

# THE CHRONICLE OF PHILANTHROPY

## Charities That Follow Watchdog's Rules See Fundraising Boost, Study Finds

By Alex Daniels --- September 16, 2013

Donations flow faster to charities that follow financial and governance guidelines set by a major nonprofit watchdog, according to a [study](#) by a Baruch College scholar commissioned by the BBB Wise Giving Alliance.

National nonprofits that meet the watchdog's standards for accountability raised 8 percent more when compared with groups that didn't pass muster, according to Greg Chen, a professor at the City University of New York's Baruch College School of Public Affairs.

Mr. Chen found that New York charities that followed the standards did even better, attracting 13.5 percent more in donations than their peers.

"Although not focused on the worthiness of a charity's programs or mission in terms of outcomes and impacts, the BBB standards do reflect an understanding of the governance and management practices that lead to accountable and successful performance," Mr. Chen wrote in the study.

The study used data from 1,354 New York charities and 1,669 charities that do work nationwide, whose assets ranged from less than \$2,000 to more than \$2.5-billion.

The accountability standards list 20 practices charities can follow to measure their effectiveness, improve governance and oversight, allocate finances, and communicate to the public and potential donors.

The alliance has reports on about 10,000 charities collected from Better Business Bureau local chapters throughout the nation. In addition, the group has collected data from 1,300 charities that raise money nationwide. Of those, 55 percent met the group's standards.