’Tis Better to Give Wisely

Get informed before you donate to your favorite AIDS service organizations.

November 26, 2012 By Trent Straube

For many people living with HIV—and the groups that serve them—the holidays are not always a time of joy, especially in the midst of the Great Recession and the wake of Hurricane Sandy. They need your help and will be asking for it right about now. But before you get into the seasonal spirit of gift-giving and fundraising, heed some advice from Charity Navigator, a nonprofit group that offers guidance on smart, responsible giving.

First off: Don’t make a donation to a telemarketer, even if the caller represents a group or cause you want to support. Why? Telemarketers are middlemen who take a huge chunk of each dollar they collect. (Also, we don’t need to remind you not to give out personal information such as credit card numbers on the phone, do we? Good.)

Likewise, you want to know how much of your donations are going to overhead versus going to programs and services. Blogger Michael Petrelis raised this issue in September with a post titled “$300K-Plus Club: 12 Gay & AIDS Executives’ Pay.” After looking at tax returns for related nonprofit service organizations, Petrelis found 12 executives who broke the $300,000 annual salary mark. (HIV executives making the list in 2011 include: amfAR’s Kevin Frost at $388,000, AIDS Healthcare Foundation’s Michael Weinstein at $380,000, Food & Friends’ Craig Schniderman at $374,000, God’s Love We Deliver’s Karen Pearl at $318,000 and amfAR’s Jerome Radwin at $300,000.)

While six-figure salaries may seem exorbitant, are they? What’s a fair pay scale for a chief executive—for that matter, how do you find out their salaries? Again, Charity Navigator offers valuable insight. Its “2010 Compensation Study” compared 3,005 mid- to large-sized U.S. charities. Not surprisingly, salaries varied depending on region (the mid-Atlantic pays higher) and the organization’s size. If the charity’s total expenses were between $50 million and $100 million, the median CEO salary in 2008 was $336,104. If the expenses were between $3.5 million and $13.5 million, the average salary was $157,056.

How do you ascertain the salary and expenses? First, check out CharityNavigator.org and see if the group you want to support is listed. The site rates tax-exempt U.S. organizations on their financial health, accountability and transparency, including breakdowns of the organization’s revenue and expenses. By comparing data with similar-sized groups, you can see how your CEO

rates.

Another way to find fiscal info on your AIDS service organization or any nonprofit is to look for its IRS 990 tax forms on its website. Charities that are most transparent regarding their finances make this information accessible to the public. If you can't find it, then don't hesitate to call or email to request a copy. While you're at it, ask for tax forms from the past several years so you can look for trends.

"Savvy donors," writes Charity Navigator, "know that in most cause areas, the most efficient charities spend 75 percent or more of their budget on their programs and services and less than 25 percent on fundraising and administrative fees.... Savvy donors also seek out charities that are able to grow their revenue at least at the rate of inflation, that continue to invest in their programs and that have some money saved for a rainy day."

Another thing: Before giving to an organization, be sure that it has tax-exempt status, meaning that it is a 501(c) (3) under the Internal Revenue Code. (For more advice, visit Charity Navigator's handy "Tips for Donors" page, where you'll find everything from "Top 10 Best Practices of Savvy Donors" to "Protecting Yourself from Online Scams.")

It also doesn't hurt to take a look at an organization's board of directors. Are any of the members openly living with HIV? Do they represent the community the group is supposed to be helping?

Finally, get educated about the HIV/AIDS community and donate to the groups that support the causes and philosophies you hold important. Take, for example, the AIDS Healthcare Foundation. It provides medical services and HIV testing around the globe. As Petrelis revealed, its founder Michael Weinstein reported a 2011 salary of $380,000 and the company's revenue totaled $141.8 million that year—a sizable increase from the $97.2 million reported in 2010. Weinstein is also a vocal and visible advocate. He led the recent charge to enforce condoms in the Los Angeles porn business, and AIDS Healthcare Foundation publicly opposed the Food and Drug Administration (FDA) approving Truvada as pre-exposure prophylaxis (PrEP) to prevent HIV. The FDA did in fact approve the daily pill for PrEP. Is this the type of advocacy you want to support with your dollars? Does the messaging take a back seat to the medical help the group provides? Only you can decide, but these are the kinds of facts that allow you to make an informed decision either way.

Similarly, do you want to support a specific niche in the HIV world? How about cure research? Or aid for the homeless? Or LGBT youth? Or mother-to-child transmission? To be sure, there's no shortage of need. So open your heart and your pocketbook and spread some joy this holiday season. And do it wisely.

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