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Nonprofit Industry Trends

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Report: Trends in the Nonprofit Industry in India.

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

In this report we briefly analyze trends in the nonprofit sector in India. While data on nonprofits in India is incomplete due to the abundance of unregulated nonprofits, we assume that the available data sufficiently indicates general trends.

Roles Definition

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

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



India

Roles

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

India's rich tradition of volunteerism and charity can be traced back to the Upanishads, early Hindu scriptures. The Hindu idea of *Daanam*, literally, 'giving', has heavily influenced the cultures of the Indian subcontinent. Mahatma Gandhi further altered the concept of *Daanam* from a collective to an individual act. This individualist trend seems to only have increased.

Size and Breakdown by Sub-sector

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

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

Fig 1.1 HNWI Self-Reported Areas of Donation

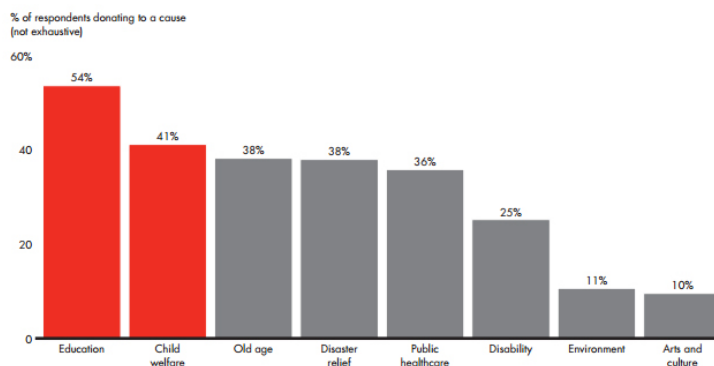
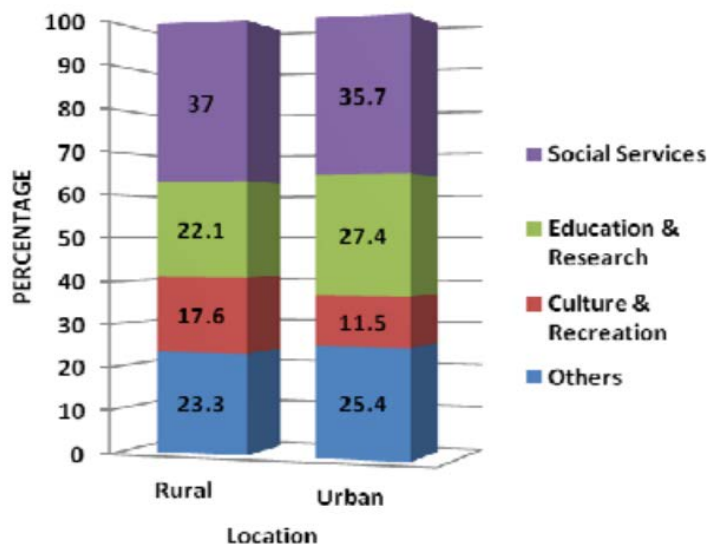


Fig 1.2 Official 2012 Data on Nonprofit Sub-sector Distribution





Breaking down Indian nonprofits by sector served, almost 90% of nonprofits seem to benefit households instead of the public and private sectors.

This data is congruent with other research showing funds flowing heavily through religious institutions which are much less likely to channel their donations towards government or the private sector.

Strengths & Future Trends

When adjusting for GDP Purchasing Power Parity, India has one of the world's strongest nonprofit sectors. The World Giving Index (Figure 1.4) indicates that Indians give substantially more time and money than those in their GDP bracket.

In fact, even before adjusting for PPP, Indians are more charitable than Italians. Some estimates put India's charitable giving at 0.4% of GDP, making it the most charitable nation in the world.

Fig 1.3 Distribution of Nonprofits by Sector Served (2015)

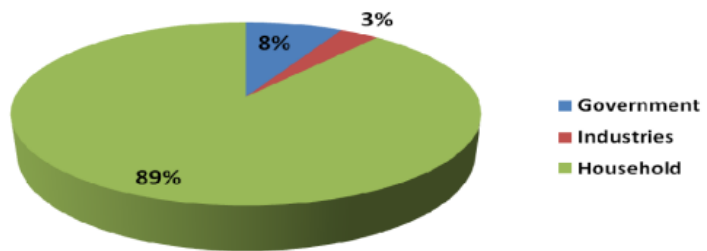
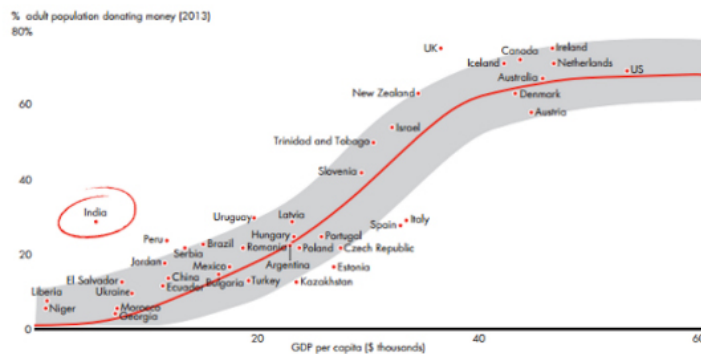
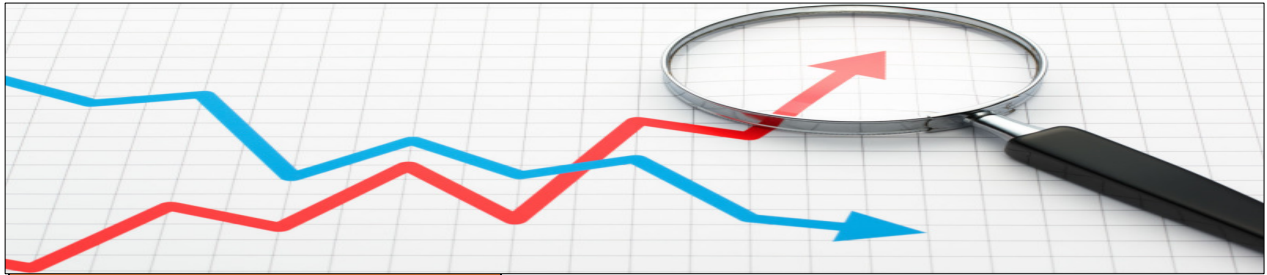


Fig 1.4 World Giving Index (2015)





Indians are becoming wealthier as well (Figure 1.5). From 2003 to 2016, India saw a 267% increase in cars sold, a reasonable estimate of increased wealth. Figure 1.6 shows data on wealthy Indians' philanthropic decisions. From 2009 to 2013, there was a 200% increase in philanthropic giving in India among wealthy people.

Based on this data, we can assume a large increase in future charitable spending.

Fig 1.5 Car Sales in India From 2003 to 2016

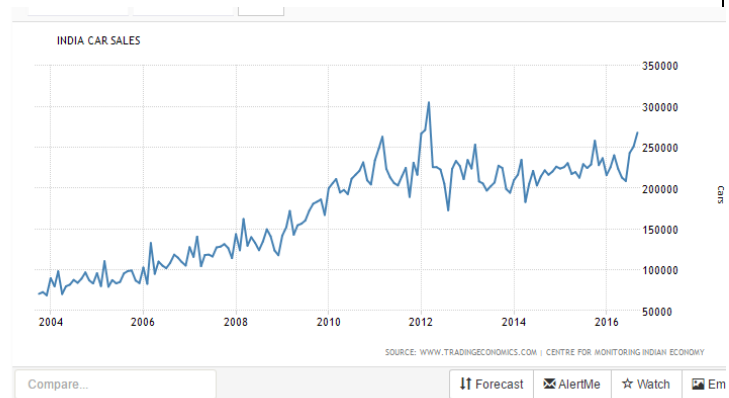


Fig 1.6 HNWI Self-Reported Increase in Donations

