

GuideStar Launches Redesigned Charity Profiles

02.02.16 | Linda J. Rosenthal, JD



For over two decades, GuideStar has led the way in the philanthropic community to gather and disseminate charity profiles – information about “every single IRS-registered nonprofit organization.” This influential Section 501(c)(3) organization provides “... as much information as [they] can about each nonprofit’s mission, legitimacy, impact, reputation, finances, programs, transparency, government, ...” and more.

GuideStar’s mission: “To revolutionize philanthropy by providing information that advances transparency, enables users to make better decisions, and encourages charitable giving.

Where does GuideStar get this information?: it’s supplied by the nonprofits themselves along with “data from several other sources” including, of course, any filed Form 990s.

Any nonprofit in GuideStar’s database is permitted and encouraged to update its “Nonprofit Profile” free-of-charge. The group “encourage[s] nonprofits to share information about their organizations openly and completely.”

The information gathered is then disseminated on GuideStar’s own website – www.guidestar.org – as well as on their “many client and partner websites” and in “computer applications used by funding entities and private companies that work with nonprofits.”

New Focus for Charity Profiles

From time to time, GuideStar revamps the format of the charity profiles it presents. For the first time since 2009, officials there determined that it was important to improve and refresh these profiles, and – most significantly – to emphasize “programming and results.”

The launch was on January 20, 2016, and effective immediately. “Gone are the static pie charts and other design elements that often served as preliminary snapshots for grant makers and others seeking information.”

In the new format, there are “...interactive data visualizations that illustrate charities’ revenue and expenses over many years and others that show the

demographic makeups of charities' board members and staff.”

The purpose of the redesign is to help interested viewers to “more easily identify an organization’s geographic reach, results, sources of funding, financial stability, and leadership.”

One of the biggest changes is a “shift in emphasis from charity overhead costs to programs and results.” Philanthropic experts and commentators have been concerned for some time that there has been too much emphasis on overhead percentage (compared with program spending) as a sole measure of an organization’s legitimacy. There have been many calls to discredit this “overhead myth.”

A key feature is “what GuideStar has dubbed its ‘charting impact’ questions”; charities are asked to respond these these questions about “goals and accomplishments.”

Reaction to Redesigned Charity Profiles

Ruth McCambridge, the editor of The Nonprofit Quarterly, urges readers to take a look at the “...quite phenomenal change in look and accessibility ...” The older version was “relatively static and not exactly user-friendly.” It’s not “...your dad’s passive and somewhat clunky GuideStar anymore.” But she has concerns including, for instance:

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Some of the new categories of information trouble us, in that they are presented side-by-side with the information on the 990. Specifically, we worry about highlighting questions of largely unknown importance, as in the governance section, where one is asked, for instance, if they have engaged in a board assessment over the past year. The presence of these questions, as with the old ratio-based pie chart, gives them an authority that I think is less than useful.

She cautions, also, that the “decision to prioritize program information is fine, but this area may be prone to marketing puffery and that may lessen the credibility of the 990 data without some more obvious caveats.”

Other observers note that a drawback inherent in any system that depends on voluntary submission of information is, of course, that there will be intentional noncompliance or inability to comply – especially in the case of small organizations.

Conclusion

GuideStar officials believe that “...the best possible decisions are made when donors, funders, researchers, educators, professional service providers,

governing agencies, and the media use the quality information that [they] provide.”

This new format, though, is not the end of the story. GuideStar intends to “continue to make improvements to these profiles over the next few years.”