**Financing of International Development by US Faith-based NGOs 2011-2015**

**US FBOs raised $6.58b in FY 2015, of which 87% from private sources**

**The 27 US FBOs receiving public funding leveraged about $5 privately for every $1 from USG**

1. **Introduction**

Faith-based NGOs are known to contribute substantial resources—financial, technical, human, and in-kind—to international development activities and humanitarian assistance. Political pressure is increasing in some quarters to cut public spending on foreign assistance leaving religious and voluntary sectors to fundraise for aid. It is critical to understand faith-based entities are effective partners implementing government grants and are already secure substantial private resources for development assistance. Data are limited on the on revenues and expenditures of faith groups to international development. One publicly available source of data is the US Internal Revenue Service (IRS) annual filings required of tax-exempt Non-Governmental Organizations (NGOs). This report uses publicly available IRS 990 forms of 71 of the largest US faith-based NGOs engaged in international development and aid activities to quantify the private and public revenues and expenditures from FY2011-FY2015.

1. **Analysis of FY2015 Revenues & Expenditures from Leading US Faith-Based NGOs**

In FY2015, US Faith-based NGOs raised substantial revenues from both private and public sources. The total revenue for FY2015 was $6.58 billion, 87.4% of which was from private sources ($5.75 billion). Many faith-based US NGOs are trusted implementing partners for the US government (USG), 38% of the US faith-based NGOs received $827 million (12.6% of total revenue) from the USG. Public sector contributions to development are substantially leveraged by non-government revenue sources raised privately by faith-based NGOs, as, 62% of US faith-based NGOs do not accept or receive public funds. For the 27 FBOs that that *did* receive public funding in FY2015, an average of 81% of revenue is from private sources, amounting to $3.6 billion. Finally, almost half of the expenditures of US faith-based NGOs was allocated to grants and assistance outside the United States.

1. **Trends in Revenues & Expenditures from Leading US Faith-Based NGOs (FY2011 - FY2015)**

Total revenue from the 71 faith-based NGOs that were included in this FY2011 – FY2015 study **increased** by 13% from $5.84 billion in FY2011 to $6.58 billion FY2015. 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 (see Figure 1). More than half of the US faith-based NGOs in this analysis received USG public funding at least one year between FY2011 – FY2015. However, revenue from USG public funding has **declined overall** among US faith-based NGOs. The total amount of US public funding among faith-based organizations receiving US public funds **decreased** by 12% from $940 million to $827 million (see Figure 1). Organizations receiving public funds saw a significant decrease in US public funding per total dollar amount from FY2011 to FY2015. US faith-based NGOs receiving USG funding reported approximately $1 of USG public funding for every $4 of private funding in FY2011, increasing to about $5 raised privately for every $1 from public sources in FY2015.

1. **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. the Catholic 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.

*SEE OVERLEAF FOR CHART, AND TRENDS 2011-2015*

**More information:** [**http://www.faithforcommongood.org/work.html**](http://www.faithforcommongood.org/work.html)

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| **Private Sources Outpace Decline in Public Funding (FY2011-FY2015)**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 FY2015. |

Figure : The increase in total revenue from FY2011 to FY2015 is due to increases in private, non-governmental sources of revenue, despite the overall decline of contributions of USG public funding to revenue. In a particular, a spike in private funding from FY2013 to FY2014, amidst a slight increase in US public funding, substantially bolstered the total revenue in FY2014 and FY2015. 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-FY2011

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| Revenue Source | **FY2011** | **FY2012** | **FY2013** | **FY2014** | **FY2015** | **% Change****(FY2011 – FY2015)** |
| **USG** | $940,743,521 | $860,317,908 | $775,249,844 | $763,300,600 | $827,020,364 | **-12%** |
| **Private** | $4,904,044,605 | $4,963,673,588 | $5,121,816,952 | $5,430,550,084 | $5,752,385,904 | **+17.3%** |
| **Total** | $5,844,788,126 | $5,823,991,496 | $5,897,066,796 | $ 6,193,850,684 | $6,579,406,268 | **+ 13%** |