

# What happened to Australian NGO donations in the second year of COVID-19?



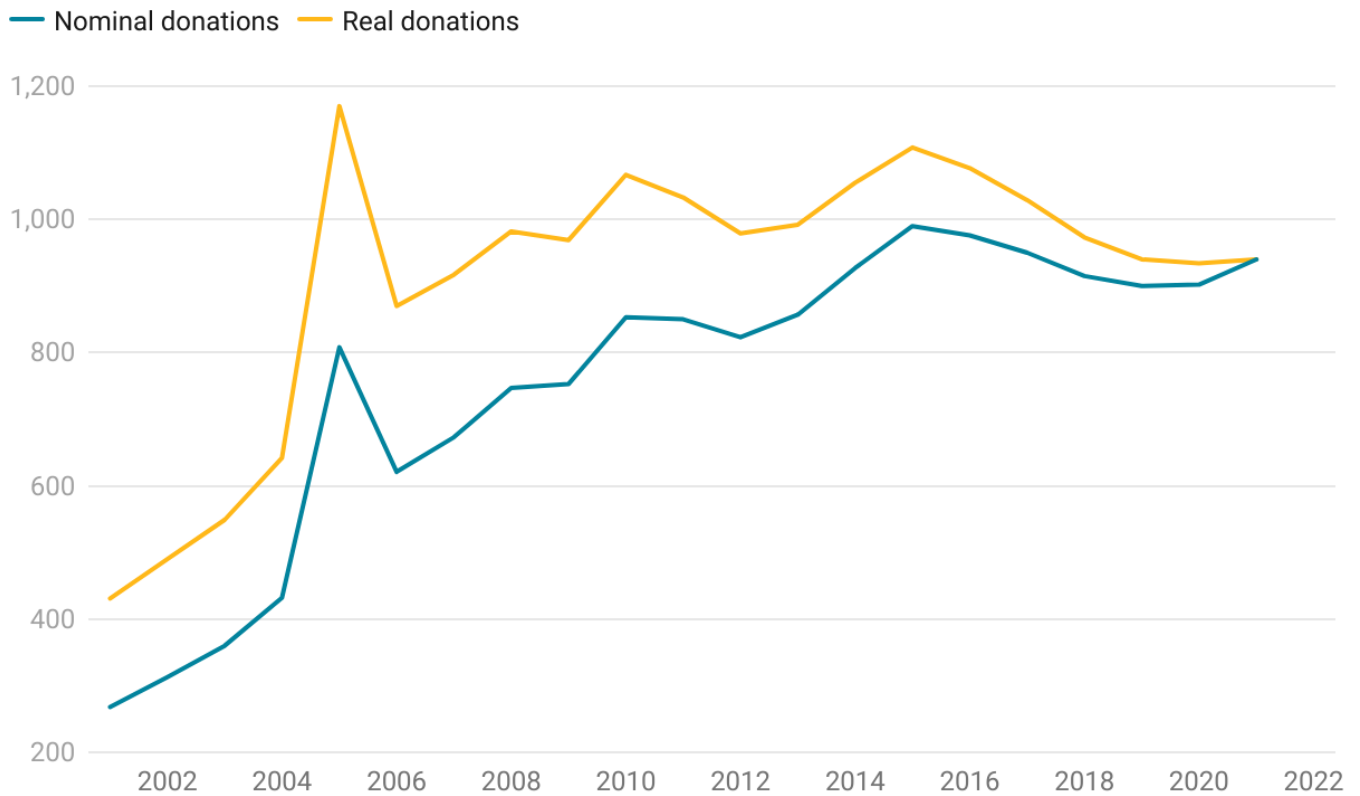
*Photo Credit: Valérie Batselaere/Oxfam International/Flickr*

by Terence Wood

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New data compiled by the [Australian Council for International Development \(ACFID\)](#) and the Development Policy Centre show that Australians' donations to development NGOs increased in 2021. (2021 is the most recent year we have data for owing to the time required for organisations to compile financial data and report it to ACFID.) You can see this in Figure 1. As you can see, the increase exists even when inflation is taken into account. It is a small increase, only taking donations back to pre-COVID levels, but it is the first time since 2015 that inflation-adjusted donations have risen.

**Figure 1: Australians’ donations to development NGOs (AUD, millions)**

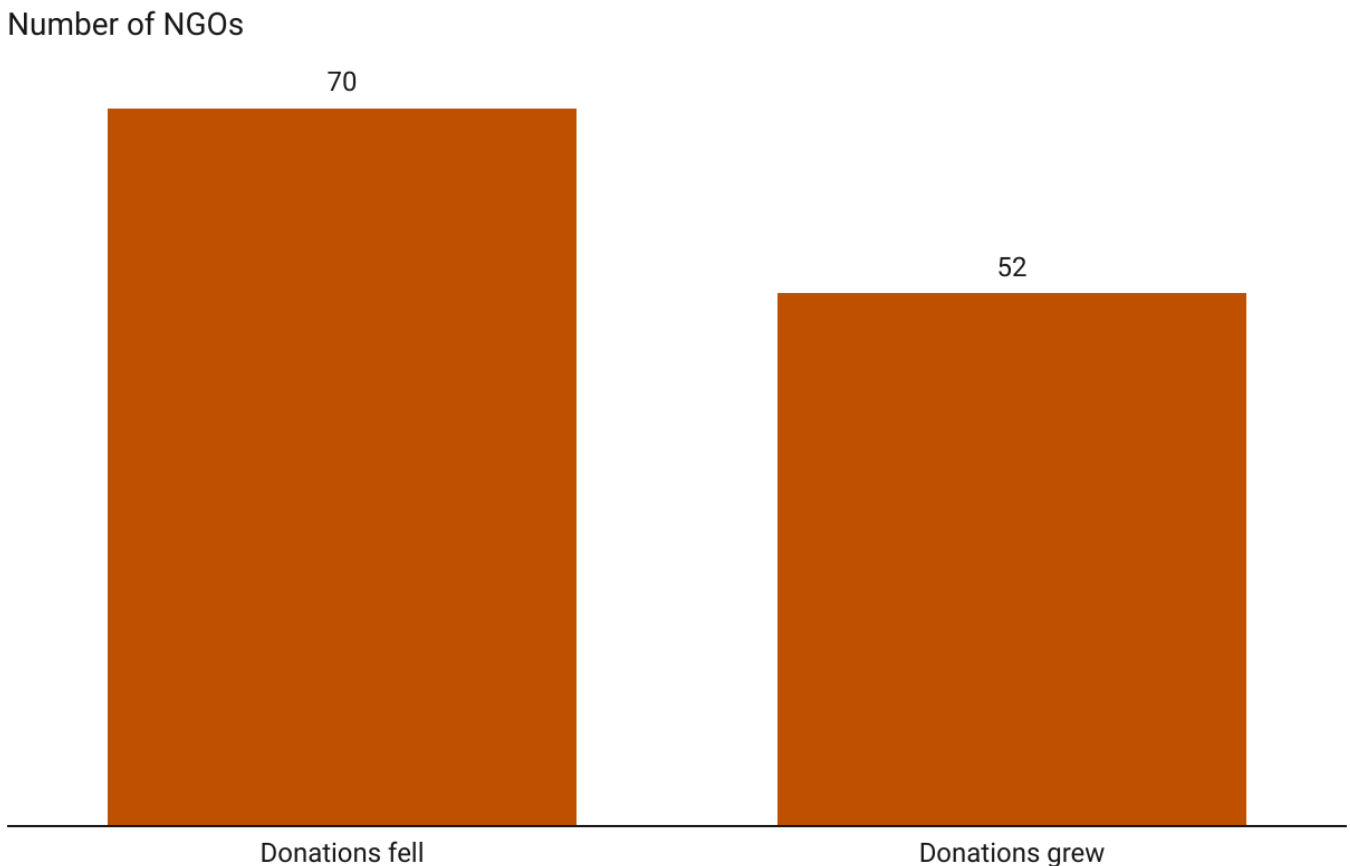


*Data are for all ACFID members, as well as two large non-ACFID members, Compassion and Médecins Sans Frontières, which we gather data for. In terms of donation volumes, this is a very large subset of Australia's development NGOs.*

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Although donations increased somewhat for the sector as a whole, the story for individual NGOs was much more varied. As the next figure shows, even though donations went up in aggregate, most NGOs for which we have data in 2021 and 2020 actually saw donations decline to some extent.

**Figure 2: Change in donations to individual NGOs between 2020 and 2021**



*Data are for all ACFID members that reported donor numbers in 2020 and 2021.*

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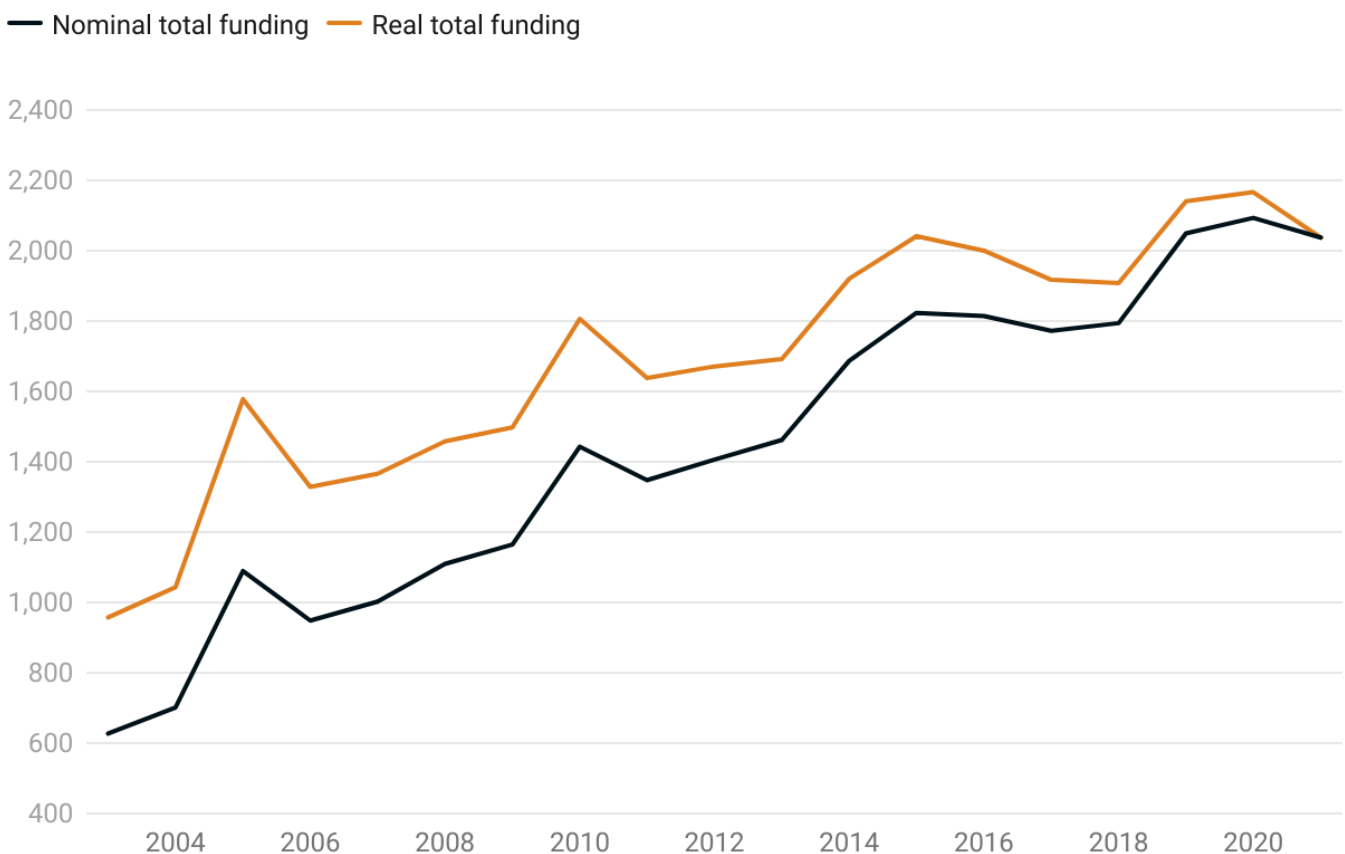
If it seems odd to you that the sector as a whole could have seen donations rise while the majority of its members did not, this is because Australia’s NGO sector has a lot of small organisations and only a few larger ones. The large NGOs are much fewer in number, but they also get the lion’s share of donations. And, on average, there was a positive relationship between NGO size and donation revenue change between 2020 and 2021. NGOs that were larger in 2020 tended to see their donations grow faster in 2021. The relationship was only a tendency: not all large NGOs did well by any means, but bigger NGOs did better on average than smaller ones. As a result, aggregate donations grew for the sector as a whole.

Part of the reason for the uptick in total NGO donations between 2020 and 2021 is that Australia’s economy grew. As I’ve [demonstrated in earlier analysis](#), there has been a reasonably clear positive correlation between economic growth and changes in donation volumes to Australian NGOs. This correlation is still present. (Between 2001 and 2021, excluding the anomalous years of the Indian Ocean tsunami, the correlation between real GDP per capita growth and real donation growth is 0.5; the p-value for the relationship is 0.03.)

Another likely explanation for the overall rise in donations is that some NGOs have managed to build their supporter base. Among those NGOs for which I have data for both years (not all NGOs, but a reasonably large subset), the number of individual donors increased from 922,764 in 2020 to 995,020 in 2021.

Although donations to NGOs crept up in 2021, the year wasn't as good for other types of Australian NGO revenue. As Figure 3 shows, total development NGO revenue from all sources fell in 2021.

**Figure 3: Total funding to development NGOs (AUD, millions)**



*Data are for all ACFID members, as well as two large non-ACFID members, Compassion and Médecins Sans Frontières, which we gather data for. In terms of donation volumes, this is a very large subset of Australia's development NGOs.*

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One reason for the fall in overall funding was less aid from DFAT. Presumably this drop was at least in part a result of COVID-19: some initial COVID-related support coming to an end for a number of organisations, as well as a large cut in funding to Australian Volunteers International, which no doubt reflected a fall in their ability to send volunteers overseas. Another reason for the fall was a large drop in funding from the World Food Programme to World Vision, which itself appears to be the reversal of a major increase that started two years prior. It was a significant drop in funding, but it only affected one NGO.

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In terms of overall funding, 2021 wasn't such a good year for Australian development NGOs, but there was somewhat better news, for some NGOs at least, in the form of rising donations.

### **Disclosures:**

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Link: <https://devpolicy.org/australian-ngo-donations-20230130/>