



North Shore News Column.

Older & Wiser

By Tom Carney

Follow the money when making donations

Be informed about the charities you choose to support

By Tom Carney, Special to North Shore News January 8, 2012

I am often asked how I come up with ideas for this column.

I track the major news stories on seniors' issues of course, but the majority of my columns are written in response to a call or inquiry from a reader.

My telephone, at least for the moment, has stopped ringing, so the choice of our topic today, the charitable sector, is mine.

The story starts off well enough.

Despite some tough economic times, a study released last fall suggests Canadians intend on supporting their favourite charities with at least the same level of generosity as they did over the last year.

Survey respondents reported giving an average of \$487 to charities over the last 12 months.

Seniors as a group are known to be particularly generous in supporting charitable endeavours.

Unfortunately scammers target seniors and these scams spike during the holiday season and into the new year.

Consumer groups, government and seniors groups themselves are stepping up their efforts to educate seniors and others about how to protect themselves from fraud but unfortunately scammers always seem to find new ways to cash in including using copycat charity websites and social media.

Where I am going next won't win me any friends among my colleagues but it needs to be said. We all need to be more informed not only about scams but about the work of legitimate charities as well because not all charities are the same.

There are approximately 80,000 charities registered with the Canada Revenue Agency.

How can you identify the best charities in the sector? My suggestion is: Follow the money.

Last year Money Sense magazine rated 100 of Canada's largest charities by program spending efficiency, fund-raising efficiency, governance and transparency, and reserve fund size.

The 100 largest charities in the country were evaluated by the magazine's staff and awarded a letter grade, from A to D, on their overall efficiency.

Now the final grade awarded to each charity was not meant to measure how successful that charity has been at achieving its final goals.

Rather, the grade was a measure of how the charity compares to other charities in its sector when it comes to meeting specific financial and governance benchmarks.

The report sent shock waves through the industry. While most of the charities scored well the report shows quite clearly that some charities are much better than others in managing their - read "your" - money.

These are difficult times for the charitable sector.

With donation drives often coming up short and the demand for services climbing, the number and urgency of the appeals from the charities increases every year.

So I think those calls to your home at the dinner hour and those endless appeals in the mail from charities that drove many of us crazy last year are likely to continue and even increase in 2012.

And while that can be bothersome I can't think of a better new year's resolution than making a decision to support a charity in 2012.

You'll feel good, you'll get a tax benefit and you'll help make your community a better place to live. I'm not about to tell you which charitable endeavours are worthy of your support - that's a personal decision and I'll leave that up to you.

If you want to know which charitable organizations are some of the best managed in the country, the Charity 100 report appears in the summer 2011 edition of Money Sense magazine, available at several libraries on the North Shore and online at moneysense.ca/2011charity100.

Happy new year!

Tom Carney is the executive director of the Lionsview Seniors' Planning Society. Ideas for future columns are welcome. Contact him at 604-985-3852 or send an email to lions_view@telus.net.