

Billions of Dollars Donated by Millions of Users

Thoughts on the First Ten Years of Charity Navigator

By Ken Berger, President & CEO of Charity Navigator, and Craig Newmark, Founder, Craigslist and craigconnects

April 4, 2012

Charity Navigator is estimated to be influencing billions of dollars (between 5 and 10 billion at last count) of charitable gifts each year provided by over 3 million unique visitors (generating roughly 5 million visits). That is a big deal. No other charity rating organization that we are aware of, anywhere in the world, can come close to that level of impact. [Charity Navigator's website](#) turns ten years old on April 15, 2012, so we thought you might like to learn a bit about this unique organization.



The organization was created by [John \(“Pat”\) and Marion Dugan](#) because they shared a goal that strongly resonates with the average donor. To help donors with every type of charitable interest, regardless of how much they plan to donate, to make the best charitable giving (or as we like to think of it – social investment) decisions they can. The founders hoped that donors would increasingly move away from making their charitable giving/social investment decisions based solely on their heart (although that is absolutely where giving should start from). Instead, they wanted donors to see the importance of using their “heads” by reviewing objective data, so that they would not be “heartbroken” by unworthy charities that are only good at marketing themselves (relying on “tear jerker” storytelling that is not representative of their poor performance overall). For me (Craig) the Dugan’s fundamental desire is the same as my own - to meet the need to help people find good, effective nonprofits that get the job done, and to avoid ineffective, possibly bogus nonprofits. Over the past ten years, Charity Navigator has continually upped their game to achieve those fundamental goals.

In that same time, Charity Navigator has become not just a charity rating and information service, but also a watchdog and advocate for the interests of donors. Charity Navigator is one of the rare voices providing frank and open opinions about the “good, bad and ugly” truths about charities and their work. As a result, Charity Navigator is constantly being turned to by the

[media](#), [academia](#), foundations and [government](#) for a truly independent viewpoint on the charitable sector. These calls for Charity Navigator's expert opinion over the years are from every corner of the USA and have increasingly gone global (including [Canada](#), [Russia](#), [Asia](#), [Europe](#)). In fact, government, private individuals and organizations in over 20 countries have asked Charity Navigator to help them to create a rating system for them. Although this dream has not yet been realized, the increasing interest measured by the requests for help, indicate that the mission of Charity Navigator has worldwide appeal and will eventually go global.



For me (Ken), it has also been amazing to observe Charity Navigator's **tremendous influence on charities**. For example, in the first five months since September of 2011 when Charity Navigator launched the newest version of its rating system ([CN 2.0](#)), fully 25% of the charities rated by Charity Navigator have made changes to their governance structure, accountability practices and/or web site information to meet Charity Navigator's new standards. **There is no other non-funder organization that has such tremendous impact and leverage to change the behavior of charities for the better**. It is a humbling position to be in that is taken very seriously by the Board and staff of Charity Navigator. As a result, Charity Navigator has been in ongoing consultation with an [Advisory Panel](#) (that includes Craig) to get a wide variety of viewpoints and insights before making major changes to its rating system.

Looking toward the future, Charity Navigator intends to continue to provide even more powerful tools and more in-depth rating information to help donors make wise decisions (learn more about [Where We Are Headed](#)). As we noted at the beginning of this article, **Charity Navigator influences billions of dollars of charitable gifts/social investments each year and yet the organization only has a budget of \$1 million**. Charity Navigator does not charge anyone for access to its information, neither users nor the charities we rate. In fact, we offer 4-star rated charities [free use of our 4-star logo](#) for use in their fundraising and PR endeavors. We are constantly [hearing stories from charities](#) about the thousands and even millions of dollars they have received from formerly unknown supporters because of their use of the Charity Navigator 4-star logo.

The US charitable sector is the largest in the history of the world. It has grown rapidly over the past four decades and now generates 1 out of every 10 jobs. Many people do not realize just how enormous it is. The charitable sector is estimated to garner somewhere between **\$1.5 and \$2 trillion in annual revenues**. That is almost 10% of US GDP. Charities do not just provide direct services based on donors charitable gifts (about \$300 billion in private contributions were made to charity last year). In fact, government at every level relies heavily on charities to provide

critical services to the public (estimated at over one half trillion dollars).* With so much money involved in providing critical services to the public, the role of Charity Navigator as rating agency, information provider and watchdog is more critically important than ever.

While Charity Navigator has been tremendously successful at getting other good charities additional support for their work and giving donors a place to go for the independent and objective information they need, Charity Navigator has a “connect the dots” problem when it comes to its own work. When most people think about giving to a charity, they consider those organizations that provide direct services to people or communities. If charity is only thought of that way, then Charity Navigator appears to be an “odd duck”. The challenge is for people to connect the implications of the fact that **CHARITY NAVIGATOR helps to drive billions of dollars to high performing charities of all kinds**. Truly, money donated to Charity Navigator [aids millions of donors in identifying the most efficient and effective charities in the causes they care about](#). Which means that **countless more people and communities are being helped than would occur without Charity Navigator**. It is critical that those of you who read this make that connection, since Charity Navigator relies heavily on the voluntary donations of its users to achieve its impressive and unique results.

We hope that as we celebrate the amazing ten year achievements of Charity Navigator, you will [join in support of this exceptional organization](#) and help it to grow stronger so it can do an even greater job of guiding intelligent giving. [Click here](#) to learn more about supporting Charity Navigator. **Happy 10th Anniversary Charity Navigator!**

** The rest of the revenues that come into the charitable sector are from fee for service income that includes what people pay for things such as college tuition and health care costs.*

[Source](#)