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**The International Charitable Nonprofit Subsector in the United States:
International Understanding, International Development and Assistance,
and International Affairs**

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Abstract

This monograph provides an overview of the international nonprofit subsector in the United States and an approximate picture of its infrastructure and capacity to mobilize public and private resources in three major areas of operation: international development and assistance, promotion of international understanding, and international affairs. It confirms the central role of international nonprofits in the accumulation massive amounts of private support for foreign causes and distribution of private aid around the world. It further enumerates the importance small organizations with international operations that give civic depth and programmatic diversity to the work of the international nonprofit subsector. The monograph also provides a window into government's partnership with NGOs and its increasing reliance on the access, flexibility, and expertise of NGOs for carrying out programs related to foreign assistance, democracy building, international exchange, and other areas of national interest. This is the first systematic national study of the international nonprofit subsector using descriptive statistics and data on charitable nonprofits obtained from the National Center for Charitable Statistics (NCCS) at the Urban Institute. It establishes a basis for measuring the size and scope of the international nonprofit sector, one that can be used to assess its growth and financial health in future years. This version of the monograph provides a snapshot of the international subsector in FY2003 and points out changes in the size, resources, and areas of operation from FY 2001 to FY 2003.

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Introduction

International organizations are a growing part of the U.S. nonprofit sector and play a vital role here and abroad connecting Americans to the world and the world to Americans. Whether arranging international student exchanges, assisting victims of foreign disasters, or influencing policy between nations, international nonprofits based in the United States are expanding the interaction of Americans with people, places, and ideas from around the world. They contribute to, and are shaped by, the globalization that is redefining the world in which we live.

International charitable organizations make up only 2 percent of organizations and 2 percent of revenue of the charitable nonprofit sector in the United States, but their influence both at home and abroad is far-reaching in three areas addressed by this study: international understanding, international development and relief assistance, and international affairs. They provide important humanitarian aid, secure financial support for institutions and causes abroad, build cross-national understanding through the international exchange of ideas and people, and conduct research for policy development on foreign policy, trade, security, and other issues with global consequences. International organizations are also part of a global activist agenda that includes human rights, women's rights, workers' rights, AIDS, environmental protection, and other transnational issues.

The expanding roles of international nonprofits in democratic governance, civic participation, bilateral and multilateral policy, and development and relief can be attributed to a number of different factors. Human and environmental consequences of natural and man-made disasters, unrelenting poverty and famine, disease, and war demand a response by voluntary organizations with the commitment and resources to address pressing needs. The porosity of national borders, the movement of people worldwide, and communication technologies that permit an easy exchange of ideas, fundraising, and coordinated action are aspects of globalization important to the operation of international nonprofits. Also significant are increases in the numbers of civil society institutions here and abroad, the power of public opinion, growing dissatisfaction with traditional state bureaucratic institutions, and the government's interest in decentralized action carried out through nongovernmental organizations and in establishing democratic practices around the world.

Despite their increasing importance, international nonprofits have largely been understudied as a subsector of the U.S. nonprofit sector. No comprehensive directory of international organizations describing their scope, programs, and financial capacity to fulfill international missions is available. Some data on international nonprofits are collected by government agencies, though this information is generally limited to a select group of nonprofits that have contract or grant relationships with federal agencies. Loose and diverse definitions of

international organizations, lack of a comprehensive and mandatory reporting system for international organizations, and the rapid increase in number of organizations operating internationally also contribute to the difficulty of compiling a useful directory. Without comprehensive organizational data, researchers and government officials have been hard pressed to provide even an approximate picture of the capacity and contribution of the U.S. international nonprofit subsector as a whole.

This monograph addresses some of the shortcomings in current literature and data by providing the first systematic look at the international nonprofit subsector in the United States using descriptive statistics and data obtained from the National Center for Charitable Statistics (NCCS) at the Urban Institute. These data comprise organizations that filed Form 990s with the Internal Revenue Service and represent the most complete and comprehensive nonprofit data available for a large-scale study profiling the U.S. international subsector and its major areas of operation. The monograph provides a snapshot of the size and finances of the international nonprofit subsector in FY 2003 and assesses financial health in each area of operation to provide an approximate picture of the infrastructure and capacity of the international subsector to mobilize public and private resources for international purposes. The monograph also points out recent changes in the growth and finances of the subsector from FY 2001 to FY 2003 that may be of consequence in the future.

The study uses terms that are new to many readers. The *nonprofit sector* generally refers to all formally organized U.S. tax-exempt organizations, though the NCCS data used in this study are limited to charitable tax-exempt organizations. The international nonprofit *subsector* refers to U.S.-based charitable organizations whose *primary purpose or mission* is international in scope. International organizations were sorted into three *major categories: international affairs, international understanding, and international development and assistance*. *Subcategories* were created that further refine more specific organizational purposes within these major categories. Table 1 shows the categories and subcategories in the classification system used for this study.

Literature Review

No one strand of research addresses the diversity of international organizations found in the United States. In this section, the discussion of literature reviews the contributions of organizational studies to the development of a nomenclature for international organizations and notes drawbacks of current approaches for constructing an overview of U.S. international organizations. In subsequent sections, additional literature is brought to light that is specific to the three major areas examined in this monograph: development and assistance, international understanding, and international affairs.

The most extensive research on U.S. international organizations has been conducted in the area of international development and assistance organizations. Other types of organizations in the U.S. international nonprofit subsector are less studied. Peace activism in grassroots community organizations has been examined as a social movement (Edwards 1994), though many local efforts are often overlooked in favor of studies of larger, more influential foreign policy think tanks (Abelson 2002; Haass 2002). Researchers are only beginning to examine the role of small, religiously affiliated nongovernmental organizations (Berger 2003, [add McCleary](#)).

International exchange organizations have received only cursory treatment with research limited to international academic exchange programs connected with universities (Institute of International Education 2000). A multitude of small organizations that serve as conduits for financial and other forms of tangible support for immigrants' homelands also are largely undetected by scholars (Zabin and Rabadan 1998).

The literature on international development and assistance organizations has endowed readers with a diverse nomenclature. Names and definitions used for international organizations, while prolific and varied, are sometimes vague and are often not useful for capturing a more comprehensive set of U.S.-based nonprofit international organizations. This is most apparent among international development and assistance organizations where names and definitions describe organizational attributes, such as geography and status. For example, international nongovernmental organizations (INGOs), development NGOs, transnational NGOs, northern NGOs, multinational NGOs or simply NGOs as well as the United States Agency for International Development's (USAID's) use of private voluntary organizations (PVOs) all refer to development and assistance organizations. One common definition of an NGO as "a nonprofit organization based in a developed country which operates in developing countries" (Macdonald 1997; Greensmith 2001; Bradshaw and Schafer 2000) stresses the importance of Northern resources in the flow of international aid and appropriately describes most of the nonprofit development and assistance organizations included in this study. However, USAID uses NGO to describe its partners without regard to their nonprofit or for-profit status.

Research on international organizations has been confined largely to case studies, most with a regional focus, or to a small sample of international organizations (Henry 1999; Salm 1999; Lindenberg and Bryant 2001). These studies provide nuanced examinations of organizations useful for understanding contextual factors and organizational growth, resources, structures, and internal and external organizational challenges (Lindenberg and Bryant 2001; Foreman and Stoddard 2002). With regard to literature on international organizations, Edwards and Hulme note, "much of what has been written is anecdotal, produced within the NGO community, and based on small, selective samples" (1996, 963).

Other studies focus on development and assistance organizations working with just one government agency such as USAID (Lindenberg 1999). Research from the United Nations, the Organisation for Economic Co-operation and Development (OECD), and others has sought to establish an overall estimate of humanitarian and/or development assistance flowing from North to South, with assistance from nongovernmental organizations (NGOs) discussed briefly as an element of this aid (Development Initiatives 2000, 2003; OECD 2002). Histories of development and assistance policy in the United States bring into focus the relationship between post-war foreign policy goals, multilateral institutions, and the evolution of voluntary organizations (Ruttan 1996).

Overall, rigorous research on large datasets of international nonprofits is a growing enterprise, but studies lack a comprehensive overview of U.S.-based international nonprofits. Some data on the U.S. international nonprofit sector is embedded in research on global civil society, where large-scale quantitative studies have contributed to advances in comparative and cross-national research on nonprofit organizations. Lester Salamon and colleagues compare the number and finances of civil society organizations in 42 countries along several dimensions, including

international organizations for some countries (Salamon et al. 1997, 2004). Helmut Anheier and colleagues produce annual edited volumes exploring the contribution of civil society organizations to global discourse, policy and action on a wide range of topics (Anheier et al. 2001, 2002, 2003). Additionally, The Foundation Center produces studies on international grantmaking that include foundation grants to overseas recipients and funding for U.S.-based international programs (Renz and Atienza 2003).

Additional descriptions of roles and activities of organizations are both useful and limiting (Boli and Thomas 1997; Brown and Moore 2001), since the specific parameters against which international nonprofits can be separated from one another is nearly always problematic. The focus on organizational purpose employed in this study, for example, requires decisions about how to characterize organizations. It is difficult to determine whether organizations that provide both domestic and international services under the same roof are predominantly international in purpose. Religious missions, while international in reach and in the provision of development and relief services, offer religiously inspired programs that may or may not be considered “assistance.” Scholars examining organizational purpose also confront the difficulty of distinguishing between international development assistance and advocacy as a primary organizational purpose and between organizations that provide direct assistance and those that provide support through grants to organizations and people abroad.

This monograph begins to address shortcomings in the literature and data on international organizations that create difficulties for designing large-scale studies of the international nonprofit subsector in the United States. Definitional problems are addressed through creation of a taxonomy based on organizational purpose and tailored to a large and diverse dataset. The development of a large dataset allows for more comprehensive understanding of a broad range of international organizations than is possible in narrow-scope case studies of organizations or mid-size studies of agency-related organizations. This knowledge can help policymakers and the public better understand how U.S. civil society complements and supplements official foreign aid and foreign policy objectives.

A central focus of this study is a financial overview of the U.S. international subsector made possible by the availability and scale of detailed financial and program information in the NCCS GuideStar National Database. Tvedt underscores the fundamental importance of financial information for the operation, scope, and type of activities of these organizations: “The system [of development NGOs] is primarily produced and reproduced and defined vis-à-vis the rest of the world and the rest of the organizational landscape by the flow and transfer of funds, and the character of this resource transfer” (2002, 368). When taken together, the organizational and financial data in the NCCS GuideStar National Database give a measure of the infrastructure and capacity of the U.S. nonprofit sector to provide services worldwide, respond to disasters, foster international understanding among nations and peoples, and inform national policy on international issues.

Methodology

This section describes the framework used for classifying nonprofit organizations as part of the U.S. international nonprofit subsector and the resulting circa 2003 dataset of organizations

compiled for this monograph. More detailed information on the taxonomy, coding, definitions, data development, and data limitations can be found in appendices 1–3.

Definitional Issues and Classification Framework

The U.S. international nonprofit dataset used in this paper is made up of nonprofit organizations that

- are private corporations created, maintained, and terminated by voluntary decisions of the trustees, board, and/or members of the organization;
- are registered in the United States with the Internal Revenue Service (IRS) as charitable tax-exempt organizations (501(c)(3)), receive over \$25,000 in annual income, and file an annual IRS Form 990;¹ and
- serve public purposes as organizations with missions and programs that are primarily international in purpose and scope—that is, they provide goods, services, and/or funds to individual or institutional beneficiaries abroad and/or promote international understanding and/or address international policy issues here and abroad.

The framework developed to organize international nonprofits was based partly on a review of the literature on international organizations and partly on examination of the many nonprofits with international programs and missions in addition to those already coded as international according to the National Taxonomy of Exempt Entities (NTEE).² Some organizations, particularly those engaged in exchange programs and development and assistance services, carry out programs beyond the borders of the United States for the benefit of citizens of other countries. Other organizations, such as organizations for the exchange of ideas or for collective action on transnational issues, serve and benefit both U.S. and foreign interests.

Based on an adaptation of NTEE classification guidelines for the international category, three major categories of international organizations were identified:

- *International Understanding*—a category that includes organizations that foster an appreciation of other societies and cultures, including cross-national people-to-people exchanges and educational forums for the cross-national exchange of ideas and issues. Examples include Intercultural Student Exchange, Sister Cities, and the International Visitors Council of Philadelphia.
- *International Development and Assistance*—a large category of assistance abroad that includes organizations providing multiple or specific forms of financial, physical, or educational assistance to individuals, institutions, or communities abroad in the areas of

¹ Excluded are 501(c)(3) private foundations and other noncharitable tax-exempt organizations registered with the IRS such as trade unions, business organizations, social and recreational clubs, and veterans associations, classified under varying sections of the IRS code (e.g., 501(c)(4)) as well as many religious organizations that are exempt from filing. See appendix 3 for a more detailed discussion of organizations not included in the dataset.

² The National Taxonomy of Exempt Organizations (NTEE) is the industry-wide standard for nonprofit organizational classification developed and maintained by the National Center for Charitable Statistics with a group of nonprofit scholars and practitioners.

disaster and poverty relief, agriculture, economy, health, education, democracy and civil society, human rights, and immigration. Examples include World Vision International, Physicians for Human Rights, and Freedom House.

- *International Affairs*—a diffuse category that includes prominent elite organizations and local grassroots organizations that deliberate and act on a wide range of international affairs, such as national security, peace, arms control, trade, and United Nations support organizations. Examples include the Council on Foreign Relations, Mid-America World Trade Center Institute, Americans for Peace Now, and the United Nations Association of Greater Boston.

Each of the three major categories was further divided into a number of more specific subcategories. A “general” subcategory in each major category includes multipurpose organizations working in more than one area, such as health and education assistance.

The Dataset of International Nonprofit Organizations

The dataset of organizations used in this study is drawn from information included in the National Center for Charitable Statistics (NCCS)/GuideStar National Nonprofit Database at the Urban Institute in Washington, D.C. These data files are built from information from Form 990 that nonprofit organizations file annually with the United States Internal Revenue Service (IRS). Form 990 contains basic financial information, as well as indicators of location, age, lobbying, and other variables useful in this analysis. This study uses data files for FYs 2000 to 2003 to identify organizations with unique employer identification numbers (EINs) that have an international focus. The resulting dataset, circa 2003 ($N = 5,594$), includes all international nonprofits that filed Forms 990 in 2003 supplemented with records from previous years for organizations that had failed to file in 2003 or previous years.

All charts in this study are based on the circa 2003 dataset to provide the most current systematic and comprehensive snapshot of the international nonprofit subsector. Similar datasets for FY 2001 and FY 2002 are used to analyze and discuss, but not chart, changes in the international nonprofit sector from FY 2001 to FY 2003. Appendix 5 provides the data tables for FY 2001 and FY 2002 from which these discussions are drawn.

Overview of the U. S. International Nonprofit Subsector

The U.S. international nonprofit sector is a growing and vibrant part of the U.S. economy. It contributes to the exchange of people and resources worldwide and is a valued voice on global issues. Table 1 is a snapshot of U.S. international nonprofits in FY 2003. It indicates the number, percentage, and overall revenue of international organizations by category and subcategory and shows the predominance of development and assistance nonprofits (international NGOs or INGOs) in the U.S. international nonprofit sector.

Nearly 5,600 nonprofits work in the international arena. They represent approximately 2 percent of all U.S. charitable organizations in the NCCS/GuideStar National Nonprofit Database and just over 2 percent of all revenues of these organizations.

Development and assistance organizations make up 73 percent of the dataset and 89 percent of the overall revenue for the international nonprofit subsector. They had \$15.7 billion in annual revenues to use for development and assistance and were most active in advancing support for relief, health, and the environment abroad. More recent approaches to development, such as democracy and civil society development assistance, science and technology assistance, and human rights and refugee assistance were smaller but emerging categories of activity. Traditional forms of assistance, such as agricultural and economic assistance, are now a minor part of an increasing diverse population of NGOs in the development and assistance field.

The remaining organizations in the subsector are split between the two other major categories of organizations: organizations engaged in the promotion of international understanding account for 16 percent of the organizations and 6.3 percent of the revenue, and organizations engaged in international affairs account for 10 percent of the organizations and 4.8 percent of the revenue.

Table 1. Overview of the International Nonprofit Subsector, Circa 2003

	Number	% of Total Int'l Orgs	Total Revenue (\$)	% of Total Revenue
International Development and Assistance				
General	866	15	2,770,563,787	15.7
Agricultural Development	65	1	202,131,615	1.1
Economic Development	200	4	383,579,680	2.2
International Relief	1,200	21	6,412,788,171	36.2
Educational Development	491	9	791,543,584	4.5
Health Development	738	13	2,455,202,841	13.9
Science and Technology Development	53	1	46,948,625	0.3
Democracy and Civil Society Development	93	2	251,277,539	1.4
Environment, Population, and Sustainability	209	4	1,483,349,607	8.4
Human Rights, Migration, and Refugees	212	4	941,816,849	5.3
Development and Assistance Subtotal	4,125	74	15,739,202,298	89.0
International Understanding				
General	342	6	349,814,542	2.0
International Cultural Exchange	120	2	56,155,559	0.3
International Academic and Student Exchange	263	5	561,544,247	3.2
International Exchanges N.E.C.	161	3	136,662,235	0.8
International Understanding Subtotal	885	16	110,4176,583	6.3
International Affairs				
General	165	3	151,034,905	0.9
Peace and Arms Control	205	4	122,172,999	0.7
International Affairs Education	103	2	486,660,673	2.7
National Security	37	1	44,019,940	0.2
International Economic and Trade Policy	75	1	52,795,144	0.3
International Affairs Subtotal	584	10	856,683,661	4.8
Total International Nonprofits	5,594	100	17,700,062,542	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Growth

A comparison of data for the three years spanning FY 2001 to FY 2003 reveals a strong and growing international subsector, discussed but not charted here. In general, growth in the number of organizations in the U.S. charitable nonprofit sector slowed slightly from FY 2001 to FY 2002 but revived in FY 2003. In the international subsector, there has been a steady increase in the overall number of international nonprofit organizations since 2001, driven by strong growth in the numbers of international development and assistance organizations. While all major categories saw real growth in the number of organizations, the international development and assistance category grew most rapidly resulting in them occupying a larger share of the population of organizations in the international nonprofit sector. By FY 2003 international development and assistance organizations accounted for 74 percent of the organizations, up from 72 percent in 2001.

In the international subsector, revenues grew slightly from FY 2001 (\$15.4B) to FY 2002 (\$15.9B) but saw a 13 percent jump in FY 2003 (\$17.7B) over FY 2002 levels. Factors fueling this growth are too varied to isolate for this study but likely include a slightly more robust economy, donor responsiveness to increasing demands for international aid, and the federal government's renewed emphasis on foreign aid as an instrument of foreign policy.

Age

The impact of new growth among international organizations is depicted in table 2, which shows the average age and median age³ of organizations in each category and subcategory. International understanding and international affairs organizations are generally older, while development and assistance organizations are, on average, younger due to the large increase in these organizations in recent years. The international affairs education category has more, older organizations, possibly explained by the prevalence and stability of community-based chapters of the United Nations Association and other support organizations that formed during the decades after World War II. The lower median age of all categories of development assistance and international understanding indicates organizational growth in all major categories: development assistance, international understanding, and international affairs.

Longitudinal analysis, not charted here, reveals the impact of new organizations over time. From FY 2001 to FY 2003, average age overall dropped from 14 to 12 years and median age overall dropped from 9 to 7 years, a shift mimicked in each major area as well. Further research on new organizations might reveal the specific kinds of international organizations that are forming and suggest the stimuli for growth within the subsector. For example, over 20 new organizations were formed in FYs 2002 and 2003 by Afghan-Americans to mobilize support for reconstruction in Afghanistan, complementing U.S. foreign policy interests in the region (Kerlin and Reid 2005).

³ The age of each organization was calculated using the "rule date" on which the IRS recognized the organization as a charitable, tax-exempt entity. The "rule date" can only approximate the date an organization was created because organizations may be in existence for some period of time before formally registering with the IRS and they may request a change in the ruling after they are already in operation. Also, IRS record keeping for rule dates was poor prior to 20 years ago.

Table 2. Average and Median Age of International Organizations by Subcategory, Circa 2003

	Average Age (years)	Median Age (years)
International Development and Assistance		
General	10	7
Agricultural Development	12	9
Economic Development	8	7
International Relief	10	6
Educational Development	12	6
Health Development	10	6
Science and Technology Development	7	5
Democracy and Civil Society Development	9	6
Environment, Population, and Sustainability	11	7
Human Rights, Migration, and Refugees	12	9
Development and Assistance Subtotal	10	7
International Understanding		
General	16	12
International Cultural Exchange	10	7
International Academic and Student Exchange	14	10
International Exchanges N.E.C.	17	12
International Understanding Subtotal	15	11
International Affairs		
General	15	12
Peace and Arms Control	12	10
International Affairs Education	27	27
National Security	17	13
International Economic and Trade Policy	9	8
International Affairs Subtotal	15	12
Total International Nonprofits	12	7

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Location

Availability of resources, geographic proximity to populations served, and support from sympathetic local populations are likely stimuli for geographic concentrations in the United States of internationally focused nonprofits. Most were filing from⁴ and appear to be located in the New York/New Jersey area (16 percent) and California (13 percent). Florida and Texas have sizable but smaller numbers of international organizations. Regionally, the Washington, D.C., area has 15 percent of the international organizations, slightly down from FY 2001.

State or regional concentrations of U.S. international nonprofits create arenas for launching assistance to populations abroad. For example, development and assistance organizations located in California were aimed largely at South and East Asia, reflecting the state's high population of Asians (U.S. Census Bureau 2002). Likewise, a high percentage of organizations

⁴ The location of an organization is based on the address it provided when filing Form 990. Some small inconsistencies in the physical location of organizations may be present in the dataset, due to nonprofits whose 990 forms were filed from another address in the United States, though the organization's physical location is actually in another U.S. location or outside U.S. borders.

in Florida and Texas working in Latin America reflected high Hispanic populations and close proximity to Latin America. New York-based organizations focused on the Middle East due to the predominance of Jewish support organizations fundraising in the United States for organizations in Israel. Those located in Washington, D.C., and the large coastal states of California and New York tended to focus their efforts globally (in more than one region).

Revenue and Size

The international nonprofit subsector in the United States is a multi-billion-dollar-a-year industry, fueled by private donations, foundation grants, government grants and contracts, and other sources of revenues. These resources are aimed at helping people around the world, facilitating foreign exchange, and creating public information and dialogue on global issues. Most nonprofits assemble a variety of income streams to fund international missions and programs: direct contributions, indirect contributions, government grants, program service revenues, and income from interest, dividends, rents, sales, and special events.

Table 3 shows the mix of revenue sources for all international organizations and for each major category. Examining amounts of revenue from different sources reveals variation in reliance on certain types of funding streams. In particular, it provides insights into the growing and sometimes controversial financial partnership between government and nonprofits in the international arena.

Analysis of the total revenue received by organizations each year provides a picture of the number of large, medium, and small organizations in the U.S. international nonprofit sector. When total revenues are compared with total expenditures, a general measure of the fiscal health can be obtained to help organizations better understand their ability to attract different types of resources and weather financial disruptions. These topics are addressed in depth for each of the three main categories of international organizations in subsequent sections. Here we provide a broad overview of basic revenue information for the entire international nonprofit subsector.

In this monograph, we examine direct and indirect contributions, government grants and program services. For purposes of discussion, direct and indirect revenue were sometimes combined for a total of private contributions. Conventional wisdom, backed by studies of nonprofits (Tuckman and Chang 1991; Greenlee and Trussel 2000; Hager 2001), suggests that a diverse portfolio of funding sources will provide flexibility to organizations through periods of instability when the tastes and preferences of donors change or an economic downturn reduces discretionary income for charitable contributions or government programs. Heavy reliance on any one source of funding may jeopardize organizations in the event of a financial shock.

Direct Contributions: Direct contributions include several forms of public support: individual gifts, grants, bequests, giving by corporations, estates, and foundations, any funds raised by an outside fundraiser in the name of the organization, and membership dues for which there is no return benefit to the giver (IRS 2000). Overall, direct contributions account for 59 percent of revenue for the international nonprofit subsector. Both development and assistance

organizations and international affairs, foreign policy, and security organizations rely most heavily on direct contributions.

Support for causes abroad is not limited to check-writing or cash donations. Nearly 15 percent of the organizations in our dataset, primarily from the international development and assistance category, reported over \$6 billion in noncash contributions or approximately one-third of total revenue for the subsector. As a cautionary note, Forman and Stoddard note potential distortions in reporting of direct contributions by international organizations: “Frequently these [direct contribution] figures are inflated by cost estimates of donated goods and equipment that otherwise would have been disposed of or by hours worked by volunteers at pro bono or reduced rates calculated at their professional salary equivalents” (2002, 251).

Indirect Contributions: Indirect contributions are those funds received indirectly from the public through solicitation campaigns undertaken by federated fundraising agencies and similar fundraising organizations (e.g., United Way). They also include any money the organizations receive from affiliated organizations, such as parent organizations sharing in the fundraising of local affiliates and vice versa (IRS 2000). Overall, the international subsector receives 10 percent of its income through other organizations

Program Service Revenue: Revenue generated from program services includes those funds collected directly from recipients receiving services from the organizations (e.g., fees for service). Aside from typical one-time service charges, this also includes tuition received by a school, funds from admissions to concerts or other events, registration fees for a conference, and other forms of compensation received in exchange for a benefit.

Program service revenue may also include income from government contracts for work performed on behalf of or for the government and fees paid for by government funds (such as Medicare or Medicaid coverage for hospital services). We estimate that roughly 14 percent of program service revenue in the international nonprofit sector is attributable to government funding. However, separating the portion of program service revenue attributable to government is at best imprecise, thus we use government grants as the most reliable single indicator of the financial relationship between government and NGOs.

Program service revenue is becoming an increasingly important source of revenue for the international subsector, as for all nonprofits. In FY 2001, it accounted for 11 percent of total revenue, but by FY 2003 it had increased to 13 percent. The category most reliant on revenue from program service is international understanding. It receives 40 percent of its revenue from program services, up from 35 percent in FY 2001.

Government Grants: Government grants include all government contributions that enable the recipient “to provide a service to, or maintain a facility for, the direct benefit of the public” (IRS 2001, 18). Additionally, some few organizations in the dataset report foreign government funding on IRS Form 990. For example, the International Campaign to Ban Landmines (ICBL) receives grants from many foreign governments but not the United States and reports these contributions on IRS Form 990 as government grants. While we suspect the commingling of foreign and U.S. government funding is small, the NCCS GuideStar data provide no basis for assessing the extent of foreign government revenue reported on Form 990.

Table 3 provides an overview of the financial relationship of government with the international nonprofit subsector. Overall, government grant revenues accounted for 20 percent of the revenue of the international nonprofit subsector. Government grants as a portion of income to the international nonprofit subsector remained stable from FY 2001 to FY 2002 but increased by nearly 3 percent from FY 2002 to FY 2003. This increase coincides with a renewed emphasis by federal government in the aftermath of 9/11 in using foreign assistance to support foreign policy objectives.

Of the three major categories of organizations, development and assistance organizations and international understanding organizations are the most likely partners with government and increasingly so. This topic is explored in greater detail in subsequent sections on each major category.

Table 3. Sources of Revenue by Percentage of Total Revenue for Three Main Categories of International Organizations, Circa 2003

	N ^a	Percentage			
		Private Contributions	Government Grants	Program Services	Other Revenue
International Development and Assistance	3,061	71	20	6	2
International Understanding	666	29	25	41	5
International Affairs	472	74	8	13	6
For All International Organizations	4,199	70	20	9	3

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Notes: Private contributions combine direct and indirect contributions. Other revenue includes small revenue categories such as membership dues, interest, dividends, rental income, other investment, sales of goods, and revenue from special events and activities.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

The size of nonprofit organizations is commonly measured according to the total revenue an organization receives in a single year. For purposes of this study, organizations were deemed small if they received less than \$500,000 in annual revenue, medium if they received between \$500,000 and \$2 million, and large if they received over \$2 million.

Table 4 illustrates the predominance of small organizations in the international nonprofit subsector. A full 75 percent are small organizations with revenue less than \$500,000. These data suggest an institutional landscape with large, global organizations underpinned by a diverse population of small organizations operating in the international sphere. Small volunteer efforts at the community level and through local religious groups assist in humanitarian aid, peacemaking, and student exchanges, for example, but are often overlooked by researchers in favor of large, more visible organizational players such as the International Red Cross. When seen in aggregate, small nonprofits are an indicator of the depth of U.S. civic action with causes abroad.

Table 4. Numbers of International Organizations According to Revenue Size, Circa 2003

	Small		Medium		Large	
	Less than \$500,000		\$500,000–\$1,999,999		\$2 million and above	
	#	%	#	%	#	%
International Development and Assistance	3,099	75	577	14	449	11
International Understanding	667	75	131	15	87	10
International Affairs	435	74	93	16	56	10
All International Organizations	4,201	75	801	14	592	11

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 5 shows that organizational size is a factor in government grantmaking. While large organizations make up only 11 percent of international organizations, 43 percent of those receiving grants have revenues of \$2 million and above. Thus, direct government funding of organizations, where it occurs, is skewed toward larger organizations. Much of this is due to the influence of the high number of large international development and assistance organizations that receive government funding. Forman and Stoddard (2002) confirm this finding based on their analysis of over 400 organizations registered with USAID in 1999. They attribute USAID preference for large organizations to prior work relationships, an established track record with these organizations, and fewer problems with coordination when working with a smaller number of large organizations.

Table 5. Percent of International Organizations with Government Grants by Size of Organization, Circa 2003

	Small		Medium		Large	
	Less than \$500,000		\$500,000–\$1,999,999		\$2 million and above	
	#	%	#	%	#	%
Government-Funded						
International Development and Assistance	93	24	95	24	203	52
International Understanding	62	49	32	25	33	26
International Affairs	39	49	21	26	19	24
All Government-Funded International Organizations	194	32	148	25	255	43

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Expenditures

The international nonprofit sector as a whole operates on a slim cash margin, with overall annual expenditures for FY 2003 (\$17.2B) just outpacing overall annual revenues (\$17.7B). In FY 2003, expenditures for the international understanding category slightly exceeded revenues, while the international development and assistance category and international affairs category operated with a slight positive cash balance. The financial health of the three major categories will be discussed in greater detail under their respective sections of the monograph.

In FY 2003, development and assistance organizations predominate in spending, accounting for nearly 89 percent of the overall expenditures in the international nonprofit sector. International

understanding organizations and those working on foreign affairs and security accounted for 7 and 5 percent, respectively, of overall international expenditures.

International organizations account for their functional expenses in the areas of programming, administration, and fundraising with the bulk of their resources going toward programming. Though most of the organizations in this dataset indicated they provide direct services, there was evidence that a number of international nonprofits act solely as financial support or fundraising entities for other institutions and groups around the world. Though at times difficult to separate out from those that provide direct service, in FY 2001 an estimated 14 percent of international nonprofits with financial support organizations, for example, grantmaking organizations or “friends of” institutions abroad, a figure slightly higher than the estimated 10 percent for the entire nonprofit sector found by Pollak and Durnford (2005) in FY 2003. Supporting organizations are most prevalent among development and assistance organizations, particularly those supporting educational institutions in developed and developing countries. They finance everything from the building of schools in poverty-stricken parts of the world to saving Venice. Examples of these types of organizations include American Friends of Tel Aviv University, Friends of Dresden, and Haiti Benefit Auction.

Recent scandals in the nonprofit sector have meant increased scrutiny for the sector, including pressure on international organizations to limit spending on administration and direct funds, especially those raised by public campaigns, toward programs and services (InterAction 2004). Indeed, organizations that fundraise know too much spending on administrative costs sends a signal to donors that money is not going toward the charitable effort as expected and discourages further giving. Detailed information on the expenses for each main category and subcategories of international organizations is found in following sections. Discussed here are general explanations of each category and overall figures for the international subsector.

Program Expenses: Program expenses include the amount spent on activities the organization was created to conduct consistent with its tax exempt status. Program expenses also include the organization’s unrelated trade or business activities that are taxable as unrelated business income (IRS 2001).

Administrative Expenses: Administrative expenses include the amount spent on the management of an organization. Costs for time spent directly supervising program activities or fundraising is designated to these categories. Other expenses included here are those for meetings of the board of directors, committee and staff meetings of an administrative nature, general legal services, accounting, general liability insurance, office management, auditing and personnel services, annual reports, and investment expenses (IRS 2001, 21).

Fundraising Expenses: Fundraising expenses include the amount spent on soliciting contributions, gifts, and grants. Specifically this includes the cost of “a) publicizing and conducting fundraising campaigns; b) soliciting bequests and grants from foundations or other organizations, or government grants...; c) participating in federated fundraising campaigns; d) preparing and distributing fundraising manuals, instructions, and other materials; and e) conducting special events that generate contributions” (IRS 2001).

Table 6 shows the breakdown of total expenditures into program, administration, and fundraising for the three main categories of organizations. For all international nonprofits in our dataset, 89 percent of total expenses go toward program costs, 7 percent are administrative expenses, and 4 percent are fundraising expenses.

Table 6. Types of Expenditures by Percentage of Total Expenditures for Three Main Categories of International Organizations, Circa 2003

	N ^a	Percentage		
		Program	Administration	Fundraising
International Development and Assistance	3,061	90	6	4
International Understanding	666	85	13	2
International Affairs	472	83	11	6
For All International Organizations	4,199	89	7	4

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Some of the variation across categories may reflect differences in the interpretation of IRS guidelines for accounting and nonprofit practices in reporting program expenses and administrative costs. For example, organizations that are highly reliant on government grants may have lower fundraising costs than those organizations that rely on solicitations to generate private contributions. Some degree of caution must be exercised when examining fundraising costs reported on the IRS Form 990, since research indicates that nonprofit organizations misreport administrative and fundraising costs (Urban Institute/Indiana University 2004).

Advocacy

International organizations engage in a wide range of activities to influence public opinion and policy outcomes. While a narrow measure of political engagement, nonprofit lobbying expenditures nevertheless offer a window into the political behavior of international organizations.⁵ However, organizations that identify their organizational purpose as advocacy for international causes are not necessarily the same ones that lobby, suggesting multiple strategies of action by many international advocates.

Analysis of all international nonprofits in the dataset found only 122 international organizations reported lobbying expenditures, about 2 percent. This rate is consistent with the nonprofit sector as a whole, where organizations reporting lobbying expenditures has hovered around 2 percent from year to year (NCCS 2003). Only 2 percent of the organizations in the development and assistance and international understanding categories lobbied. However, international affairs organizations lobbied at three times the rate, reflecting their keen interest in national security, peace, and foreign policy legislation.

⁵ The IRS defines lobbying as direct and grassroots action to promote specific legislation at the local, state, and national levels of government, and regulates nonprofit lobbying activity by limiting the amount of lobbying a nonprofit can engage in to approximately 20 percent its expenditures.

Table 7. Number and Percent of International Organizations that Report Lobbying, Circa 2003

	N	Organizations that Lobby	
		Number	Percent
International Development and Assistance	4,125	73	2
International Understanding	885	16	2
International Affairs	584	33	6
For All International Organizations	5,594	122	2

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Anecdotal evidence from nonprofit organizations suggests many fear that political engagement may jeopardize their tax-exempt status and government contracts and produce increased organizational scrutiny when lobbying expenditures are reported. Recent research also suggests that complex reporting requirements for lobbying expenditures for charitable organizations deter policy engagement (Berry 2003). Further research is needed to better understand the relationship between international organizations and policymaking—for example, whether other advocacy strategies are preferable to lobbying or whether their advocacy relationship is complementary or adversarial to government interests.

To summarize, this overview of the international nonprofit sector illustrates its scope and diversity. Though international nonprofits are just 2 percent of the overall U.S. charitable nonprofit sector, they have continued to grow in size and scope to meet pressing demands around the world. They play a vital role in connecting Americans to the world and the world to Americans. Many of the organizations are direct service providers, particularly those engaged in development and assistance. Other important roles include international exchanges, grassroots activism, and foreign policy research. Some international nonprofits act solely as financial support or fundraising entities for other institutions and groups around the world.

International organizations are mainly located on both coasts and Texas and Florida, drawing on financial resources and local support from concentrated ethnic communities in the United States to serve people in geographically related areas of the world. Additionally, the mix of organizations in the international nonprofit sector has grown younger, as newer organizations in areas like democracy and civil society building, the environment, and human rights join more traditional forms of development assistance, foreign policy think tanks, and mainstream organizations promoting international understanding.

American generosity for causes beyond their borders can be measured in both the cash and noncash private contributions that make up 70 percent of the revenue of the international subsector. Government grantmaking, while just 20 percent of overall revenue, favors larger nonprofits, though increases in the level of official FY 2003 foreign assistance have to some degree benefited all categories of nonprofits. Program service revenue, while a small portion of overall revenue, has become increasingly important source of revenue for international nonprofits, especially international understanding and exchange organizations.

Interestingly, the U.S. international sector is mainly made up of small organizations. Seventy-five percent of all international organizations are small with less than \$500,000 in revenue. The

widespread contributions of small, grassroots, international organizations to international understanding and humanitarian relief are often overlooked in favor of highly visible efforts by global, mega-organizations in the field of development and assistance. Overall, the international nonprofit sector spends the bulk of its resources on program activities, yet faces constraints as it operates with slim account margins from year to year.

International Development and Assistance Organizations

This section provides an in-depth examination of international development and assistance nonprofits. Following a brief history of their development, it looks at variations across different types of development and assistance organizations with respect to revenues, fiscal health, world region of operation, and advocacy. Special attention is paid to organizations that receive government grants and how they differ from organizations without them.

International development and assistance nonprofits, commonly referred to as international NGOs (INGOs), first appeared in the interwar period to provide relief to war victims in Europe. They continued to slowly increase in number after World War II with decolonization and the emergence of newly independent states. The Cold War, the movement for economic development assistance, and poverty reduction all played into the continued growth of northern NGOs in the '60s and '70s. By the 1980s, INGOs began to fill gaps in assistance arising from public fiscal crises, such as government cutbacks in services, privatization, and other forms of structural adjustment in foreign countries (Lindenberg 1999).

As the Cold War wound down in the 1990s, client states of the former Soviet Union and African states with unstable regimes faced refugee problems, violence, and other humanitarian crises. INGOs partnered with the United Nations High Commissioner for Refugees, World Food Program, and governments to respond to need in Bosnia, Chechnya, Armenia, Rwanda, Somalia, and Sierra Leone, reversing the Cold War prohibition on cross-national humanitarian interventions. At the same time, new civil guarantees in many areas of the world allowed nonprofits to register and operate with less risk. In some cases, governments asked INGOs to respond as a substitute for direct government action (Lindenberg 1999).

During this period, public and private bilateral and multilateral resources were a stimulus for the development of international NGOs and community based NGOs. An emerging preference for NGO-delivered humanitarian assistance and development projects meant world and regional development banks improved social investment and disbursed funds to NGOs for building roads, bridges, and water systems. USAID channeled grants to large nonprofits, like CARE, stimulating capacity building and infrastructure work carried out by local NGOs. Private giving and global communication also stimulated INGO development (Lindenberg 1999). Since the 1990s, global awareness of environmental degradation, population growth, AIDS, ethnic conflict, democratic governance, and other issues has increased. In part due to the knowledge and activism of INGOs, these issues became new priorities in the traditional landscape of humanitarian relief and health, agricultural, and educational development assistance.

A review of the literature on government funding of U.S. INGOs found that research in the late 1990s began to explore the consequences of failing public and political support for official

development and assistance (Commins 1997; Edwards and Hulme 1996; Salm 1999). Cuts in budget and staff in agencies such as USAID gave rise to the contracting out of development and relief services and concern began to grow that government funding preferences and program requirements were increasingly shaping the work of INGOs. Indeed, INGOs that contracted with government faced questions from the public and clients about their legitimacy, autonomy, integrity, and accountability.

In response, INGOs adopted a more critical stance when accepting government grants. Some organizations, such as OXFAM America, refused to take government money so as to insure responsiveness to OXFAM clients (Brown and Moore 2001). Other well-funded service organizations, such as World Vision, strived to maintain a critical distance while receiving public sector funds (Commins 1997). Edwards and Hulme (1996) suggest the emergence of a widening rift between well-resourced service providers and poorly funded social mobilization organizations as government funding was thought to hinder highly visible advocacy activities. Efforts were made by government and INGOs to mediate the dominance of donor-driven accountability standards. However, the impact of government funding on INGO responsiveness to beneficiaries and on regional/country priorities for foreign assistance remains a prominent part of the discourse in the INGO community.

Development and assistance organizations are by far the largest category of international activity in the United States, by FY 2003 accounting for 74 percent of the organizations in the international nonprofit subsector. They provide direct services to individuals, as well as technical assistance, training, and material resources to support institutional capacity-building and domestic improvements in countries outside the United States. They operate in both developing and developed countries, though the poverty relief is a major focus of many INGOs. Growth in the numbers of international development and assistance organizations remained steady from FY 2001 (3,359) to FY 2002 (3,740) to FY 2003 (4,125).

A number of guidelines were established for designating organizations in this category. To be included organizations had to either have a primary purpose or a majority of their activities directed toward providing assistance to foreign beneficiaries, with assistance understood as any form of help that physically or educationally advanced individuals, communities, or societies. The NTEE classification system for this category was also refined and revised to include health, education, science and technology, democracy and civil society, environment, population, and sustainability, and human rights, migration, and refugee issues as types of development and assistance organizations. Appendix 2 details the definitions for categories of international development and assistance organizations. The study's dataset also includes financial support organizations that fund organizations providing direct assistance services.

Table 8 describes the number and percentage of development and assistance organizations by types of assistance. Twenty-nine percent of development and assistance organizations, the largest subcategory of assistance, were international relief organizations, indicating the strong commitment of U.S. charities to short-term emergency and poverty relief. Health (18 percent) and education (12 percent) are also prevalent subcategories of development and assistance provided by U.S. INGOs. The general development and assistance category (21 percent) takes in organizations that either do not provide assistance in a specific category or multi-service organizations with broad missions in which no one type of assistance predominates.

Table 8. Subcategories of International Development and Assistance Nonprofits by Type of Assistance, Circa 2003

Types of Development and Assistance Organizations	N	%
General Development and Assistance	866	21
Agricultural Development	65	2
Economic Development	200	5
International Relief	1,200	29
Education Development	491	12
Health Development	738	18
Science and Technology Development	53	1
Democracy and Civil Society Development	92	2
Environment, Population, and Sustainability	209	5
Human Rights, Migration, and Refugee Issues	211	5
Total	4,125	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Revenue

In contrast to other developed nations where governments play a major role in the delivery of foreign aid, official foreign aid in the U.S. is a small part the overall picture of foreign assistance coming from the United States. For example, U.S. government officials approved \$901M for tsunami aid in Asia, while U.S. private donations topped \$1.55B (Girardet 2005). Large U.S.-based relief agencies like Red Cross, CARE, and World Vision move huge amounts of government- and privately funded supplies during a crisis of this proportion. Less visible are the thousands of U.S. voluntary organizations that raise and distribute solely private resources around the world for relief and development. A recent study by the Hudson Institute calculated private international assistance for 2003 at three and a half times official U.S. government aid (Adelman et al. 2005).

This study illustrates the depth of the national civic infrastructure in the United States aimed at relief and development assistance. Even though the U.S. government sends some of its official foreign aid through U.S. INGOs, private contributions remain the backbone of development and assistance organizations. As table 9 shows, INGOs are heavily reliant on private contributions, which account for 71 percent of their funding. Americans contribute directly with donations from individuals, foundations, and corporations; indirectly through other organizations whose purpose is to appeal for funds then distributed to NGOs serving populations in need; and in-kind in the form of noncash assistance such as donations of eyeglasses, hospital equipment, toys, books, and other material goods that help people survive and build more productive lives.

Table 9. Sources of Revenue by Percentage of Total Revenue for International Development and Assistance Organizations, Circa 2003

	N ^a	Percentage			
		Private Contributions	Government Grants	Program Services	Other Revenue
General	636	69	25	5	1

Agriculture	56	16	39	42	4
Economic	173	29	39	19	14
International Relief	854	85	13	1	1
Educational	351	51	30	12	7
Health	528	70	20	8	3
Science and Technology	39	64	10	23	4
Democracy and Civil Society	79	31	54	12	4
Environment, Population, and Sustainability	174	56	21	21	3
Human Rights, Migration, and Refugees	171	71	24	1	3
For all Development and Assistance	3,061	71	20	6	2
For all International Organizations	4,199	70	20	9	3

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Unfortunately, IRS data on private contributions cannot be separated into contributions from individual, corporate, and foundations, limiting analysis about the portion of private donations attributable to each source. However, it is possible to more fully understand the role of noncash contributions and indirect support. As noted, noncash or in-kind contributions play a significant role in private donations to development and assistance organizations. In FY 2003, 683 development and assistance organizations reported noncash assistance amounting to \$5.7B or approximately one-third of total development and assistance revenue.

Indirect contributions (not charted here) that make up total private contributions play an important role in fundraising for international relief and human rights, migration, and refugee aid but are insubstantial for other specific types of assistance. International relief, though down slightly though from FY 2001, showed 20 percent of private contributions coming indirect support. In FY 2003, the human rights, migration, and refugee aid showed 34 percent of its revenues coming from indirect support, a large increase over FY 2001 levels when indirect support constituted 24 percent of the private contributions on behalf of these causes. Overall, appeals by fundraising organizations generated 11 percent of all private contributions for international development and assistance organizations, a percentage that remained steady from FY 2001 to FY 2003.

A number of interesting contrasts in private contributions can be seen among the different types of development and assistance organizations. Both international relief and health development receive a full 85 and 70 percent, respectively, of their revenue from private contributions. At the low end, agriculture and economic development receive, respectively, 16 and 29 percent of their revenue from private contributions.

Other sources of revenue are an important, but smaller portion of the resource base in the international nonprofit sector. Government grants, while substantially lower than private support, are an important source of income to the international subsector. Table 9 shows that in 2003, 20 percent of development and assistance revenue came from government grants. Interestingly the proportion of private versus public revenue received by INGOs reflects overall private/public percentages for giving. USAID reports, “Today, the government provides only 20

percent and American citizens and corporations provide 80 percent” (USAID 2004). USAID notes that in 1970 the U.S. government provided 70 percent of foreign aid, a reverse of the situation today.

In accepting government grants, INGOs act as channels for official development assistance and at times provide assistance to populations in countries where it is difficult for the government to operate due to instability, political constraints, or lack of trust at the local level. Around 50 U.S. government agencies are currently involved in overseas assistance, though the majority of official aid is still routed through USAID. In the 1980s, USAID began to increase its contracts and grants to nonprofits, such as CARE and World Vision (Kerlin forthcoming).⁶

However, the proportion of income from government grants varies considerably among organizations delivering specific types of assistance. Democracy and civil society INGOs were the most highly reliant, with 54 percent of their revenue coming from government grants, reflecting a partnership of these organizations with government to promote democracy abroad. Indeed, several nonprofit democracy-building organizations, sometimes characterized as quasi-governmental, have close organizational and financial ties to government. Three receive nearly three-quarters of the government grant funds in this subcategory: The National Democratic Institute for International Affairs (NDI), the International Foundation for Election Systems (IFES), and the International Republican Institute (IRI). Also, the high proportion of government funds in INGOs engaged in agricultural development reflects large government research grants to several agricultural research institutes (Kerlin forthcoming).

With government grants at only 13 percent overall for international relief organizations, it appears that the U.S. government channels relatively few relief funds through INGOs. However, a 2000 Development Initiatives report states, “In the United States the Office for Foreign Disaster Assistance within USAID distributes around three-quarters of its grant allocation to NGOs and PVOs.” Indeed, huge private donations for international relief offset large government grants as a percentage of revenue for these INGOs.

Overall, between FY 2001 and FY 2003, government grants have risen slightly from 17 to 20 percent as a proportion of income for all international development and assistance organizations. This was due to a relatively large increase in real dollars from government grants that is attributed to a change in foreign policy that increased official foreign assistance after September 11, 2001. Likely reflecting foreign policy, some areas of assistance saw larger increases in government grants than others including international relief organizations and democracy and civil society organizations. There was also a slight increase in the number of organizations with high levels of financial dependency on government. In FY 2001, 83 organizations received 75 percent or more of their income from government grants, a number that grew to 105 in FY 2002 and remained steady in 2003 (Kerlin and Reid 2005).⁷

⁶ Janelle Kerlin explores the relationship between nonprofits and government in her forthcoming chapter in the second edition of *Nonprofits and Government*, published by the Urban Institute Press and due out in 2006. This monograph draws on points included in her chapter.

⁷ In general, we note that our data do not reflect the entire proportion of official U.S. government aid administered through INGOs because organizations may indirectly receive U.S. government funds from multilateral institutions (e.g., United Nations) or other entities that were the first recipients of the money (Forman and Stoddard 2002).

In some types of organizations, fees from program services add a measure of self-support to organizational income, though overall only 6 percent of revenue came from this source. Individual subcategories varied in their reliance on program service revenue. Agricultural development, for example, had the highest percentage of program service revenue at 42 percent, up from 31 percent in FY 2001. The jump in program service revenue was observed almost uniformly across organizations in this subcategory with a history of this type of revenue generation. At the other extreme, international relief organizations from FY 2001 to FY 2003 consistently derived only slightly more than 1 percent of their revenue from program services, as might be expected given the populations served by these organizations.

Science and technology NGOs have a mix of private funding and program service revenue, with low amounts of government support. They cooperate with business and government largely on the digital economy and the information economy. At this juncture, nonprofit organizations are scantily used for science and technology development initiatives abroad, as commercial development is most prevalent. Further, humanitarian applications play second fiddle to defense R&D when it comes to government priorities, likely accounting for low levels of government investment in this subcategory (OECD 2005).

Finally, assets and investment income can provide a portion of the revenue in an organizational portfolio and offer a cushion for organizations strapped for cash assets during emergencies. However, only 2 percent of development and assistance revenue was generated in this manner.

When viewed in relation to the composition of income in organizations, a picture emerges of the fundamental partnership of INGOs with the private sector, including individual, philanthropic, and corporate support. Both health and international aid organizations are more highly reliant on private funds, yet government grants to these organizations are increasing in real dollars. Science and technology assistance remains somewhat independent of government, while other types of assistance appear to be a steady mix of public and private support. New global agenda organizations, such as environmental groups, population, human rights, and refugee organizations, are garnering slightly more support from government in this period, but further research will be needed to examine whether current levels of government funding continue. For the most part, however, private sources of support appear to be compatible with or even attract public support rather than crowding out public dollars.

Expenditures

Most international organizations, like many other nonprofit organizations, are concerned with sound financial management and results from their program work. Some international organizations are joining with academic institutions and private experts to develop more rigorous measurement systems. Others are encouraging regular independent evaluations (InterAction 2004). Nonprofit financial and management practices may also at times be

Also, not all INGOs receiving government grants are in the study's database (see methodology discussion). Future research and official reporting standards need to consider ways to standardize data to make the contribution of U.S.-based INGOs more transparent and accessible.

reviewed by the Better Business Bureau and an increasing number of charity monitors such as Wise Giving Alliance and Charity Navigator.

Examination of the expenses of international development and assistance nonprofits shows that almost across the board there appears to be a healthy ratio of program, administrative, and fundraising expenses (table 6). Overall, 90 percent of expenses cover program costs, 6 percent are administrative expenses, and 4 percent fundraising expenses. There is modest increase of 1 percent in the overall proportion of program expenditures from FY 2001 to 2003, perhaps reflecting increasing efficiency.

However, significant variation in levels of administrative and fundraising costs was observed across different subcategories. In particular, international relief organizations reported far lower administrative costs than other subcategories (4 percent of total expenses). The U.S. tradition of private giving for international relief sustains high levels of program activity, but these organizations may nevertheless be keeping administrative costs low in order to attract private contributions. At the other extreme, civil society and agricultural development organizations had four and five times the level of administrative costs as international relief organizations. Interestingly, these organizations are more reliant on government grants, perhaps attributable to government reporting requirements for grant administration.

Table 10. Types of Expenses by Percentage of Total Expenses for International Development and Assistance Organizations, Circa 2003

	N ^a	Percentage		
		Program	Administrative	Fundraising
General	636	91	6	3
Agriculture	56	85	14	< 1
Economic	173	83	14	3
International Relief	854	91	4	5
Educational	351	86	10	4
Health	528	91	6	3
Science and Technology	39	81	15	1
Democracy and Civil Society	79	83	15	2
Environment, Population, and Sustainability	174	83	10	8
Human Rights, Migration, and Refugees	171	91	5	4
For All Development and Assistance	3,061	90	6	4
For All International Organizations	4,199	89	7	4

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 due to rounding error.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Financial Health

Overall, a sizable percentage of international development and assistance nonprofits appear to be struggling financially. The flow of resources through NGOs annually results in little carryover in operating cash from year to year. Additionally, low assets provide little cushion for

groups during economic downturns. Relief and development assistance organizations must manage vacillating levels of public support. Public support for a particular relief effort can temporarily spike in response to pressing human need, in part driven by media coverage of natural disasters, then fall away leaving longer term needs for reconstruction underfinanced as donors move on to the next disaster.

As table 11 shows, 39 percent of all development and assistance organizations had negative operating margins (i.e., where expenses exceed revenues) for circa 2003. The democracy and civil society subcategory had the greatest percentage of organizations with a negative balance with 49 percent of organizations in the red. Research on the nonprofit sector, however, shows that it is not unusual to see this large proportion operating in the red. In the U.S. domestic human service subsector, for example, 60 percent of the organizations failed to meet a basic threshold for fiscal health where negative balances were a key indicator (DeVita, Twombly, and Auer forthcoming).

Table 11. Net Balance by Type of International Development and Assistance Nonprofit, Circa 2003

	N	% of Nonprofits w/Negative Balance	Average Net Balance (thousands of dollars)	Median Net Balance (thousands of dollars)
General	866	38	140	5
Agriculture	65	42	21	4
Economic	200	37	315	7
International Relief	1,200	38	117	4
Educational	491	39	18	5
Health	738	38	-171	5
Science and Technology	53	42	52	6
Democracy and Civil Society	92	49	241	0.4
Environment, Population, and Sustainability	209	42	715	4
Human Rights, Migration, and Refugees	211	42	330	4
All Development and Assistance	4,125	39	110	5
All International Organizations	5,594	40	84	4

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Positive average net balances mean that resources are available for programs, but not until examining data within major categories can we observe where average net balances fall below zero. For example, while international development and assistance organizations show an overall positive average net balance in real dollars, health organizations show substantial negative average net balances. Environment and population groups have the largest positive average net balances in real dollars.

Circa 2003 data for this study provide a snapshot of financial health and thus can only point to potential problems to be verified through analysis from multiyear studies. For example, negative balances in one year may be caused by cash flow imbalances in revenue and program expenditures, but often are reconciled over two years. Persistent negative balances, however,

signal a problem for organizational cash flow and require some measure of organizational adaptation: reducing administrative costs, liquidating assets, reducing program operations, or investing in raising additional funds. An examination of net balances from FY 2001 through FY 2003 (not charted) revealed that the agricultural and economic assistance subcategories had negative net balances in FY 2001, but had pulled out of the red by FY 2003. Health organizations in FY 2001 and FY2002 had positive average balances, so data after FY 2003 should tell us whether FY 2003 was an isolated negative balance.

One of the sources of income organizations may fall back on when faced with financial difficulty are their net assets (assets minus liabilities), some of which can be sold or used to guarantee loans. Table 12 provides additional insight into the financial health of international development and assistance nonprofits by showing that the vast majority of organizations (94 percent) have positive net assets they can presumably rely on in case of need.

The high asset level may counterbalance the negative operating balance so many of these organizations have. Health organizations, though strapped for cash in FY 2003, show high levels of positive net assets, perhaps due to fixed assets like hospital buildings and equipment. On the other hand, democracy and civil society organizations have low net assets perhaps due to their more recent formation and programs that are often consultative in nature. The environment, population, and sustainability subcategory had the highest median net assets, a figure influenced by land they own likely as wildlife or nature preserves. Indeed, over half (56 percent) of the environmental organizations indicate they own substantial land, buildings, and equipment.

Interestingly, the international relief subcategory, while having a solid number of organizations with a positive asset base, had the second lowest average net assets as a subcategory (\$1,518,000). This finding was surprising because these organizations are expected to quickly respond to large-scale disasters often before there is time to obtain contributions and grants from donors. This information supports earlier research by the Center on International Cooperation (1999) that found most humanitarian relief organizations have inadequate reserves even though they must rely on their own funds in the immediate aftermath of a crisis.

Table 12. Net Assets by Type of International Development and Assistance Nonprofit, Circa 2003

	N	% of Nonprofits with Positive Net Assets	Average Net Assets (thousands of dollars)	Median Net Assets (thousands of dollars)
General	866	94	2,330	57
Agriculture	65	95	2,768	92
Economic	200	90	3,540	78
International Relief	1,200	94	1,518	44
Educational	491	94	2,391	52
Health	738	94	2,725	63
Science and Technology	53	91	1,044	82
Democracy and Civil Society	92	82	1,731	58
Environment, Population, and Sustainability	209	88	1,992	95
Human Rights, Migration, and Refugees	211	92	4,199	75

All Development and Assistance	4,125	93	3,180	56
All International Organizations	5,594	92	2,796	59

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Nonprofits with greater amounts of equity are in a more advantageous position to weather financial shocks. Should the need arise, they are in a better position to borrow money or convert equity and assets to cash. Twenty-one percent of organizations had more than \$500,000 in net assets. Thirty-five percent had net assets of \$50,000 to \$500,00 and 37 percent have less than \$50,000. Eight percent show negative net assets, likely indicating the conversion of assets at a financial loss to the organization.

U.S. INGO-Delivered Assistance to World Regions

Development and assistance organizations provide invaluable assistance in all regions of the world, but what role do U.S. INGOs play in the distribution of assistance across the non-Western world? Also, do some regions receive more of a specific kind of NGO-delivered assistance than another? This section examines the number of U.S.-based INGOs working in various world regions, their overall revenue and government grants for those regions, and the concentrations of different kinds of services for different areas of the world. Since development and assistance organizations are perceived in part as emissaries of U.S. goodwill, the data provide insight into INGO priorities in the delivery of aid to various nations and peoples.

Development and assistance organizations were coded according to their world region of operation (appendix 3). Many organizations, especially larger ones, were either found to operate in more than one world region or identified no specific region. Both of these were placed in a specially designated “global” category, which accounted for nearly a third of all organizations. The large number of these organizations introduced some imprecision into the present analysis because their work in distinct regions could not be accounted for in the breakdown of organizations operating in one world region. The large number of organizations operating in this category also illustrates the increasing capacity of groups to operate globally.

U.S. INGO World Region of Operation: Analysis of single-region organizations revealed some interesting overall trends. For single-region organizations, the largest number of development and assistance nonprofits were working in Latin America and the Caribbean (see table 13), and they were predominantly small organizations.

Though relatively small numbers of organizations and revenue were dedicated to Sub-Saharan Africa, the figures do not fully reflect revenues dedicated to that region as many global organizations are known to operate there as well as non-INGO programs. A cursory look at where the largest global organizations were operating revealed that most worked in three or more world regions. The Middle East, initially absent as a regional focus by global NGOs in 2001, increased in prominence by 2003 as the war on terrorism became the prevalent foreign policy mission of the Bush administration.

Table 13. Number, Percentage, and Funding of Development and Assistance Organizations by World Region, Circa 2003

World Region	Number	Percentage of Total Number	Revenue (thousands of dollars)	Percentage of Total Revenue
Central Europe & Central Asia	432	10	787,683	5
Latin America & the Caribbean	990	24	640,083	4
The Middle East & North Africa	330	8	1,402,429	9
South & East Asia & the Pacific	607	15	371,427	2
Sub-Saharan Africa	453	11	532,810	3
W. Europe, Canada, Australia, New Zealand, Japan	107	3	265,684	2
Global	1,198	29	11,734,137	75
For All Regions	4,117	100	15,734,254	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Government Grants through U.S. INGOs to World Regions: Generally, government strategies for distributing official development assistance are given attention when need and geopolitical conditions dictate. Assistance is sometimes provided directly to governments and other times through INGOs to foreign recipients. Recent growth in U.S. official development assistance is reversing a trend of cuts that occurred during the late 90s. Regional priorities in gross bilateral Official Development Assistance (ODA) are also shifting. In FYs 2000 to 2001, Pakistan joined Israel, Egypt, Russia and Ukraine as one of the top five recipients of U.S ODA, while Indonesia fell from fifth to tenth place (OECD 2001). For FY 2003 to 2004, ODA priorities reflected the shift in foreign policy priorities. Iraq topped the list of ODA recipients with nearly three times the amount of ODA received by second place Congo, while Israel fell to ninth place. Of the total ODA going to top 10 country recipients, 61 percent of the ODA went to Iraq, Egypt, Jordan, Afghanistan, and Pakistan.

An examination of the number of INGOs receiving government grants and the regions where they work revealed that much of official government aid delivered by INGOs was directed through larger global organizations though single-region organizations showed that some INGO-delivered aid targeted specific regions over others. Global organizations made up 47 percent of the organizations receiving government grants and received a full 81 percent of government grant money channeled through INGOs (see table 14), representing a slight increase in the concentration of government resources among global NGOs since FY 2001.

Most remarkably, INGOs with a focus on Central Europe and Central Asia received a high number and percentage of overall government grants among the single-region organizations. These figures most likely reflect a government preference for contracting out government aid to Central and Eastern Europe, rather than overall government funding priorities for one region over another. All regions sustained their funding with slight increases over FY 2001 levels, except for the Latin American region where an already low level of government funding was further reduced, in spite of a gain in the number of organizations operating in the region. The biggest regional gain from FY 2001 to FY 2003 was among organizations operating in the Middle East and North Africa. The number of groups operating in the region grew slightly over FY 2001 levels, but revenues nearly doubled for NGOs operating in this region.

Table 14. Number, Percentage, and Funding of Government-Funded Development and Assistance Organizations by World Region, Circa 2003

World Region	Number	Percentage of Total Number	Government Grants (thousands of dollars)	Percentage of Government Grants
Central Europe and Central Asia	52	13	180,153	6
Latin America and the Caribbean	52	13	31,358	1
The Middle East and North Africa	18	5	136,574	4
South and East Asia and the Pacific	45	12	85,827	3
Sub-Saharan Africa	37	10	97,353	3
Western Europe, Canada, Australia, New Zealand, and Japan	3	1	56,182	2
Global	183	47	2,554,588	81
For All Regions	390	101	3,142,035	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum to 100 due to rounding.

The large number of global organizations in the dataset makes it difficult to determine the percentage of official aid reaching the various regions of the world through INGOs and obscure comparison with other indicators of poverty and overall official assistance for these regions. Nonetheless, World Bank Development Indicators of GNI (gross national income) per capita provide a reference point. They show that during FY 2003 the regions of Latin America, the Middle East and North Africa, and East Europe and Central Asia were relatively well off compared to Sub-Saharan Africa and South and East Asia and the Pacific. A rough calculation of the share of U.S. official development assistance for FY 2003 to 2004 to world regions (similar to those identified here) was 17 percent to Asia and the Pacific, 12 percent to Latin American and the Caribbean, 24 percent to Middle East and North Africa, 24 percent to Sub-Saharan Africa, and 4 percent to East Europe, with the remaining 18 percent unspecified (OECD 2002). The relative increase and decreases from FY 2001 to FY 2003 in overall foreign aid to regions are reflected in our study of NGO delivered aid to regions, especially the loss of government aid through NGOs to Latin America in favor of aid to the Middle East.

More research is needed to tease out the implications of our findings. Regions like Latin America where U.S. INGOs are small in size and receive small allocations of government funding on face value seem to be under-resourced. However, private contributions often play a large role in sustaining development, even when government priorities shift. Additionally, the large amount of aid dollars flowing through large organizations with global reach obscures the actual amount of aid channeled through INGOs to these regions. On the other hand, the predominance of small organizations can signal a close connection with ethnic populations in the United States that channel small private donations to their homeland through U.S. international nonprofits.

Types of Assistance to World Regions: World regions were also matched to types of development and assistance organizations yielding some interesting results (table 15). Again imprecision was introduced in the analysis by the general development and assistance

subcategory and the global category. Global organizations predominate in the areas of agriculture development; environment, population, and sustainability and are prevalent in other forms of development, except education where a large number of smaller organizations are prevalent in single regions.

When examining organizations with a single-region focus, agriculture development organizations operate mostly in Latin America, where agricultural aid has long been a strategy for economic development in rural areas. Economic development nonprofits have an emphasis on Central Europe and Central Asia and Latin America. Education development is found to be high in three areas: Latin America and the Caribbean, South and East Asia and the Pacific, and the Middle East and North Africa where it is highest, reflecting support for schools in Israel by a well-organized Jewish community in the United States. Health development organizations are concentrated in Latin America. Still, considering organizations with just a single-region focus, environment, population, and sustainability organizations are most prevalent in Latin America, where NGOs have worked tirelessly to preserve rainforests and eco-diversity. One of the highest overall figures is the 28 percent concentration of democracy and civil society development organizations in Central Europe and Central Asia, though down slightly from 2001 levels as democracy and civil society objectives shifted to the Middle East and Asia.

Table 15. Percentage of Different Types of International Development and Assistance Nonprofits Operating in Specific World Regions, Circa 2003

	Central Europe & Central Asia	Latin America & the Caribbean	The Middle East & North Africa	South & East Asia & the Pacific	Sub- Saharan Africa	Western Europe, Canada, Australia, New Zealand, Japan	Global (more than one region)	% Total
Multipurpose (n = 865)	9	29	9	15	11	2	25	100
Agriculture (n = 65)	8	17	6	6	9	2	52	100
Economic (n = 200)	15	15	4	11	9	3	46	103
International Relief (n = 1,198)	16	27	5	15	10	1	26	100
Education (n = 489)	5	17	22	20	14	10	11	99
Health (n = 737)	6	28	5	14	12	2	33	100
Science and Technology (n = 53)	8	9	8	11	11	9	43	99
Democracy & Civil Society (n = 92)	28	18	4	10	3	2	34	99
Environment, Population, and Sustainability (n = 209)	3	24	1	8	12	2	50	99
Human Rights, Migration, and Refugees (n = 211)	9	10	10	18	8	3	41	99
<u>All Development and Assistance (n = 4,125)</u>	10	24	8	15	11	3	29	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 due to rounding.

Advocacy and Lobbying

International organizations engage in a wide range of activities to influence public opinion and policy outcomes. Observers and leaders of INGOs have voiced concern about whether the increase in grants from government and multilateral institutions constrains the policy and social mobilization activity of NGOs. Mark Chaves and his colleagues (2004) found government funding had no impact on political activities of nonprofits, but they note that further research should examine the relative importance of various mechanisms of government funding on political activity, the relationship of political activity to levels of dependence on government and to different organizational forms, and shifts in levels of engagement with changes in the political environment.

While a narrow measure of political engagement, nonprofit lobbying expenditures nevertheless offer a window into the political behavior of international organizations.⁸ Only about 2 percent of international development and assistance organizations report lobbying expenditures, but this rate consistent for the nonprofit sector as a whole. Interestingly, organizations that identify their organization purpose as advocacy for international causes are not necessarily the same ones that lobby, suggesting multiple strategies of action by international advocates. Our data over three years from FY 2001 to FY 2003 indicate increases from 21 to 34 in the number of development and assistance organizations with government support reporting lobbying expenditures increased, while those with private funding are constant for the same time period.

Given the small number of development and assistance organizations that report lobbying, it is difficult to assess the impact of government funding on lobbying behavior, one type of policy advocacy conducted by nonprofits. Table 16 shows a difference in the lobbying behavior of small and large development and assistance organizations with regard to receipt of government grants. The table indicates more small to medium-sized organizations (15 organizations with less than \$2 million in total revenue) without government funding engaged in lobbying, than small to medium-sized organizations with government funding engaged in lobbying (2 organizations with less than \$2 million in total revenue).

Table 16. Number of Partly Government-Funded and Privately Funded Development and Assistance Organizations that Lobby, by Size, 2003

Lobbying Organizations	Public/Private Funding	Private Funding Only
Less than \$2,000,000 in Revenue	2	15
\$2,000,000 and Above in Revenue	32	22
For All Development and Assistance	34	37
For All International Organizations	44	68

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

⁸ The IRS defines lobbying as direct and grassroots action to promote specific legislation at the local, state, and national level of government, and regulates nonprofit lobbying activity by limiting the amount of lobbying a nonprofit can engage in to approximately 20 percent of its expenditures.

Note: The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on government grants).

The same pattern is not found among large organizations. More large organizations with government funding engaged in lobbying than large organizations without government grants. This pattern suggests that partnership between government and large INGOs reinforces the political activity of groups, though it is not possible to determine whether lobbying expenditures represent a compatible or contested position with government on particular budget and policy issues. Large NGOs that partner with government to administer programs have a vested interest in improving and prioritizing U.S. foreign aid expenditures and increasing earmarks and NGO grants in order to address need in the regions they serve. Further, large organizations often have the organizational infrastructure to sustain political operations, such as staff, unrestricted resources, and lawyers to navigate complex regulations and reporting requirements that tend to discourage organizations from lobbying (Berry with Arons 2003).

Summary

Charitable U.S.-based development and assistance organizations are a diverse set of secular and religious-related organizations, providing many forms of humanitarian assistance and development expertise to people around the globe. Some focus their efforts in single regions or countries, but many INGOs operate on a global scale. Though large global organizations are the most visible face of U.S. charitable international assistance, this study demonstrates the ubiquitous role of small organizations in international aid. International development and assistance organizations are not only service providers and conduits for financial support abroad, but are active in shaping legislative and budget priorities in government and contribute to the growing voice of global activism on a wide range of international issues.

International development and assistance organizations are mainly reliant on private donations, though they derive their funding from several sources. Seventy percent of their revenues come through direct private donations, though funding intermediaries play a large role in financing relief organizations. Large organizations are more likely to receive a portion of their funding from government. On the whole, international assistance organizations appear to operate with efficiency, though generally slim account balances and low assets may hamper their ability to maintain a state of preparedness for emergency relief.

Organizations Promoting International Understanding

While all international organizations strive to promote international understanding, organizations in this category are organized for the primary purpose of enabling people to develop an appreciation for other societies, traditions, and cultures. They sponsor events and forums, conduct trainings, and facilitate exchanges and other activities to build positive relations among peoples and nations. In contrast to development and assistance organizations, they are a small subset of the U.S. international subsector with only 17 percent of its organization and 8 percent of its revenue. Unlike the development and assistance category with

programs aimed at foreign beneficiaries, international understanding organizations engage in programs within and outside the United States.

Two types of international understanding organizations were analyzed: those with general efforts to foster cross-national understanding and those conducting an assortment of international exchanges. The general category of international understanding organizations includes well-known community based networks like Sister City organizations, a citizen diplomacy network, teaming cities throughout the United States with counterparts abroad to increase peace and understanding through person-to-person contact and a wide variety of support projects abroad. NCCS/GuideStar data, however, provide only a partial picture of this network, since approximately 42 percent of Sister City organizations are organized as nonprofits, while most others are city commissions run by volunteers or city employees.⁹ Not included in this monograph, but of possible interest to readers, are the wide range of cultural organizations that preserve ethnic and folk traditions of immigrant communities in the United States (Rosenstein 2005).

International exchanges are a vibrant part of the category of organizations promoting international understanding. They foster exchanges to provide cultural and educational opportunities to live or work abroad. Faculty exchange and international academic research programs, like the Fulbright and Rhodes Scholarships, are also part of the diverse system of international exchange. Other types of exchange include professional job exchanges, recreational living exchanges, au pairs, or similar opportunities.

Table 17 provides an overview of the number and percent of international understanding organizations by subcategory (see appendix 2 for a detailed description of subcategories). Exchange organizations, when taken as a whole, constitute the majority of organizations in the category.

Table 17. Subcategories of International Understanding Nonprofits, Circa 2003

	Number	%
General International Understanding	341	39
International Cultural Exchange	120	14
International Academic/Student Exchange	263	30
Other International Exchange	161	18
Total	885	101

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum to 100 due to rounding.

Revenue

More than other categories of international nonprofits, funding for international understanding organizations comes largely from program service revenue (table 18). In particular, student, academic, and other exchanges rely heavily on funding intermediaries to generate private support and on program service revenue from those participating in exchange programs. The high level of private support in the international cultural exchange subcategory is influenced by

⁹ Informal communication with Sister Cities International, an association for Sister City organizations.

organizations supporting institutions abroad that are magnets for private donations for museums, operas, and other favorite causes of wealthy patrons.

In FY 2001, government grants were 29 percent of overall revenues for the international understanding category, increasing to 32 percent by FY 2003. The level of government grants to the international academic and student exchange subcategory is influenced heavily by one organization, the quasi-governmental Institute of International Education. It received \$117M in government grants in FY 2003, 66 percent of all government grants for the academic exchange subcategory.

Table 18. Sources of Revenue by Percentage of Total Revenue for International Understanding Organizations, Circa 2003

	N ^a	Percentage			
		Private Contributions	Government Grants	Program Services	Other Revenue
General International Understanding	246	45	23	26	7
International Cultural Exchange	84	72	8	12	12
International Academic/Student Exchange	210	17	32	48	4
Other International Exchanges	126	26	13	57	4
For All International Understanding	666	29	25	41	5
For All International Organizations	4,199	69	20	9	3

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Expenditures

Functional expenses of international understanding organizations are similar across all subcategories and expense types (table 19). Low fundraising expenses likely reflect a reliance on program service revenue collected by charging program participants fees for coordinating international exchanges, particularly in the case of academic exchange. Though slightly higher than for all international organizations, combined fundraising and administrative expenses of international understanding organizations are within expected limits for the nonprofit sector as a whole.

Table 19. Types of Expenses by Percentage of Total Expenses for International Understanding Organizations, Circa 2003

	N ^a	Percentage		
		Program	Administrative	Fundraising
General International Understanding	246	83	14	3
Cultural Exchange	84	84	10	6
Academic Exchange	210	87	12	1
Other International Exchanges	126	84	14	2
For All International Understanding	666	85	13	2
For All International Organizations	4,199	89	7	4

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 because the table does not include payment to affiliates and because of rounding.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Financial Health

For the most part, the financial position of international understanding organizations slipped further into the red over the past three years. By FY 2003, 44 percent of all international understanding organizations had negative net balances (table 20), up from 37 percent in FY 2001. Academic exchanges appeared to be most vulnerable, slipping from 34 percent in FY 2001 to 49 percent in FY 2003. These organizations were coping with slow downs in international travel after the terrorist attacks on U.S. airplanes in 2001 and with visa restrictions for foreign students. At the same time, they received more government grants, which can sometimes cause fluctuations in end-of-year balances.

The international understanding category also lost ground on assets during the last few years. All subcategories in FY 2001 had average net balances and average net assets that were positive, By FY 2003, with the exception of cultural exchange, they were facing negative net balances and their asset positions had fallen slightly overall.

Table 20. Net Balance by Type of International Understanding Organizations, Circa 2003

	N	% with Negative Net Balance	Average Net Balance (thousands of dollars)	Median Net Balance (thousands of dollars)
General International Understanding	341	45	-22	2
International Cultural Exchange	120	31	122	5
International Academic Exchange	263	49	-50	1
Other International Exchange	161	43	-69	1
All International Understanding	885	44	-19	2
All International Nonprofits	5,594	40	84	4

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 21. Assets by Type of International Understanding Organizations – circa 2003

	N	% with Positive Net Assets	Average Net Assets (thousands of dollars)	Median Net Assets (thousands of dollars)
General International Understanding	341	95	2,438	76
International Cultural Exchange	120	89	797	33
International Academic Exchange	263	86	1,770	91
Other International Exchange	161	89	1,642	52
For All International Understanding	885	90	1,873	66
For All International Nonprofits	5,594	92	2,796	59

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

World Region of Operation for Academic Exchange Organizations

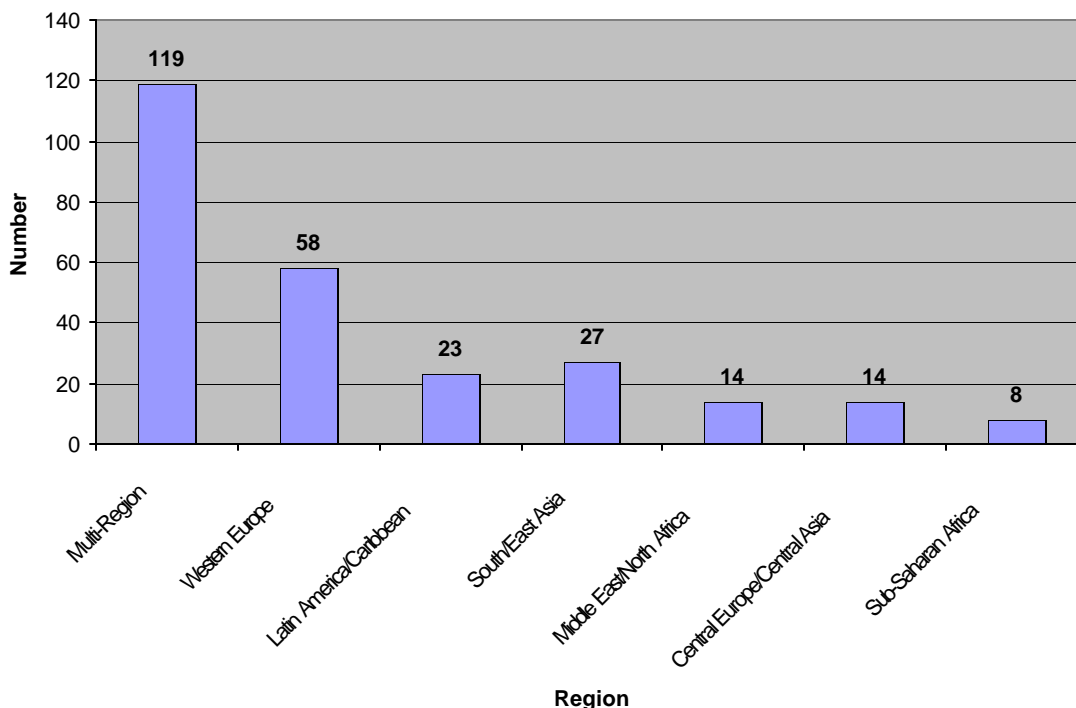
The *Open Doors* report by the Institute for International Education (IIE) provides a yearly snapshot of the scope of international higher education based on a survey of accredited universities and four-year colleges in the United States. Data used for the report include estimates of both international students in the United States and American students that go abroad, as well as their academic interests and activities. The study reflects the impact of these institutions on fostering cross-cultural interaction and understanding through academia, but overlooks the supportive role of nonprofit organizations in international education. Only students who have received academic credit from a U.S. college or university after having studied abroad are considered, although a considerable portion of international academic exchange includes high school and college not-for-credit exchanges.

According to the 2003 *Open Doors* report, the greatest concentration of U.S. students abroad was found in other Western, developed countries—Western Europe, Canada, Australia, New Zealand, and Japan, nearly five times that of the second largest concentration of students in Latin America and the Caribbean. All other regions hosted substantially fewer U.S. students: South and East Asia, Central Eurasia, Sub-Saharan Africa, the Middle East/North Africa. (Open Doors, 2003). In contrast, the greatest number of foreign students in the United States came from South and East Asia, followed by Western Europe, Central Europe/Asia, and Latin America and the Caribbean.

Nonprofit organizations may be seen as a complimentary conduit for fostering international understanding through student exchanges. They are able to assist universities in facilitating for-credit experiences, as well as provide abroad opportunities for those not served by universities. In this dataset, academic exchange nonprofits serve U.S. students as well as foreign students, often by providing reciprocal exchange opportunities, with fully half of all organizations coordinating programs in more than one world region.

Figure 1 shows where nonprofits are concentrating their exchange efforts, though these efforts include students at all levels of education.

Figure 1. The Number of U.S. Academic Exchange Nonprofits Active in Various Regions, circa 2003



Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: The Western Europe category includes Western Europe, Canada, Australia, New Zealand, and Japan.

Among single-region organizations there was a clear bias toward exchange programs in the developed world. Student demand for programs in developed countries may be driven by a need to attend high schools or universities with comparable curricula. Demand for language experiences in Western Europe is decreasing, but academic and cultural experiences offered in the region continue to stimulate total demand. In light of *Open Doors* estimates and the number of U.S. students who register in developed countries, it appears that the nonprofit community reflects continuing demand for academic exchange in this region.

U.S. exchange nonprofits also appear to be responding to demand for South and East Asian exchange, possibly stimulated by the high level of South and East Asian students enrolled in U.S. universities as reported in *Open Doors* or by opportunities arising from emergent national interests in the region. The region with the largest increase in the percentage of nonprofits conducting foreign exchanges was South/East Asia, jumping from 18 percent in FY 2001 to 27 percent in FY 2003. Latin America is also a growing area of exchange, with the percent of nonprofits operating in the region rising from 16 percent in FY 2001 to 23 percent in FY 2003.

Both nonprofit academic and student exchanges tracked in NCCS/GuideStar data and university-sponsored academic exchanges tracked in *Open Doors* occur less often between the U.S. and regions of the Central Europe and Central Asia, Sub-Saharan African and Middle East

and North Africa. Estimates of foreign students from those regions in the United States and of U.S. students abroad are also low in Sub-Saharan African and Middle East and North Africa in the *Open Doors* study. The study notes that FY2002/2003 was the smallest increase in international students since the mid-1990s. The events of September 11, visa restrictions and economic conditions all contribute to slowing exchanges during this period.

Summary

Organizations that promote international understanding are a small part of the international subsector, but they lend an important grassroots dimension to the U.S. international nonprofit subsector. Their work in the field of international exchange provides opportunities for greater cross-cultural understanding among people and nations and appears to reinforce patterns in the student exchange industrywide. International understanding organizations derive higher amounts of their revenue from program services from fees for services provided than other international organizations. Government grants to international understanding organizations are on the rise in the post-9/11 era, but are concentrated in several organizations with strong connections to government.

International Affairs

International affairs organizations are a diverse category of organizations that share the general purpose of addressing international political, economic, and social issues related to national interests. They aim to strengthen international cooperation and work to advance U.S. foreign policy goals and improve U.S. security and peace. International affairs education, economic and trade policy, national security, and peace and arms control organizations are treated as separate subcategories of International Affairs (table 22). Differing origins and operating styles of international affairs organizations, such as elite foreign policy think tanks with their polished policy expertise and deliberative forums and grassroots peace organizations with their citizen activism, exemplify the contrasting roles U.S. nonprofits play in international affairs.

Table 22. Subcategories of International Affairs Nonprofits, Circa 2003

	Number	%
General International Affairs	165	28
Peace and Arms Control	204	35
International Affairs Education	103	18
National Security	37	6
International Economic & Trade Policy	75	13
Total	584	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

The *General International Affairs* subcategory includes organizations that focus on U.S. participation in international security treaties or the U.S. role in multilateral security agreements, such as NATO. Some are foreign policy think tanks producing policy-relevant knowledge on a wide range of international issues. While both are concerned with security

issues, some organizations approach national security from a more unilateral perspective and can found in the national security subcategory

However, think tanks that address international issues are found in all international affairs subcategories. While not analyzed separately in this study as a class of organizations, their importance in shaping international affairs is indisputable. Foreign policy think tanks affect decisionmakers by generating ideas and options for policy, supply government with a ready pool of skilled foreign policy experts, offer venues for high-level discussions from across the professions, educate U.S. citizens and inform the media on complex international issues, and sponsor third-party dialogues and mediation for parties in conflict (Haas 2002). The Carnegie Endowment for International Peace,¹⁰ founded in 1910, was the first think tank concerned solely with foreign affairs, particularly the causes of war and peaceful conflict resolution. With the outbreak of World War I, scholars, businessmen, lawyers and others formed the Council on Foreign Relations and kept alive a dialogue on internationalism in the interwar period. After World War II, a second wave of organizations formed to address foreign policy during the Cold War; some, such as RAND, were closely tied to government.

Other traditions have emerged more recently. Some think tanks weigh in on foreign policy as advocates, such as the liberal Institute for Policy Studies. Former presidents have created think tanks as part of their legacy on foreign policy, such as the Carter Center in Atlanta (Abelson 2002). Their scope of topics ranges from regional (e.g., the Inter-American Dialogue) to global (e.g., the Center for Strategic and International Studies [CSIS]). Some are independent and reliant only on private funding, while others, such as Cuba On-Line, Inc., are highly reliant on government for funding. In the aftermath of September 11, 2001, they have contributed to discussion about the proper response of government and organizations to the terrorist threats at home and abroad.

International Affairs Education organizations are those whose primary purpose is to educate the public on international affairs issues. Their outreach to and involvement of everyday citizens stands in contrast to elite think tanks. World Affairs Councils exemplify the role of U.S. nonprofits in international affairs education. The activities of the national office and affiliated organizations in cities across the United States reach millions of people each year through conferences and public events, media broadcasts, and school programs designed to increase understanding and discussion on current world affairs. Organizations also in this category are those officially affiliated and related to UN organizations.¹¹ Numerous UN associations that provide support to and education about UN programs are found across the United States, though not all are organized as nonprofits.

Peace and Arms Control organizations encourage the control of conventional, chemical, biological, and/or nuclear weapons development, and often do so through promoting nonproliferation. This category includes national organizations like the Alliance for Nuclear Accountability and the Nuclear Control Institute and grassroots organizations like Pennsylvania Peace Links. While national organizations often grab the attention of the media and the public, they accounted for only 3 percent of the peace advocacy groups that were active in the 1980s

¹⁰ Organized as a private foundation and not in the NCCS/GuideStar National Nonprofit Database.

¹¹ Permanent or observer missions, their supports, or UN-sponsored schools are excluded.

peace movement. Further, it is estimated that nearly 40 percent of these small grassroots peace organizations operated with no federal tax status and were unaffiliated with any other larger, more formal organization (Edwards 1994). These groups are not found in the data presented in this section.

International Economic and Trade Policy organizations promote world trade, often with a focus on strengthening the trade and investment position of the United States in global markets. These organizations are primarily concerned with the cross-national and global components of economic development and policies. However, organizations contributing directly to economies in other countries through initiatives like microenterprise, interest rate stabilization, or employment policies are included in the economic development subcategory of the international development and assistance category. Examples of organizations in this category include the United States National Committee for Pacific Economic Cooperation, which aims to increase economic cooperation among countries of the Pacific Rim; Verite, Inc., which provides inspection and certification of the labor practices of foreign companies that produce goods for U.S. consumption; and the Mexico Trade Center, which promotes commerce between the United States and Mexico.

National Security organizations primarily monitor U.S. national security topics, policies, and initiatives, with particular regard to minimizing the risk of foreign attack to both the U.S. mainland and overseas holdings. This category centers on organizations that are concerned with all types of security policies that originate in U.S. government, some of which are more specifically related to the security of American armed forces and civilians. Examples of national security organizations include the Air University Foundation, which promotes the improvement of U.S. military aerospace power, and the Center for Media and Security, which works to inform the public about defense and security issues.

Revenue

As a whole, international affairs organizations receive most of their revenue (74 percent) from private contributions (table 23). Also notable, they receive a smaller portion of their overall revenue from government grants than do the two other major categories of international development and assistance and international understanding organizations.

When looking at individual subcategories, however, national security and international economic and trade policy have half this proportion in private contributions. These organizations make up the difference with program service revenue generated through education and consulting services. National security organizations are the most reliant on program services with 37 percent of their income from program services, the highest for the category. National security also received an unusually high amount in “other revenue.” One membership organization contributing to the high percentage of other revenue, the National Defense Industrial Association, reports over \$2M in revenues from membership dues annually.

Table 23. Sources of Revenue by Percentage of Total Revenue for International Affairs Organizations, Circa 2003

Percentage

	N ^a	Private Contributions	Government Grants	Program Services	Other Revenue
General	144	76	12	7	6
Peace and Arms Control	156	65	17	14	5
International Affairs Education	76	83	3	9	5
National Security	31	37	2	48	13
International Economic and Trade Policy	65	37	23	29	10
All International Affairs	472	74	8	13	6
All International Organizations	4,199	69	20	9	3

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: The “Other Revenue” category includes small revenue categories such as membership dues, interest, rental income, etc.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Expenses

Overall expenses of international affairs organizations are fairly reflective of what is found in other major categories (table 24). Nonetheless, there are some interesting extremes found in the subcategories. The national security subcategory has combined administrative and fundraising expenses that reach 28 percent. On the other hand, with international affairs education we see the phenomenon where large reliance on private contributions (see table 23) is matched with lower overall administrative and fundraising costs, perhaps reflecting the integrated role of grassroots communication and fundraising in these civic minded organizations in an effort to keep administrative costs low to attract donors.

Table 24. Types of Expenses by Percentage of Total Expenses for International Affairs Organizations, Circa 2003

	N ^a	Percentage		
		Program	Administrative	Fundraising
General	144	75	19	5
Peace and Arms Control	156	80	14	5
International Affairs Education	76	88	6	7
National Security	31	72	22	6
International Economic and Trade Policy	65	77	20	2
For All International Affairs	472	83	11	6
For All International Organizations	4,199	89	7	4

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 because the table does not include payment to affiliates and because of rounding.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Financial Health

A higher percentage of international affairs organizations show a negative net balance than other international organizations (table 25). Not only are more of these organizations operating in the red, fewer have assets to fall back on should the organization face annual funding constraints (table 26). The high average net assets of this subcategory reflect a few organizations with high assets that drive up the average amount including the Institute for East-West Studies with over \$10 million in assets and the USAPEEC International Poultry Development Program with over \$12 million.

Table 25. Net Balance by Type of International Affairs Organizations, Circa 2003

	N	% with Negative Net Balance	Average Net Balance (thousands of dollars)	Median Net Balance (thousands of dollars)
General	165	49	-45	1
Peace and Arms Control	204	49	25	<1
International Affairs Education	103	43	327	3
National Security	37	41	38	6
International Economic and Trade Policy	75	44	30	8
For All International Affairs	584	47	60	2
For All International Nonprofits	5,594	40	84	4

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 26. Net Assets of International Affairs Organizations, Circa 2003

	N	% with Positive Net Assets	Average Net Assets (thousands of dollars)	Median Net Assets (thousands of dollars)
General	165	89	2,357	134
Peace and Arms Control	204	90	491	45
International Affairs Education	103	92	2,552	93
National Security	37	95	1,682	154
International Economic and Trade Policy	75	88	606	84
For All International Affairs	584	90	1,475	80
For All International Nonprofits	5,594	92	2,796	59

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 27 shows that only 6 percent of all international affairs organizations are engaged in lobbying. The peace and arms control subcategory has the majority of these organizations as it includes groups who advocate for peace and disarmament. Except for the international

economic and trade subcategory, all other subcategories lobby at rates slightly higher than the norm for international organizations and the nonprofit sector as a whole.

Table 27. Number and Percent of Types of International Affairs Organizations that Lobby, Circa 2003

	N	Organizations that Lobby	
		Number	Percent
General	165	5	3
Peace and Arms Control	204	21	10
International Affairs Education	103	4	4
National Security	37	2	5
International Economic and Trade Policy	75	1	1
For All International Affairs	584	33	6
For All International Organizations	5,594	122	2

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Summary

International Affairs organizations are a diverse category of organizations. While they share the general purpose of addressing international political, economic, and social issues related to national interests, they differ on many other dimensions. Origins and operating styles of international affairs organizations, such as elite foreign policy think tanks with their policy expertise, are a contrast to grassroots activism by peace organizations. International affairs organizations appear to be in a more tenuous financial condition than other international nonprofits. Not only are more of these organizations operating in the red, fewer have asset levels sufficient to fall back on should the organization face annual funding constraints.

Conclusion

This monograph presented findings based on extensive analysis of a large database of U.S.-based international organizations consisting of NCCS/GuideStar data. This research has confirmed some prior findings of more limited studies and, most important, painted a broader picture of international organizations than was possible in the past.

Main findings for the U.S. international charitable nonprofit subsector are summarized below.

1. Based on figures obtained from the NCCS/GuideStar National Nonprofit Database, the international subsector makes up only 2 percent of the organizations and revenue of the charitable nonprofit sector in the United States. This relatively small subsector has a large impact through its largest category of activity, international development and assistance nonprofits. With 74 percent of the organizations, they far outpace the other two main categories, international understanding and international affairs, in size and scope.

2. International organizations are mainly located on both coasts and Texas and Florida, with a number drawing on financial resources and local support from concentrated ethnic communities in the United States to serve people in geographically related areas of the world.
3. Analysis of the revenue of U.S. international sector reveals a large number of small organizations and limited government funding that favors larger nonprofits. Seventy-five percent of all international organizations are small with less than \$500,000 in revenue. Government grants and program service revenue account for a small but important part of the financial base of the international subsector, but international organizations rely most heavily on private contributions (70 percent of total revenue).
4. Examination of the expenses of international nonprofits shows that across the board there appears to be a healthy ratio of program, administrative, and fundraising expenses. Overall, 88 percent of expenses cover program costs, 7 percent are administrative expenses, and 5 percent are fundraising expenses.
5. While most international nonprofits provide services to beneficiaries abroad, approximately 14 percent are primarily funding organizations involved in fundraising and grantmaking for foreign institutions and causes.
6. Consistent with the nonprofit sector as a whole, 2 percent of international organizations engage in lobbying. They are not necessarily the same ones that identify their organizational purpose as advocacy for international causes, suggesting multiple strategies of action by international advocates. Peace organizations in the international affairs category lobbied more frequently than other types of organizations in the international subsector.

Of the three major categories of international organizations studied in this monograph, development and assistance organizations were the most extensive in their resources, activities and presence in the world. Main findings for development and assistance organizations are summarized below.

1. International relief organizations provide the most prevalent type of international assistance and are most likely to use funding intermediaries for generating private support.
2. Revenues for international development and assistance organizations include large amounts of noncash contributions, accounting for about one-third of total private donations. Direct government funding of organizations, where it occurs, involves larger organizations, though these large organizations are not especially reliant on government grant income to sustain their organizational operations.
3. Democracy and civil society INGOs are most highly reliant on government grants as a proportion of their overall revenue, reflecting a partnership of these organizations with government's goal to promote democracy abroad.

4. The Latin America and Caribbean region had the highest percentage of international development assistance nonprofits with a single region focus and they are small and medium-sized organizations.
5. Regional priorities for official development assistance look different when only examining the aid delivered through NGOs. Official development assistance was on the decline from 1999 to 2001, yet the number of INGOs receiving government grants grew during this same period, indicating an increasing reliance by government on NGO-delivered assistance. Foreign aid again increased after September 11. By 2003, shifts in foreign policy priorities begin to show up as increases in government funding to NGOs operating in the Middle East and Asia. While overall official government assistance for Central Europe was the lowest of any region, U.S. NGOs with a focus on Central Europe and Central Asia received the highest number of grants and percentage of overall government grant revenue for any NGOs operating in other regions.
6. A relatively high number of large international development and assistance organizations with government funding engaged in legislative lobbying, suggesting that the partnership between government and NGOs reinforces the political activity of large groups.

This monograph provides a foundation for future studies to analyze changes in the infrastructure, capacity, and finances of the international nonprofit subsector as it shapes a course of action to meet global challenges in the 21st century. Shifts in the financing of international development and assistance will continue to shape the programs of NGOs and the relationship between civil society organizations, governments, and multilateral institutions.

Trends in financing international development and assistance emerging after the year 2000 are already beginning to influence NGO financing and program priorities. Among other trends, international nonprofits are facing an increasingly competitive funding environment on a number of fronts. For example, competition with Southern nonprofits over grants is growing as multilateral institutions and other funders seek to bypass intermediary international organizations to reduce costs and stimulate civil society in recipient countries. Programs such as the Millennium Challenge Account calls for recipient country discretion in deciding which organizations will receive funding to implement poverty reduction programs. This new approach to coordinated aid puts international organizations in competition with the private for-profit sector, community-based organizations, national nonprofits, and government entities. Themselves realizing the need for more local involvement, international nonprofits are creating partnerships with local nonprofits and fundraising in recipient countries (Greensmith 2001).

Future research can further explore government preferences for working through NGOs in particular regions of the world and how shifts in world events affect the program financing and the priorities of government and NGOs. Additional inquiry into small organizations can offer an interesting window into social capital building on an international scale, where person-to-person exchanges build goodwill and meet need. Organizations that are funded almost entirely by government grants deserve further investigation, as does the role of advocacy and public policy influence on a national and global scale. The role of diaspora communities and remittances to other nations through the nonprofit sector also deserve closer scrutiny.

Improving data from the National Center for Charitable Statistics/GuideStar National Nonprofit Database and supplementing it with official data and independent survey data can provide the basis for a better assessment of the capacity of U.S. nonprofit organizations to deliver services and meet organizational missions. In the future, more rigor can be used in separating out organizations that are primarily financial conduits from those that provide direct services. Financial analyses would benefit from efforts to better identify the extent of foreign government dollars in international organizations. Issues of accountability and transparency will continue to be in the forefront of policy discussions, an area particularly acute for the many nonprofit religious missions that currently are not required to report on the IRS Form 990.

U.S.-based international organizations will likely continue to be important global actors in the 21st century as they promote international understanding, address critical issues of national interest and global consequence, and channel the generous humanitarian impulses of American citizens and the resources of government into relief and development worldwide. Assessing their capacity and resources to fulfill their missions can help insure they remain a vibrant part of the U.S. charitable nonprofit sector.

The authors would like to thank our colleagues for their contributions to the organization of data for this paper. Sheryl Romeo and Kanisha Bond classified organizations for this study and improved the National Taxonomy of Exempt Entities (NTEE) classification system for international organizations. Kendall Golladay provided many insights into the anomalies of these data.

Appendix 1. Reid/Kerlin International Coding Adapted from NTEE-CC

Q International, Foreign Affairs & National Security **UPDATED NOVEMBER 3, 2004**

- Q01 Alliances & Advocacy
- Q02 Management & Technical Assistance
- Q03 Professional Societies & Associations
- Q05 Research Institutes & Public Policy Analysis
- Q11 Single Organization Support
- Q12 Fund Raising & Fund Distribution
- Q19 Other Support
- Q20 Promotion of International Understanding**
- Q21 International Cultural Exchange
- Q22 International Academic and Student Exchange
- Q23 Other International Exchanges
- Q30 International Development & Assistance**
- Q31 International Agricultural Development
- Q32 International Economic Development
- Q33 International Relief
- Q34 International Educational Development Assistance
- Q35 International Health Development and Assistance
- Q36 International Science and Technology Development and Assistance
- Q37 International Democracy and Civil Society Development and Assistance
- Q38 International Environment, Population and Sustainability
- Q39 International Human Rights, Migration, and Refugee Issues
- Q40 International Affairs**
- Q41 Peace and Arms Control
- Q42 International Affairs Education
- Q43 National Security
- Q44 International Economic & Trade Policy

Appendix 2. U.S. International Nonprofit Subsector Coding Definitions

	<u>Code</u>	<u>Primary Purpose</u>	<u>Examples of Organizations</u>
All International	Q	Support activities that are carried out beyond U.S. borders and whose beneficiaries are citizens of other countries, and/or promote an exchange of ideas or people to that serve and benefit both U.S. and foreign interests. Includes three major categories of organizations: International Understanding, International Development and Assistance, and International Affairs.	Not applicable
<i>Promotion of International Understanding</i>		<i>Promote and enable activities that foster an appreciation for other societies and cultures</i>	
General Promotion of International Understanding	Q20	International understanding organizations with multiple purposes or with purposes not specified in Q21 to Q23	Korea-United States Exchange Council; Sister Cities
International Cultural Exchange	Q21	Provide and/or sponsor international cultural events	Pan-American Cultural Exchange
International Academic Exchange	Q22	Provide and/or sponsor international education	Foundation for International Education
Other International Exchange	Q23	Provide and/or sponsor other exchange opportunities, such as work	Euraupair International
<i>International Development and Assistance</i>		<i>Provide technical training and/or material assistance to support institutional, economic or social growth and development generally or in multiple areas of development and assistance services</i>	
General International Development and Assistance	Q30	International development and assistance organizations with multiple purposes or with purposes not specified in Q31 through Q39	Cooperative for Assistance and Relief Everywhere Inc - CARE
Agricultural Development and Assistance	Q31	Support for increasing land productivity and food supply outside of the U.S.	Agricultural Services International, Inc.
Economic Development and Assistance	Q32	Aid in stimulating foreign economies and encourage industry growth	Hungarian American Enterprise Fund
Relief Services	Q33	Relieve extreme hardship from	International

		famines, natural disasters, and other emergencies and improve social well-being abroad	Disaster Emergency Service, Inc.
Education Development and Assistance	Q34	Support and assist foreign educational institutions	India Literacy Project
Health Development and Assistance	Q35	Provide medical services, training and support in foreign countries	Global Fund for Children's Vaccines
Science and Technology Development	Q36	Encourage technological capacity-building and information transfers	Pacific International Center for High Technology Research
Democracy and Civil Society Development and Assistance	Q37	Encourage the development and support of civil society	Rule of Law Foundation
Environment, Population, and Sustainability Development and Assistance	Q38	Protect foreign and cross-national ecosystems and advocate sustainable development and population policies	International Sustainable Development Foundation
Human Rights, Migration, and Refugees Development and Assistance	Q39	Provide support and aid to displaced persons outside of the U.S. and advocate for the protection of civil rights and liberties	World Organization Against Torture USA
<i>International Affairs</i>	Q40	<i>Strengthen international political and economic cooperation generally</i>	
General International Affairs	Q40	International affairs organizations with multiple purposes or with purposes not specified in Q41 through Q44	International Relations Council
Peace and Arms Control	Q41	Promote peace and control of weapons testing and proliferation	Nuclear Control Institute
International Affairs Education	Q42	Provide education on international affairs. Includes United Nations associations and world affairs councils.	Hospitality Committee for United Nations Delegations, Inc.
National Security	Q43	Monitor U.S. national security topics and policies	American Defense Institute Inc.
Economic and Trade Policy	Q44	Promote international trade and trade policies	Trade Mission Center of the Americas

Appendix 3. Data Development

Though large, the dataset is bounded in several important ways:

- The dataset comprises 501(c)(3) public charities only. It excludes 501(c)(3) private foundations and other non-charitable tax-exempt organizations registered with the IRS such as trade unions, business organizations, social and recreational clubs, and veterans associations, classified under varying sections of the IRS code (e.g., 501(c)(4)).
- The dataset consists only of organizations with gross annual receipts of more than \$25,000 because only those organizations are required to file with the IRS. It does not include organizations with gross receipts under \$25,000 that voluntarily filed.
- Religious-related organizations are underrepresented in the dataset because many are exempt from filing with the IRS. Religious-related organizations are exempt if they meet the following: “A mission society sponsored by, or affiliated with, one or more churches or church denominations, if more than half of the society’s activities are conducted in, or directed at, persons in foreign countries” (IRS 2000, 2).¹²
- Figures that make use of government grant information from Form 990 were generated against a subset of data (circa 2001 N = 2763) that excluded Form 990-EZ filers because government grant revenue is not listed separately on Form 990-EZ forms. Organizations with yearly gross receipts under \$100,000 and total assets under \$250,000 may file Form 990-EZ, a simplified reporting form. This limitation is noted in the charts where it occurs.
- These data cannot account for the actual number of U.S. nonprofits with international programs and the extent of the financial capacity and outputs provided by U.S. nonprofits in the international arena. The dataset comprises organizations whose *primary purpose* falls into one of the international NTEE categories. Yet many organizations have mixed domestic and international purposes and programs. Separating program expenditures for domestic and international programs is not feasible using information from the NCCS/GuideStar National Nonprofit Database, so some organizations with significant international programs are not captured in these data. For example, Sierra Club runs several large international programs, yet is an organization with primarily domestic purposes and programs and therefore is not in our dataset.

These limitations make it impossible to calculate exact figures for the total number of organizations and overall financial amounts for the entire international nonprofit subsector or

¹² Excluded from our sample as a result of this exemption are a number of large international nonprofits including Catholic Relief Services, Baptist World Alliance, Christian Reformed World Relief Committee, Latter-day Saint Charities, and Jesuit Refugee Service USA, among others.

any category of it.¹³ However, the large size of the sample provides the opportunity to compare and contrast relative levels of numbers of organizations and funding between different types of international organizations. Relative figures (percentages) are also, in many cases, used instead of hard numbers (real dollars). A two-year lag in IRS processing of tax forms for public access limits the analysis of the impact of events since the year 2001, including a general downturn in the economy and a shift in foreign aid to the Middle East, that have likely altered the financial picture and program priorities of nonprofits as presented here.

Nonetheless, the circa 2001 dataset represents the most comprehensive collection of U.S. nonprofits that engage in international affairs, promote international understanding, and provide services to international beneficiaries as their primary purpose. The strength of the dataset is in its numbers and the inclusion of many small and medium-sized organizations that are often overlooked in other analyses of international organizations.

Originally, many of the organizations found in the original NTEE international category were miscategorized, requiring a substantial amount of data cleaning. Organizations that did not belong in the international category were relocated to appropriate categories elsewhere in the NTEE classification, international organizations that had been misclassified within the category were placed in appropriate subcategories, and international organizations that had been miscoded elsewhere in other NTEE categories were identified and added to the international category. The latter was accomplished by running a computer search on all organizations in the NCCS/GuideStar National Nonprofit Database outside of the international category to identify organizations with international-related words in their organization name, primary purpose statement, and program descriptions. These organizations were then reviewed and manually recoded to appropriate categories.

¹³ Due to these limitations we know, for example, that only a little over half of the private voluntary organizations registered with USAID in 2000 are found in our database. This low figure is also attributable to the fact that a number of organizations registered with USAID are not international in scope as defined in this study.

Appendix 4. Classification of Countries by World Region¹⁴

Central Europe and Central Asia

Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, FYR Macedonia, Moldova, Poland, Romania, Russian Federation, Serbia and Montenegro, Slovak Republic, Slovenia, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan

Latin America and the Caribbean

Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, French Guiana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Mexico, Netherlands-Antilles, Nicaragua, Panama, Paraguay, Peru, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, Venezuela

The Middle East and North Africa

Algeria, Bahrain, Cyprus, Djibouti, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Malta, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, West Bank and Gaza (Palestine), Western Sahara (claimed by Morocco), Yemen

South and East Asia and the Pacific

Afghanistan, Bangladesh, Bhutan, Cambodia, China, Fiji, India, Indonesia, Kiribati, North Korea, South Korea, Lao PDR (Laos), Malaysia, Maldives, Marshall Islands, FS Micronesia, Mongolia, Myanmar, Nepal, North Mariana Islands, Pakistan, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, Timor-Leste, Tonga, Vanuatu, Vietnam

Sub-Saharan Africa

Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Democratic Rep. of Congo, Cote d'Ivoire, Equatorial Guinea, Ethiopia, Eritrea, Gabon, Ghana, The Gambia, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome & Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe

Western Europe, U.S., Canada, Australia, New Zealand, Japan

Andorra, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, San Marino, Spain, Sweden, Switzerland, United Kingdom

¹⁴ Adapted from world regions established by the World Bank.

Appendix 5. FY 2001 and 2002 Data Tables

FY 2001 Data Tables

Table 1. Overview of the International Nonprofit Subsector, Circa 2001

	Number	% of Int'l Nonprofits in Category	Total Revenue (in thousands of dollars)
International Development and Assistance			
General	699	15	2,265,385
Agricultural Development	59	1	203,230
Economic Development	168	4	368,725
International Relief	1,025	22	5,184,219
Educational Development	356	7	750,056
Health Development	581	12	2,142,626
Science and Technology Development	41	1	26,428
Democracy and Civil Society Development	76	2	219,926
Environment, Population and Sustainability	169	4	1,410,900
Human Rights, Migration and Refugees	185	4	823,524
Development and Assistance Subtotal	3,359	72	13,395,019
International Understanding			
General	331	7	463,342
International Cultural Exchange	91	2	35,083
International Academic and Student Exchange	237	5	569,813
International Exchanges N.E.C.	155	3	141,060
International Understanding Subtotal	814	17	1,209,298
International Affairs			
General	155	3	174,450
Peace and Arms Control	166	4	110,676
International Affairs Education	96	2	416,717
National Security	32	1	42,770
International Economic and Trade Policy	71	1	43,559
International Affairs Subtotal	520	11	788,172
Total International Nonprofits	4,693	100	15,392,489

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 2: Average and Median Age of International Organizations by Subcategory – circa 2001

	Average Age (in years)	Median Age (in years)
International Development and Assistance		
General	10	7
Agricultural Development	12	8
Economic Development	8	6
International Relief	10	6
Educational Development	13	8
Health Development	11	7
Science and Technology Development	7	6
Democracy and Civil Society Development	9	6
Environment, Population and Sustainability	11	7
Human Rights, Migration and Refugees	12	9
Development and Assistance Subtotal	10	6
International Understanding		
General	15	11
International Cultural Exchange	10	7
International Academic and Student Exchange	13	9
International Exchanges N.E.C.	17	12
International Understanding Subtotal	14	10
International Affairs		
General	14	11
Peace and Arms Control	13	12
International Affairs Education	26	27
National Security	17	13
International Economic and Trade Policy	9	6
International Affairs Subtotal	15	12
Total International Nonprofits	12	7

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 3. Sources of Revenue by Percentage of Total Revenue for Three Main Categories of International Organizations, Circa 2001

	N ^a	Percentage			
		Private Contributions	Government Grants	Program Services	Other Revenue
International Development and Assistance	2,600	72	17	6	5
International Understanding	626	33	24	35	9
International Affairs	427	71	7	11	11
All International Organizations	3,653	67	18	9	5

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Private contributions combines direct and indirect contributions. Other revenue includes small revenue categories such as membership dues, interest, dividends, rental income, other investment, sales of goods, and revenue from special events and activities.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 4. Numbers of International Organizations According to Revenue Size, Circa 2001

	Small		Medium		Large	
	Less than \$500,000		\$500,000–\$1,999,999		\$2 million and above	
	#	%	#	%	#	%
International Development and Assistance	2,446	73	488	15	420	13
International Understanding	594	73	133	16	87	11
International Affairs	381	73	91	17	53	10
All International Organizations	3,421	73	712	15	560	12

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 5. Percent of International Organizations with Government Grants by Size of Organization, Circa 2001

Government-Funded	Small		Medium		Large	
	Less than \$500,000		\$500,000–\$1,999,999		\$2 million and above	
	#	%	#	%	#	%
International Development and Assistance	90	26	69	20	189	54
International Understanding	60	52	25	22	31	27
International Affairs	27	38	24	34	20	28
All Government-Funded International Organizations	177	33	118	22	240	45

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 6. Types of Expenditures by Percentage of Total Expenditures for Three Main Categories of International Organizations, Circa 2001

	N ^a	Percentage		
		Program	Administration	Fundraising
International Development and Assistance	2,600	89	6	5
International Understanding	626	86	12	2
International Affairs	427	83	11	6
For all International Organizations	3,653	88	7	5

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 7. Number and Percent of International Organizations that Report Lobbying, Circa 2001

	N	Organizations that Lobby	
		Number	Percent
International Development and Assistance	3,359	52	2
International Understanding	814	16	2
International Affairs	520	29	6
For All International Organizations	4,693	97	2

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 8. Subcategories of International Development and Assistance Nonprofits by Type of Assistance, Circa 2001

Types of Development and Assistance Organizations	N	%
General Development and Assistance	699	21
Agricultural Development	59	2
Economic Development	168	5
International Relief	1,025	31
Education Development	356	11
Health Development	581	17
Science and Technology Development	41	1
Democracy and Civil Society Development	76	2
Environment, Population, and Sustainability	169	5
Human Rights, Migration, and Refugee Issues	185	5
Total	3,359	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 9. Sources of Revenue by Percentage of Total Revenue for International Development and Assistance Organizations, Circa 2001

	N ^a	Percentage			
		Private Contributions	Government Grants	Program Services	Other Revenue
General	534	67	24	4	5
Agriculture	51	21	43	31	5
Economic	145	34	41	13	12
International Relief	754	88	10	1	1
Educational	281	53	24	12	11
Health	440	73	14	11	2
Science and Technology	34	61	12	13	14
Democracy and Civil Society	65	38	52	6	4
Environment, Population, and Sustainability	149	59	17	15	9
Human Rights, Migration, and Refugees	147	61	26	3	10
All Development and Assistance	2,600	72	17	6	5
All International Organizations	3,653	67	18	9	5

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 10. Types of Expenses by Percentage of Total Expenses for International Development and Assistance Organizations, Circa 2001

	N ^a	Percentage		
		Program	Administrative	Fundraising
General	534	91	6	3
Agriculture	51	80	19	0
Economic	145	85	12	2
International Relief	754	91	4	6
Educational	281	87	8	4
Health	440	89	8	3
Science and Technology	34	82	14	2
Democracy and Civil Society	65	82	16	2
Environment, Population, and Sustainability	149	81	10	9
Human Rights, Migration, and Refugees	147	92	5	3
All Development and Assistance	2,600	89	6	5
All International Organizations	3,653	88	7	5

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 due to rounding error.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 11. Net Balance by Type of International Development and Assistance Nonprofit, Circa 2001

	N	% of Nonprofits w/Negative Balance	Average Net Balance (thousands of dollars)	Median Net Balance (thousands of dollars)
General	699	41	131	4
Agriculture	59	29	-38	16
Economic	168	42	-111	4
International Relief	1,025	40	94	3
Educational	356	39	114	5
Health	581	37	765	6
Science and Technology	41	34	42	5
Democracy and Civil Society	76	37	567	10
Environment, Population, and Sustainability	169	49	1,945	1
Human Rights, Migration, and Refugees	185	43	249	6
All Development and Assistance	3,359	40	319	4
All International Organizations	4,693	40	258	5

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 12. Net Assets by Type of International Development and Assistance Nonprofit – Circa 2001

	N	% of Nonprofits with Positive Net Assets	Average Net Assets (thousands of dollars)	Median Net Assets (thousands of dollars)
General	699	92	2,552	64
Agriculture	59	95	3,114	112
Economic	168	90	3,798	91
International Relief	1,025	94	1,508	51
Educational	356	92	3,253	100
Health	581	94	3,268	92
Science and Technology	41	83	984	71
Democracy and Civil Society	76	83	1,953	50
Environment, Population, and Sustainability	169	86	21,166	120
Human Rights, Migration, and Refugees	185	91	4,423	75
All Development and Assistance	3,359	92	3,494	69
All International Organizations	4,693	92	3,038	73

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 13. Number, Percentage, and Funding of Development and Assistance Organizations by World Region, Circa 2001

World Region	Number	Percentage of Total Number	Revenue (thousands of dollars)	Percentage of Total Revenue
Central Europe and Central Asia	390	12	708,404	5
Latin America and the Caribbean	793	24	457,431	3
The Middle East and North Africa	287	8	777,862	6
South and East Asia and the Pacific	469	14	313,697	2
Sub-Saharan Africa	289	9	373,289	3
Western Europe, Canada, Australia, New Zealand, and Japan	95	3	260,950	2
Global	1,036	31	10,503,386	78
For All Regions	3,359	101	13,395,019	99

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum to 100 due to rounding.

Table 14. Number, Percentage, and Funding of Government-Funded Development and Assistance Organizations by World Region, Circa 2001

World Region	Number	Percentage of Total Number	Government Grants (thousands of dollars)	Percentage of Govt Grants
Central Europe and Central Asia	52	15	154,834	7
Latin America and the Caribbean	42	12	43,970	2
The Middle East and North Africa	12	3	71,652	3
South and East Asia and the Pacific	33	9	60,753	3
Sub-Saharan Africa	27	8	72,004	3
Western Europe, Canada, Australia, New Zealand, and Japan	5	1	45,934	2
Global	179	51	1,885,189	81
For All Regions	350	99	2,334,336	101

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum to 100 due to rounding.

Table 15. Percentage of Different Types of International Development and Assistance Nonprofits Operating in Specific World Regions, Circa 2001

	Central Europe & Central Asia	Latin America & the Caribbean	The Middle East & North Africa	South & East Asia & the Pacific	Sub-Saharan Africa	W. Europe, Canada, Australia, New Zealand, Japan	Global	% Total
General (n = 699)	10	29	9	15	9	2	26	100
Agriculture (n = 59)	10	19	5	3	8	2	53	100
Economic (n = 168)	15	16	3	9	7	3	46	99
International Relief (n = 1,025)	17	27	6	14	8	1	27	100
Education (n = 356)	6	17	26	17	10	12	12	100
Health (n = 581)	6	27	6	14	10	2	34	99
Science and Technology (n = 41)	5	7	10	12	7	12	46	99
Democracy and Civil Society (n = 76)	32	16	3	11	4	1	34	101
Environment, Population, and Sustainability (n = 169)	5	18	1	8	8	2	59	101
Human Rights, Migration, and Refugees (n = 185)	11	9	12	17	7	2	41	99
All Development and Assistance (n = 3,359)	12	24	8	14	9	3	31	101

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 due to rounding.

Table 16. Number of Partly Government-Funded and Privately Funded Development and Assistance Organizations that Lobby, by Size, 2001

Lobbying Organizations	Public/Private Funding	Private Funding Only
Less than \$2,000,000 in Revenue	1	13
\$2,000,000 and Above in Revenue	20	18
For All Development and Assistance	21	31
For All International Organizations	28	69

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on government grants).

Table 17. Subcategories of International Understanding Nonprofits, Circa 2001

	Number	%
General International Understanding	330	40
International Cultural Exchange	91	11
International Academic/Student Exchange	248	31
Other International Exchange	146	18
Total	814	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 18. Sources of Revenue by Percentage of Total Revenue for International Understanding Organizations, Circa 2001

	N ^a	Percentage			
		Private Contributions	Government Grants	Program Services	Other Revenue
General International Understanding	240	56	16	18	10
International Cultural Exchange	67	67	11	19	3
International Academic/Student Exchange	201	12	35	45	7
Other International Exchanges	118	31	11	53	5
For All International Understanding	626	33	24	35	9
For All International Organizations	3,653	67	18	9	5

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 19. Types of Expenses by Percentage of Total Expenses for International Understanding Organizations, Circa 2001

	N ^a	Percentage		
		Program	Administrative	Fundraising
General International Understanding	240	85	12	2
Cultural Exchange	67	82	12	5
Academic Exchange	201	88	11	1
Other International Exchanges	118	84	14	2
For All International Understanding	626	86	12	2
For All International Organizations	3,653	88	7	5

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 because the table does not include payment to affiliates and because of rounding.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 20. Net Balance by Type of International Understanding Organizations, Circa 2001

	N	% with Negative Net Balance	Average Net Balance (thousands of dollars)	Median Net Balance (thousands of dollars)
General International Understanding	329	36	139	6
International Cultural Exchange	91	37	25	3
International Academic Exchange	248	34	69	8
Other International Exchange	146	47	39	1
For All International Understanding	814	37	89	6
For All International Nonprofits	4,693	40	258	5

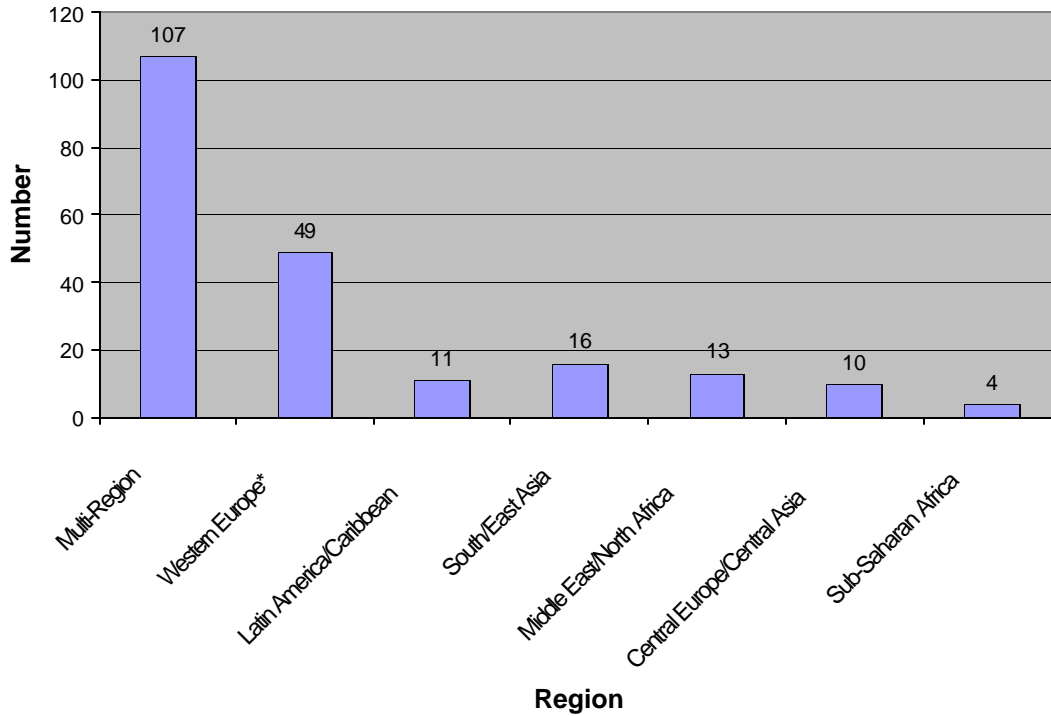
Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 21. Assets by Type of International Understanding Organizations, Circa 2001

	N	% with Positive Net Assets	Average Net Assets (thousands of dollars)	Median Net Assets (thousands of dollars)
General International Understanding	329	94	2,566	80
International Cultural Exchange	91	92	909	41
International Academic Exchange	248	89	1,817	99
Other International Exchange	146	87	1,872	49
For All International Understanding	814	91	2,029	70
For All International Nonprofits	4,693	92	3,038	73

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Figure 1. The Number of U.S. Academic Exchange Nonprofits Active in Various Regions, circa 2001



Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: The Western Europe category includes Western Europe, Canada, Australia, New Zealand, and Japan.

Table 22. Subcategories of International Affairs Nonprofits, Circa 2001

	Number	%
General International Affairs	155	30
Peace and Arms Control	166	32
International Affairs Education	96	18
National Security	32	6
International Economic and Trade Policy	71	14
Total	520	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 23. Sources of Revenue by Percentage of Total Revenue for International Affairs Organizations, Circa 2001

	N ^a	Percentage			
		Private Contributions	Government Grants	Program Services	Other Revenue
General	140	66	12	6	16

Peace and Arms Control	130	70	16	7	7
International Affairs Education	69	81	2	10	7
National Security	30	36	3	37	24
International Economic and Trade Policy	58	39	18	31	12
For All International Affairs	427	71	7	11	11
For All International Organizations	3,653	67	18	9	5

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: The “Other Revenue” category includes small revenue categories such as membership dues, interest, rental income, etc.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 24. Types of Expenses by Percentage of Total Expenses for International Affairs Organizations, Circa 2001

	N ^a	Percentage		
		Program	Administrative	Fundraising
General	140	77	18	5
Peace and Arms Control	130	80	15	5
International Affairs Education	69	87	6	7
National Security	30	76	22	3
International Economic and Trade Policy	58	76	22	2
For All International Affairs	427	83	11	6
For All International Organizations	3,653	88	7	5

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 because the table does not include payment to affiliates and rounding.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 25. Net Balance of International Affairs Organizations, Circa 2001

	N	% with Negative Net Balance	Average Net Balance (thousands of dollars)	Median Net Balance (thousands of dollars)
General	155	45	152	6
Peace and Arms Control	166	39	118	5
International Affairs Education	96	40	217	7
National Security	32	47	185	1
International Economic and Trade Policy	71	46	16	2
For All International Affairs	520	42	137	5
For All International Nonprofits	4,693	40	258	5

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 26. Net Assets of International Affairs Organizations, Circa 2001

	N	% with Positive Net Assets	Average Net Assets (thousands of dollars)	Median Net Assets* (thousands of dollars)
General	155	92	2,858	191
Peace and Arms Control	166	91	590	81
International Affairs Education	96	93	2,304	92
National Security	32	91	1,806	251
International Economic and Trade Policy	71	87	592	100
For All International Affairs	520	91	1,666	107
For All International Nonprofits	4,693	92	3,038	73

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 27. Number and Percent of Types of International Affairs Organizations that Lobby – circa 2001

	N	Organizations that Lobby	
		Number	Percent
General	155	3	2
Peace and Arms Control	166	18	11
International Affairs Education	96	4	4
National Security	32	2	6
International Economic and Trade Policy	71	2	3
For All International Affairs	520	29	6
For All International Organizations	4,693	97	2

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

FY2002 Data Tables

Table 1. Overview of the International Nonprofit Subsector – circa 2002

	Number	% of Int'l Nonprofits in Category	Total Revenue (thousands of dollars)
International Development and Assistance			
General	796	15%	2,498,193
Agricultural Development	62	1%	175,903
Economic Development	177	3%	333,552
International Relief	1,117	22%	5,257,598
Educational Development	423	8%	784,942
Health Development	655	13%	2,036,002
Science and Technology Development	45	1%	38,807
Democracy and Civil Society Development	84	2%	189,652
Environment, Population, and Sustainability	177	3%	1,834,517
Human Rights, Migration, and Refugees	204	4%	826,769
Development and Assistance Subtotal	3740	72%	13,977,935
International Understanding			
General	344	7%	353,531
International Cultural Exchange	110	2%	35,746
International Academic and Student Exchange	256	5%	589,947
International Exchanges N.E.C.	158	3%	144,462
International Understanding Subtotal	868	17%	1,123,687
International Affairs			
General	166	3%	187,336
Peace and Arms Control	182	4%	103,850
International Affairs Education	100	2%	413,724
National Security	34	1%	37,428
International Economic and Trade Policy	75	1%	45,013
International Affairs Subtotal	557	11%	787,351
Total International Nonprofits	5,165	100	15,888,973

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 2. Average and Median Age of International Organizations by Subcategory – circa 2002

	Average Age (years)	Median Age (years)
International Development and Assistance		
General (n = 796)	10	7
Agricultural Development (n = 62)	12	9
Economic Development (n = 177)	9	7
International Relief (n = 1,117)	10	6
Educational Development (n = 423)	12	7
Health Development (n = 655)	11	7
Science and Technology Development (n = 45)	7	6
Democracy and Civil Society Development (n = 84)	9	6
Environment, Population and Sustainability (n = 177)	11	7
Human Rights, Migration and Refugees (n = 204)	12	9
Development and Assistance Subtotal (n = 3,740)	10	7
International Understanding		
General (n = 344)	15	11
International Cultural Exchange (n = 110)	10	7
International Academic and Student Exchange (n = 256)	13	10
International Exchanges N.E.C. (n = 158)	17	12
International Understanding Subtotal (n = 868)	14	10
International Affairs		
General (n = 166)	14	11
Peace and Arms Control (n = 182)	12	11
International Affairs Education (n = 100)	26	27
National Security (n = 34)	18	14
International Economic and Trade Policy (n = 75)	9	7
International Affairs Subtotal (n = 557)	15	12
Total International Nonprofits (n = 5,165)	13	8

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 3. Sources of Revenue by Percentage of Total Revenue for Three Main Categories of International Organizations, Circa 2002

	N ^a	Percentage			
		Private Contributions	Government Grants	Program Services	Other Revenue
International Development and Assistance	2,830	73	18	7	2
International Understanding	655	26	29	39	6
International Affairs	449	70	9	12	9
For All International Organizations	3,934	69	18	10	3

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Notes: Private contributions combines direct and indirect contributions. Other revenue includes small revenue categories such as membership dues, interest, dividends, rental income, other investment, sales of goods, and revenue from special events and activities.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 4. Numbers of International Organizations According to Revenue Size, Circa 2002

	Small		Medium		Large	
	Less than \$500,000		\$500,000–\$1,999,999		\$2 million and above	
	#	%	#	%	#	%
International Development and Assistance	2776	74	536	14	428	11
International Understanding	641	74	143	17	84	10
International Affairs	412	74	91	16	54	10
All International Organizations	3829	74	770	15	566	11

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 5. Percent of International Organizations with Government Grants by Size of Organization, Circa 2002

	Small		Medium		Large	
	Less than \$500,000		\$500,000–\$1,999,999		\$2 million and above	
	#	%	#	%	#	%
Government-Funded						
International Development and Assistance	84	23	80	22	196	54
International Understanding	63	51	30	24	31	25
International Affairs	36	47	22	29	19	25
All Government-Funded International Organizations	183	33	132	24	246	44

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 6. Types of Expenditures by Percentage of Total Expenditures for Three Main Categories of International Organizations, Circa 2002

	N ^a	Percentage		
		Program	Administration	Fundraising
International Development and Assistance	2,829	89	6	5
International Understanding	654	85	13	2
International Affairs	448	83	11	6
For All International Organizations	3,931	88	7	4

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 7. Number and Percent of International Organizations that Report Lobbying, Circa 2002

	N	Organizations that Lobby	
		Number	Percent
International Development and Assistance	3,740	62	2
International Understanding	868	16	2
International Affairs	557	34	6
For All International Organizations	5,165	112	2

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 8. Subcategories of International Development and Assistance Nonprofits by Type of Assistance, Circa 2002

Types of Development and Assistance Organizations	N	%
General Development and Assistance	796	21
Agricultural Development	62	2
Economic Development	177	5
International Relief	1,117	30
Education Development	423	11
Health Development	655	18
Science and Technology Development	45	1
Democracy and Civil Society Development	84	2
Environment, Population, and Sustainability	177	5
Human Rights, Migration, and Refugee Issues	204	5
Total	3,740	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 9. Sources of Revenue by Percentage of Total Revenue for International Development and Assistance Organizations, Circa 2002

	N ^a	Percentage			
		Private Contributions	Government Grants	Program Services	Other Revenue
General	585	69	24	4	3
Agriculture	51	20	41	37	3
Economic	149	37	43	14	6
International Relief	812	88	10	1	1
Educational	319	58	25	12	6
Health	487	69	18	11	2
Science and Technology	36	72	14	8	7
Democracy and Civil Society	72	24	59	14	3
Environment, Population, and Sustainability	157	65	14	19	3
Human Rights, Migration, and Refugees	162	65	27	3	5
For All Development and Assistance	2,830	73	18	7	2
For All International Organizations	3,934	69	18	10	3

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 10. Types of Expenses by Percentage of Total Expenses for International Development and Assistance Organizations, Circa 2002

	N ^a	Percentage		
		Program	Administrative	Fundraising
General	585	91	6	3
Agriculture	51	84	15	< 1
Economic	149	81	16	3
International Relief	812	91	4	5
Educational	319	87	9	4
Health	487	89	7	3
Science and Technology	36	85	12	2
Democracy and Civil Society	72	83	15	2
Environment, Population, and Sustainability	157	83	9	8
Human Rights, Migration, and Refugees	161	90	6	4
For All Development and Assistance	2,829	89	6	5
For All International Organizations	3,931	88	7	4

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 due to rounding error.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 11. Net Balance by Type of International Development and Assistance Nonprofit, Circa 2002

	N	% of Nonprofits w/Negative Balance	Average Net Balance (thousands of dollars)	Median Net Balance (thousands of dollars)
General	796	40	107	4
Agriculture	62	44	-93	3
Economic	177	44	126	4
International Relief	1,117	39	78	3
Educational	423	38	49	6
Health	655	40	309	5
Science and Technology	45	27	230	16
Democracy and Civil Society	84	52	-155	< -1
Environment, Population, and Sustainability	177	48	2,807	1
Human Rights, Migration, and Refugees	204	41	188	5
For All Development and Assistance	3,740	40	252	4
For All International Organizations	5,165	41	192	3

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 12. Net Assets by Type of International Development and Assistance Nonprofit, Circa 2002

	N	% of Nonprofits with Positive Net Assets	Average Net Assets (thousands of dollars)	Median Net Assets (thousands of dollars)
General	796	94	2,419	59
Agriculture	62	92	2,708	78
Economic	177	91	3,541	81
International Relief	1,117	93	1,448	45
Educational	423	94	2,603	70
Health	655	94	3,221	79
Science and Technology	45	93	1,139	66
Democracy and Civil Society	84	82	1,550	51
Environment, Population, and Sustainability	177	86	22,500	104
Human Rights, Migration, and Refugees	204	94	4,010	74
For All Development and Assistance	3,740	93	3,333	62
For All International Organizations	5,165	92	2,892	65

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 13. Number, Percentage, and Funding of Development and Assistance Organizations by World Region, Circa 2002

World Region	Number	Percentage of Total Number	Revenue (thousands of dollars)	Percentage of Total Revenue
Central Europe and Central Asia	417	11	662,142	5
Latin America and the Caribbean	903	24	456,190	3
The Middle East and North Africa	306	8	811,112	6
South and East Asia and the Pacific	547	15	352,908	3
Sub-Saharan Africa	374	10	460,388	3
Western Europe, Canada, Australia, New Zealand, and Japan	100	3	240,092	2
Global	1,092	29	10,995,103	79
For All Regions	3,737	100	13,977,935	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum to 100 due to rounding.

Table 14. Number, Percentage, and Funding of Government-Funded Development and Assistance Organizations by World Region, Circa 2002

World Region	Number	Percentage of Total Number	Government Grants (thousands of dollars)	Percentage of Govt Grants
Central Europe and Central Asia	56	16	156,941	6
Latin America and the Caribbean	46	13	23,470	1
The Middle East and North Africa	10	3	71,502	3
South and East Asia and the Pacific	39	11	74,821	3
Sub-Saharan Africa	30	8	82,376	3
Western Europe, Canada, Australia, New Zealand, and Japan	4	1	46,593	2
Global	175	49	2,038,244	82
For All Regions	360	101	2,493,948	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum to 100 due to rounding.

Table 15. Percentage of Different Types of International Development and Assistance Nonprofits Operating in Specific World Regions, Circa 2002

	Central Europe & Central Asia	Latin America & the Caribbean	The Middle East & North Africa	South & East Asia & the Pacific	Sub-Saharan Africa	Western Europe, Canada, Australia, New Zealand, Japan	Global	% Total
General (n = 796)	10	29	9	16	11	2	25	21
Agriculture (n = 62)	10	19	5	5	8	2	52	2
Economic (n = 177)	15	15	3	11	8	3	46	5
International Relief (n = 1,117)	16	27	5	15	9	1	27	30
Education (n = 423)	6	18	24	18	12	11	11	11
Health (n = 655)	7	28	6	14	11	2	32	18
Science and Technology (n = 45)	4	9	9	11	13	11	42	1
Democracy and Civil Society (n = 84)	30	17	4	11	4	1	35	2
Environment, Population, and Sustainability (n = 177)	5	20	1	7	10	2	57	5
Human Rights, Migration, and Refugees (n = 204)	10	10	11	18	8	2	40	5
For All Development and Assistance (n = 3,740)	11	24	8	15	10	3	29	100

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 due to rounding.

Table 16. Number of Partly Government-Funded and Privately Funded Development and Assistance Organizations that Lobby, by Size, 2002

Lobbying Organizations	Public/Private Funding	Private Funding Only
Less than \$2,000,000 in Revenue	4	10
\$2,000,000 and Above in Revenue	26	21
For All Development and Assistance	30	31
For All International Organizations	37	66

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on government grants).

Table 17. Subcategories of International Understanding Nonprofits, Circa 2002

	Number	%
General International Understanding	344	40
International Cultural Exchange	110	13
International Academic/Student Exchange	256	30
Other International Exchange	158	18
Total	868	101

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum to 100 due to rounding.

Table 18. Sources of Revenue by Percentage of Total Revenue for International Understanding Organizations, Circa 2002

	N^a	Percentage			
		Private Contributions	Government Grants	Program Services	Other Revenue
General International Understanding	246	44	25	25	6
International Cultural Exchange	80	71	11	21	4
International Academic/Student Exchange	205	12	37	44	7
Other International Exchanges	124	30	11	58	2
For All International Understanding	655	26	29	39	6
For All International Organizations	3,934	69	18	10	3

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 19. Types of Expenses by Percentage of Total Expenses for International Understanding Organizations, Circa 2002

	N ^a	Percentage		
		Program	Administrative	Fundraising
General International Understanding	245	84	13	3
Cultural Exchange	80	81	13	6
Academic Exchange	205	87	12	1
Other International Exchanges	124	81	18	2
For All International Understanding	654	85	13	2
For All International Organizations	3931	88	7	4

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 because the table does not include payment to affiliates and because of rounding.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 20. Net Balance by Type of International Understanding Organizations – Circa 2002

	N	% with Negative Net Balance	Average Net Balance (thousands of dollars)	Median Net Balance (thousands of dollars)
General International Understanding	344	42	23	3
International Cultural Exchange	110	30	4	4
International Academic Exchange	256	39	83	6
Other International Exchange	158	46	41	1
For All International Understanding	868	40	42	4
For All International Nonprofits	5,165	41	192	3

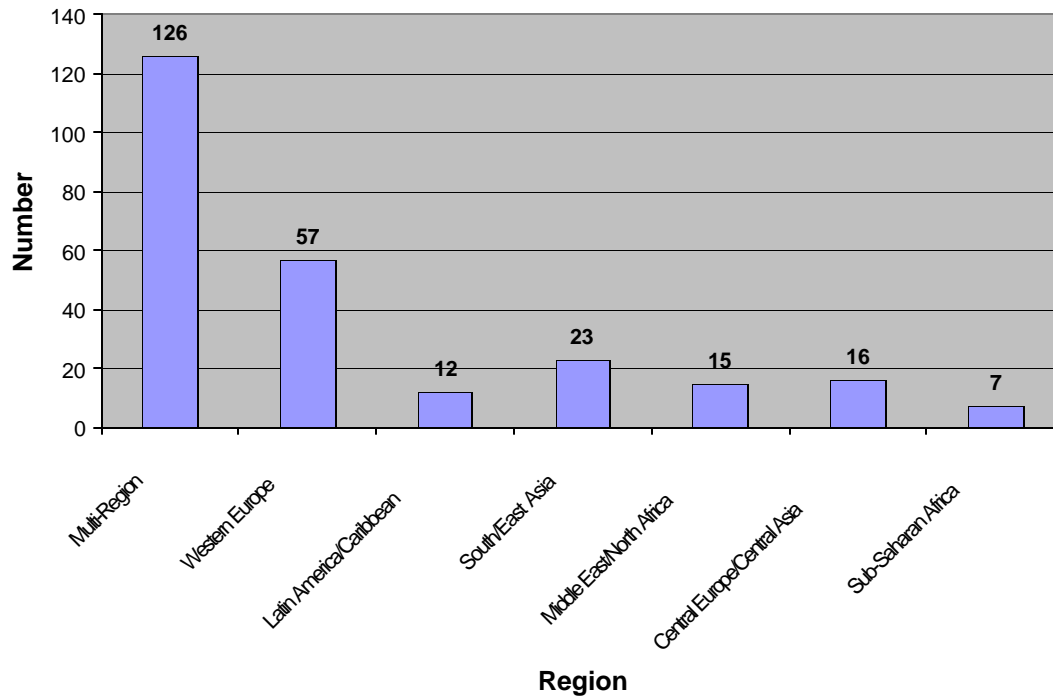
Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 21. Assets by Type of International Understanding Organizations, Circa 2002

	N	% with Positive Net Assets	Average Net Assets (thousands of dollars)	Median Net Assets (thousands of dollars)
General International Understanding	344	93	2,379	74
International Cultural Exchange	110	90	693	35
International Academic Exchange	256	89	1,811	98
Other International Exchange	158	86	1,710	43
For All International Understanding	868	90	1,877	66
For All International Nonprofits	5,165	92	2,892	65

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Figure 2. The Number of U.S. Study Abroad Nonprofits Active in Various Regions, Circa 2002



Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: The Western Europe category includes Western Europe, Canada, Australia, New Zealand, and Japan.

Table 22. Subcategories of International Affairs Nonprofits, Circa 2002

	Number	%
General International Affairs	166	30
Peace and Arms Control	182	34
International Affairs Education	100	18
National Security	34	6
International Economic and Trade Policy	75	13
Total	557	101

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum to 100 due to rounding.

Table 23. Sources of Revenue by Percentage of Total Revenue for International Affairs Organizations, Circa 2002

	N ^a	Percentage			
		Private Contributions	Government Grants	Program Services	Other Revenue
General	148	67	12	6	16
Peace and Arms Control	138	68	15	12	5
International Affairs Education	72	78	6	10	6
National Security	30	33	2	51	15
International Economic and Trade Policy	61	41	20	31	9
For All International Affairs	449	70	9	12	9
For All International Organizations	3,934	69	18	10	3

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: The “Other Revenue” category includes small revenue categories such as membership dues, interest, rental income, etc.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 24. Types of Expenses by Percentage of Total Expenses for International Affairs Organizations, Circa 2002

	N ^a	Percentage		
		Program	Administrative	Fundraising
General	148	76	18	6
Peace and Arms Control	137	81	14	5
International Affairs Education	72	87	6	7
National Security	30	74	22	4
International Economic and Trade Policy	61	78	19	3
For All International Affairs	448	83	11	6
For All International Organizations	3,931	88	7	4

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Note: Percentages may not sum across to 100 because the table does not include payment to affiliates and because of rounding.

^a The number of cases is reduced because 990-EZ filers are not included (990-EZ forms do not provide information on specific sources of revenue).

Table 25. Net Balance of International Affairs Organizations, Circa 2002

	N	% with Negative Net Balance	Average Net Balance (thousands of dollars)	Median Net Balance (thousands of dollars)
General	166	50	168	< 1
Peace and Arms Control	182	52	-7	-1
International Affairs Education	100	52	-143	< -1
National Security	34	59	-70	-5
International Economic and Trade Policy	75	45	6	2
For All International Affairs	557	51	19	< -1
For All International Nonprofits	5,165	41	192	3

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 26. Net Assets of International Affairs Organizations, Circa 2002

	N	% with Positive Net Assets	Average Net Assets (thousands of dollars)	Median Net Assets (thousands of dollars)
General	166	89	2,581	152
Peace and Arms Control	182	90	518	55
International Affairs Education	100	91	2,133	66
National Security	34	91	1,573	196
International Economic and Trade Policy	75	88	572	82
For All International Affairs	557	90	1,506	85
For All International Nonprofits	5,165	92	2,892	65

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

Table 27. Number and Percent of Types of International Affairs Organizations that Lobby – circa 2002

	N	Organizations that Lobby	
		Number	Percent
General	166	4	2
Peace and Arms Control	182	22	12
International Affairs Education	100	4	4
National Security	34	2	6
International Economic and Trade Policy	75	2	3
For All International Affairs	557	34	6
For All International Organizations	5,165	112	2

Source: National Center for Charitable Statistics/GuideStar National Nonprofit Database.

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