

The fall and rise of donations to Australian development NGOs

by Terence Wood
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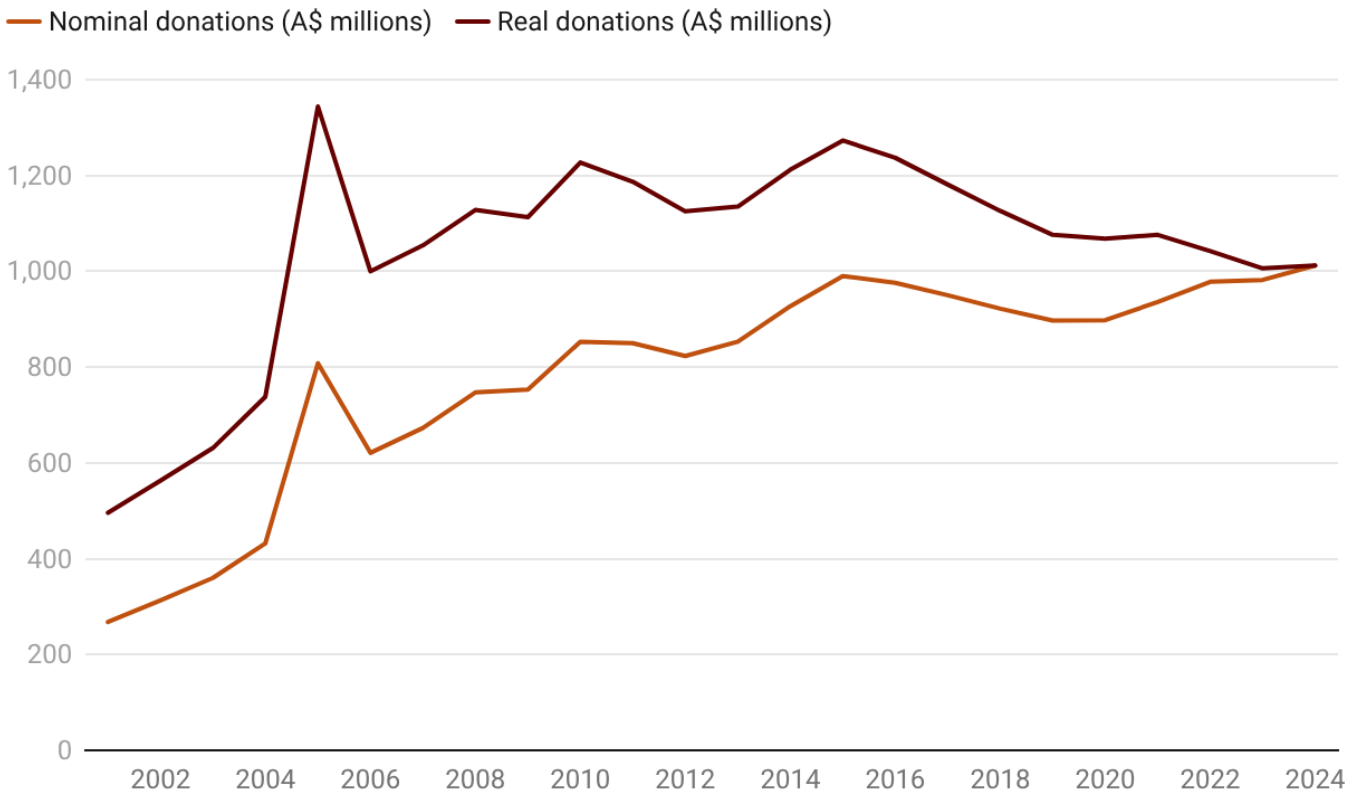


World Vision assisted schools to ensure good Water Sanitation and Hygiene practices after the 2024 Vanuatu earthquake

Photo Credit: [Facebook/WV Vanuatu](#)

The years since 2015 have not been kind ones for Australia’s development NGOs. As the top line on the chart below shows, between 2015 and 2024, with inflation taken into account, donations from the public fell by 20%.

Figure 1: Overall trends in donations to Australian development NGOs



Source: NGO donation time series. • Created with Datawrapper

Part of the NGOs’ donation woes have come from economic circumstances in Australia. As I’ve [shown in the past](#), there is a reasonably clear correlation between economic growth and changes in the volume of donations to Australian development NGOs. The relationship is far from perfect but, broadly speaking, in

years when economic growth has been low, NGO donations have grown very little or have fallen. Other factors contribute to donation volumes. The 2004 Indian Ocean tsunami, for example, explains the massive spike in donations in 2005. However, **disaster trends** don't seem to be behind the fall from 2015 to 2020.

Slow economic growth explains part of the fall in donations from 2015 to 2020 but, since 2020, a different problem has plagued the sector: inflation. The bottom line in Figure 1 shows the volume of donations before inflation has been taken into account. As the line shows, if we ignore inflation, donations have been on the rise. The problem for NGOs is that donations haven't grown fast enough to keep up with inflation.

To illustrate what has happened, consider the following example: in 2021, let's suppose, hypothetically, that I gave \$100 to the hypothetical NGO "Spreadsheets Without Borders". In 2022, generous soul that I am, I decided to give a bit more, so I gave \$105. On paper, at least as far as I was concerned, I'd dug even deeper into my wallet. But, because inflation was nearly 8% in that year, my contribution actually fell in real terms.

I'm guessing the hypothetical me is pretty typical. I doubt that many donors go to the Australian Bureau of Statistics' website, spend half an hour trying to navigate it and download Consumer Price Index data when deciding how much to give. The problem is made worse by those donors who sign up for automated regular donations. This is the right way to give – regular donations mean regular revenue for NGOs, which makes planning and working much easier. Unfortunately though, automated donations of this sort aren't normally increased in line with inflation, so their real values fall over time, especially when inflation is high.

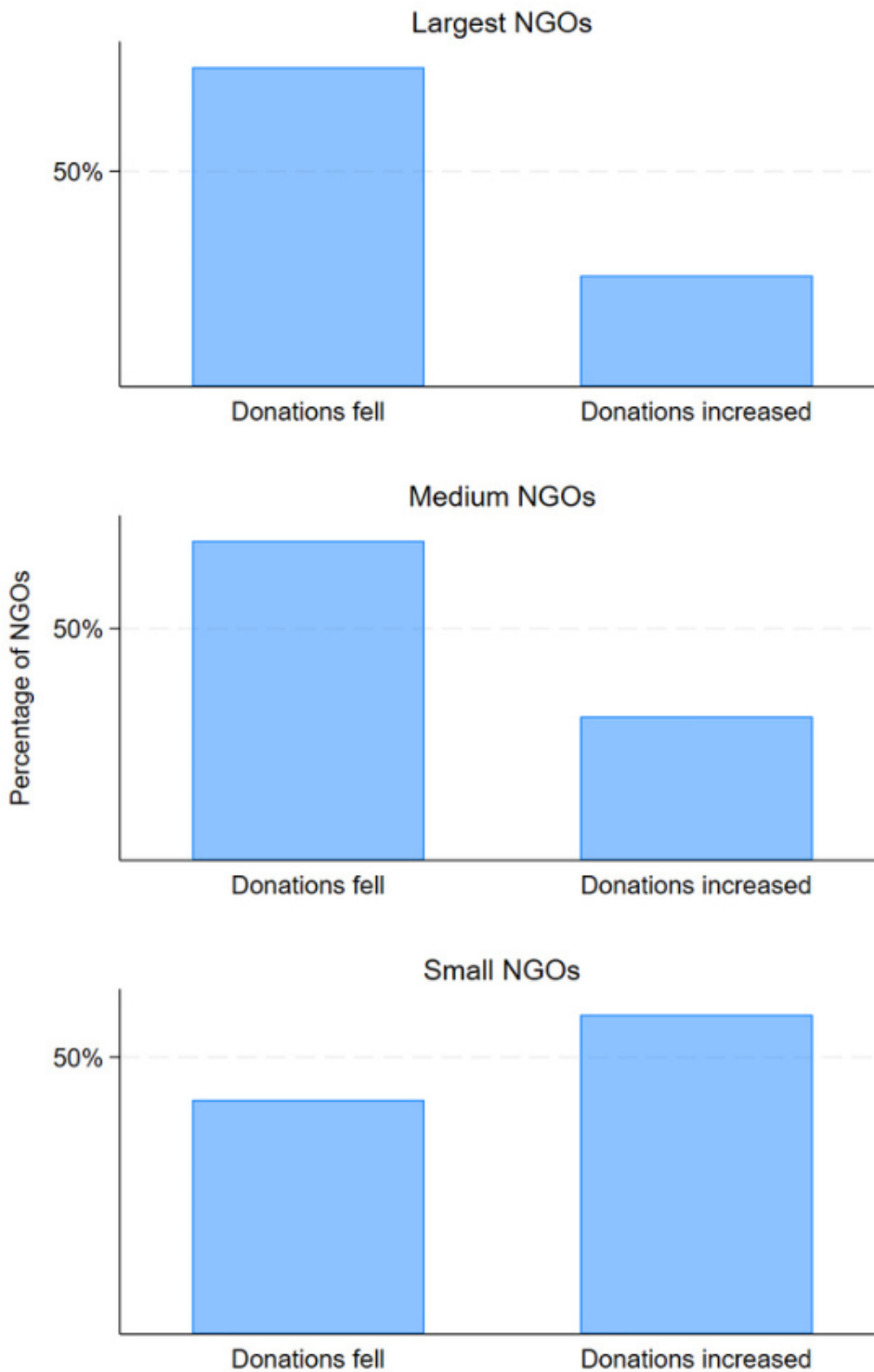
Inflation has undermined donations to NGOs in recent years. However, 2024 – the most recent year we have data for – brings slightly better news. In 2024, donations managed to outpace inflation. The rise wasn't huge and one year isn't a trend. But it's certainly better than a fall. And perhaps it's a sign of better times to come.

That's the story for the sector as a whole. However, not all NGOs are created equal and, by virtue of their size, several large NGOs, particularly World Vision Australia, have a huge influence on overall giving. Initially, I thought that the overall fall in donations from 2015 to 2024 might have simply been driven by tough times at the top.

Yet, as I dug into the data more, I discovered that this wasn't the case – falling donations weren't just a phenomenon affecting a few large NGOs. It's true that, of the 10 largest NGOs that we follow, eight saw their inflation-adjusted donation

revenue fall from 2015 to 2024. However, in the chart below I've broken NGOs into three categories based on donations received in 2015 – the largest third, the medium third and the smallest third. The chart shows that donations fell for a substantial majority of organisations in the largest two thirds of NGOs. Only amongst the smallest third of NGOs that we have data for did donation revenue grow for the majority of organisations. (It's worth emphasising "that we have data for". We have a full time series of data for the largest NGOs; our data for the smallest NGOs are more patchy.)

Figure 2: Changing donations amongst different sized NGOs



Source: NGO donation time series.

What explains the varying fortunes of different-sized NGOs? My guess is that donations to larger NGOs are influenced a lot by the state of the economy. These are the organisations with fundraising teams and many donors, most of whom the NGOs have little personal connection with.

However, things are different for smaller NGOs. In the case of the bottom third of NGOs, the rise in revenue was mostly driven by the very smallest organisations

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(NGOs with inflation-adjusted donation revenue of less than \$150,000 in 2015). In 2015, the median NGO among these tiny NGOs had just 140 donors. When revenue comes from only a handful of givers, my guess is that it's much easier to maintain ties, and donations, over time.

The world of NGO donations is a complicated one – not all NGOs raise cash in the same way, and this has an impact on how their revenue changes over time. But – for the sector as a whole – 2024 brings some good news: even with inflation accounted for, donations have begun to rise.

Note: we are very grateful to the Australian Council for International Development (ACFID) for their willingness to share data with us. We add additional NGOs and undertake further calculations once we get the data. For this reason, ACFID are not responsible for the numbers included in this post. Please note that every year we are working on improving our dataset. For this reason, numbers in this blog post are not identical to numbers in earlier years' posts.

Updated data is available on the Australian Aid Tracker's [Trends page](#).

Disclosures:

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Link:

<https://devpolicy.org/the-fall-and-rise-of-donations-to-australian-development-ngos-20260120/>