

## Impact of Charity Overhead

Each organization's listing in the CFC Charity Directory contains a number the government calls the Administrative and Fundraising Rate (AFR). It is intended to help donors understand the administrative overhead of participating charities. When organizations apply to the CFC, they are required to calculate this overhead using figures from the group's most recent IRS Form 990, according to the formula below.

$$\text{(Fundraising Expenses + Management Expenses)} \div \text{Revenue} = \text{CFC Administrative Overhead \%}$$

The administrative overhead figure is printed in the CFC Charity Directory in the paragraph following the name of the organization.

The 2011 pledge results, like those for previous years, suggest that many donors take note of the administrative overhead figures. Charities with the lowest AFR (under 10 percent) received the highest average level of support: \$70,436. As the AFR rises, the average declines. The table below reflects results for three years, 2009, 2010 and 2011, averaged together, presenting the average number of charities and the average amount earned in each tier.

## CHARITY PERFORMANCE RELATED TO ADMINISTRATIVE OVERHEAD %

