The Yearbook of Nonprofits in Israel
Selected aggregate data on nonprofits in Israel
2020
Research: The Institute for Law and Philanthropy at Tel Aviv University
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Overview 2020

The Yearbook of Nonprofits in Israel is a publication based on the online reports of nonprofits to the Israeli Corporation Authority (ICA). Online reporting is mandatory since 2018. Amongst ample information required for regulatory purposes, the report includes financial data as well, enabling the compilation of aggregate data. The information at the organizational level is available to the public via GuideStar Israel. However, the various aggregate data presented in the Yearbook allow for a comprehensive and detailed picture, which reflects the activity of the nonprofit sector in Israel.

The 2020 Yearbook of Nonprofits in Israel is the second publication in this series. It presents the real data on nonprofits’ activity in Israel in 2020 – the first year of the COVID-19 crisis. While it focuses on the year 2020, it additionally provides comparative data for 2018–2019.

Whereas the Hebrew publication is quite extensive, we offer here an English abstract containing an overview on 2020, and a few principal comparisons for 2018–2019.

The compilation of data, as well as the analysis and writing of the Yearbooks were conducted at The Institute for Law and Philanthropy at Tel Aviv University in collaboration with the ICA.
Nonprofit activity in 2020

Out of approximately 21 thousand active nonprofits in 2022, 19,668 nonprofits reported on their activity in 2020.

The nonprofits' activity is segmented to 11 fields of activity, according to the International Classification of Nonprofits (ICNPO).

Number of nonprofits

Out of 19,668 nonprofits, the largest field of activity in terms of number of organizations is religion - 36% of all nonprofits operate in this field. 19% of nonprofits operate in the field of culture, sports & recreation, and 18% of nonprofits operate in the field of social services. The number of nonprofits operating in the field of international organizations is the smallest – 0.4%.
Geographical districts

Each nonprofit may operate either nationwide, or in one district, or in several geographical districts.

Number of Nonprofits

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationwide</td>
<td>28%</td>
<td>5,460</td>
</tr>
<tr>
<td>Jerusalem District</td>
<td>29%</td>
<td>1,658</td>
</tr>
<tr>
<td>Central District</td>
<td>25%</td>
<td>5,680</td>
</tr>
<tr>
<td>Tel Aviv District</td>
<td>21%</td>
<td>4,062</td>
</tr>
<tr>
<td>Southern District</td>
<td>12%</td>
<td>2,301</td>
</tr>
<tr>
<td>Northern District</td>
<td>11%</td>
<td>2,167</td>
</tr>
<tr>
<td>Haifa District</td>
<td>9%</td>
<td>1,673</td>
</tr>
<tr>
<td>Judea and Samaria</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

Total: 5,460

2020
Employees

Out of overall 618,597 employees, 43% are employed in nonprofits operating in the field of education & research.

Volunteers

Out of overall 761,666 volunteers, 28% are active in nonprofits operating in the field of social services.
Beneficiaries

Each nonprofit may offer services to one specific type of beneficiaries or to several types of beneficiaries. For example, 3,795 nonprofits offered services to children and youth.

<table>
<thead>
<tr>
<th>Type of Beneficiaries</th>
<th>Number of Nonprofits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterans</td>
<td>525</td>
</tr>
<tr>
<td>Elderly people</td>
<td>951</td>
</tr>
<tr>
<td>Students</td>
<td>1,452</td>
</tr>
<tr>
<td>Children and youth</td>
<td>3,795</td>
</tr>
<tr>
<td>School pupils</td>
<td>1,782</td>
</tr>
<tr>
<td>Yeshiva students</td>
<td>3,913</td>
</tr>
<tr>
<td>Men</td>
<td>658</td>
</tr>
<tr>
<td>Women</td>
<td>1,104</td>
</tr>
<tr>
<td>LGBTQ</td>
<td>44</td>
</tr>
<tr>
<td>Unemployed</td>
<td>204</td>
</tr>
<tr>
<td>Non-Israeli citizens</td>
<td>395</td>
</tr>
<tr>
<td>Unemployed</td>
<td>390</td>
</tr>
<tr>
<td>Religion or ethnic group members</td>
<td>565</td>
</tr>
<tr>
<td>People with illness</td>
<td>552</td>
</tr>
<tr>
<td>People with disabilities</td>
<td>1,238</td>
</tr>
<tr>
<td>Immigrants</td>
<td>865</td>
</tr>
</tbody>
</table>

2020
Funding sources

The nonprofits’ funding sources are: transfers from the government (governmental allocation of funding), revenue from contracts with the government (services given to the public, yet are purchased by governmental entities), revenue from private sales (services purchased by private entities, including property income and membership dues), donations from Israel and donations from RoW (the rest of the world).

The total income of all nonprofits in 2020 amounted to 95.2 billion NIS. The total income is comprised of 43% income from government (including both contracts and transfers), 34% revenue from private sales; and 23% donations from Israel and RoW.

Total income of nonprofits

NIS 95.2 Billion | 100%

- Transfers from government – 33.9 | 36%
- Revenue from contracts with the government – 6.4 | 7%
- Revenue from private sales – 32.0 | 34%
- Donations from Israel – 14.7 | 15%
- Donations from RoW – 8.1 | 8%

Funding sources, by fields of activity

The fields of activity differ significantly in their income distribution by funding sources. For example, in the field of education & research income from government amounts to 66% of the total income of all nonprofits in the field, and donations amount to 10%; whereas in the field of international activities donations amount to 93% of the total income of all nonprofits in the field.

Distribution of income from different funding sources by field of activity
**Total Income**

Out of the total income of NIS 95.2 billion, 34% is received by nonprofits operating in the field of education & research.

### Education & Research
- NIS 32,309 million | 34%

### Social Services
- NIS 13,797 million | 15%

### Health
- NIS 13,122 million | 14%

### Culture, Sports & Recreation
- NIS 10,751 million | 11%

### Religion
- NIS 8,826 million | 9%

### Philanthropy & Voluntarism
- NIS 8,431 million | 9%

### Housing & Development
- NIS 4,948 million | 5%

### Advocacy
- NIS 1,420 million | 2%

### Professional Associations
- NIS 1,139 million | 1%

### Environment
- NIS 370 million | 0.4%

### International Activity
- NIS 125 million | 0.1%

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**Total Expenses**

Out of the total current expenses of NIS 92.4 billion (not including investments in fixed capital), 34% are spent by nonprofits operating in the field of education & research.

### Education & Research
- NIS 31,557 million | 34%

### Social Services
- NIS 13,215 million | 14%

### Health
- NIS 13,199 million | 14%

### Culture, Sports & Recreation
- NIS 10,500 million | 11%

### Religion
- NIS 8,415 million | 9%

### Philanthropy & Voluntarism
- NIS 8,272 million | 9%

### Housing & Development
- NIS 4,305 million | 5%

### Advocacy
- NIS 1,388 million | 2%

### Professional Associations
- NIS 1,064 million | 1%

### Environment
- NIS 374 million | 0.4%

### International Activity
- NIS 125 million | 0.1%
Donations from Israel

Donations from Israel include donations from domestic households, corporations and foundations. Donations from Israel amounted in 2020 to NIS 14.7 billion, including NIS 1.4 billion of transfers in-kind.¹ Out of the total donations from Israel 26% are received by nonprofits operating in the field of social services.

Donations from RoW

Donations from RoW amounted in 2020 to NIS 8.1 billion, out of which 29% are received by nonprofits operating in the field of philanthropy & voluntarism.²

¹ Since many domestic foundations are in fact nonprofits, the donations from Israel include double counting estimated by NIS 6.2 billion.
² It is worth noting that these data do not include donations to the majority of public universities in Israel, which are estimated by an additional NIS 1 billion donations from the RoW.
**Concentration of income**

10% of nonprofits – which are the nonprofits with the highest income – account for 85% of total income. Whereas the rest 90% of nonprofits account for 15% of total income.

**Concentration of income at the field of activity level**

The fields of activity differ significantly in the degree of concentration. For example, Health is the most concentrated field in which 10% of nonprofits account for 94% of total income.
Size of nonprofits

All 19,668 nonprofits were divided to three size classes according to their income: small, medium and large nonprofits. Half of the nonprofits, which are the smallest nonprofits are defined as “small nonprofits”. The yearly income in a small nonprofit is NIS 300 thousand at most, thus the income median in the sector is NIS 300 thousand. The small nonprofits altogether account for 1% of the total income of the sector.

<table>
<thead>
<tr>
<th>Size Class</th>
<th>Approx. Count</th>
<th>Percentage of Nonprofits</th>
<th>Percentage of Total Income</th>
<th>Percentage of Volunteers</th>
<th>Percentage of Employees</th>
<th>Percentage of Total Income from Top Percentile</th>
<th>Percentage of Total Income from Top Thousandth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small nonprofits</td>
<td>9,800</td>
<td>50%</td>
<td>1%</td>
<td>13%</td>
<td>1%</td>
<td>1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Medium nonprofits</td>
<td>7,900</td>
<td>40%</td>
<td>14%</td>
<td>27%</td>
<td>16%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Large nonprofits</td>
<td>2,000</td>
<td>10%</td>
<td>85%</td>
<td>59%</td>
<td>83%</td>
<td>1%</td>
<td>0.1%</td>
</tr>
</tbody>
</table>
During the spring of 2020 the COVID-19 pandemic burst globally. In Israel, few long quarantines were imposed along 2020 beginning mid-march. Thus, alongside the whole economy, 2020 was characterized by a downsize of nonprofits’ activity. There is no way of knowing what the outcomes would have been if it wasn’t for the COVID-19 crisis. However, according to annually aggregate data on the nonprofit sector that the Israeli Central Bureau of Statistics (CBS) publishes (based on financial reports of a representative sample), in the previous 10 years there was a constant annual growth of 6% on average in total income and expenses of nonprofits (not less than 4% annually), and an annually growth in employees (4% on average). Given the steady trend, it is safe enough to assume that the decrease in nonprofits’ aggregate figures is not usual, and is probably due to the COVID-19 crisis.

The private sector in Israel seemed to go through an unusual downsize as well. The CBS survey on Dealers and Revenue recorded a decrease in dealers’ revenues in 2020 by 2%, in comparison to 4% increase in 2019 – serving a point of reference for the downsize of the nonprofit sector presented in the following pages.
Whereas the number of nonprofits did not change significantly along 2018-2020, the number of volunteers and employees decreased in 2020. There was a 3% decrease in the number of volunteers in 2020, compared to 6% increase in 2019, and a 5% decrease in the number of employees in 2020, compared to 1% increase in 2019.

The total income of nonprofits decreased in 2020 by NIS 5.3 billion (-5%) amounting to NIS 95.2 billion, compared to an increase by NIS 4.8 billion in 2019 (5%). Total expenses of nonprofits decreased in 2020 by NIS 7.6 billion, compared to an increase by NIS 5.7 billion in 2019.
The primary funding source of nonprofits – transfers from government – remained stable, and increased by 3% both in 2020 and in 2019. However, income from all other four funding sources decreased in 2020. The most significant decrease was recorded in revenue from private sales, which decreased in 2020 by NIS 5.1 billion (14%). This major decrease probably reflects the social distancing restrictions imposed on the public due to COVID-19, which disabled many of the nonprofits’ face-to-face activities (such as sports, culture, recreation, religious gatherings etc.).

1. **Total income of all nonprofits in comparison to previous year, by funding source**

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>2020 in comparison to 2019</th>
<th>2019 in comparison to 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers from government</td>
<td>2%</td>
<td>-6%</td>
</tr>
<tr>
<td>Revenue from contracts with the government</td>
<td>-2%</td>
<td>-2%</td>
</tr>
<tr>
<td>Revenue from private sales</td>
<td>7%</td>
<td>-14%</td>
</tr>
<tr>
<td>Donations from Israel</td>
<td>-0.3</td>
<td>-0.5</td>
</tr>
<tr>
<td>Donations from RoW</td>
<td>-0.5</td>
<td>-0.3</td>
</tr>
</tbody>
</table>

**Total change in each funding source in 2020 in comparison to 2019, in billion NIS**

- Transfers from government: +1.1 billion NIS
- Revenue from contracts with the government: -0.3 billion NIS
- Revenue from private sales: -5.1 billion NIS
- Donations from Israel: -0.3 billion NIS
- Donations from RoW: -0.5 billion NIS
- Transfers from government: +0.3 billion NIS
The aggregate data reflects the total extent of changes. However, these data are unable to indicate the segment of nonprofits which were negatively affected or positively affected or not affected at all by the COVID-19 crisis.

In any “regular” year a single nonprofit may experience a decrease for various reasons (end of projects/contracts, loss of donors, mergers, etc.) and may as well experience an increase (new activities, life circle growth, etc.). However, a comparison between the increase/decrease frequencies in 2020 and those in 2019 indicates a negative trend, since the decrease was more frequent in 2020 vs. 2019 and the increase was less frequent. The negative trend is consistent regarding employees, volunteers and income:

2. Percentage of nonprofits in which an increase or a decrease occurred (in comparison to previous year) in income, employees and volunteers

<table>
<thead>
<tr>
<th></th>
<th>Volunteers</th>
<th>Employees</th>
<th>Total income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease</td>
<td>19.6%</td>
<td>14.6%</td>
<td>37.5%</td>
</tr>
<tr>
<td>Increase</td>
<td>14.1%</td>
<td>8.6%</td>
<td>20.7%</td>
</tr>
</tbody>
</table>

Percentage of nonprofits with employees, volunteers and income
Looking at the increase/decrease frequencies for each funding source separately, one can see a difference between governmental and private funding. Whereas a decrease in private funding (revenue from private sales and donations) was more frequent in 2020 vs. 2019, and governmental funding (transfers and contracts) increased in 2020 at least as frequently as in 2019:

3. Percentage of nonprofits in which an increase or a decrease occurred (in comparison to previous year), by funding source

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers from government</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>Revenue from contracts with the govern</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Revenue from private sales</td>
<td>19%</td>
<td>35%</td>
</tr>
<tr>
<td>Donations from Israel</td>
<td>38%</td>
<td>42%</td>
</tr>
<tr>
<td>Donations from RoW</td>
<td>43%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Percentage of nonprofits with income from each funding source:

- Transfers from government: 40%
- Revenue from contracts with the government: 6%
- Revenue from private sales: 57%
- Donations from Israel: 85%
- Donations from RoW: 24%
Looking at the average changes in small, medium and large nonprofits separately, it may seem that the large nonprofits suffered the biggest loss. However, taking into consideration the size differences, it is clear that the small nonprofits took the worst hit, losing 43% of their income on average in 2020 vs. 10% loss of income on average in 2019.

### 4. Changes in income, on average per nonprofit, by size

<table>
<thead>
<tr>
<th>Absolute change in Income in 2019 in comparison to previous year</th>
<th>Absolute change in Income in 2020 in comparison to previous year</th>
<th>Change in Income in 2019 in comparison to previous year</th>
<th>Change in Income in 2020 in comparison to previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Large nonprofits</strong>&lt;br&gt;2.2 Million NIS</td>
<td><strong>-1.1 Million NIS</strong></td>
<td><strong>5%</strong></td>
<td><strong>-3%</strong></td>
</tr>
<tr>
<td><strong>Average income</strong>&lt;br&gt;NIS 41 million</td>
<td><strong>approximately 2,000</strong></td>
<td><strong>Medium nonprofits</strong>&lt;br&gt;75 Thousands NIS</td>
<td><strong>-124 Thousands NIS</strong></td>
</tr>
<tr>
<td><strong>Average income</strong>&lt;br&gt;NIS 1.6 million</td>
<td><strong>approximately 7,900</strong></td>
<td><strong>Small nonprofits</strong>&lt;br&gt;-18 Thousands NIS</td>
<td><strong>-70 Thousands NIS</strong></td>
</tr>
<tr>
<td><strong>Average income</strong>&lt;br&gt;NIS 93 thousands</td>
<td><strong>approximately 9,800</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The funding mix of small, medium and large nonprofits was quite stable along the years: amongst large nonprofits governmental funding is the primary source (at minimum of 40% of income); and amongst both medium and small nonprofits donations are the primary funding source (at minimum of 54% and 68% of income respectively).

5. Distribution of income from different funding sources on average, by size and year
The field of culture, sports & recreation was the most severely affected. That is both in absolute and in relative terms: aggregate income decreased in 2020 by NIS 3.4 billion (24%) compared to an increase of NIS 644 million (5%) in 2019:

6. Change in total income in 2020 in comparison to 2019, by field of activity

![Graph showing income changes by field of activity](image-url)

- Culture, sports & recreation: -24%
- Professional associations: -9%
- Religion: -5%
- International activity: 19%
- Philanthropy & voluntarism: -9%
- Advocacy: -9%
- Housing & development: 3%
- Environment: -4%
- Social services: 5%
- Health: 1%
- Education & research: -3%
- Culture, sports & recreation: -3,407

Million NIS
7. Change in total income in 2019 in comparison to 2018, by field of activity