

# NONPROFIT INVESTOR

## INDEPENDENT RESEARCH FOR PHILANTHROPY

### Iraq and Afghanistan Veterans of America (IAVA)

Nonprofit Investor Rating:

**BUY**

#### Mission Statement

IAVA's mission is to improve the lives of Iraq and Afghanistan veterans and their families by educating the public about the issues they face, fostering a community for troops, and advocating on the behalf of the newest generation of veterans.

#### Financial Overview

\$ in MM, Fiscal Year Ended December 31

	2009	2010	2011
Revenue and Support	\$4.5	\$5.6	\$7.2
Operating Expenses	\$3.6	\$5.7	\$7.6
% of Total:			
Program Expenses	84.0%	81.7%	87.0%
G&A	9.4%	8.8%	6.5%
Fundraising	6.7%	9.5%	6.5%

Year Founded: 2004

#### Contact Details

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#### SUMMARY

IAVA is the nation's first and largest nonprofit organization for the newest generation of veterans from the Iraq and Afghanistan wars. By delivering impact in health, education, employment and community, IAVA is committed to building an empowered generation of veterans that will provide sustainable leadership for the United States.

#### STRENGTHS

▲ **Consistent growth in donations.** Despite challenging economic conditions, IAVA has increased from \$2.3mm of Revenue and Support in 2008 to \$7.2mm in 2011.

▲ **Powerful national outreach.** While headquartered in New York City, IAVA reaches veterans through events all across the United States. In 2010, IAVA hosted more than 40 local events attended by over 8,500 veterans in New York, Georgia, Texas, Arizona, California and several other states. In addition, the charity garnered over \$172mm in earned media coverage in 2010 and testified 35 times before the 111<sup>th</sup> Congress.

▲ **Vision for the 21st century veteran.** Combining outreach programs through Facebook, Twitter and its proprietary online social network with on-the-ground efforts, IAVA is able to address the challenges faced by the newest generation of veterans.

#### CAUTIONS

▼ **Lack of definitive metrics to measure the effectiveness and efficiency of IAVA's outreach over time.** Though the effectiveness of some of IAVA's activities (i.e. lobbying and media-based awareness campaigns) is inherently more difficult to measure, more clarity surrounding the charity's outreach to veterans would further validate its 'BUY' rating.

#### RECOMMENDATION: BUY

IAVA's public reporting would benefit from clearer and more specific disclosures about the effectiveness of its outreaches and media and lobbying activities, especially as it has changed over time. However, the charity demonstrates strong growth, a solid vision for holistically interceding for veterans' causes, and a proven ability to multiply its revenues through in-kind donations, making it a premier charity for advancing the veteran cause.

## OVERVIEW OF IAVA'S ACTIVITIES

IAVA was founded in 2004 with over 200,000 Member Veterans and supporters nationwide. The charity works to improve the lives of the 2.4 million Iraq and Afghanistan veterans by addressing health, education, employment issues and building a lasting community for veterans and their families. IAVA creates impact in those critical areas through *Assistance* to veterans and their families, raising *Awareness* about veterans' issues and *Advocacy* for supportive policy from the federal to the local level.

### **Program overview**

#### **Assistance**

Through both on-the-ground and online engagement, IAVA creates, optimizes and expands assistance to veterans. IAVA organizes hundreds of programs and events throughout the year to help veterans overcome the challenges they face when returning home from Iraq and Afghanistan. Events include meet and greets, resume workshops, hiring fairs and national sporting events. The goal of these events is two-fold. First, IAVA strives to help veterans connect to the community. Many returning veterans feel a sense of isolation when they come home and are unable to share their struggle with others who have not served in combat. IAVA events provide veterans a more open environment for each to speak freely with one another. Secondly, at these events, members receive information about mental health resources, suicide prevention, educational opportunities and family support. Many events also include an employment component or resources to receive employment assistance.

Online, IAVA provides a unique support network that empowers veterans to connect to one another, fostering a strong and lasting community. Launched on Veteran's Day 2008, Community of Veterans (CoV) is the first and largest online social network exclusively for Iraq and Afghanistan veterans. CoV, which can be accessed only by paperwork-confirmed veterans, provides mental health resources, dynamic discussions and a group of fellow veterans that ease feelings of isolation for over 20,000 confirmed members currently inside.

#### **Advocacy**

As the first nonpartisan advocacy organization for America's newest veterans, IAVA has worked with both parties in Congress, the White House and the Departments of Defense and Veterans Affairs to meet the needs of service members, veterans and their families. On Capitol Hill, IAVA staff and member veterans represent the 2.4 million veterans of Iraq and Afghanistan, testifying 35 times before the 111<sup>th</sup> Congress on a range of critical issues.

IAVA outlines its yearly legislative priorities as well as its past year accomplishments in a policy agenda report released each year and made public on its website. IAVA's 2012 policy priorities include:

- Employing the new greatest generation
- Preventing suicide among troops and veterans
- Ensuring the success of student veterans
- Supporting women veterans

#### **Awareness**

Part of IAVA's overall strategy is to improve the lives of its veterans and to increase awareness of their unique challenges when returning home. In 2010, IAVA contributed over 2,000 national and local media reports about the wars and new veterans' issues, reaching thousands and garnering over \$172 million in earned media coverage. Media outlets that ran IAVA reports included Time Magazine, CNN, Stars & Stripes, Fox & Friends, The Colbert Report, MSNBC and USA Today. Other awareness programs include IAVA's partnership with National Geographic and the filmmakers of the Academy Award nominated documentary *Restrepo* to encourage dialogue between veterans who have experienced combat and the general public. Part of this program included IAVA inviting member veterans and civilian supporters to attend 15 free screenings of *Restrepo* that concluded with Q&A sessions with the filmmakers Sebastian Junger and Tim Hetherington.

## PROGRAM RESULTS AND EFFECTIVENESS

While there is a general lack of metrics in IAVA’s public documents to measure its effectiveness and efficiency, the following statistics help answer questions about its outreach.

### Assistance

- More than 8,500 member veterans attended 40 local IAVA events in 2010
- With over 15,000 joined and its site visited more than 1 million times, CoV had more than 2,000 discussion topics in 2010, including the most popular category “Readjustment” which had over 500 discussions with thousands of posts
- Grew total member veterans from 111,000 at the end of 2009 to 200,000 by the end of 2010 (88% increase)
- Provided 5,000 IAVA members with \$200 certificates towards the purchase of professional attire

### Advocacy

- Testified 35 times before the 111<sup>th</sup> Congress
- Every year since 2007, IAVA has passed at least one major piece of groundbreaking legislation for its community, as outlined in the table below

<i>Year</i>	<i>Bill</i>	<i>Legislation Summary</i>
2007	Joshua Omvig Suicide Prevention Bill	<ul style="list-style-type: none"> <li>• Helped establish the Veterans’ Crisis Line that has served more than half a million of veterans in crisis</li> <li>• Instituted better suicide prevention training for VA staff</li> <li>• Launched a campaign to reduce the stigma of seeking mental health care</li> </ul>
2008	Post 9/11 “New” GI Bill	<ul style="list-style-type: none"> <li>• Sent more than 660,000 veterans to college and allowed veterans to get a free public education</li> </ul>
2009	Advanced Appropriations for the VA	<ul style="list-style-type: none"> <li>• Requires Congress to fund the VA two years in advance</li> </ul>
2009	Mandatory Mental Health Screening	<ul style="list-style-type: none"> <li>• Mandatory screening of every returning service member for mental health injuries</li> </ul>
2010	New GI Bill 2.0	<ul style="list-style-type: none"> <li>• Expanded Post 9/11 GI Bill to include veterans studying at vocational schools</li> <li>• Granted National Guardsmen and Reservists responding to national disasters full benefits</li> <li>• Simplified the Yellow Ribbon Program</li> </ul>
2011	VOW to Hire Heroes Act	<ul style="list-style-type: none"> <li>• Requires every separating service member to take the Transition Assistance Program that provides key job search resources like resume and career counseling</li> <li>• Establishes tax credits of up to \$9,600 for every veteran hired</li> <li>• Begins the work of translating military skills and training into their civilian equivalents</li> </ul>

### Awareness

- Accumulated \$172 million in earned media coverage in 2010
- Grew email subscribers by 70% from 2009 to 2010
- Reached over 195,000 Facebook fans and 15,000 Twitter followers in 2010

## **TRANSPARENCY**

IAVA's Form 990 and 2010 annual reports are sufficiently informative to portray the activities of the charity and to explain the use of its finances. However, it is difficult to understand exactly how IAVA measures its effectiveness and efficiency, particularly with the number of members that it considers beneficiaries (200,000 members vs. 8,500 IAVA event attendees, etc.). Multiple requests to IAVA for comment via email and telephone were not returned. IAVA's Form 990 and annual reports can be found on its website and its Form 990s can also be located under its review page at [guidestar.org](http://guidestar.org).

## **FINANCIAL OVERVIEW**

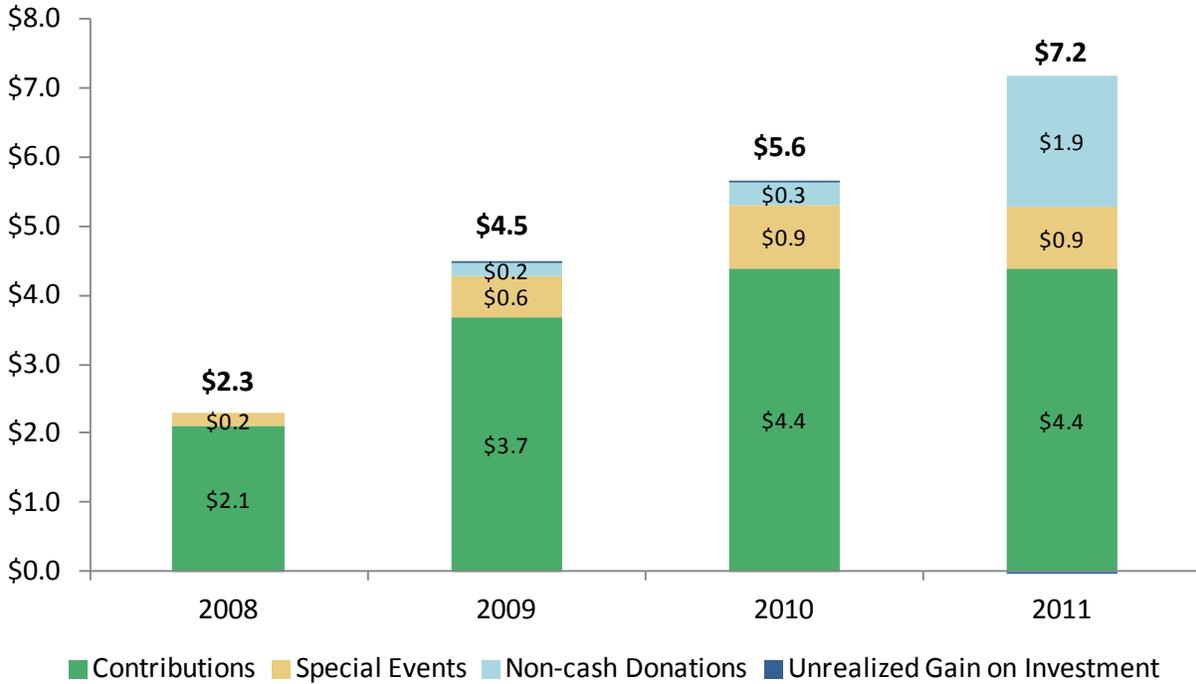
IAVA's financial reporting shows revenue growth and reasonable growth of SG&A and fundraising expenses.

Over the 2008-2011 time period, many charities struggled to maintain the same level of contributions as in prior years. In the context of the economic conditions, IAVA's revenue growth is notable and is a strong signal that its fundraising model remains healthy.

IAVA's expenses over the same period exhibited reasonable proportions of management and fundraising expenses to monies spent on program services. Though management and general expenses have increased each year, as a proportion of overall revenue, they are falling. Additionally, IAVA had four employees paid over \$100,000 in 2011, with the largest salary (that of executive director, Paul Rieckhoff) set at a reasonable \$145,000 annually.

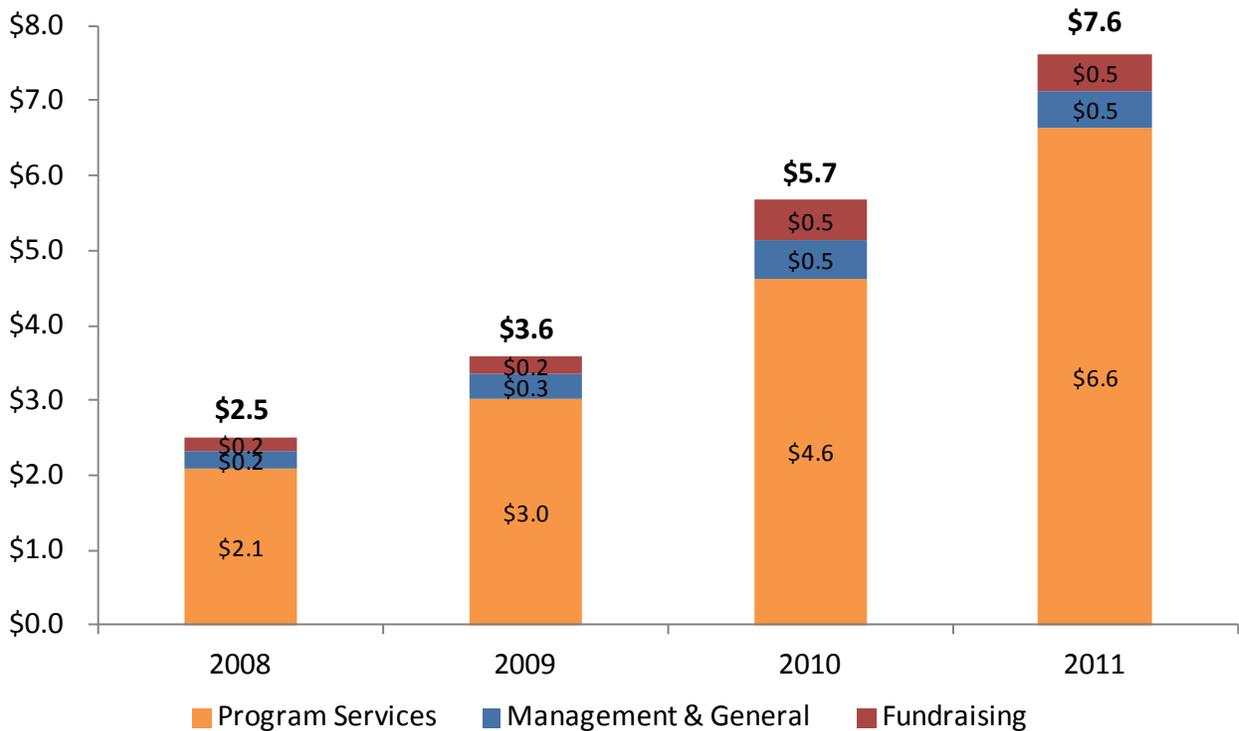
## Revenue Mix Over Time

\$ in MM



## Expense Breakout Over Time

\$ in MM



## Detailed Financial Information

Fiscal Year Ended December 31

	2008	2009	2010	2011
<b>Revenue and Expenses (Tax Accounting Basis)</b>				
Operating Revenue:				
Contributions	\$2,094,574	\$3,679,206	\$4,394,486	\$4,375,804
Special Events	200,930	599,655	921,395	891,808
Non-cash Donations	0	175,000	313,000	1,911,171
Unrealized Gain on Investment	0	3,262	10,151	(9,878)
<b>Total Support and Revenues</b>	<b>\$2,295,504</b>	<b>\$4,457,123</b>	<b>\$5,639,032</b>	<b>\$7,168,905</b>
<i>% Growth</i>		94.2%	26.5%	27.1%
Expenses:				
Program Services	\$2,080,831	\$3,006,601	\$4,633,433	\$6,637,817
Management & General	239,420	335,627	496,759	489,753
Fundraising	191,243	238,889	540,944	497,853
<b>Total Expenses:</b>	<b>\$2,511,494</b>	<b>\$3,581,117</b>	<b>\$5,671,136</b>	<b>\$7,625,423</b>
<i>% of Revenue</i>	109.4%	80.3%	100.6%	106.4%
<b>Increase (decrease) in Net Assets from Operations</b>	<b>(\$215,990)</b>	<b>\$876,006</b>	<b>(\$32,104)</b>	<b>(\$456,518)</b>

### KEY BALANCE SHEET INFORMATION

Cash and Cash Equivalents	\$763,827	\$861,255	\$291,527	\$104,780
Investments	\$474	\$28,575	\$68,346	\$1,049
Accounts Receivable	\$0	\$0	\$398,216	\$269,045
Total Assets	\$202,099	\$917,477	\$883,358	\$821,829

<b>Program Costs as a % of Total Expenses</b>	<b>82.9%</b>	<b>84.0%</b>	<b>81.7%</b>	<b>87.0%</b>
<b>G&amp;A as a % of Total Expenses</b>	<b>9.5%</b>	<b>9.4%</b>	<b>8.8%</b>	<b>6.4%</b>
<b>Fundraising as a % of Total Expenses</b>	<b>7.6%</b>	<b>6.7%</b>	<b>9.5%</b>	<b>6.5%</b>

Source: 2008, 2009, 2010 and 2011 Form 990

## OTHER THIRD PARTY RATINGS

- Charity Navigator rates IAVA 4 out of 4 stars. IAVA is a highly rated charity on Charity Navigator, though it does critique the charity for accountability and transparency that could be improved.
- GreatNonprofits rates IAVA 4.2 out of 5 stars based on 17 user reviews.

IAVA is not currently covered by Philanthropedia or GiveWell.

## GET INVOLVED

There are several ways to support IAVA, either through donations, volunteering or joining as a member veteran or Civilian Supporter.

Take Action	URL
Join as a member veteran or a Civilian Supporter	<a href="https://secure.iava.org/veteran-join">https://secure.iava.org/veteran-join</a>
Volunteer by organizing a fundraiser	<a href="http://iava.org/content/organize">http://iava.org/content/organize</a>
Donate	<a href="https://secure.iava.org/donate-now">https://secure.iava.org/donate-now</a>

## DISCLOSURES

Matthew Hinders certifies that he does not have any affiliation with Iraq and Afghanistan Veterans of America and has never made a donation to the organization. Additionally, Matthew Hinders has not supported directly competing organizations in a greater capacity than a nominal donation. NPI analysts and NPI as an organization do not receive any form of compensation from reviewed charities.

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