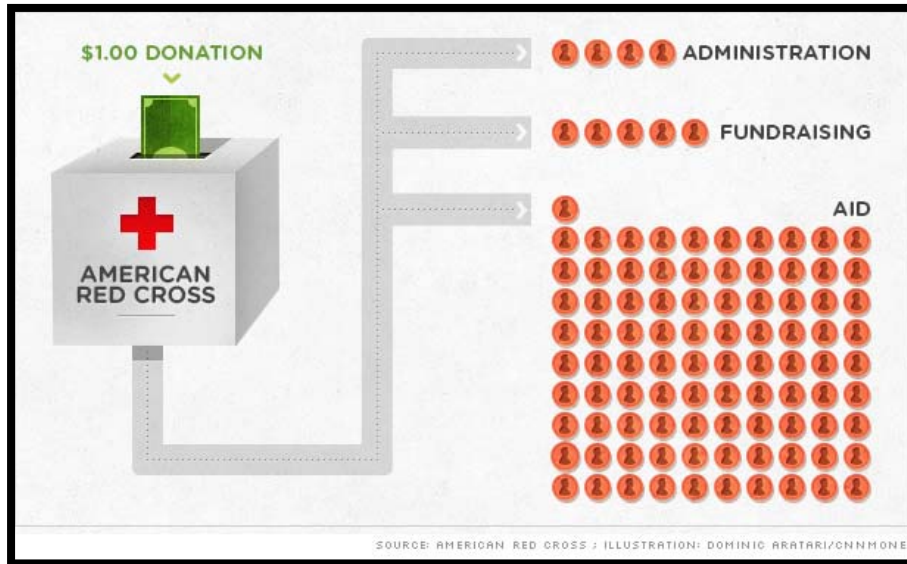


# Where your donation dollars go

by: Blake Ellis



So, you turn on the television and watch horrific forest fires wreak havoc during this recent dry spell, and you reach into your wallet to make a donation... do you know where that money is actually going?

The Red Cross often leads the charge after natural disasters, like floods, hurricanes, tornadoes, fires, and other devastating events. But every dollar you give isn't going directly to the victims you're intending to help. In fact, an average of nine cents of every dollar you donate is going to Red Cross expenses, like employee salaries and fundraising efforts.

While nine cents may seem small, it adds up the more you give -- if you donate \$3,000, nearly \$300 of that money goes to administrative costs, and that amount jumps to a whopping \$90,000 for a donation of \$1 million. That nine cents per dollar isn't necessarily going to waste, however. Charities like the Red Cross need money to keep their organizations running, pay employees, raise funds and ensure that your money is used properly.

Last year, an average of five cents of every dollar went to fundraising costs, and four cents went to administrative expenses. And compared to other charities and nonprofit organizations, that overall nine cents per dollar, or 9%, is very low, according to charity evaluator CharityWatch.

"These funds ensure proper oversight of donations and provide for the overall administration of our organization," a Red Cross spokeswoman said. "We are proud that we keep these expenses low and that we invest such a large amount in our humanitarian services."

To get the biggest bang for the buck, CharityWatch advises, consumers should donate to charities that use at least 75% of donations for direct aid. The Red Cross, at 91%, is well above that mark.

Source: <http://money.cnn.com/2013/05/24/pf/donations-charities/>

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