

Financing of International Development by US Faith-based NGOs FY2011 - FY2016

I. Introduction

Faith-based NGOs (FB-NGOs) are known to contribute substantial resources to international development activities and humanitarian assistance. Political pressure is increasing to cut public spending on foreign assistance leaving religious and voluntary sectors to shoulder more of the burden. FB-NGOs already secure substantial private resources for development assistance. However, data are limited on the FB-NGOs' revenues and expenditures in this area. One publicly available source of data is the US Internal Revenue Service (IRS) annual filings required of tax-exempt NGOs. This report uses publicly available IRS 990 forms of 71 of the largest US FB-NGOs engaged in international development and aid to quantify private and public revenues and expenditures from FY2011-FY2016.

II. Analysis of FY2016 Revenues & Expenditures from Leading US Faith-Based NGOs

In FY2016, US FB-NGOs raised substantial revenues from both private & public sources.

- Total revenue raised was \$6.80 billion, 83% of which was from private sources (\$5.64 billion)
- About 43% of the US FB-NGOs included in this analysis received funding from the US government (USG), amounting to \$1.16 billion (17% of total revenue)
- 57% of US FB-NGOs did not accept or receive public funds

Public sector contributions to development are substantially leveraged by non-government revenue sources raised privately by FB-NGOs:

- Of the FB-NGOs that did receive public funding, an average of 83% of revenue is from private sources, amounting to \$5.64 billion
- Almost 50% of expenditures of US FB-NGOs are allocated to grants & assistance outside the US

III. Trends in Revenues & Expenditures from Leading US Faith-Based NGOs (FY2011 - FY2016)

Total revenue from the 68 faith-based NGOs that were included in this FY2011 – FY2016 study increased by 16%, from \$5.84 billion in FY2011 to \$6.80 billion in FY2016. Additional trends include:

- Revenue fell by less than 1% from FY2011 to FY2012, and then rose slightly in FY2013
- Decline in total revenue was significantly reversed with a sharp 12% increase in total revenue from FY2013 to FY2015, which continued to increase by another 6% from FY2015 to FY2016
- >50% of the FB-NGOs received USG public funding at least 1-yr between FY2011 – FY2016
- Total USG funding among FB-NGOs decreased by 12% from \$940 million to \$827 million. However, between FY2015 and FY2016 there was a 40% increase in USG funding, while there was only a 6% increase in total revenue.
- US FB-NGOs receiving USG funding reported ~\$1 of USG funding for every \$4 of private funding in FY2011, increasing to ~\$5 raised privately for \$1 from public sources in FY2016

IV. Conclusions

This analysis significantly understates private contributions of the faith community to international development because it does not include data from religious and denominational bodies (e.g. Catholic Church) and the individual congregations, mosques, temples and faith communities engaged in overseas, who are already tax exempt and not required to file financial statements.

For more information: <http://www.faithforcommongood.org/work.html>