

CHARITY NAVIGATOR



Mission: Make impactful philanthropy easier for all.

# ANNUAL REPORT

## 2020

# A Letter from our President & CEO

COVID-19 has transformed our world. Governments, charities, businesses, everyone who could, stepped up to help wherever possible. Charity Navigator served millions in their giving decisions and delivered on our promise to expand our ratings coverage as we launched the Encompass Rating System. We are galvanized to continue the journey of deepening our ratings by launching additional measures of nonprofit effectiveness. **In so doing, we aim to help you turn your generosity into impact!**

Michael Thatcher  
President & CEO

Last year's incredible challenges had a way of stripping away all that was not essential in our lives, our work, and our giving. While no one could have predicted how it would unfold, it is extremely heartening that millions of people stepped up more than ever before, to support the causes close to their hearts in their efforts to make things better for others and our world. Giving was essential.

**With more than 11 million visits to our site and \$25 million donated through our Giving Basket, Charity Navigator was an essential tool of choice for many.** Our work matters. If you are reading this, it's safe to assume that you use Charity Navigator and maybe even support us directly. Thank you for your generosity and investments in us and through us.

During times of crisis, Charity Navigator often sees a surge in traffic as people seek to help those affected by the crisis through the charities directly providing

assistance. We've seen this a lot over the years, but we have never experienced multiple natural disasters quickly followed by a global pandemic. **The response was and continues to be overwhelming. It has been an honor to meet this need through our carefully curated COVID-19 Top Nonprofits list.** Furthermore, it was heartwarming to see the world come together for GivingTuesdayNow, a global day of giving and unity, as an emergency response to the unprecedented need caused by COVID-19. Charity Navigator partnered with the GivingTuesday organization, along with other platforms and nonprofits, to help create a wave of generosity. On this day, May 5, 2020, Charity Navigator experienced a 177% increase in traffic and a more than 1500% increase in dollars donated through the Giving Basket in comparison to the same day in 2019.

Our ratings and impartial information on thousands of nonprofits help donors differentiate between them in their giving. Over the past few years, we have been

developing an approach to expand how many charities we rate as well as what metrics go into the rating. **The Encompass Rating System will live alongside our long-relied upon Star Rating System. A beta test version was released in June 2020, expanding our coverage from 9,000 to more than 160,000 nonprofits.** Stephen Rockwell, who joined Charity Navigator as our Chief Ratings Technology Officer in 2019, successfully drove this process and continues to expand upon it today. In addition to increasing the number of nonprofits we rate, Stephen is expanding the metrics we use for evaluations to provide a more holistic view of nonprofit effectiveness through Encompass.

The past year taught many of us how to refine our focus and actions on that which was most essential. We deeply appreciate our donors for staying true to us and supporting our work. **You can take pride in knowing how your use and support of Charity Navigator impacts the strength of the nonprofit sector and the lives and causes that these organizations serve.** We are grateful to have you with us on the journey of greater enhancements to our ratings, and look forward to sharing our progress.

Warm regards,



Michael Thatcher  
President & CEO





# Our Path to Increased Scale and Depth

For years, donors have used Charity Navigator’s 4-star rating system to inform giving decisions, and charities have highlighted their ratings to raise awareness and funding. But, with more than 1.6 million nonprofits registered in the U.S., Charity Navigator knew it could have an even greater impact on the charitable sector if it scaled its ratings to be more inclusive of organizations of all sizes.

To provide donors with more choice for their philanthropic investments and nonprofits with a set of measures to differentiate themselves, we embarked on an ambitious journey to build the Encompass Rating System. This included:

- » Processing of hundreds of thousands of electronically filed IRS Form 990s by nonprofits
- » Engaging with science and technology-driven financial services company Two Sigma’s Data Clinic to analyze trends in nonprofit financial data
- » Brainstorming sessions with all team members
- » Hiring Chief Ratings Technology Officer Stephen Rockwell
- » Dedicated Encompass Rating Team formed with the goal of rating more than 100,000 nonprofits
- » User testing to:
  - » Get feedback on the included metrics and methodology
  - » Determine what factors are important to donors when deciding to give
  - » Get initial impressions on visual formats for system design
  - » Determine the look and feel and name of the new system
  - » Get feedback on the information architecture and design of the profile page
- » Interviewing stakeholders such as nonprofits, for-profits, industry experts, and donors
- » Forming Charity Navigator’s Consultative Council of Nonprofit Leaders
- » Forming a Ratings Expert Group with industry experts, board and senior staff
- » Launching a private beta version of Encompass with more than 150,000 nonprofit ratings with an invitation to the donors who supported our spring campaign



# What Your Support Made Possible This Year



**+3 NEW TEAM MEMBERS**

We were fortunate to welcome three new team members, increasing our “small but mighty” organization to 22 full-time Navigators. Stephen Rockwell joined as our first-ever Chief Ratings Technology Officer; Stacy Steele joined as our Director of Marketing and Communications; and Grace Dowd joined as our Major Gift Officer.



**11.3 MILLION WEBSITE VISITS**

The value of our key products and features — nonprofit profiles and ratings, Advisories, and Giving Basket — is evident by the number of times Charity Navigator is accessed. Donors rely on us as an independent source of information to help guide their philanthropic giving.



**26,000+ CHARITIES WITH IMPACT INFORMATION**

Provided through partnerships with Guidestar by Candid, ImpactMatters, and GlobalGiving, this information outlines the progress organizations are making toward their missions and/or the difference donations make.



**8,875 STAR RATINGS ISSUED**

Our long-relied upon Star ratings continue to be a source of pride for nonprofits that are rated, and donors who may look to more established organizations as beneficiaries of their philanthropic giving.



**16,000+ DONORS SUPPORTING ENCOMPASS**

In March, we reached out to our donors and users and asked them for their support of our efforts to scale the number of nonprofits we rate. We saw increased participation by 68% compared to our spring 2019 appeal. Supporters were provided with early access to the beta version of Encompass.



**209 ADVISORIES ISSUED**

In an effort to ensure that philanthropists have access to as much information as possible to inform their giving, Charity Navigator’s Advisory Issuance Committee publishes reports of potential and confirmed misconduct being investigated by the media or governmental agencies.



**1.67 MILLION E-FILED 990S INGESTED**

Through the development of a new technological infrastructure, Charity Navigator now automatically consumes electronically filed IRS Forms 990. IN FY20, 1.6 million 990s for several years were processed for 320,000+ organizations. This data set the stage for the Encompass Rating System, empowering our team to analyze trends and create initial metrics.

# Hot Topics: Responding in Times of Need

Millions of donors rely on Charity Navigator during times of crisis to guide their giving. With our Hot Topics, those looking to help are afforded lists of highly rated nonprofits that have been vetted by our expert analysts involved in relief, recovery, and/or advocacy efforts.

In fiscal year 2020, we proudly produced Hot Topics for donors looking to support organizations combating the effects of COVID-19, nonprofits defending civil rights, and charities providing relief for those affected by Hurricane Dorian, fires in the Amazon, and the Australian bushfires.



▲ President Barack Obama retweets Charity Navigator’s COVID-19 Hot Topic list with message encouraging donor giving for those affected (March 19, 2020).

# Charity Navigator in the Press

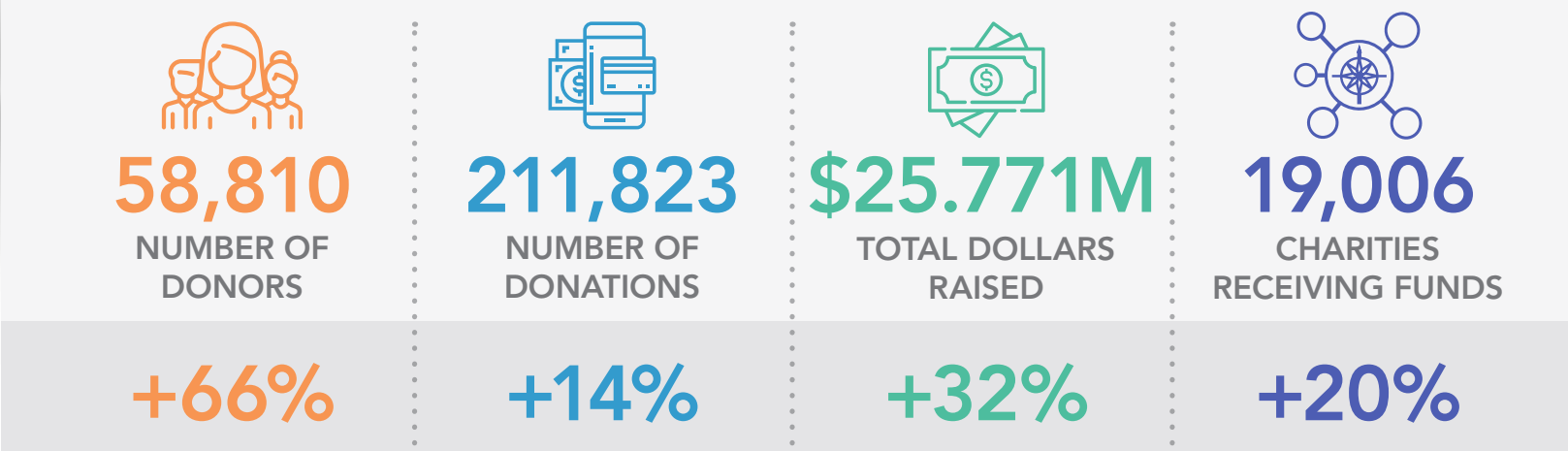
5.2 BILLION  
IMPRESSIONS

Charity Navigator is often the media’s go-to resource for ways to find and support trustworthy nonprofits. In FY20, Charity Navigator was referenced or featured in 375 articles.

- Forbes** 5 Steps To Make More Informed Charitable Giving Decisions  
<https://www.forbes.com/sites/krisputnamwalkerly/2019/12/19/5-steps-to-make-more-informed-charitable-giving-decisions/?sh=8ec7efaab581>  
(Forbes, December 21, 2019)
- yahoo! finance** How To Make Strategic & Impactful Donations, According To A Personal Finance Expert  
<https://finance.yahoo.com/news/strategic-impactful-donations-according-personal-163425202.html> (Yahoo! Finance, June 26, 2020)
- The Washington Post** Coronavirus scams: guard against fraud cures and other cons  
(Washington Post, April 8, 2020)
- HUFFPOST** Celebs Join ‘Weird Al’ Yankovic For A Unenthusiastic Version Of ‘Eat It’  
[https://www.huffpost.com/entry/celebrities-sing-weird-al-eat-it\\_n\\_5ebce961c5b695614e5066ad](https://www.huffpost.com/entry/celebrities-sing-weird-al-eat-it_n_5ebce961c5b695614e5066ad) (Huffington Post, May 14, 2020)

## GIVING BASKET STATS

Charity Navigator’s Giving Basket empowers donors to support multiple nonprofits in one convenient checkout.



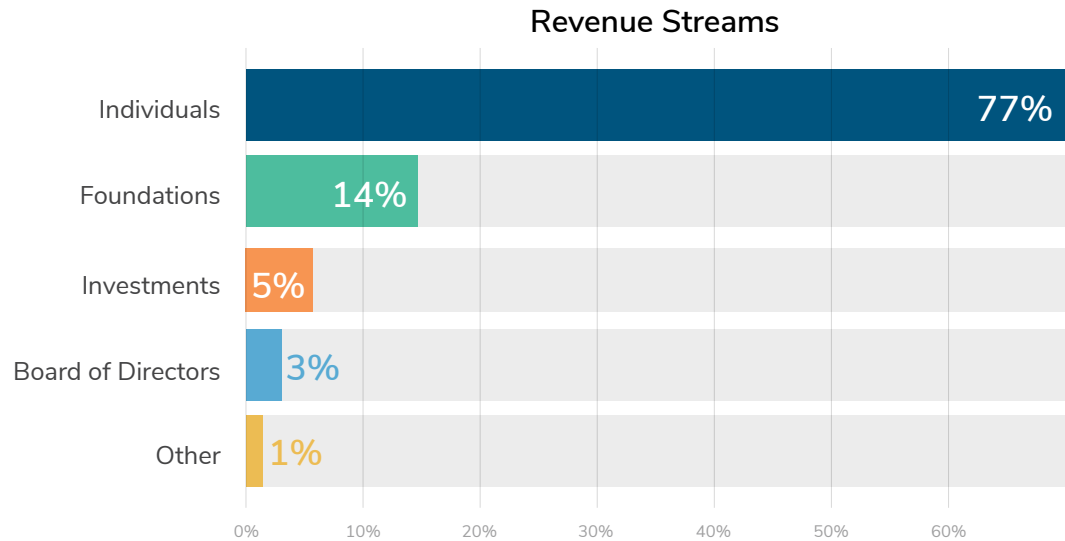
Compared to Giving Basket activity in fiscal year 2019



# Our Financials

Charity Navigator is funded, in large part, by the individuals who rely on our service to make more thoughtful and impactful donations. However, this isn't our only source of revenue. Our diverse funding streams create a solid platform for us to build our service on.

## WHERE OUR FUNDING COMES FROM

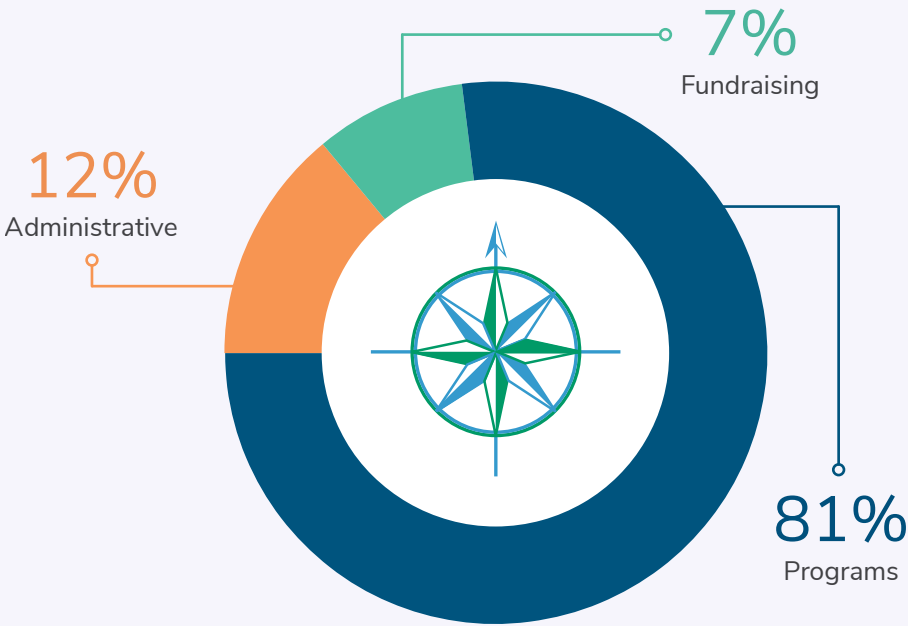


Total contributions in FY2020:  
**\$4,617,142**

Total expenses in FY2020:  
**\$4,504,676**

Ending Net Assets FY2020:  
**\$3,666,782**

## Breakdown of Expenses



# Our Board of Directors

- Matt Giegerich**  
CHAIRMAN OF THE BOARD  
Chief Executive Officer  
The Inception Company  
Fairfield, NJ

**Marie Wieck**  
VICE CHAIR OF THE BOARD  
Technology Executive  
Cold Spring, NY

**Cheryl Black**  
TREASURER  
Managing Director  
J.P. Morgan Private Bank  
New York, NY

**Michael Cooney**  
SECRETARY  
Partner  
Nixon Peabody, LLP  
Washington, DC

**Pete Dugan**  
Vice President, Business Development  
PDS Preclinical Data Systems, Inc.  
Ramsey, NJ

**Jeffrey R. Graubard**  
Principal  
The Other Agency  
New York, NY
- Loretha Jones**  
Principal  
Thompson 227 Media  
Los Angeles, CA

**Hope Lyons**  
Director of Program Management  
Rockefeller Brothers Fund  
New York, NY

**Kern Schireson**  
Chairman & CEO  
Known  
New York, NY

**Michael Thatcher**  
President and Chief Executive Officer  
Charity Navigator  
New York, NY

**Jerry Webman**  
New York, NY

**Dan Weiss**  
New York, NY

**Dorothy Crenshaw**  
CEO  
Crenshaw Communications  
New York, NY
- Rabia de Lande Long**  
Managing Director  
Chartwell Advisors, Inc.  
New York, NY

**Michael Dix**  
Founder & CEO  
Intentional Futures  
Seattle, WA

**Shannon McCracken**  
Chief Executive  
The Nonprofit Alliance  
Washington D.C.

**Rhoden Monroe**  
Founder & CEO  
CariClub  
New York, NY

**Richard Nathan**  
President  
Richard Nathan Consulting LLC  
New York, NY

**Diane Whitty**  
Global Head  
The Philanthropy Centre at J.P. Morgan  
New York, NY



A special thank you to our funding partners

BILL & MELINDA  
GATES *foundation*

 **FIDELITY** Charitable<sup>SM</sup>

POINT OF VIEW  
FOUNDATION

MacArthur  
Foundation

IBM

THE  
O'SHEA FAMILY  
FOUNDATION

 CORNELL DOUGLAS  
FOUNDATION

 **HOBBS**  
FOUNDATION

We'd love to hear from you!

We've  Moved

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