

Native-Serving Nonprofits and Charity Watchdog Agencies



FIRST NATIONS
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INTRODUCTION

First Nations Development Institute (First Nations) recently examined foundation investments in Native communities, documenting declines in investments by large foundations and dismal investments by community foundations.¹ From this research, First Nations also learned that most Native-serving nonprofit organizations were not evaluated or ranked by major charity watchdog organizations.

Charity watchdog agencies are important disseminators of information on nonprofit organizations to various donors. Thus, the lack of presence of Native-serving nonprofits potentially perpetuates information gaps between community organizations doing important work to grow strong and healthy Native communities and various potential donors.

This brief provides possible reasons for lack of inclusion of Native-serving organizations on charity watchdog sites and steps that can be taken to increase their visibility on some charity watchdog sites and beyond.²

1 First Nations Development Institute. (2018). *Growing Inequity: Large Foundation Giving to Native American Organizations and Causes, 2006-2014*. Longmont, CO. Also see First Nations Development Institute. (2018). *Community Foundation Giving to Native American Causes*. Longmont, CO: First Nations Development Institute.

2 Although we do not explicitly distinguish between Native-controlled and Native-serving nonprofits in this report, it is important to note there is a difference between Native-controlled and Native-serving institutions. Native-controlled nonprofits are organizations where a majority of their boards of directors are Native American people and are solely mission-focused on serving Native American people and communities. Historically (and this practice continues today), organizations have been created in the name of serving Native American people and communities and in many cases (if not most), these Native American-serving organizations benefit the most from the acquisition of resources. We don't intend to paint Native-serving organizations with a broad stroke, but want to acknowledge this important difference, which reflects a growing trend within the Native American nonprofit sector to increase advocacy and education of Native American-controlled nonprofit organizations.



METHODOLOGY

First Nations examined the presence of the top 37 Native-serving grant recipients, which included all Native-serving organizations receiving 25 grants or more from 2006-2013, and their ranking on various charity watchdog agencies. Top Native-serving grant recipient organizations are those that were top grant recipients according to the Foundation Center's "Grants" data. The Foundation Center "Grants" data contains foundation giving and recipient organization information.³

Of the top 37 Native-serving grant recipient organizations identified in the "Grants" data from 2006 to 2013, First Nations conducted name searches on four charity watchdog websites, including the Better Business Bureau (BBB) Wise Giving Alliance, Charity Navigator, Guidestar, and CharityWatch.

Fifty-six percent of the top 37 Native-serving grant recipients were not ranked on any charity watchdog organization website. Fifteen percent of the top 37 Native-serving grant recipients were ranked on only one charity watchdog website. One organization was ranked by three of the four charity watchdog organizations and another single Native nonprofit organization was ranked by all four watchdog sites. In all, this data highlights that the majority of Native-serving nonprofits are not ranked by charity watchdog organizations.

CHARITY WATCHDOG ORGANIZATIONS

A charity watchdog is a generic term for organizations that rate, review, analyze and provide a plethora of information to the public about nonprofit effectiveness and outcomes. Watchdogs exist to ensure accountability and transparency and some are moving toward inviting nonprofits to define programmatic outcomes to demonstrate effectiveness. They serve as important disseminators of information about nonprofit organizations.

³ For more information on the Foundation Center "Grants" data, please visit <http://foundationcenter.org/gain-knowledge/foundation-data>.



There is evidence to suggest that for some donors, reviews by charity watchdogs are important factors in determining whether to make a charitable gift to a specific organization, especially for individual donors. Thus, ratings by charity watchdogs have the potential to influence nonprofit revenue, since individual donors account for 80% of private philanthropic donations.⁴

Some charity watchdogs review only national and more established nonprofits based on interest to donors nationally, while others provide access on their websites to all nonprofits that can meet defined criteria. The lack of Native-serving organizational presence on charity watchdog sites is disconcerting because this tends to limit dissemination of information on the work of Native-serving nonprofits. Moreover, charity watchdog sites receive millions of visits each year by donors primed to invest and donors rely on these ratings to make philanthropic decisions. Further, some sites even accept donations on behalf of nonprofits and regrant those funds. As a result, Native communities are often left out of the distribution of wealth and accompanying shifting power.

While some charity watchdog sites conduct their own analyses of charities' data, others present in neutral fashion information provided by the charities themselves and by the Internal Revenue Service (IRS). Criteria for donors' assessments often include governance, fundraising, human resources, informational transparency, and others. Each site strives to present how charities are performing either according to the charities' own criteria or by those outlined by the site.

We examined the practices of four of the most well-known charity watchdog sites: the Better Business Bureau (BBB) Wise Giving Alliance, Charity Navigator, GuideStar, and CharityWatch. They were selected based on their reputation for accessibility, adherence to best practices, and popularity among donors. Table 1 lists the charity watchdog agencies we examined, criteria for selection and other information about their rankings.

⁴ Giving USA reports that in 2017, 72% of giving was from individuals, 15% from foundations, 8% from bequests, and 5% from corporations, contributing an estimated \$390.05 billion to U.S. charities.



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Table 1: Charity Watchdog Agency Rating Criteria

Name	How Charities are Selected	Rating Metrics	Criteria
<p>Better Business Bureau’s Wise Giving Alliance www.give.org</p>	<p>Nationally-soliciting charities “that the public has most often asked about” and charities that request to be evaluated.</p>	<p>Twenty identified standards nonprofit either meets, does not meet or they are unable to verify.</p>	<p>Governance and oversight; measuring effectiveness; finances; and fundraising and informational material.</p>
<p>CharityWatch (Formerly American Institute of Philanthropy) www.charitywatch.org</p>	<p>Charities that receive \$1 million or more of public support annually, are of “interest to donors nationally,” and have been in existence for at least three years. They add between 15 to 20 charities per year.</p>	<p>Letter grade from A to F. It analyzes “a charity’s finances and make adjustments to better reflect the goals of most donors who want their cash donations to be used efficiently.”</p>	<p>Conduct evaluations of complex charity financial reporting and examine program and fundraising efficiency.</p>
<p>Charity Navigator www.charitynavigator.org</p>	<p>Have at least \$1 million in revenue for two consecutive years, in operation seven years with 990s for those years, have at least \$500,000 in public support, at least 1% in administrative expenses and in fundraising expenses.</p>	<p>Four-star scale with associated numerical rating.</p>	<p>Evaluate financial health, accountability and transparency.</p>
<p>GuideStar www.guidestar.org</p>	<p>All of the 1.8 million IRS-recognized tax-exempt organizations are included and presented in a neutral format.</p>	<p>Provides information from IRS Form 990 and information provided by nonprofits.</p>	<p>Considers itself the largest database of information on nonprofits. Nonprofits can achieve Bronze, Silver, Gold and Platinum status based on level of information they provide along with progress indicators.</p>



Number of Nonprofits Evaluated	Nonprofits can Add or Provide Information to Profile or for Evaluation	What Native Nonprofits can do to be Included or Enhance Their Presence on Sites	Other Important Information	Endorsement Information
<p>Reports on about 1,800 nationally-soliciting charities and an additional 10,000 regional charities via local BBBs throughout the U.S. using same BBB Wise Giving Alliance (WGA) standards.</p>	<p>Yes</p>	<p>Request to be evaluated via BBB WGA's online form or via a local/regional BBB. See www.give.org for more information on how BBB accredits charities.</p>	<p>Donors and others can file a complaint about a charity nationally or locally. The public can request more information on a nationally-soliciting charity that is not currently listed. This helps inform which charities to evaluate in the future.</p>	<p>Has charity seal licensing if you meet the BBB WGA charity standards that can be used for an annual fee charged on a sliding scale based on the level of total contributions.</p>
<p>Approximately 600.</p>	<p>No</p>	<p>Charity Watch does not accept requests to be evaluated.</p>	<p>Fee-based to view all reviews: Annual individual membership is available for \$50 and corporate membership is available for \$250.</p>	<p>No seal offered.</p>
<p>9,040 public charities rated.</p>	<p>No. The agency gathers information from the IRS Form 990 and the nonprofit's own website. Note in the future it plans to also rate charities on their results.</p>	<p>It does not rate organizations that do not meet criteria. It offers guidelines for donors to consider when charities are not eligible to be rated by Charity Navigator.</p>	<p>11 million visitors annually. It offers online giving through its "Giving Basket" and distributes funds via a third party called Network for Good. Almost \$42 million has been donated by 88,869 donors to 16,782 charities.</p>	<p>Free to use Charity Seal when a charity achieves four stars.</p>
<p>Lists all 1.8 million nonprofits registered in the U.S. and donors can view IRS Form 990s and other documents provided by nonprofits.</p>	<p>Yes. Information on GuideStar comes from publicly-available sources and from the charities themselves.</p>	<p>Review profile and add information. The more information provided (that is requested by GuideStar) by the charity allows it to achieve a higher rating.</p>	<p>GuideStar has 7.2 million unique users (and potential donors to organization) and there is no charge to charities for listings or to add a donate button. GuideStar collects contributions through The K Foundation, which are then granted to nonprofit organizations.</p>	<p>Transparency seal offered for free when charity meets criteria.</p>



BETTER BUSINESS BUREAU

- For some, the Better Business Bureau (BBB) Wise Giving Alliance (WGA) (<https://give.org/>) may be the gold standard for assessing the level of professionalism, program performance, transparency and accountability of nonprofit organizations. BBB assesses 20 standards for charities in governance and oversight, measuring effectiveness, finances, and solicitations and informational materials. BBB's standards reflect current understanding of good governance and management practices (such as no more than 35 percent allowed for fundraising) that tend to reflect accountability and effective performance.
- National charities that solicit nationwide may apply to the national BBB Wise Giving Alliance for review. About 1,800 national charities are reported on by BBB.
- Charities whose solicitation is limited to their local area or region may be evaluated by the 112 BBBs serving local areas. Over 10,000 locally-soliciting charities are reported by using the same BBB Charity Standards as BBB WGA.
- Those nationally-focused charities accepted by the BBB Wise Giving Alliance may apply for a license to use BBB's national charity seal, with fees charged on a sliding scale based on the level of total contributions (not counting government grants and in-kind gifts) received in the past fiscal year. Annual fees range from \$1,000 for organizations with eligible contributions of less than \$1 million, to \$30,000 for organizations with contributions of \$500 million or more. For smaller organizations, even a \$1,000 fee may be excessive.

A simple search of the term “American Indian” only produced about 12 nonprofits, certainly not reflective of the diverse nonprofit sector in Native communities. Of these 12, only two were classified as “Accredited Charities,” meeting all the BBB WGA standards. Using the website’s “Category Search” for “American Indian” yielded 49 nonprofit organizations, including three accredited nonprofit organizations.



CHARITY NAVIGATOR

- Charity Navigator (<https://www.charitynavigator.org>) bases its ratings on information disclosed to the federal government by nonprofit organizations on their IRS Form 990. Information on two broad categories, organizational efficiency and organizational capacity, is interpreted and presented in a comparable format, with nonprofits rated on a scale of zero (very poor) to four (excellent) stars.
 - *Organizational efficiency* measures the ratio of spending that goes toward programming versus administrative and fundraising costs.
 - *Organizational capacity* attempts to measure the prospects for growth and survival of nonprofits by considering total revenue growth, program expenses growth, and reserves of liquid assets.
- Charity Navigator ratings are freely available to its 10 million annual visitors (according to its website), with 8,470 charities rated, irrespective of whether the nonprofits want their ratings to be publicized. Many Native-led nonprofits are not able to meet the restrictive criteria to be included on Charity Navigator (details in Table 1).
- Charity Navigator does not solicit contributions from evaluated charities.

Nine of the top Native-serving grant-receiving organizations were rated by Charity Navigator, having at least two stars.

GUIDESTAR

- GuideStar is the most egalitarian of the charity watchdog sites featured in this report. All of the 1.8 million IRS-recognized tax-exempt organizations are included and presented in a neutral format. 99.94 percent of the 7.2 million unique users access GuideStar's data for free, and there is no charge to charities for their listing.
- Information on GuideStar comes from publicly-available sources and from the charities themselves. The more information provided by the charity the higher the rating assigned (bronze, silver, gold and platinum) which will build more credibility with potential donors.



- GuideStar uses the National Taxonomy of Exempt Entities (NTEE) Classification System developed by the National Center for Charitable Statistics as part of its keyword searching criteria, so “American Indian” and “Native American” are not among the searchable terms for users.

Though one of the most egalitarian, only five Native-serving nonprofits were ranked as receiving a bronze rating or higher. Only one Native organization received a platinum rating.

CHARITYWATCH

- CharityWatch, formerly known as American Institute of Philanthropy, rates approximately 600 large charities that receive \$1 million or more of public support annually, are of interest to donors nationally, and have been in existence for at least three years. It adds 15 to 20 charities per year. While it does not charge the charities reviewed to be listed or for the right to publicize their rating, neither does it accept requests from charities to be rated.
- Website users pay a membership fee to CharityWatch to access their ratings. Annual individual membership is available for \$50 and corporate membership is available for \$250.
- CharityWatch assigns letter grade ratings (A+ to F) based on analyses of charities’ financial reporting, including audited financial statements, tax forms, annual reports, state filings, and other documents. The emphasis of its analysis is on how a charitable organization uses its funding. It provides information on the percentage of funds each charity spends on its charitable purpose, its cost to raise \$100 and whether it holds massive asset reserves.

“American Indian” is a searchable term on CharityWatch. Search results return 16 Native-serving organizations, including many religious organizations that have been criticized for using “poverty porn” to exploit Native communities for charitable donations.⁵ Only one of the top grant recipients was listed and ranked by CharityWatch.

⁵ “Don’t Believe the Hype: Beyond Poverty Porn, Pain and Drunk Indians,” *IndianCountryToday.Com*, accessed June 9, 2018; “Bringing Native American Stories to a National Audience,” *IndianCountryToday.Com*, accessed June 9, 2018; “Our Native Children Are Not Poverty Porn: ‘If One Succeeds,’” *IndianCountryToday.Com*, accessed June 9, 2018; “Intent v. Impact: Of Mark Zuckerberg, Poverty Porn and Native People” *IndianCountryToday.Com*, accessed June 9, 2018,



Are Nonprofit Listings on Charity Watchdog Sites Important?

The short answer appears to be a qualified “yes,” but there is research on both the side of reinforcing the websites’ value to increasing charitable gifts and on the side of diminishing their importance to donor decision-making.

Research affirming the efficacy of charity watchdog sites includes:

- “Positive rating changes were associated with an increase in contributions and organizations with a decline in rating were associated with decreased contributions.”⁶
- “Meeting BBB standards is associated with higher levels of public support ... participating in the program and meeting all the standards could lead to an increase in public support of 30 percent, compared to those that do not meet all the standards ... Meeting one extra standard is associated with an increase in public support of more than seven percent.”⁷
- “Charity Navigator claims that its ratings have had a significant impact on donor behavior. An email from Ken Berger, President and CEO of Charity Navigator (2009) (also posted on its website,) claims that “in a survey of our donors last spring, 83 percent of the 600 who responded said that Charity Navigator significantly affects their giving decisions. A study by the University of Wisconsin put the figure at an even higher 92 percent.”⁸

One study found that BBB Wise Giving Alliance “pass” ratings have a statistically significant effect on the contributions received; however, “did not pass” ratings are not significant.⁹

As far as who is using charity watchdog sites to make donation decisions, these sites tend to be visited most frequently by individual donors, not foundation program officers.¹⁰ However, according to one study, “the overwhelming majority of donors (77.6 percent) do not consult these



6 “Don’t Believe the Hype: Beyond Poverty Porn, Pain and Drunk Indians.” *IndianCountryToday.Com*, accessed June 9, 2018; “Bringing Native American Stories to a National Audience,” *IndianCountryToday.Com*, accessed June 9, 2018; “Our Native Children Are Not Poverty Porn: If One Succeeds.” *IndianCountryToday.Com*, accessed June 9, 2018; “Intent v. Impact: Of Mark Zuckerberg, Poverty Porn and Native People” *IndianCountryToday.Com*, accessed June 9, 2018,

7 Greg Chen, “Does Meeting Standards Affect Charitable Giving? An Empirical Study of New York Metropolitan Area Charities,” *Nonprofit Management and Leadership* 19, no. 3 (2009): 349–65. Shena R. Ashley and David M. Van Slyke, “The Influence of Administrative Cost Ratios on State Government Grant Allocations to Nonprofits,” *Public Administration Review* 72, no. s1 (2012); Barış K Yörük, “Charity Ratings,” *Journal of Economics & Management Strategy* 25, no. 1 (2016): 195–219.

8 Rebecca Szper and Aseem Prakash, “Charity Watchdogs and the Limits of Information-Based Regulation,” *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 22, no. 1 (2011): 112–41.

9 Margaret F. Sloan, “The Effects of Nonprofit Accountability Ratings on Donor Behavior,” *Nonprofit and Voluntary Sector Quarterly* 38, no. 2 (2009): 220–36.

10 A report released in February 2017, commissioned by the William and Flora Hewlett Foundation, reflects that for institutional funders, charity watchdog site ratings are not of primary importance. This first-of-its-kind study of how U.S. foundations access and use knowledge about effective philanthropy revealed that most foundation staff and board members rely on their peers and colleagues as their most trusted knowledge sources and as their preferred means to gather knowledge.



“The overwhelming majority of donors (77.6 percent) do not consult these online intermediaries when making donations. Those who do are likely to fall into one of two groups: **donors who give large sums of money or donors who are engaged in advocacy.**”

77.6%

online intermediaries when making donations. Those who do are likely to fall into one of two groups: **donors who give large sums of money or donors who are engaged in advocacy.**¹¹ But we also know there are greater calls by media and charity watchdog agencies encouraging donors to increase their knowledge when they give donations so they can make better choices when giving their hard-earned dollars.

Despite the two views of whether charity watchdog ratings matter for donors, we do know that charity watchdog sites have a large number of visitors or user accounts and some collect donations on behalf of nonprofits via “Giving Baskets.” For example, Charity Navigator has 11 million visitors annually and almost \$42 million has been donated via its website by 88,869 donors to 16,782 charities. Nonprofits that do not meet its criteria for inclusion are missing critical opportunities to enlist donors and raise awareness of their work.

Why are Native-Serving Nonprofit Organizations Not Ranked by Charity Watchdog Sites?

Two of the four charity watchdog sites have barriers to many Native organizations being listed.

- The invitation-only nature of CharityWatch precludes any organization from proactively seeking to be included on that site. CharityWatch focuses on evaluating large charities that receive \$1 million or more of public support annually, are of interest to donors nationally, and have been in existence for at least three years. They are member-interest-driven, so donors nationally would need to be interested in funding Native-serving organizations and CharityWatch would need to be aware of this interest for Native groups to come onto its radar screen. These criteria are major hindrances to Native-led organizations as only a small minority receive over \$1 million annually, and many are younger and/or serve local or regional Native communities.
- Charity Navigator has several criteria that are difficult to meet for many Native-led nonprofits, including the following:
 - o **Revenue:** The charity must have generated at least \$1 million in revenue for two consecutive years. Charity Navigator has determined that the financial profile and governance practices of small nonprofits tend to be different from larger organizations, so presenting organizations of different sizes in a comparable way would be difficult, according to its current practices.

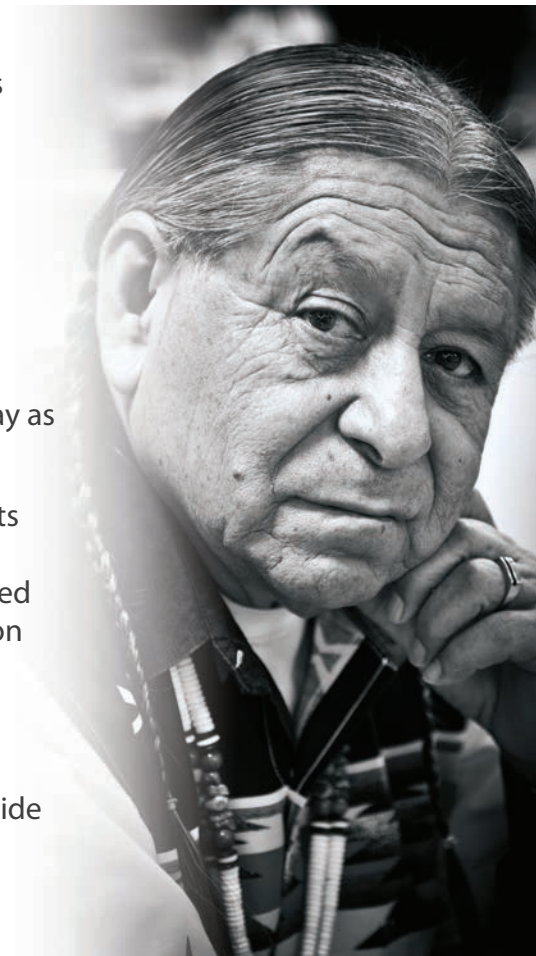
¹¹ Ram A Cnaan et al., “Nonprofit Watchdogs: Do They Serve the Average Donor?,” *Nonprofit Management and Leadership* 21, no. 4 (2011): 381–97.



- o **Length of Operation:** The organization must have been in existence, with corresponding IRS Forms 990, for at least seven years. Charity Navigator holds similar views as above regarding the difficulty of comparing new organizations to established groups.
- o **Public Support:** The charity must have at least \$500,000 in public support. Public support must account for at least 40 percent of total revenue for at least two consecutive years. In contrast, many Native-led nonprofits have organization budgets under that threshold.

Nonprofits opt into other charity watchdog sites like the BBB Wise Giving Alliance (national or local) and also input information on their GuideStar profile. There are several reasons Native-serving nonprofits may not prioritize participation in these charity watchdog sites, including:

- Updating and monitoring information on these sites requires administrative staff time. Many smaller and emerging nonprofits may not have staff to continually update these websites.
- Most studies on charity watchdog sites have focused on the information they provide to individual donors (as opposed to corporate, foundation or other kinds of donors). Most Native nonprofits do not have individual donor programs (or they are still in early stages of development). Without robust individual donor programs, many Native nonprofits rely on foundation and government grant sources and these watchdog sites may not play as significant a role in their funding decisions.
- Beyond foundation and government grants, Native-led nonprofits may be focused directly on fundraising from their community members and small businesses, through more community-focused philanthropy, emphasizing their relationships and local reputation and visibility.
- There may need to be increased education for local Native nonprofits on the value of these websites in promoting their organization and building credibility with individual donors outside their immediate sphere, along with the ability of users to make contributions directly through the sites.





How can Native Organizations Increase Their Presence on Charity Watchdog Sites?

Native nonprofits, especially those organizations that have a small staff and organizational budget, have hard choices about how they invest their dollars for organizational development. One area they may need to consider is investing time in ensuring compliance with charity watchdog agencies. Native nonprofits may not be able to participate on charity watchdog sites like Charity Navigator and CharityWatch as these organizations have their own criteria for inclusion.

But watchdog sites like the Better Business Bureau's Wise Giving Alliance and GuideStar are outlets that Native nonprofits may wish to explore and participate in. These two watchdog sites allow nonprofits to opt into their system and provide annual updates on their organizational outcomes via defined criteria.

Again, Native nonprofits need to be aware that it does take staff time and effort to opt in to these monitoring systems. Native nonprofits have to update their information on sites and submit necessary oversight information at least annually.

Recommendations for Donors When a Nonprofit is Not Reviewed By Charity Watchdog Organizations

1. **Communicate Directly**

If you are interested in investing or have questions before you donate to a local charity, email or call the nonprofit. Or, set up a visit if you live nearby and meet the staff.

2. **Social Media**

Nonprofits in rural and reservation communities often utilize low-cost social media to communicate how they achieve their mission, events information and programs. Follow nonprofits you are interested in on Facebook, Instagram, Twitter, etc.

3. **Prioritize Native-Control**

Invest in nonprofits that are Native-controlled or have at least 51% of their governing boards identified as Native American, as these Native-controlled organizations are doing exceptional work often with limited philanthropic support.



Moreover, these watchdog agencies update and change their rating systems in ways that may not make sense or reflect how Native nonprofits do their work. As a result, when standards are updated, Native nonprofits may have to update and change their practices in an effort to maintain accreditation or watchdog rankings. In other words, watchdog standards (especially when they initiate changes) can have real implications for the way small Native nonprofits do business (and this can be both positive and burdensome).

Native nonprofits may wish to also look at different ways to communicate their credibility and effectiveness to external donors. For example, “Great Nonprofits” (see box) utilizes community-sourced reviews from stakeholders to assist donors in making philanthropic decisions. There are ways that Native nonprofits can use different media to communicate and demonstrate effectiveness with potential donors.

Great Nonprofits: Community-Sourced Reviews of Charities

Established in 2007, Great Nonprofits (www.greatnonprofits.org) allows the people who know nonprofits best – donors, volunteers and clients – to share their personal experiences with reviews of charitable organizations. Any active nonprofits can claim their page for free and get started by creating their profile and reaching out to stakeholders to begin writing reviews and providing a numerical rating on a scale from 1 to 5.

With 3 million site visitors a year and 200,000 reviewed nonprofits, Great Nonprofits’ goals include helping prospective donors and volunteers differentiate between nonprofits, find ones that they trust, and become more confident in giving or signing up to volunteer. There are community guidelines for posts and they reserve the right to remove posts. Great Nonprofits compares its crowd-sourced reviews to the ones used on sites like Yelp and Trip Advisor and feels that bottom-up feedback can improve the trust and transparency of the nonprofit sector.

Great Nonprofits offers a “Top-Rated” badge for free when a charity meets requirements, which include keeping a rating of 3.5+ and obtaining a certain number of positive stories. Site users can even donate to a charity through the site’s Giving Basket, which is processed and distributed to charities by its partners Stripe and JustGive.

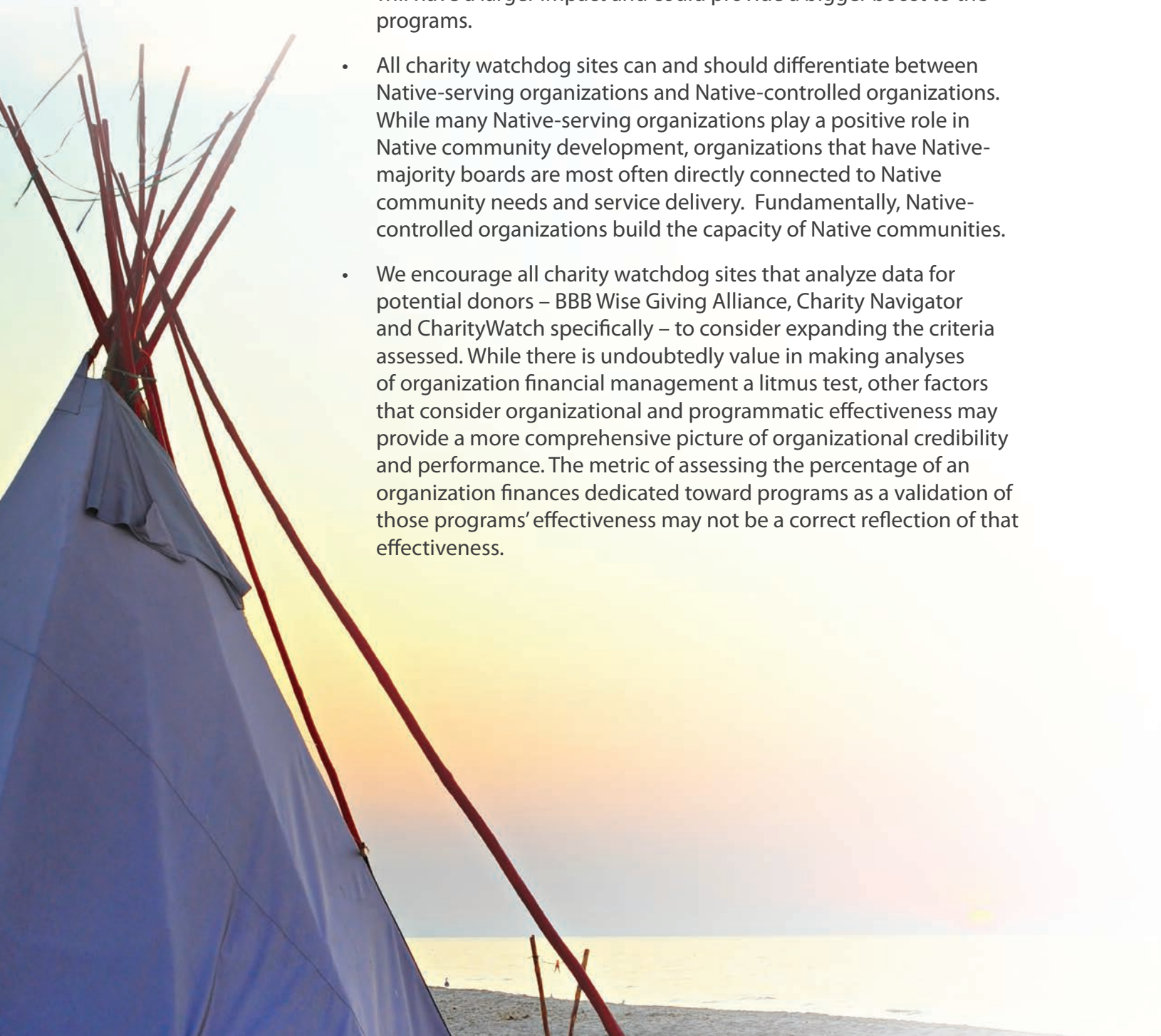


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What Can Watchdog Agencies Do?

Charity watchdog sites can also consider making changes to their rating systems to ensure greater inclusion of Native American nonprofit organizations – and that would better serve philanthropic donors who care about Native communities.

- Having thresholds of budget size and organization age means that many Native organizations may be excluded. We appreciate the value of assessing organizations in an apples-to-apples fashion, but for some donors, a smaller organization means that their donation will have a larger impact and could provide a bigger boost to the programs.
- All charity watchdog sites can and should differentiate between Native-serving organizations and Native-controlled organizations. While many Native-serving organizations play a positive role in Native community development, organizations that have Native-majority boards are most often directly connected to Native community needs and service delivery. Fundamentally, Native-controlled organizations build the capacity of Native communities.
- We encourage all charity watchdog sites that analyze data for potential donors – BBB Wise Giving Alliance, Charity Navigator and CharityWatch specifically – to consider expanding the criteria assessed. While there is undoubtedly value in making analyses of organization financial management a litmus test, other factors that consider organizational and programmatic effectiveness may provide a more comprehensive picture of organizational credibility and performance. The metric of assessing the percentage of an organization finances dedicated toward programs as a validation of those programs' effectiveness may not be a correct reflection of that effectiveness.





Conclusion

Native-serving nonprofits are not abundantly represented on charity watchdog sites. This can significantly limit the flow of information to potential donors.

While Native nonprofits may not meet the criteria to be included in all charity watchdog assessments, there are some outlets they can consider for inclusion. Participating in these assessment programs and striving to meet their standards may, over the long term, lead to additional financial resources, raise awareness of their work and bolster their ability to serve their communities. Important to this is that potential donors also provide increased unrestricted funds, so emerging nonprofits have the capacity to maintain profiles and submit requested information to charity watchdogs.

But as highlighted in this brief, there are costs to participating in these watchdog sites. Thus, these are just considerations for Native nonprofits. However, First Nations does encourage Native nonprofits to have greater discussions and give additional consideration to how they can reach a broader audience to communicate and demonstrate their exceptional work. This may not only strengthen individual organizations but also strengthen the overall Native nonprofit sector by contributing to its visibility.



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