

Sources of Revenue and International Expenditures of US Faith-Based NGOs, based on IRS 990 Forms for Fiscal Years 2011-2016

Faith-based NGOs are known to contribute substantial resources—financial, technical, human, and in-kind—to poverty alleviation, health care provision, and relief of suffering through international development activities and humanitarian assistance. Quantifying these resources and their sources remains challenging. Political pressure is increasing in some quarters to cut public spending on foreign assistance, with a corresponding call to leave this work to religious and voluntary sectors. It is critical to understand the necessary, complementary, and unique roles of public and private funding, the massive contribution of private resources secured through faith based entities, and the leveraging of public investment by private resources by faith-based NGOs who receive public funding.

US Official Development Assistance (ODA), which amounted to \$33.16 billion¹ in 2016, is far outweighed by US private economic engagement with developing countries—a combination of US private philanthropy, remittances, and private capital flows. The latest report from the Hudson Institute in 2016 estimated that total US private philanthropy (\$43.9 billion in 2014) accounted for 12% of the total US economic engagement with developing countries, compared to US ODA, which accounted for 9% of total US economic engagement with developing countries².

Data are limited on the amounts, sources, and allocations of the contributions of faith groups to international development. However, one publicly available source of data on revenues and expenditures is the US Internal Revenue Service (IRS) annual filings required of tax-exempt Non-Governmental Organizations (NGOs). This report is based on research that uses publicly available IRS 990 forms to quantify the private and public revenues and expenditures of US faith-based NGOs.

A list of the 75 largest US faith-based NGOs engaged in international development and aid activities during FY2011 was compiled. US faith-based NGOs with total revenues over \$60,000 in FY2011 were included in the dataset. Organizations were classified as “faith-based” by reviewing organizations’ mission statements, websites, membership in faith-based networks, and by drawing upon the experience of the primary author. Data from these US faith-based NGOs’ IRS 990 forms was tracked from FY2011 –FY2016. See Appendix for chart of results from the top 20 NGOs.³

Information about these US faith-based NGOs’ total and USG revenues and US and International program service expenses was extracted from their FY2011 – FY2016 990 forms. A complete set of FY2011 – FY2016 reports were available for 71 of the 75 faith-based NGOs that were included in the original list compiled in FY2011. FY2016 forms were not available for Global Ministries, Mission Aviation Fellowship, and World Harvest. FY2014-FY2016 IRS 990 forms were not available for Citihope International, Crossroads Alliance & Ministries, and Hagar International; FY2013-FY2016 990 forms were not available for CrossLink International. The analysis for this paper is based on the remaining 68 organizations for whom FY2016 data is available.

¹ OECD, 2016. <http://www.oecd.org/dac/development-aid-rises-again-in-2016-but-flows-to-poorest-countries-dip.htm>; Amount in Current USD

² Hudson Institute. 2016 Index of Global Philanthropy and Remittances <https://s3.amazonaws.com/media.hudson.org/files/publications/201703IndexofGlobalPhilanthropyandRemittances2016.pdf>

³ Center for Faith & The Common Good, 2018. <http://www.faithforcommongood.org/resources.html>

Analysis of FY2016 Revenues & Expenditures from Leading US Faith-Based International Development NGOs

Revenue raised from Public and Private Sources

In FY2016, US Faith-based NGOs raised substantial revenues from both private and public sources.

- Total revenue raised for FY2016 was \$6.79 billion
- Total revenue from USG public funding for FY2016 was \$1.16 billion (17% of total revenue). Total revenue from private sources for FY2016 was \$5.63 billion (83% of total revenue)
- Total revenues of organizations in FY2016 ranged broadly, from \$39,156 (Chap International) to \$1.01 billion (World Vision US)
- 53% (36 out of 68) of the US faith-based NGOs generated less than \$15 million in total revenues in FY2016

Faith-based NGOs receiving US Government funding

Many faith-based US NGOs are trusted implementing partners for the US government.

- 42.6% (29 out of 68) of the US faith-based NGOs received USG public funding.
- US public funding accounts for wide ranging proportion of faith-based NGO budgets, including 1% for Operation Blessing International and 92.3% for IMA World Health. Several of the larger faith-based NGOs report substantial portions of their revenue in FY2016 from USG public sources:

Table 1: Range of Percentage of Revenue from USG Funding for Select Faith-based Organizations (FY2016)

Organization	% Revenue from USG	USG Revenue	Total Revenue
Church World Service	69.3%	\$ 61,277,526	\$ 88,455,527
World Relief	65.9%	\$ 46,776,420	\$ 71,022,032
Catholic Relief Services	60.8%	\$ 559,517,089	\$ 919,628,631
Food for the Hungry	55.9%	\$ 64,095,515	\$ 114,688,840
Adventist Development and Relief	47.8%	\$ 24,040,387	\$ 50,338,309
World Vision US	21.7%	\$ 219,990,109	\$ 1,012,357,269

Public sector contributions to development are very substantially leveraged by non-government revenue sources raised privately by faith-based NGOs (and secular ones also—though this is not the focus of this report).

- 39 of the 68 the US faith-based NGOs (57%) do not accept or receive any public funds. Total annual faith-based NGO revenues from USG sources: about \$1.16 billion, or an average of 25% of revenue for the 29 NGOs receiving US public funding in FY2016.
- World Vision US, the largest US faith-based NGO with total revenues of about \$1.01 billion in FY2016, raised \$792 million from private sources, with US public funding amounting to \$219 million (almost 22% of total revenue).

- Including the 29 FBOs that did receive public funding in FY2016, an average of 83% of revenue (5.64 billion) is raised from private sources, nearly \$4.90 for every \$1 invested by the government.

About half of the expenditures of US faith-based NGOs was allocated to grants and assistance outside the United States:

- Total annual expenditures: \$5.97 billion, of which 49% was allocated to “grants outside of the US”

Understatement of private contributions to faith-based international development

This analysis significantly understates private contributions of the faith community to international development because it does not include data from:

- Faith-based organizations engaged in international development and not required to file IRS form 990
- Religious and denominational bodies (e.g. the Catholic Church, the Salvation Army, the United Methodist Church) and the thousands of individual congregations, mosques, temples and faith communities engaged in overseas mission and ministry, who are already tax exempt, and are not required to file financial statements with the government. The 2016 Index of Global Philanthropy⁴ total of \$6 billion from “religious organizations” may be considered in estimating the size of congressional contributions.

Trends from FY2011 to FY2016: Private Sources Outpace Decline in Public Funding, Then Sharply Increase Between FY2015 and 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 \$6.79 billion FY2016. Revenue did fall slightly by less than 1% from FY2011 to FY2012, and then rise again 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 (see Figure 1).

More than half of the US faith-based NGOs in this analysis (42 out of 75, or 55%) received USG public funding at least one year between FY2011-FY2016 (not all FBOs included in this study that received public funding between FY2011-FY2016 received public funding for all five years). Revenue from USG public funding declined overall among US faith-based NGOs between FY2011 and FY2015 by 12%, from \$940 million to \$827 million (see Table 2). However, between FY2015 and FY2016 there was a 40% increase in USG funding, while there was only a 6% increase in total revenue.

A number of the US faith-based NGOs once receiving USG public funding in FY2011 no longer received this by FY2015 and were supported completely by private funding, which may contribute to the observed overall decrease in public funding during this time. Three US faith-based NGOs (Cross International, Hope Haven, Union Rescue Mission) received USG funds in FY2011-FY2012, but did not receive any funding from FY2013-FY2016 (except Hope Haven received funding in FY2015). Another three US faith-based NGOs (Episcopal Relief & Development, Evangelistic International Ministries, Plant with Purpose) received USG public funding until FY2013, but did not receive any USG public funding in

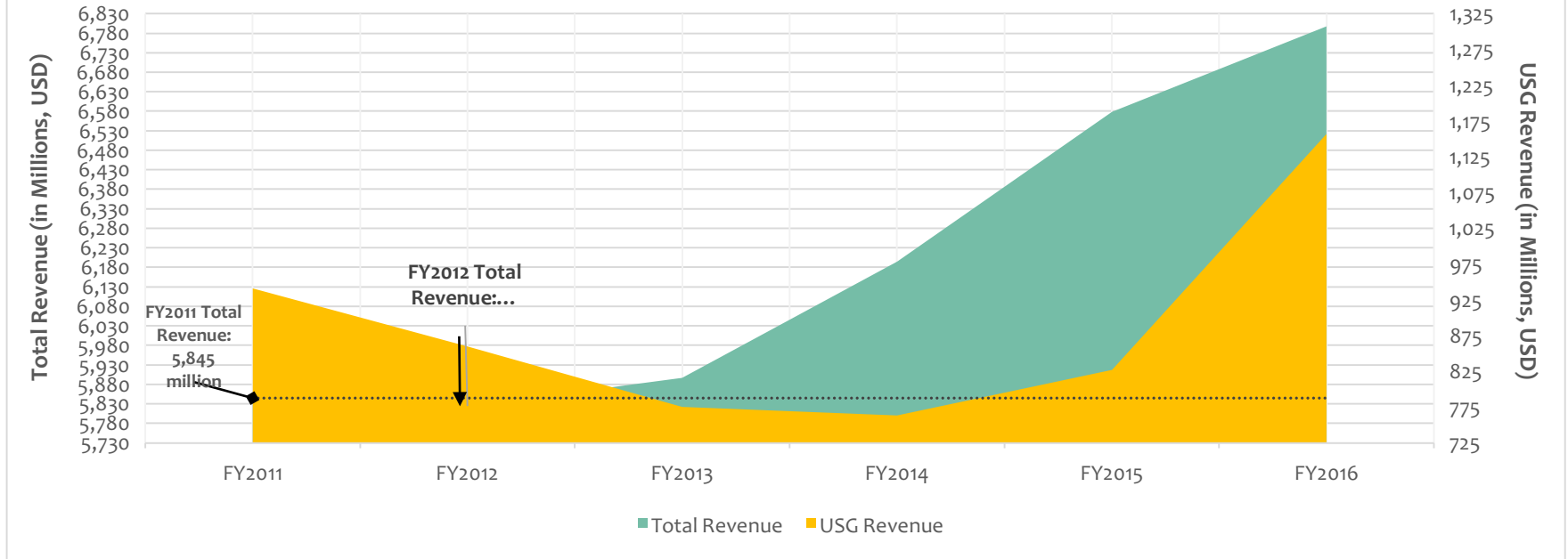
⁴ Hudson Institute. 2016 Index of Global Philanthropy and Remittances
<https://s3.amazonaws.com/media.hudson.org/files/publications/201703IndexofGlobalPhilanthropyandRemittances2016.pdf>

FY2014-FY2016 (except Evangelistic International Ministries received funding (\$15,000) in FY2016). Cumulatively, these NGOs had received \$5.45 million in USG public funding in FY2011.

The sharp 40% increase in public funding among the studied organizations was due to several factors. In FY2015, there were only 27 organizations that received public funding, which increased to 29 in FY2016. These two organizations received a combined \$154,689 from the USG in FY2016. The largest contributor to the increase was an upsurge in the amount of money individual organizations received from the USG. For example, World Relief received \$2,869 in FY2015 and \$46,776,420 in FY2016. Catholic Relief Services, the organization that received the most money from the USG, received \$344 million (47.1% of total revenue) in FY2015 and \$559 million (60.8% of total revenue) in FY2016. However, it is also worth noting that some organizations also decreased the amount of funding they received between FY2015 and FY2016. For example, Life for Relief and Development received \$64.8 million in public funding in FY2015, and received \$0 in FY2016.

As shown in Figure 1 below, the 13% increase in total revenue from FY2011 to FY2015 is due to private, non-government sources of revenue outpacing the decline in USG public funding, which experienced a 12% decrease in the same time period. A substantial portion of the increase in total revenue from FY2011-FY2015 is due to a spike in private contributions to revenue between FY2013 and FY2014. However, in FY2016, USG public funding increased by 40% due to increases in USG funding from individual organizations.

Figure 1: Change in USG Revenue vs Total Revenue of US Faith-based NGOs from FY2011 to FY2016



Both axes (total revenue and USG revenue) are scaled to units of 50 million dollars between intervals.

Table 2: USG, Private, and Total Revenues, and percent change, from FY2011-FY2016.

Revenue Source	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	% Change (FY2011 – FY2015)	% Change (FY2015 – FY2016)
USG Revenue	\$ 940,743,521	\$ 860,317,908	\$ 775,249,844	\$ 757,971,899	\$ 827,020,364	\$ 1,157,929,160	- 12%	+ 40%
Private Revenue	\$ 4,904,044,605	\$ 4,963,673,588	\$ 5,121,816,952	\$ 5,429,396,799	\$ 5,752,385,904	\$ 5,640,833,436	+ 17.3%	- 1.9%
Total Revenue	\$ 5,844,788,126	\$ 5,823,991,496	\$ 5,897,066,796	\$ 6,187,368,698	\$ 6,579,406,268	\$ 6,798,762,596	+ 3.3%	+ 6%

For further analysis in support of the case for sustaining and growing public funding for poverty-focused development assistance, and for maintaining close public-private partnerships with faith-based NGOs:

- Summarize the unique and complementary roles in foreign assistance of government and civil society, each delivering development outcomes for people in need
- Estimate contributions by religious communities and congregations
- Further document leveraging of public investment by private funds
- Break out data about faith-based and secular entities within private and voluntary network organizations.

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Appendix:

Top 20 US FBOs with largest total revenues in FY2016 (Total Revenue vs USG Revenue)

Sorted by Total Revenue (largest to smallest)

Faith-based NGO Name	Total Revenues FY-2016 (\$)	Total from USG FY 2016 (\$)	% USG Revenue
World Vision US	1,012,357,269	219,990,109	21.7%
Catholic Relief Services	919,628,631	559,517,089	60.8%
Compassion International	800,169,932	-	0.0%
MAP International	606,488,670	-	0.0%
Samaritan's Purse	593,789,192	34,145,161	5.8%
Feed The Children	467,935,622	87,857	0.0%
Catholic Medical Mission Board	368,257,941	7,078,617	1.9%
Operation Blessing International	307,614,619	3,030,891	1.0%
Wycliffe Bible Translators	156,097,263	-	0.0%
Convoy of Hope	128,042,286	1,661,859	1.3%
Food for the Hungry	114,688,840	64,095,515	55.9%
Medical Teams International	113,269,770	3,120,970	2.8%
Islamic Relief USA	108,577,487	-	0.0%
Opportunity International	107,800,238	477,108	0.4%
IMA World Health	100,100,551	92,387,263	92.3%
Cross International	92,966,536	-	0.0%
Church World Service	88,455,527	61,277,526	69.3%
World Relief	71,022,032	46,776,420	65.9%
American Jewish World Services	68,958,539	252,852	0.4%
Life for Relief and Development	51,486,093	-	0.0%
TOTALS	6,277,707,038	1,093,899,237	17.4%

Top 20 US FBOs with largest USG revenues in FY2016 (Total Revenue vs USG Revenue)

Sorted by USG Revenue (largest to smallest)

Faith-based NGO Name	Total Revenues FY-2016 (\$)	Total from USG FY 2016 (\$)	% USG Revenue
Catholic Relief Services	919,628,631	559,517,089	60.8%
World Vision US	1,012,357,269	219,990,109	21.7%
IMA World Health	100,100,551	92,387,263	92.3%
Food for the Hungry	114,688,840	64,095,515	55.9%
Church World Service	88,455,527	61,277,526	69.3%
World Relief	71,022,032	46,776,420	65.9%
Samaritan's Purse	593,789,192	34,145,161	5.8%
Adventist Development and Relief Agency	50,338,309	24,040,387	47.8%
Global Missions Health Conference	49,929,440	20,920,496	41.9%
World Help	28,826,730	9,359,528	32.5%
Catholic Medical Mission Board	368,257,941	7,078,617	1.9%
Lutheran World Relief	48,541,135	5,398,640	11.1%
Medical Teams International	113,269,770	3,120,970	2.8%
Operation Blessing International	307,614,619	3,030,891	1.0%
Convoy of Hope	128,042,286	1,661,859	1.3%
Shelter For Life	2,443,891	1,622,010	66.4%
Nazarene Compassionate Ministries	3,266,677	870,857	26.7%
Opportunity International	107,800,238	477,108	0.4%
World Hope International	9,531,890	443,544	4.7%
Hope International Development Agency	7,138,566	386,493	5.4%
TOTALS	4,125,043,534	1,156,600,483	28.0%