

Global Philanthropy Tracker 2020 Executive Summary



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Executive Summary

The COVID-19 pandemic has increased the visibility of philanthropy, highlighting its advantages: agile and flexible responses, its role in international and cross-sector collaboration, and its potential to catalyze innovation across countries. The pandemic has also highlighted obstacles: challenging legal environments for cross-border giving, the need for coordination, and the need for improved philanthropic infrastructure worldwide. Even as the pandemic brings new challenges, it also presents the opportunity to enhance the structure, functioning, and effectiveness of philanthropy worldwide.

The *Global Philanthropy Tracker* (GPT) details the magnitude of cross-border philanthropic contributions globally. By capturing contributions made by individual and institutional donors to support charitable causes across national borders, this report aims to offer a more complete picture of global philanthropic flows. The 2020 GPT provides an updated estimate of the amount of cross-border philanthropy that occurred in 2018 or the most recent year for which data are available. It further compares cross-border philanthropy to three other cross-border resource flows: official development assistance (ODA), remittances, and private capital investment.

The 2020 GPT covers data on these four types of flows from 47 economies, including countries from every world region, across levels of economic development.¹ Together, these countries represented 62 percent of world population, 85 percent of global gross domestic product (GDP), and 22 percent of all economies in the world in 2018. Of these 47 economies, 26 are members of the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC).²

In this report, data on cross-border philanthropy and the other three types of resource flows are presented by economies' income group—low-income, lower-middle income, upper-middle

income, and high-income—as defined by the World Bank based on gross national income (GNI) per capita of each economy.³ This framework helps us better understand the data in context, taking into consideration the varying standards of living across countries.⁴

As a key component of the research for this report, the Indiana University Lilly Family School of Philanthropy launched a global survey of data availability on cross-border philanthropy in 2020. The survey is the first step toward obtaining a comprehensive analysis of data availability on cross-border philanthropy among donors adopting more complex vehicles, channels, and methods of giving. Experts from all economies are invited to join this research initiative.⁵ The 2020 GPT also includes in-depth narratives developed by research partners that provide unique information and data on domestic and cross-border philanthropy in 18 countries.⁶

KEY FINDINGS

THE IMPORTANT ROLE OF CROSS-BORDER PHILANTHROPY IN GLOBAL DEVELOPMENT

1. In 2018, the 47 economies included in the report contributed USD 68 billion in philanthropic outflows⁷ and a combined USD 834 billion through all of the four cross-border flows, including philanthropic outflows, ODA, remittances, and private capital investment (see Figure 1).

Philanthropic outflows accounted for (8%) of the total resource flows; however, to put the USD 68 billion in perspective, this is higher than the GDP of 144 out of all 217 economies around the world in the same year. Thus, giving across borders amounted to roughly the 74th largest economy in the world by GDP in 2018. Diverse players—including individuals, corporations, foundations and other philanthropic organizations (POs)—across countries contributed to the impact of cross-border philanthropy.

¹ The discussion on data in this report is based on available data and may underestimate the real scope of philanthropic outflows for some countries. See Appendixes for more information on data for each economy included.

² There were 30 DAC members in 2018, including the European Union and 29 individual economies. <http://www.oecd.org/dac/development-assistance-committee/>

³ See page 12 of the 2020 Global Philanthropy Tracker for more information about the World Bank Country Income Classifications followed in this report.

⁴ Of the 47 economies, 32 (68%) were high-income in 2018, 10 (21%) were upper-middle income, 3 (6%) were lower-middle income and 2 (4%) were low-income.

⁵ To participate in the initiative, please send an email to indices@iupui.edu.

⁶ These 18 country narratives developed by research partners, along with brief country profiles of 32 economies developed by the school, are available for download at <https://globalindices.iupui.edu>.

⁷ Cross-border volunteering is not included in the quantitative estimates for any country and is instead discussed separately in the report. Only 18 out of the 47 economies had data on cross-border volunteering, and even among these 18 economies, the types of available estimates vary considerably, making it difficult to get a clear picture of the current status of cross-border volunteering.



FIGURE 1: TOTAL CROSS-BORDER RESOURCES FROM 47 ECONOMIES BY FLOW, 2018 (in billions of inflation-adjusted 2018 US dollars)

Total Amount: USD \$834 Billion



Source: Indiana University Lilly Family School of Philanthropy, 2020 *Global Philanthropy Tracker*

Data: ODA and private capital investment from the Organisation for Economic Co-operation and Development; Remittances from World Bank; Philanthropic outflows from various sources researched by the Indiana University Lilly Family School of Philanthropy and shared by partner organizations for some economies. See Appendixes for specific data sources for each economy included.

2. Private sources contributed USD 658 billion across national borders in 2018, nearly four times the amount of ODA.⁸

While governments continued to play an important role in international development, a complex set of private actors from countries at varying levels of development played an increasing role in improving infrastructure, preserving the environment, and promoting human well-being.

Remittances to all countries from the 47 economies included in the report reached USD 481 billion (58%) in 2018, more than ODA, private capital investment, and philanthropic flows combined.

Private capital flows from the 22 economies for which data are available totaled USD 109 billion in 2018. Typically the largest financial flow to the developing world, private capital investment represented the third largest flow overall in 2018.

⁸ ODA estimates are available in 37 of the 47 economies. Private capital flows are available in 22 of the 47 economies. See full report for details.

3. Cross-border philanthropy will have an increasingly significant role in the international arena than ever before due to three major trends.

- A global increase of middle-income and high net worth individuals and diaspora communities will likely lead to more engagement in cross-border philanthropy.

The growth of the middle class has been the fastest ever in the last decade, especially in upper-middle and lower-middle income economies, with the expectation that spending of the middle class will almost double by 2030 (Kharas, 2017).⁹

The global expansion of middle class and high net worth individuals has a huge potential to boost cross-border philanthropy and promote the use of innovative giving vehicles.

Small-scale and grassroots initiatives will facilitate philanthropy among individuals and diaspora communities worldwide.¹⁰ Diaspora philanthropy and remittances will also shape the future of cross-border philanthropy, as more and more people will—temporarily or permanently—be part of diaspora communities and practice cross-border giving. Remittances are one of the most stable financial flows to developing countries, even during times of economic downturns and social crises. Of the total USD 481 billion in remittances, about three-quarters (73%) went to low- and middle-income countries, a majority (96%) of which in fact came from migrants in high-income economies.

- The rapid advancement and application of new information and communication technologies will make cross-border charitable donations easier, faster, and safer.

New digital methods, such as online giving, social media, and crowdfunding platforms, are identified as one of the key future trends for cross-border philanthropy in more than one-third (18) of the 47 economies included in this report. As an example, in South Korea, “the most recent issues affecting donations are the rapid development of digital technologies.”¹¹ A significant amount of giving to international disaster relief has been donated through

crowdfunding platforms in countries such as India and South Korea. In India, “[O]nline giving and crowdfunding, such as Give India and Ketto...have been especially important as a tool for fundraising for disaster relief efforts, whether during earlier flooding...or during COVID-19.”¹²

- *In high-income economies, such as Australia, Austria, Canada, Denmark, the United Kingdom, and the United States, the use of online platforms and crowdfunding sites for cross-border giving is increasing (Indiana University Lilly Family School of Philanthropy, 2018).*
- *In upper- and lower-middle income economies, such as Jordan, India, and Serbia, where philanthropy is generally less institutionalized compared to the West, online giving and crowdfunding platforms are also likely to improve donor participation and further improve local and international giving by providing easy and fast access for philanthropy to everyone.*
- *In countries such as Bosnia and Herzegovina, China, Ghana, Mexico, Nigeria, Serbia, and South Korea, both local and international online fundraising platforms provide opportunities for foreign donors to support local causes by “reduc[ing] the threshold of public participation in philanthropy,”¹³ “allow[ing] individuals to give directly”¹⁴ to their beneficiaries. Additionally, “cross-border donors are increasingly using crowdfunding and crowdending platforms to promote their philanthropic activities.”¹⁵*

In more than one-sixth (8) of the 47 economies, mobile payment and text-message donations were mentioned as new technologies that are likely to increase cross-border giving in these countries. Mobile phone-based giving has emerged in both high-income (France) and low- (Ghana) and lower-middle income (Kenya and Tanzania) economies, where mobile platforms and immediate text-message donations facilitate fundraising for and giving to various causes (Indiana University Lilly Family School of Philanthropy, 2018).

⁹ Please note that these estimates are likely to be affected by the COVID-19 pandemic.

¹⁰ Please see sidebar stories in the full report on grassroots initiatives and diaspora philanthropy. For an in-depth look at how African universities are engaging members of the diaspora in the United States, see <https://globalindices.iupui.edu/diaspora>.

¹¹ For more information, see the South Korea country report developed by Sung-Ju Kim and The Beautiful Foundation at <https://globalindices.iupui.edu>.

¹² For more information, see the India country report developed by the Centre for Social Impact and Philanthropy at Ashoka University at <https://globalindices.iupui.edu>.

¹³ For more information, see the China country report developed by the China Foundation Center at <https://globalindices.iupui.edu>.

¹⁴ For more information, see the Ghana country report developed by Emmanuel Kumi at <https://globalindices.iupui.edu>.

¹⁵ For more information, see the Nigeria country report developed by Emmanuel Kumi at <https://globalindices.iupui.edu>.



- *The new and ongoing challenges that societies face across the world require more effective collaboration across sectors and countries.*

Local and international POs have been active in addressing immediate and long-term societal needs in the midst of famine, civil wars, natural disasters and refugee crises worldwide. Such phenomena often require international collaboration, where cross-border giving has a crucial role. Most recently, the COVID-19 pandemic showed that cross-border philanthropy is indispensable to successfully address global challenges.

- *Global philanthropic initiatives such as the COVID-19 Solidarity Response Fund for WHO, international fundraising campaigns on crowdfunding platforms such as GoFundMe, and cross-border charitable contributions by individuals, foundations, private voluntary organizations, faith-based organizations, and corporations indicate the increasing role and power of cross-border philanthropy.*
- *#GivingTuesday, the global philanthropy movement to give on the Tuesday after the U.S. Thanksgiving holiday each November; launched #GivingTuesdayNow on May 5, 2020, to support the global fight against the pandemic. Raising over USD 503 million in online donations in the United States alone, and generating activity in 145 countries, #GivingTuesdayNow also prompted acts of kindness and generosity across the world (GivingTuesday, 2020c).*

LIMITED DATA ON CROSS-BORDER PHILANTHROPY WORLDWIDE

4. Worldwide, only 18 countries had relatively high-quality data on aggregate amounts of philanthropic outflows.¹⁶

Despite growing interest, there is still a significant dearth of data on cross-border philanthropy. Moreover, detailed information—on philanthropic flows by donor type (individual or institutional), by use of funds to support various charitable causes and programs, or by recipient country and population—is minimal even for these 18 countries. Also, very limited data exist on the implementation of new tools such as blockchain for cross-border philanthropy. A related issue is the lack of a universal definition and framework of data tracking and reporting across economies.

5. Only 18 economies had available data on the charitable causes supported by cross-border giving, and only Denmark had specific information explicitly aligning with the United Nations' Sustainable Development Goals (SDGs).

After coding data on the top 3 charitable causes supported by philanthropic outflows from the 18 economies, Quality Education (Goal 4), Global Health and Well-Being (Goal 3), and No Poverty (Goal 1) were the top 3 most supported goals among the 17 SDGs. Additionally, humanitarian aid and emergency responses and international affairs and development were also among the top charitable causes supported by these 18 countries.

6. Only 16 economies published information on the recipient regions of philanthropic outflows, and only 4 of these countries—Nigeria, South Korea, Tanzania, and the United Arab Emirates—had data by recipient country.

Africa, Asia, and Latin America were the three most supported geographic regions of cross-border philanthropy from the 16 economies.

CRITICAL NEED FOR HIGH-QUALITY DATA ON CROSS-BORDER PHILANTHROPY

7. The GPT calls for better data availability and access on cross-border philanthropy in order to improve understanding of global philanthropy and increase its effectiveness globally.

Comprehensive, timely, and high-quality data will offer a better understanding of the scale, scope, and impact of cross-border philanthropy. Organizations will be able to use data to assess the effectiveness of programs in different countries and fine-tune approaches. Comprehensive high-quality data will further inform policy making and strategic planning. The COVID-19 pandemic of 2020 highlighted the critical role that timely data can have in informing policies and practices.

Researchers worldwide who contributed to the global data collection of the GPT proposed ideas for improving data availability and quality, such as:

- *Establishing international standards for data collection and reporting;*
- *Promoting transparency and data sharing norms among POs;*
- *Offering open access to non-sensitive data on philanthropic inflows and outflows collected by government; and*
- *Expanding existing reporting mechanisms to collect specific data on philanthropic inflows and outflows.*

Any data collection procedures should also minimize the administrative burden for POs and, for the government, not introduce onerous regulations and interfere with regular activities in the philanthropic sector.

¹⁶ These 18 countries include Albania, Bosnia and Herzegovina, Croatia, France, Hungary, India, Israel, Italy, Montenegro, Netherlands, North Macedonia, Serbia, South Korea, Spain, Turkey, the United Arab Emirates, the United Kingdom, and the United States. See the Methodology section in the full report for details. In the United States, see <https://globalindices.iupui.edu/diaspora/>.

8. The 47 economies that had available data on philanthropic outflows encompass countries with different levels of development. In general, high-income economies tend to have more comprehensive data on cross-border giving.

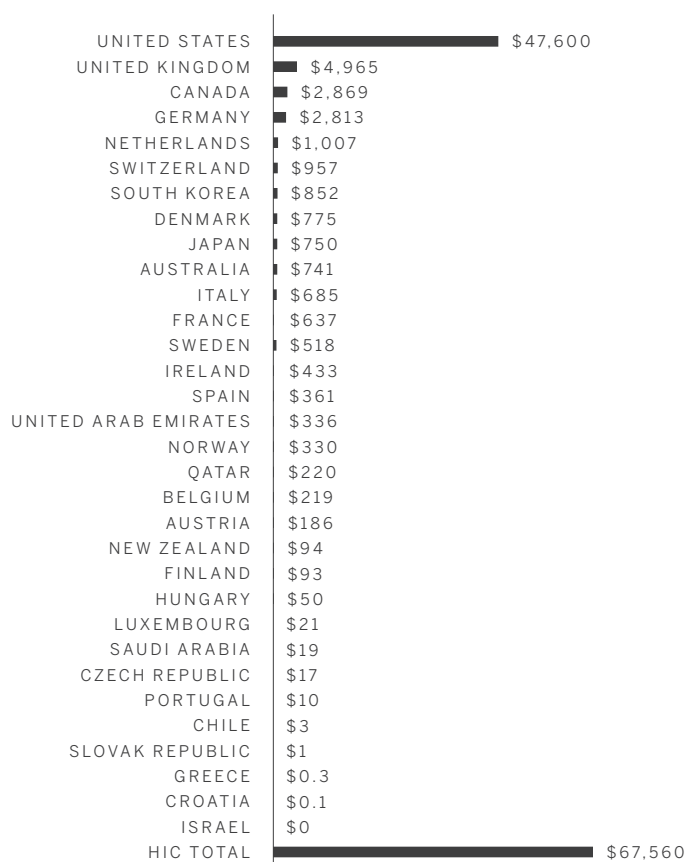
- In the high-income economy group, a vast majority (around 99%) of the philanthropic outflows came from the 26 OECD DAC countries, many of which also had more complete data. All high-income countries that had available data contributed more than USD 67 billion in 2018 (see Figure 12).

The United States contributed almost USD 48 billion in private philanthropy to other countries, the highest among the group. The United Kingdom (USD 5 billion), Canada (USD 3 billion), Germany (USD 3 billion), and the Netherlands (USD 1 billion) also had over USD 1 billion in philanthropic outflows.

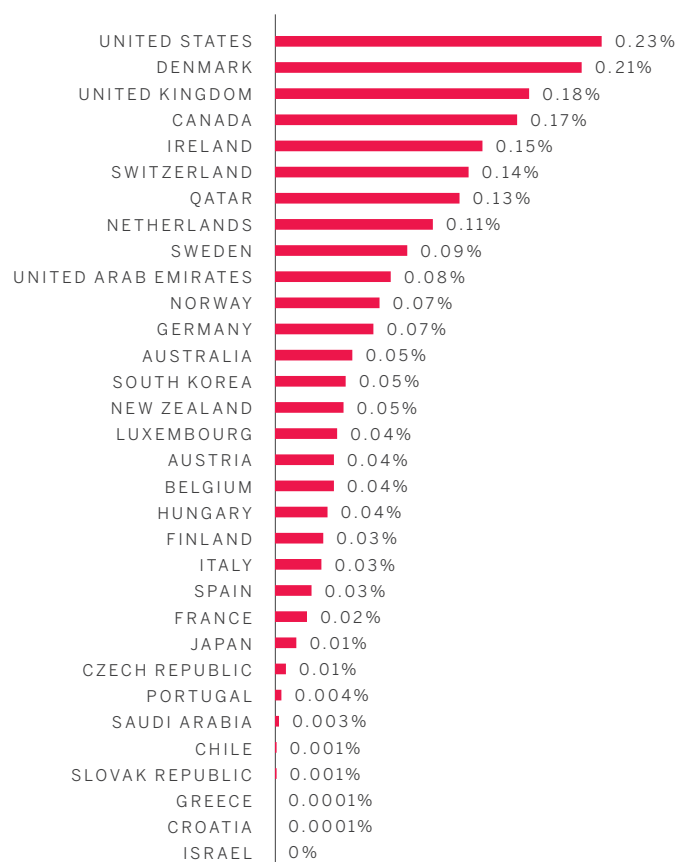
The amount of philanthropic outflows as a percentage of GNI exceeded 0.20 percent for two countries, the United States and Denmark (at 0.23% and 0.21%, respectively). In another six countries (including the United Kingdom, Canada, Ireland, Switzerland, Qatar, and the Netherlands), philanthropic outflows all exceeded 0.10 percent of GNI.

FIGURE 2: PHILANTHROPIC OUTFLOWS FROM HIGH-INCOME ECONOMIES, 2018

Philanthropic Outflows (in millions of inflation-adjusted 2018 US dollars)



Philanthropic Outflows as a Share of GNI



Source: Indiana University Lilly Family School of Philanthropy, 2020 *Global Philanthropy Tracker*

Data: GNI from World Bank; Philanthropic outflows from various sources researched by the Indiana University Lilly Family School of Philanthropy and shared by partner organizations for some economies. See Appendixes for specific data sources for each economy included.

Note: HIC: High-income country

- In the upper-middle income group, five emerging economies—Brazil, China, Mexico, South Africa, and Turkey—were the top five donor countries, contributing a combined value of more than USD 900 million (see Figure 11). All of the 10 upper-middle income economies with available data had nearly USD 902 million in 2018.

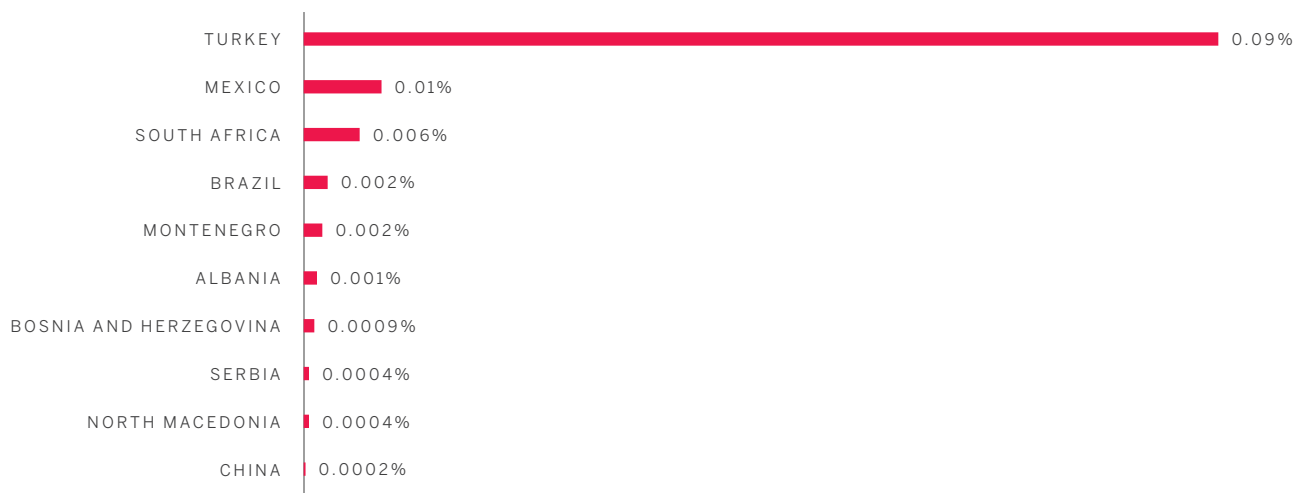
Turkey ranked at the top of this group with the highest dollar value at USD 725 million and the largest share of GNI at 0.09 percent. Mexico came in at second place with around USD 93 million in dollar value and 0.01 percent as a share of GNI.

FIGURE 3: PHILANTHROPIC OUTFLOWS FROM UPPER-MIDDLE INCOME ECONOMIES, 2018

Philanthropic Outflows (in millions of inflation-adjusted 2018 US dollars)



Philanthropic Outflows as a Share of GNI



Source: Indiana University Lilly Family School of Philanthropy, 2020 *Global Philanthropy Tracker*

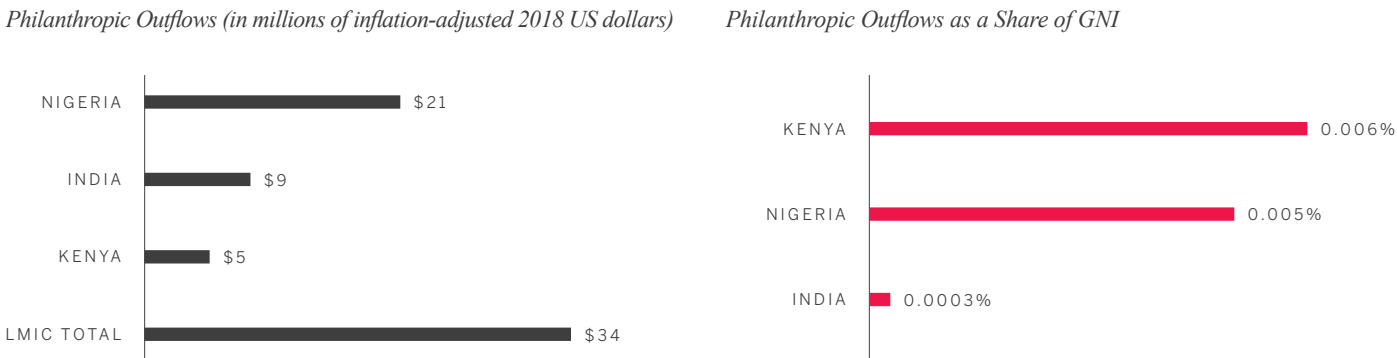
Data: GNI from World Bank; Philanthropic outflows from various sources researched by the Indiana University Lilly Family School of Philanthropy and shared by partner organizations for some economies. See Appendixes for specific data sources for each economy included.

Note: UMIC: Upper-middle income country

- Three lower-middle income economies—India, Kenya, and Nigeria—had available data on philanthropic outflows, donating about USD 34 million in 2018 (see Figure 10). Among the three countries, Nigeria had the largest

philanthropic outflows, at nearly USD 21 million. Philanthropic outflows as a share of GNI were still below 0.01 percent in all three countries in this income group.

FIGURE 4: PHILANTHROPIC OUTFLOWS FROM LOWER-MIDDLE INCOME ECONOMIES, 2018

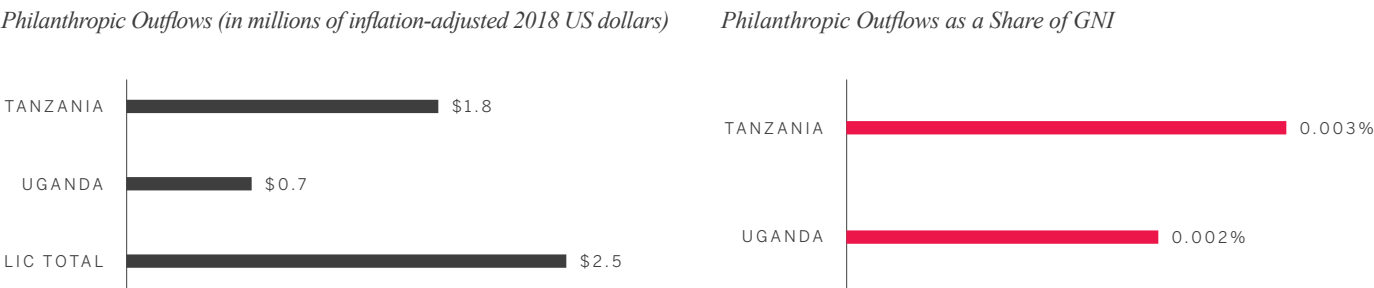


Source: Indiana University Lilly Family School of Philanthropy, 2020 *Global Philanthropy Tracker*
 Data: GNI from World Bank; Philanthropic outflows from various sources researched by the Indiana University Lilly Family School of Philanthropy and shared by partner organizations for some economies. See Appendixes for specific data sources for each economy included.
 Note: LMIC: Lower-middle income country

- Low-income economies are also donors in the philanthropic landscape, rather than being solely recipients of global philanthropic resources. Two low-income economies—Tanzania and Uganda—had available data on the amounts of philanthropic outflows, contributing around USD 2.5 million in 2018 (see Figure 9). This is a valuable, yet still

incomplete, representation of the philanthropic outflows made from these two countries; however, the data serve to portray low-income economies as donors in the philanthropic landscape, rather than being only recipients of global philanthropic resources.

FIGURE 5: PHILANTHROPIC OUTFLOWS FROM LOW-INCOME ECONOMIES, 2018



Source: Indiana University Lilly Family School of Philanthropy, 2020 *Global Philanthropy Tracker*
 Data: GNI from World Bank; Philanthropic outflows from various sources researched by the Indiana University Lilly Family School of Philanthropy and shared by partner organizations for some economies. See Appendixes for specific data sources for each economy included.
 Note: LIC: Low-income country

9. The landscape of cross-border philanthropy has changed drastically over the past few decades. Low- and middle-income countries have also become contributors to global development, enabling more collaborations and innovative approaches to increasing global challenges.

The importance of multi-stakeholder partnerships is recognized as the UN SDG 17: Partnerships for the Goals. Working together with governmental agencies, players from the business and philanthropic sectors such as foundations and corporations have played an instrumental role in recent developments in health, education, poverty alleviation, the environment, and other areas. The official declaration of Africa as polio-free in August 2020 offers a great example of such historic milestones achieved by cross-sector partnerships.

Collaboration could also be an efficient way to build capacity of POs in low- and middle-income countries, which ultimately supports the sustainable development of local communities in these countries. Both positive economic development and a favorable legal environment are crucial in enabling and encouraging organizations and individuals to engage in cross-border philanthropy (Indiana University Lilly Family School of Philanthropy, 2018). Researchers across countries who developed a detailed country narrative for this report suggested a wide range of approaches that governments can implement to create a more enabling space and strengthen the infrastructure for cross-border philanthropy.

The 2020 GPT provides new baseline data on cross-border philanthropy and continues to serve as a useful tool for practitioners and policy makers in philanthropy and international development. Together with the *Global Philanthropy Environment Index*,¹⁷ the GPT recognizes and emphasizes the growing role that private philanthropy plays in fostering global cooperation and promoting human prosperity. The two projects strengthen ongoing research efforts to improve understanding of global philanthropy by improving the availability and quality of the data on philanthropic flows and environments across countries. They offer new insights for all in the international philanthropy arena.

The challenges that our world faces are complex. The COVID-19 pandemic has fundamentally changed many aspects of our lives and will change many more in the years to come. Global challenges like this call for new understanding, innovative approaches, and stronger collaboration across the government, business, and philanthropic sectors in all countries and economies. This report serves as an important tool for maximizing those collaborations.

The scale and scope of cross-border philanthropy reflects not only the engagement across countries, but also the humanitarian spirit of caring between peoples of different cultures, geographies, and faith traditions. Philanthropy has a vital role to play, especially in the post-pandemic era, as we explore how we can best work together to build resilience and foster human flourishing for current and future generations.

¹⁷ Published in 2018 by the Indiana University Lilly Family School of Philanthropy, the latest edition of the *Global Philanthropy Environment Index* examines the enabling environment for philanthropy in 79 countries and economies around the world. The full 2018 report as well as individual country and region reports can be accessed at <https://globalindices.iupui.edu>.

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