



Nonprofit Industry Trends

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Report: Trends in the Nonprofit Industry in India, China, and America.

The nonprofit industry continues to increase the scope and variety of services it offers to citizens in India, China, and America. Yet, due to public policy, cultural variation, and perceived human need, different sub-sectors dominate in each country and within regions of each country.

In this report we briefly differentiate between the nonprofit sectors in India, China, and America in terms of: roles, nonprofit subsector division, overall strengths, and potential short-term future trends. While data on nonprofits in India and China is incomplete due to the abundance of unregulated nonprofits, we assume that the available data sufficiently indicates general trends.

Roles Definition

Nonprofit expert Dr. Dennis Young suggests that nonprofits generally serve one of three functions, or roles: supplementary, complementary, or adversarial. Supplementary nonprofits are those which provide a service that the government does not provide. When nonprofits are complementary, they provide a service in collaboration with the government. And adversarial nonprofits exist to force the government to amend its policies.

Overall, the nonprofit industries in India, China, and America are each comprised of different percentages of these roles.



India

Roles

Indian nonprofits have been, until recently, operating largely in a supplementary role. These nonprofits -- many of which are religious in nature -- provide basic services to people in need that the government can't or won't provide.

Size and Breakdown by Sub-sector

India's nonprofit industry is estimated to be around 1.2 million agencies strong.

As of 2015, most donations by Indians were being targeted towards the education, human services, and healthcare sectors. The arts were receiving the least donations. It is hypothesized that up to 90% of funds donated by Indians flow through religious institutions, greatly distinguishing India from both America and China.

Strengths & Future Trends

When adjusting for GDP PPP, India has one of the world's strongest nonprofit sectors and it is growing rapidly.

From 2009 to 2013, there was a 200% increase in philanthropic giving in India.

Fig 1.1 HNWI Self-Reported Areas of Donation

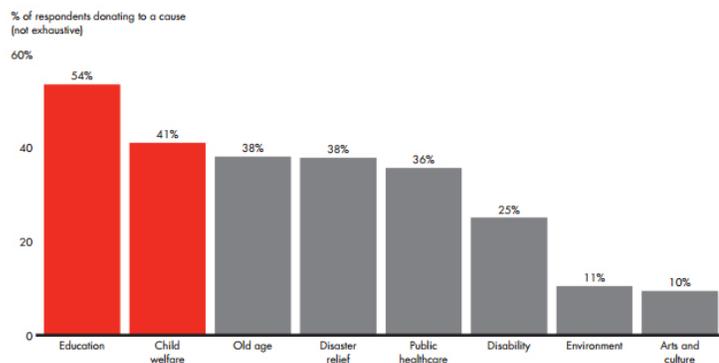


Fig 1.2 World Giving Index (2015)

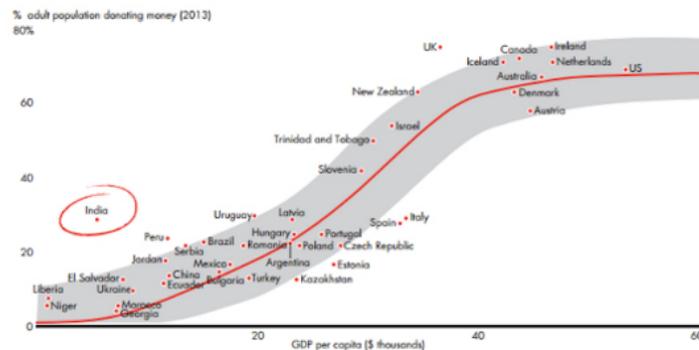
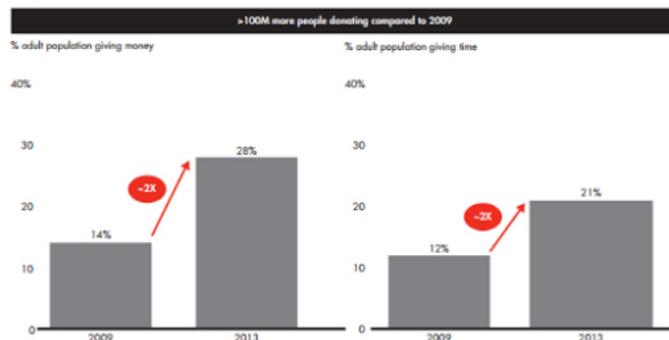
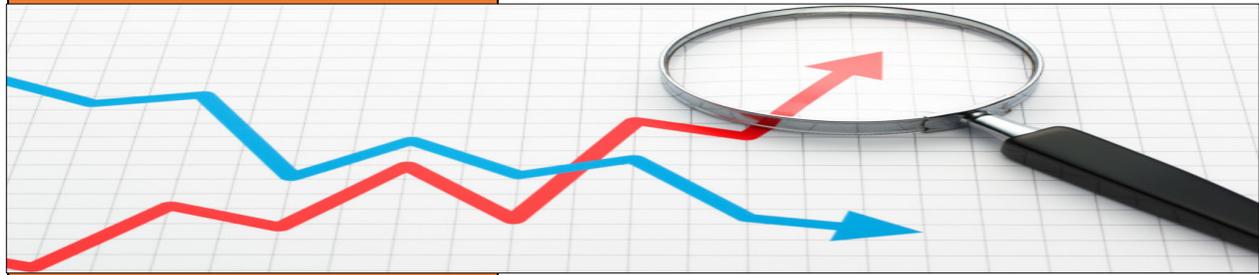


Fig 1.3 HNWI Self-Reported Increase in Donations





China

Roles

In China, nonprofits mostly fulfill a complementary role, as the government actually manages most nonprofits.

Breakdown by Sub-sector

In 2015 there were a total of 1.76 million nonprofit organizations in China, making China's nonprofit sector the world's largest.

It has been hypothesized that the largest subsector is education. While the majority of philanthropy in India is by individuals, it is estimated that 76% of giving in China is done by companies (foreign and domestic).

Strengths & Future Trends

We can expect to see China increasingly project its soft power throughout the world through organizations like the Confucius Institute, which is expanding rapidly to many countries.

Conversely, the number of foreign nonprofits operating in China may retract greatly in the next few years due to new laws cracking down on 'security threats.'

Fig 1.4 Size of Nonprofit Industry Between India, China, and America (in Millions)

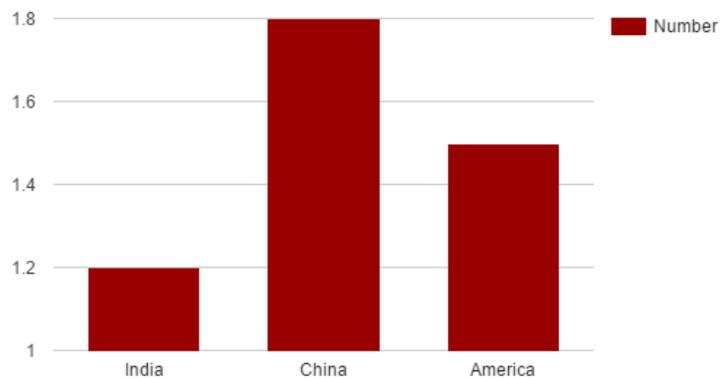
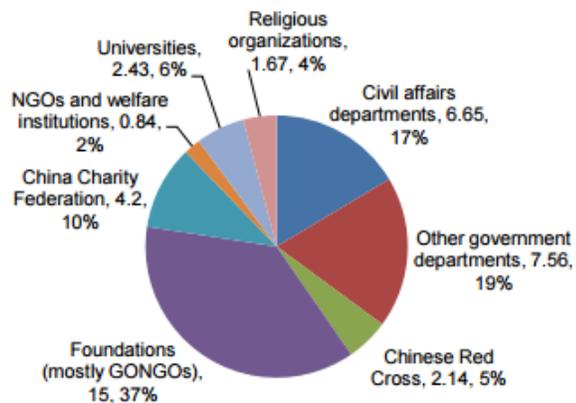
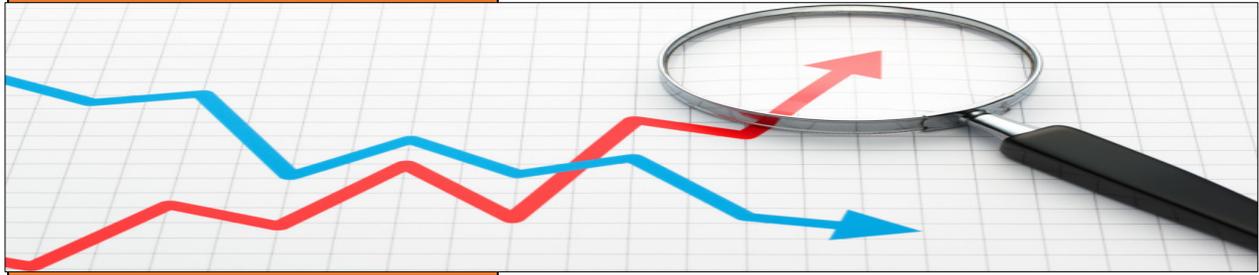


Fig 1.5 Proportion of Donations Received in China (RMB Billion %)





America

Roles

While all three types of nonprofits exist in abundance in the US (supplementary, complementary, and adversarial), there has been a growing trend of government contracting nonprofits to provide services (complementary).

Breakdown by Sub-sector

The US nonprofit industry is comprised of around 1.5 million nonprofits.

As in India, Americans give most to education, human services, and healthcare nonprofits. In contrast, American religious nonprofits occupy only a small percentage of charitable giving and when adjusting for GDP PPP, the nonprofit sector is much smaller than India's.

Strengths & Future Trends

One of the fastest growing nonprofit subsectors in the US is the international and foreign affairs subsector which has grown by 50% since 2003. This growth sets the US apart from China and India and shows no signs of abating.

Fig 1.6 Subsector Revenues of US Nonprofit Industry (USD Billion)

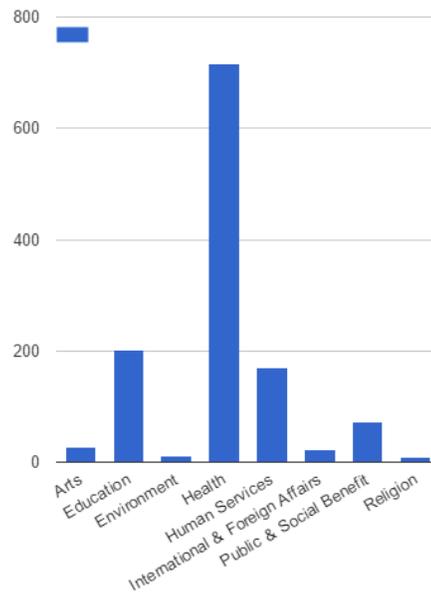


Fig 1.7 Percent Change in the Number, Revenues, and Expenses of Nonprofit Sub-sectors

