Moving beyond Boundaries: The Rise of International Giving

Freedom from Hunger/Mexico
INTERNATIONAL GIVING IS PHILANTHROPY’S FASTEST-GROWING SECTOR

As organizations seek to tap into this increased interest in international causes, strategic partnerships with not-for-profit organizations assure donors that their charitable gifts are helping people effectively and efficiently.
INCREASES IN THE MIDST OF DECLINES

Giving to international causes is strong, both overall and among key donor segments such as individuals and corporations, at a time when many charitable organizations are struggling with reduced funding. Whether it is funding school uniforms for children in Uganda, vaccine delivery in Brazil or water purification in India, giving is increasingly global.

In 2009, giving to international affairs increased 6.2 percent over the previous year. This rise in international giving is significant when considering recent declines in overall giving due to the global economic crisis. The recession contributed to a 3.6 percent decrease in individual donations to all causes in 2009, according to Giving USA 2010. The Chronicle of Philanthropy recorded an 11 percent decline in charitable income among the top 400 charities in the world.

United States-based donors are giving internationally, in the midst of economic challenges, to help people in need and to create sustainable change in the areas of health care, education, job skills and economic development.

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In 2009, giving to international affairs was the subsector with the highest annual growth rate (6.2 percent), when compared to other giving areas such as health, human services, the environment, religion, education, public society benefit and arts, culture and humanities.¹

Since 1987, when Giving USA first tracked giving to international affairs, international giving realized a 10.4 percent average annual rate of growth. This is the highest overall growth rate for the subsectors that Giving USA tracks.²

Over the last decade, giving to international affairs has trended upward. It peaked in 2004 as a result of a widespread response to the South Asian tsunami. It continues to trend upward, even after charitable giving returned to more normal levels following the response (see Chart 2: Giving to International Affairs).

These figures reflect an increased interest in international causes. Factors contributing to this growing interest include:

• **The world is flat.** United States-based corporations are increasingly global, with significant assets and employees operating outside the United States. In addition, a greater percentage of United States corporate revenues are generated overseas.

• **Increased awareness through new media.** The internet and other electronic media generated greater public awareness of international humanitarian needs and major disasters, such as the South Asian tsunami, Haiti earthquake and recent crisis in Japan.

• **An increasingly diverse United States population.** United States Census Bureau reports published in 2010 show one in five Americans is foreign born or has parents who were born outside the United States.³

• **Increased international travel.** As more United States citizens live and travel internationally, they are exposed to international cultures and global issues.

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![Chart showing giving to international affairs from 1989 to 2009](Source: Giving USA 2010)
GIVING IS PERSONAL

Individual donors are the leading source of philanthropy in the United States. Individual giving and charitable bequests represent 83 percent of total giving ($227.41 billion out of $303.75 billion), according to Giving USA 2010. In addition to representing the leading donor segment, individual giving has been resilient, even in times of economic recession. The 2009 reports from Giving USA and DonorPulse show individual giving remained steady year over year, falling less than one-half percent in 2009. Individual contributions to all causes started to rebound at the end of 2009 and beginning of 2010, as the stock market rose and media coverage highlighted the needs faced by charitable organizations, particularly those operating internationally or providing disaster relief. 

Individual donors drive philanthropy in the United States and also contribute the majority of gifts made to international causes. When last tracked by Giving USA, individual donors made more than half of all donations to international charities (see Chart 3: Sources of Donations to International Charities). A 2010 Target Analytics report found that, in the last five years, international charities gained new individual donors and additional revenue at a much higher rate than other charitable causes.

CHART 3: SOURCES OF DONATIONS TO INTERNATIONAL CHARITIES

Source: Giving USA 2008
Giving to international causes appeals to a broad set of individual donors. On average, 22 percent of giving American households make a donation to international charities. These households represent every geographic region of the United States equally, demonstrating that interest in international causes is widespread. Giving to international causes increases as households’ education and income levels increase, according to the Center of Philanthropy at Indiana University.

Individuals who donate to international causes are more likely to give to a greater variety of charitable causes than other donors. On average, international donors support four additional charitable sectors. A small fraction of individuals, three percent, who give internationally donate to only one cause (see Chart 4: Number of Sectors Supported by Donors that Give to International Charities).

**CHART 4: NUMBER OF SECTORS SUPPORTED BY DONORS THAT GIVE TO INTERNATIONAL CHARITIES**
*(of a possible 8)*

![Chart showing the number of sectors supported by donors that give to international charities](chart.png)

*Source: DonorPulse 2008 International Edition*
CORPORATE PHILANTHROPY REMAINS STEADY AND STRONG

Corporations increased their overall charitable giving in 2009, according to the Committee Encouraging Corporate Philanthropy (CECP) report Giving in Numbers. Of the $14.1 billion in corporate donations given in 2009, there was a rise in both in-kind and matching gift program donations (see Chart 5: Giving by Corporations). Giving USA 2010 suggests that these increases, made as companies worked to balance multiple priorities and manage the economic downturn, indicate that companies recognize a strategic benefit to their giving.

Trends also show that corporations are increasing their international giving. The results of a CECP survey of 41 companies, which includes many of the Fortune 100, found that aggregate international giving increased from $2.37 million in 2008 to $2.72 million in 2009, despite the economic downturn. Giving USA’s data from the past four decades shows an upward trend in corporate international giving, and the Conference Board’s 2010 Philanthropy Agenda found that 37 percent of 114 major United States companies planned to increase their funding focus on international development initiatives.

The share of total corporate giving is increasing even though corporate support for international causes comprises a relatively small portion of total corporate donations. The percentage of corporate giving directed toward international causes more than doubled from 2003 (1.4 percent) to 2008 (3.0 percent). The Foundation Center, which provides public access to philanthropic research with the support of several foundations and corporations such as The Coca Cola Company, Exxon Mobil and JPMorgan Chase, found that companies consider providing emergency assistance and disaster relief as a priority for the years to come.
CORPORATIONS ALIGN GIVING WITH BUSINESS GOALS

The Conference Board’s publication *The 2010 Philanthropy Agenda* found that many corporations see a greater need to align their philanthropic efforts and business strategy as their contributions to international causes increase.

The Foundation Center suggests that corporations view charitable giving as a strategic opportunity to improve the quality of life in the regions in which they operate, because cleaner, safer and better-educated communities benefit business. As corporations rely on workers, resources and revenue from regions around the world, they recognize how challenges related to poverty, health care, education and job training affect their business goals.

Corporate philanthropic efforts also engage employees. The CECP and McKinsey & Company found that giving programs featuring international charities attract and retain employees who embrace international causes.¹⁴ This is especially true in companies with a diverse workforce and international locations.
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CORPORATE PARTNERSHIPS WITH INTERNATIONAL NOT-FOR-PROFIT ORGANIZATIONS ARE INCREASING

Global Impact raises funds to meet critical humanitarian needs around the world through innovative partnerships and employee giving programs. As a leader in international philanthropy, Global Impact supports an alliance of 58 leading internationally-focused charities and develops customized giving solutions that align with its corporate partners’ business goals.

As companies become increasingly global, they express greater interest in giving to international organizations that sustain regions where they operate and gain revenue. Giving to international causes also supports employees’ diverse interests. The number of organizations that establish partnerships with Global Impact increases year over year, and partner organizations such as JPMorgan Chase, Thomson Reuters, TIAA-CREF and United Airlines represent a wide spectrum of industries. Global Impact provided more than 75 companies with innovative giving solutions over the past decade, and workplace giving donations to Global Impact international charities tripled.  

“Partnering with Global Impact allows us to not only provide great choices of leading charities but also provides us with a platform to educate our employees on solutions to issues that matter to them most. The results of the charities show employees that their contributions are truly making a difference around the world.”

— Michael Carren, Director of Employee Engagement and Volunteerism, JPMorgan Chase
PARTNERSHIPS ENSURE EFFECTIVE GIVING AS INTEREST IN INTERNATIONAL CAUSES GROWS

There are strong, broad-based trends that demonstrate donors are migrating to international causes. Giving to international causes is increasing among key donor segments, including individuals and corporations. In today’s global environment, strategic partnerships with internationally-focused not-for-profit organizations allow corporations to create philanthropic programs that support core business goals and generate shared value.

David Robard/American Jewish World Service/Cambodia
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3 www.census.gov/newsroom/releases/archives/foreignborn_population/cb10-159.html


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6 Target Analytics (Found in The Philanthropic Marketplace), www.blackbaud.com/files/resources/downloads/cam/TargetIndexResultsSummaryQ22010.pdf

7 DonorPulse 2008 International Edition


9 DonorPulse 2008 International Edition


