct up to \$300 of cash donations even if the donor does not itemize. In turn, contributions revenue received by charities is exempt from federal income tax.
- 2) False. All charities incur costs associated with administration and fundraising. In special cases, charities might have the cost of administration or fundraising expenses underwritten by a grant or donor, but this is not common. These donations would, however, show up in financial statements.
- 3) False. The National Do Not Call Registry does not apply to charitable solicitations.
- 4) False. All charities that send you mail should be vetted before giving. Please make sure to visit the charity website and give.org for more information before you give.