



# CHARITY NAVIGATOR ANNUAL REPORT 2013

YOUR GUIDE TO INTELLIGENT GIVING SINCE 2002

*Dear Friends,*

**2013** marked the beginning of our second decade. We achieved several ambitious goals we set for the year and delivered on promises made to you, our valued users and supporters. The most important of these are detailed here but we have many more listed for your review on page two.

January ushered in the launch of CN 3.0. Four years of arduous research and development led up to this critical expansion of our primary service (our charity ratings) and, at year's end 600 charities had results data displayed on a dedicated tab on their rating pages on CN's web site. In 2014, we will be tripling—to 1,800—the number of charities that have results reporting information available for you.

March ushered in the addition of 1.4 million US nonprofits to the CN web site. With this accomplished, our registered users can now access all publicly available Forms 990 and 990-EZ (charities' annual information report to the IRS) for any charitable organization that is IRS registered. In the coming year, we intend to make these pages much more robust.

We also made a commitment to you to add 1,000 new charity ratings in 2013 (bringing the total to 7,000), a goal which we handily achieved. And, by year end 2014, we will have 8,000.

Not a registered user of our site? If so, we encourage you to become one (it's absolutely free) so that you can vote for charities to be rated as well as access the wide array of enhanced features available to those who are registered. The process takes only a few moments and you can get started by clicking the link in the far upper right hand corner of the CN site home page.



*Capping Off a Great Year -- CN Rang the NYSE Opening Bell*

In October, we were delighted to meet many CN users and supporters as well as make many new friends at an event hosted in Washington, D.C. We have another event planned for early October 2014 in Seattle—please let us know if you live or work in the area and would like to join us! Also feel free to join us on our Facebook page and follow Ken on LinkedIn to receive his monthly articles on philanthropy.

As always, you have our heartfelt thanks for another successful year! We exist to serve you. Your consistent support, feedback and encouragement inspire us as we forge ahead in scaling up our operations. Since **less than 1%** of our users currently support our work, we need many more of you to help us so we can continue to serve you well. So please join our donor family or, if you're already on board, please consider increasing your support as we strive to continuously improve and serve you even better in the years to come!

*Pat Dugan*  
Chairman

*Ken Berger*  
President and CEO

## Introducing.....CN 3.0!

CN 3.0 debuted in January 2013 with results reporting data displayed for 3 charities in the pilot cause area—children's and family services. By year's end, we reached our goal of 600, with the pilot cause area completed and substantially all of the second cause area—youth development, shelter and crisis services.

### Introducing Results Reporting

The Third Dimension  
in Intelligent Giving

[Learn More](#)



AND EXPANDING OUR EFFORTS TO BETTER SERVE YOU

# PROGRESS IN OUR 4 STRATEGIC DIRECTIONS

## 1. Create an enduring and scalable organization

- Our users once again increased their support, and along with an increase in earned income, CN ended the year with a comfortable operating surplus.
- Four additions to staff (3 program analysts and 1 assisting with administrative, communications and development functions) were vital in achieving all key target goals set for 2013.
- The Trustees' Philanthropy Fund of The Fidelity Charitable Gift Fund provided funding for CN's performance management system, enabling us to become a role model for what we expect from charities with the application of CN 3.0 rating metrics.

## 2. Further product development to better serve you

- The Hewlett Foundation awarded us \$100,000 of renewal grant funding to continue development and implementation of CN 3.0. We were also informed that we will receive an additional \$100,000 in 2014.
- The Morris Foundation doubled their support to \$30,000 and committed that funding amount for the foreseeable future.
- Tech staff began a major overhaul of the CN website by simplifying the home page with a slide screen, more drop down menus and prominent placement around the site of options for users to share and/or link to us via social media.
- CN went mobile, with a mobile version of the site launched along with the implementation of apps for iOS and Android operating systems.

## 3. Remain a leading industry authority and donor advocate

- Two years post launch of CN 2.0, roughly half of all rated charities have made positive changes to their governance practices, web site content and have taken additional steps to improve their A&T scores.
- CN's Ken Berger and our long-time collaborator on many fronts, Dr. Robert Penna, signed a contract with Wiley to write a book with the working title, "Charity That Counts: The Charity Navigator Guide to Intelligent Giving".
- Major philanthropists—including the Buffet Family and Bill Gates—recommended our services in their respective online presence.
- As a fitting conclusion to CN's participation on a special task force of the US Combined Federal Campaign Commission (CFC), Ken Berger provided oral and written testimony (a first in CN's history) regarding proposed changes to the CFC before a US Congressional Subcommittee.

## 4. Grow site utilization and donor markets

- CN had 6.9 million visits to our website made by 4.8 million unique visitors, breaking 2012's result by 11% and 9%, respectively.
- Donors searching for unrated charities are now provided with a page of information plus links to publicly available Forms 990 and 990-EZ for 1.4 million IRS-registered nonprofit organizations.
- We provided hundreds of local, regional, national and international media interviews regarding critical issues as a voice and advocate for donors.

## COMMUNITY OUTREACH & RESOURCES

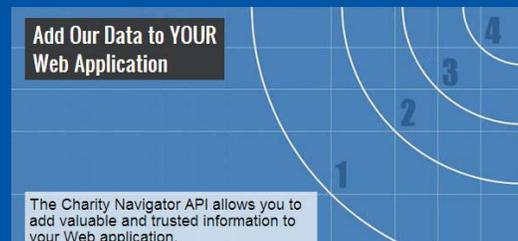
### 2013 CN STUDIES

In June and October, respectively, CN once again released our ever popular Metro Market (San Diego came out on top this year) and CEO Compensation Studies, providing donors and other key stakeholders with clear, concise and key information about the philanthropic sector.



### CN LAUNCHES ITS API

The CN API allows for widespread access to and usage of our data beyond our website, and is designed for a wide variety of end users such as giving portals, donor-advised funds, social media and more.



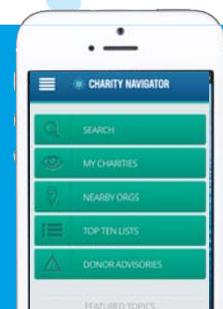
### CN AROUND THE WORLD

Dr. Robert Penna, our intrepid International Coordinator, trotted the globe, expanding CN's messaging on the world stage. He presented CN 3.0 to the Konkordia Conference in Poland and delivered a keynote to the annual Saudi Nonprofit Conference, extolling the virtues of having an independent charity rating system.



### CN GOES MOBILE

You can access us easily and anywhere via our apps for iOS and Android devices as well as our mobile site.



# MEDIA RELATIONS

Charity Navigator was once again a sought after expert, with appearances on CNN, Fox & Friends, NPR and a host of others. Bill O'Reilly also gave us a shout out on his show.



And, for the first time ever, CN was featured in a front page article in the Chronicle of Philanthropy, addressing CN 3.0 and its implications for charities.

## THE CHRONICLE OF PHILANTHROPY

September 8, 2013

**Nonprofits anxiously try to show results for new Charity Navigator ratings**

*CN Gets A New Look and Lots of New Visitors*

### HOME PAGE MAKEOVER!



We added an engaging slide show, drop down menus to de-clutter and more opportunities throughout to share and/or link to us via social media. Let us know what you think!

### SITE VISITS CONTINUE UPWARD TREND

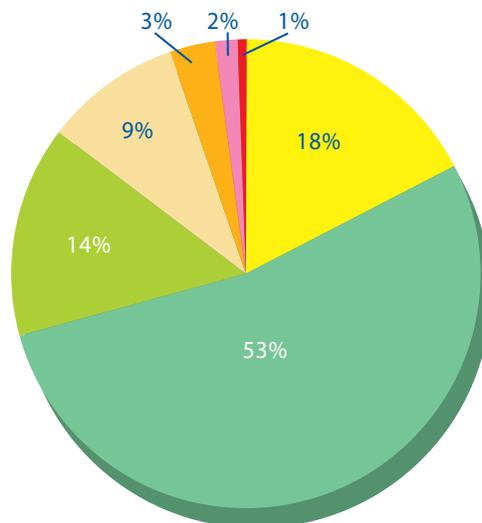


Our site had 6.9 million visits, an 11% increase over 2012's 6.2 million.

# FINANCIAL REPORT

FOR THE 12 MONTHS ENDED NOVEMBER 30, 2013

Audited Financial Statements

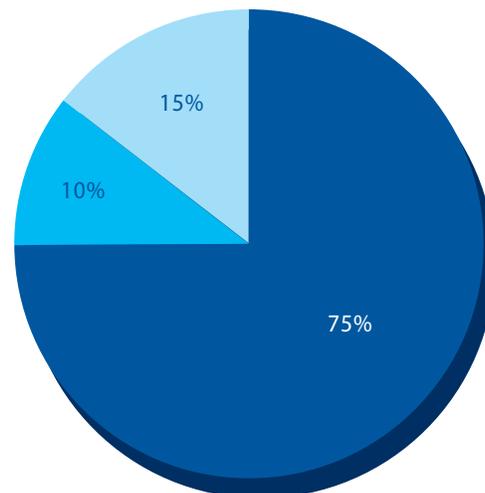


### OPERATING REVENUE

Contributions - Founders & Board	\$284,893
Contributions - Individuals	\$871,970
Foundation Support	\$235,500
Advertising	\$153,150
Investment Income	\$51,304
Data Sales	\$26,428
Speaking Fees	\$8,500

100% Total Revenues

\$1,631,745



### OPERATING EXPENSE

Program Services	\$1,059,080
General & Administration	\$147,275
Development & Fundraising	\$206,643

100% Total Expenses

\$1,412,998

**NET OPERATING SURPLUS**

**\$218,747**

## YOUR SUPPORT INSPIRES AND SUSTAINS US!

Charity Navigator is where we are today because of our users' vital investments in our work. Our core commitment is to continue to improve and evolve our service in order to provide you with—hands down—the best possible tools and resources available to help you with your charitable giving/social investing decision making. For all of you—from foundation grantors to major donors to those who make the sacrifice of small contributions from fixed or limited incomes—please know how grateful we are for every single dollar of your support.



**YOU ALL RATE 4 STARS IN OUR BOOK!**

VALUES  
TEAM APPROACH  
VALUES  
CLIENT-CENTERED APPROACH  
CONTINUOUS IMPROVEMENT  
RESPECT

## OUR CORE VALUES

- 1. A TEAM APPROACH** that ensures respect for all who CN serves and works with, encourages their input, and underscores our value for open communications.
- 2. A CLIENT-CENTERED APPROACH** wherein concern for our site users, other key constituents and stakeholders is at the heart of all ideas and decisions.
- 3. A CONTINUOUS IMPROVEMENT PROCESS** aimed at ensuring optimization of services and operations.

### Board of Directors

Pat Dugan, Co-Founder & Chair  
Tom Murray, Vice Chair  
Kenneth S. Rose, Treasurer  
William A. von Mueffling, Secretary

Lisa Bernhard, Cheryl Black, Michael Dix, Peter Dugan,  
Matt Giegerich, Jeffrey Graubard, Mark Johnston, Richard Nathan,  
Dan Weiss, Marie Wieck, and Ken Berger, President & CEO.

### NYSE Opening Bell (photo on page 1)

Pictured L to R: Michelle Tang, CN Staff; Steven Caron, CN Staff;  
Ann Cannella, CN Staff; Ken Berger, CN President & CEO;  
Gia Graziano, NYSE; Pat Dugan, CN Co-Founder & Board Chair;  
Matt Viola, CN Staff; Taylor Duffy, CN Staff;  
Pete Dugan, CN Board Member; Cheryl Black, CN Board Member.

## USERS AND CHARITIES SHARE THEIR THOUGHTS (and their giving methodology) WITH US....

### From Charities:

*Members of The Foodbank Team wish to thank you. "Thank you" may seem so little to say, but because of the (4-star)rating, more people will donate to help their fellow citizens.*

*ANRF is committed to maintaining the current level of fiscal management and transparency for which Charity Navigator has set the standards. We have already begun the work which will be required for your newest results rating matrix (CN 3.0).*

### From Supporters:

*Enclosed is my check to help support the wonderful service you provide in examining and rating various charities. If not for you, I would be at a loss to determine which charities are worthy of my humble contributions.*

*Kudos to all for what I'm sure is a lot of work, which is such a help to donors and worthwhile charities alike in stretching each donor dollar to maximum good use.*

*I've used your screening of nonprofits for a number of years. It's about time I paid up. Thanks for providing this service—don't know what I would do without it.*

*One of our supporters includes the following on a buck slip with his and his wife's contributions:*

*"Enclosed is a donation based on your Charity Navigator rating and the number of solicitations we've received since our last donation. We use the following equation: \$100 times the number of stars (only 3 or 4 stars are eligible) minus \$10 for each solicitation greater than two."*

***We like his ingenuity!***

## STAY CONNECTED WITH US!

### Our Website is Just the Beginning...

Connect with us and stay on top of all  
Charity Navigator has to offer



Subscribe to our e-newsletter via our website.  
Simply click on this button at the top of our home page.



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