

Media Release

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Income and Expenses of Non-Profit Institutions 2019-2021

- The share of non-profit institutions (NPIs) of the Gross Domestic Product (GDP) in 2021 was 5.2% (preliminary estimate), in both 2020 and 2019 it was 5.4%.
- According to the latest survey for the year 2020, total current income of NPIs in 2020 amounted to NIS 180.3 billion. 53.7% of the total income derived from governmental transfers, 31.4% sale of services, 7.6% donations received from households corporations and NPIs in Israel, 6.5% donations received from abroad, and additional 0.8% derived from property income.
- In 2020, total current expenses of NPIs amounted to NIS 177.0 billion. The share of labour cost out of total expenses was the highest in education and research (65.5%), and the lowest was in philanthropy and voluntarism (12.8%).
- In 2020, there were 497 thousand employee jobs in NPIs, mostly in the field of education and research (47.2%), and 396 thousand volunteers who worked mostly in social services (41.3%).

The Non-Profit Institutions Survey covers all NPIs (non-profit institutions) that are incorporated as tax-deductible associations, public benefit companies, Ottoman associations or dedications in Israel, and have economic activity. In accordance with the System of National Accounts, NPIs are defined as "legal or social entities that were established for the purpose of producing goods and services, whose status does not permit them to be a source of income, profit, or other financial gain for the units that establish, finance, or control them" (System of National Accounts, 2008).

In accordance with the International Classification of Nonprofit Organizations (ICNPO) developed at Johns Hopkins University, the NPIs were divided into eleven fields of activity: 1) culture, entertainment and sports, 2) education and research, 3) health, 4) social services, 5) environment, 6) housing and development, 7) advocacy and politics, 8) philanthropy and voluntarism, 9) international activity, 10) religion, and 11) professional associations.

The latest survey provides data for the years 2019-2020. The data for 2021 are preliminary estimates (marked with an asterisk). Updated data for the years 2017-2019 are presented as well (marked with the letter R)

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Kindly notice:

Education for children aged 0-3 are excluded from social services and included in education and research, in line with OECD recommendations.

**The Share of NPIs' Product and Employee Jobs within the Israeli Economy, 2015-2021
(Tables A-B)**

In 2021, the total gross product of the non-profit sector, i.e., the value added to the economy by this sector, amounted to NIS 80.5 billion. In 2021, the gross product of NPIs increased (in current prices) by 5.8% compared to the previous year (preliminary estimate); and in 2020 it decreased by 0.7%. NPIs' share of the GDP in both 2020 and 2019 it was 5.4%.

Table A - Product of Non-profit Institutions and the Israeli Economy, 2015-2021

NIS million at current prices, unless otherwise stated

Year	NPIs (1)	Total economy	The share of NPIs' GDP out of total economy percentage
2015	61,152	1,166,354	5.2
2016	64,504	1,225,235	5.3
2017R	68,807	1,278,841	5.4
2018R	73,129	1,341,581	5.5
2019R	76,604	1,418,449	5.4
2020	76,073	1,401,406	5.4
2021*	80,523	1,558,214	5.2

(1) Excluding the value of voluntarism

In 2021, employee jobs in NPIs amounted to 540 thousand, which comprised 14.9% of the total employee jobs of Israelis in the economy (excluding foreign workers and employees from the Palestinian Authority). The share of NPIs' employee jobs out of total jobs in the economy in the years 2020 and 2019 was 14.7% and 14.1%, respectively.

Table B - Employee Jobs in Non-profit Institutions and in the Israeli Economy, 2015-2021

Thousands, unless otherwise stated

Year	NPIs	Total economy	The share of NPIs' employee jobs out of total economy percentage
2015	459	3,386	13.6
2016	473	3,494	13.5
2017	494	3,592	13.7
2018	519	3,675	14.1
2019	529	3,742	14.1
2020	497	3,371	14.7
2021	540	3,623	14.9

NPIs' Income (Table C, Diagrams 1-3)

Total income of NPIs in 2021 amounted to NIS 201.0 billion, an increase of 11.5% over 2020 (in current prices), compared to an increase of 3.0% in 2020 over the previous year.

According to the survey for 2020, total income of NPIs amounted to NIS 180.3 billion. The larger portions of income were recorded in the fields of health (46.1% of total NPIs income) and education and research (23.3%). The remaining 30.6% were divided among the other nine fields of activity, ranging from Social services (8.2%) to International activity (0.1%).

**Table C - Current Income of NPIs by Source of Funding and Field of Activity,
2015-2021**

NIS million at current prices

Field of activity	Year	Total	Current transfers from government (1)	Sale of services (2)	Property income	Donations from households, corporations and NPIs in Israel (3)	Donations from abroad (4)
	2015	137,309	68,804	47,070	962	9,240	11,233
	2016	146,025	73,637	49,828	1,322	9,839	11,399
	2017R	159,578	81,858	52,809	2,839	11,043	11,029
	2018R	168,413	87,249	55,075	2,518	12,074	11,497
	2019R	175,009	91,338	57,640	1,779	12,437	11,815
	2020	180,300	96,857	56,556	1,516	13,700	11,671
	2021*	201,012	110,436	61,128	1,636	15,054	12,758
			Percentage s				
	2015	100.0	50.1	34.3	0.7	6.7	8.2
	2016	100.0	50.4	34.2	0.9	6.7	7.8
	2017R	100.0	51.3	33.1	1.8	6.9	6.9
	2018R	100.0	51.8	32.7	1.5	7.2	6.8
	2019R	100.0	52.2	32.9	1.0	7.1	6.8
	2020	100.0	53.7	31.4	0.8	7.6	6.5
	2021*	100.0	54.9	30.5	0.8	7.5	6.3
Total	100.0		2020				
Culture, entertainment & sports	6.3	100.0	43.7	35.2	0.5	9.8	10.8
Education & research	23.3	100.0	56.1	28.0	1.8	5.4	8.7
Health	46.1	100.0	72.5	25.5	0.1	1.3	0.6
Social services	8.2	100.0	9.9	56.3	0.5	20.2	13.1
Environmental protection	0.2	100.0	10.1	63.3	0.3	23.8	2.5
Housing & development	2.2	100.0	36.5	46.9	0.2	14.6	1.8
Advocacy & politics	1.2	100.0	18.5	14.8	0.3	35.0	31.4
Philanthropy & voluntarism	5.0	100.0	23.4	31.2	4.5	16.6	24.3
International activity	0.1	100.0	11.8	18.1	0.0	7.8	62.3
Religion	4.5	100.0	26.9	18.8	0.6	38.8	14.9
Professional associations	2.9	100.0	8.4	84.3	2.4	2.9	2.0

(1) Transfers from government include current transfers from governmental ministries, local authorities, and national institutions.

(2) Sales of services include sales to the private sector as well as sales to government (18.8% and 12.6% of income in 2020, respectively)

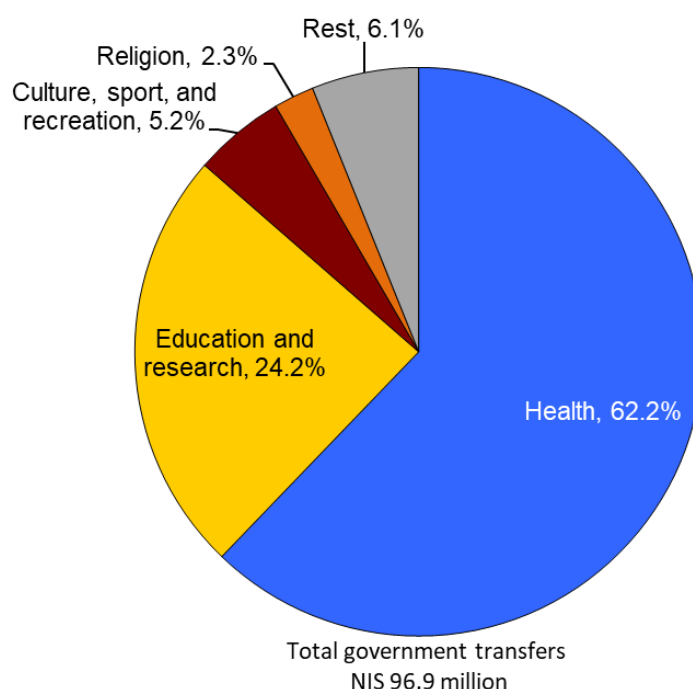
(3) Donations in Israel include current transfers from households and corporations in Israel, and transfers from other NPIs in Israel (estimated by NIS 5.7 billion in 2020).

(4) Donations from abroad include current transfers from households and corporations and NPIs from abroad.

The four **primary sources of funding** in 2020 were transfers from government (53.7% of income), sale of services to the private sector and to the government (31.4%), donations from households, corporations and NPIs within Israel (7.6%), donations from abroad (6.5%), and 0.8% derived from property income.

The majority of **government transfers** to NPIs in 2020 were allocated to the fields of health (62.2% of government transfers), Education and research (24.2%), and Culture, Entertainment and sports (5.2%). The remaining eight fields of activity received up to 2.3% of government transfers each. In the fields of health and education and research, government transfers comprised 72.5% and 56.1% of NPIs' income, respectively. In the other fields government transfers comprised between 8.4% and 43.7% of total income.

Diagram 1 - Current Transfers from Government by Field of Activity, 2020



The majority of **donations** from Israel were allocated to religion services (23.1%) and the social services (21.9%), and the majority of donations from abroad were allocated to Education and research (31.2%). However, the fields of activity which are primarily supported by donations were international activity (donations from Israel and abroad comprised 70.1% of the field's total income) and advocacy and politics (66.4%). In the remaining fields of activity, donations comprised up to 54% of the income, the lowest being health, in which donations comprised only 1.9% of the income.

Diagram 2 - Donations from Households, Corporations and NPIs in Israel by Field of Activity, 2020

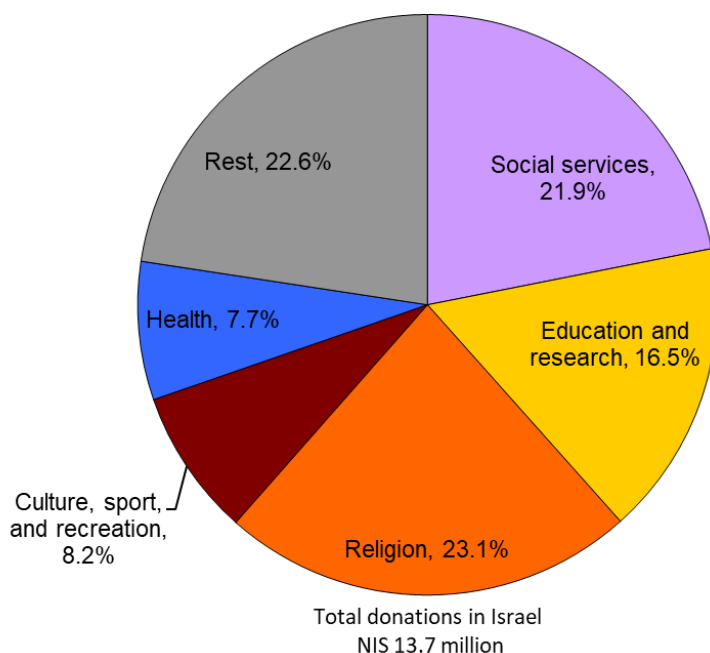
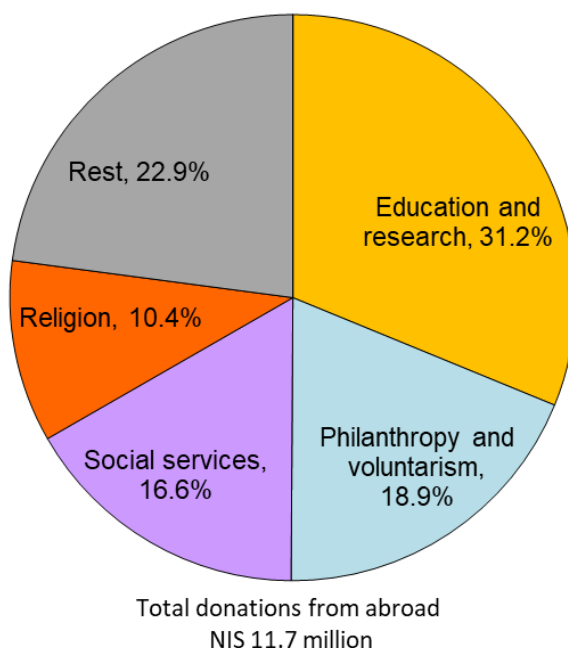


Diagram 3 - Donations from Abroad by Field of Activity, 2020



Tax Accredited Donations (Table D)

According to data received from the **tax authorities**, the donations from households and corporations, reported in order to receive tax credit (according to article no. 46 at the Income Tax Act), amounted to NIS 2.605 billion in 2020. Total donations reported decreased in 2020 by 4.8%, compared to an increase of 6.4% in 2019.

In 2020 the donations reported to the tax authorities comprised NIS 1,227 million that were received from 120,113 donating households, and NIS 1,378 million received from 14,870 corporations. In this year the share of accredited donations is estimated at 32.7% of total donations received by non-profit institutions from corporations and households in Israel.

The majority of the donations were donations below NIS 10,000 per year: 82.4% of households' donations and 60.8% of corporal donations. However, the major amount of the total sum of donations was received from larger donations, such that 50.6% of the sum of donations from households were comprised of donations above NIS 50,000, and were donated by 2.8% of private donors (households), and 61.5% of the total sum of donations from corporations were comprised of donations above NIS 1 million, and were donated by 1.4% of the corporal donors.

Table D - Donations Reported to the Tax Authorities, by Size, and Source, 2015-2020 (1)

At current prices, unless otherwise stated

Year	Total number of donors	Total Sum of donations NIS thousands	Number of donating households	Sum of donations from households NIS thousands	Number of donating corporations	Sum of donations from corporations NIS thousands
2015	118,246	1,878,695	104,145	949,755	14,101	928,940
2016	124,073	2,130,846	109,587	1,123,086	14,486	1,007,760
2017	125,139	2,353,647	110,372	1,243,243	14,767	1,110,404
R2018	132,294	2,571,664	117,088	1,381,797	15,206	1,189,867
2019	135,363	2,735,448	119,329	1,453,650	16,034	1,281,798
2020	134,983	2,605,255	120,113	1,227,468	14,870	1,377,787
Donation scale	Thereof percentages					
Total 2020	100.0	100.0	100.0	100.0	100.0	100.0
Up to 2,000 NIS	49.7	2.1	52.1	4.1	30.1	0.3
2,000-10,000 NIS	30.3	7.5	30.3	14.2	30.7	1.7
10,000-50,000 NIS	15.8	17.7	14.8	31.1	23.0	5.8
50,000-100,000 NIS	2.3	8.2	1.8	11.9	6.3	4.8
100,000-500,000 NIS	1.5	15.8	0.8	14.5	7.3	17.0
500,000-1,000,000 NIS	0.2	7.0	0.1	4.8	1.2	8.9
Above 1,000,000 NIS	0.2	41.7	0.1	19.4	1.4	61.5

(1) Computed based on data from the tax authorities; Data for 2020 are not final since donations contributed in that year are still reportable.

Expenses of NPIs (Table E, Diagram 4)

Total current expenses of NPIs in 2021 amounted to NIS 190.2 billion, an increase of 7.5% over 2020, compared to an increase of 1.0% in 2020 over the previous year.

According to the 2020 survey, the total expenses of NPIs in 2020 amounted to NIS 177.0 billion. The largest scope of expenses in 2020 was recorded in the fields of Health (47.0%) and Education and research (23.6%). The remaining 29.4% were recorded in the other nine fields of activity, ranging from Social services (8.2%) to International activity (0.1%).

Table E – Current Expenses of NPIs, by Source of Funding and Field of Activity, 2015-2021
NIS million at current prices

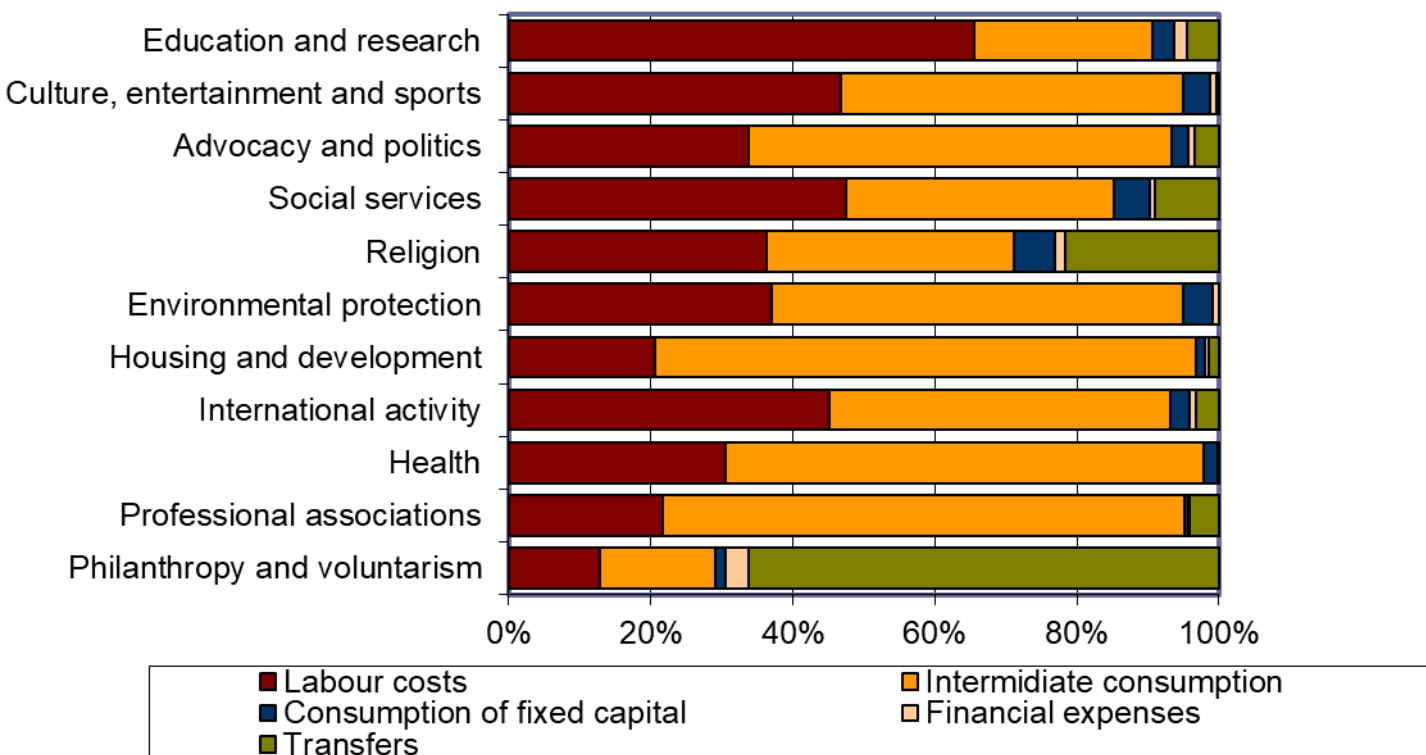
Field of activity	Year	Total	Labour cost	Intermediate consumption	Consumption of fixed capital	Financial expenses	Current transfers
	2015	136,687	57,165	66,377	3,987	746	8,412
	2016	144,675	60,421	70,716	4,083	851	8,604
	2017R	156,908	64,664	76,805	4,143	1,522	9,774
	2018R	167,377	68,838	82,624	4,291	1,040	10,584
	2019R	175,169	72,094	86,510	4,511	913	11,141
	2020	176,984	71,220	89,207	4,853	1,433	10,271
	2021*	190,185	75,403	96,958	5,119	1,554	11,151
	Year			Percentages			
	2015	100.0	41.8	48.6	2.9	0.5	6.2
	2016	100.0	41.8	48.9	2.8	0.6	5.9
	2017R	100.0	41.3	48.9	2.6	1.0	6.2
	2018R	100.0	41.1	49.4	2.6	0.6	6.3
	2019R	100.0	41.1	49.4	2.6	0.5	6.4
	2020	100.0	40.3	50.4	2.7	0.8	5.8
	2021*	100.0	39.6	51.0	2.7	0.8	5.9
Total	100.0			2020			
Culture, entertainment & sports	6.4	100.0	46.8	48.2	3.8	0.9	0.3
Education & research	23.6	100.0	65.5	25.2	3.0	1.8	4.5
Health	47.0	100.0	30.5	67.3	2.1	0.1	0.0
Social services	8.2	100.0	47.4	37.8	5.0	0.8	9.0
Environmental protection	0.2	100.0	37.1	57.9	4.2	0.8	0.0
Housing & development	2.1	100.0	20.5	76.2	1.4	0.4	1.5
Advocacy & politics	1.1	100.0	33.8	59.5	2.3	1.0	3.4
Philanthropy & voluntarism	4.3	100.0	12.8	16.2	1.5	3.2	66.3
International activity	0.1	100.0	45.1	48.1	2.7	0.9	3.2
Religion	4.3	100.0	36.2	34.9	5.8	1.4	21.7
Professional associations	2.7	100.0	21.7	73.5	0.4	0.2	4.2

The principal components of NPIs expenses in 2020 were intermediate consumption (50.4% of expenses) and labour costs (40.3%). The remaining expenses were dedicated to current transfers, consumption of fixed capital and financial expenses.

In 2020, the various fields of activity differed in the patterns of their expenses: The share of intermediate consumption was the highest in the field of Housing and development (76.2% of the expenses), and the lowest in the field of Philanthropy and voluntarism (16.2%).

However, the share of labour costs was the highest in Education and research (65.5% of the expenses), Social services (47.4%) Culture, entertainment and sports (46.8%) and International activity (45.1%). In the rest of the fields, the share of labour costs ranged from 20.5% to 37.1%, with the exception of Philanthropy and voluntarism in which the share of labour costs was especially low and amounted to 12.8% of the expenses. The field of Philanthropy is unique in the structure of its expenses, such that the share of labour cost and intermediate consumption is low and the share of transfers is especially high, comprising 66.3% of the expenses in the field, In the field of religion, the transfer component was 21.7% of expenses, compared with less than 9.0% of the expenses in all the rest of the fields.

Diagram 4 - Current Expenses of NPIs, by Type and Field of Activity, 2020



Employment and Voluntarism in NPIs in 2020 (Tables F-G, Diagram 5)

In 2020, the number of employee jobs in NPIs was estimated at 497,422 and the number of volunteers at 395,842. The highest percentage of employee jobs were recorded in the field of Education and research (47.2%), whereas the highest percentage of volunteers were recorded in Social services (41.3%).

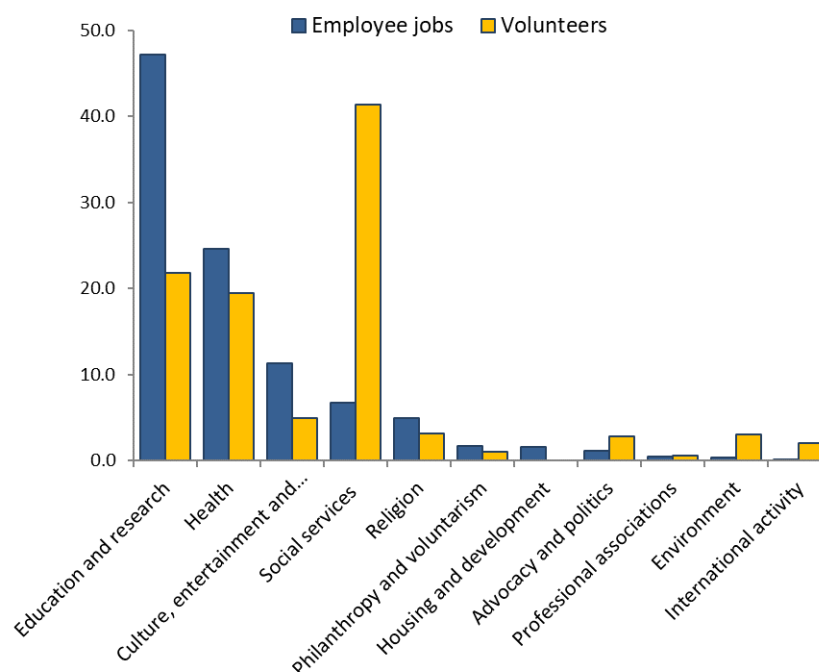
Table F - Number of Employee Jobs and Volunteers, by Field of Activity, 2020

Field of activity	Number of employee jobs (1)	Number of employee jobs percentages	Number of volunteers (2)	Number of volunteers percentages
Total	497,422	100.0	395,842	100.0
Culture, entertainment & sports	56,045	11.3	19,317	4.9
Education & research	234,888	47.2	86,248	21.8
Health	123,037	24.6	77,325	19.5
Social services	33,251	6.7	163,360	41.3
Environmental protection	1,313	0.3	11,736	3.0
Housing & development	7,861	1.6	0	0.0
Advocacy & politics	5,676	1.1	10,917	2.8
Philanthropy & voluntarism	8,523	1.7	4,151	1.0
International activity	318	0.1	8,076	2.0
Religion	24,251	4.9	12,372	3.1
Professional associations	2,259	0.5	2,340	0.6

(1) Based on computation of data from Labour Force Survey

(2) Based on computation of data from the Social Survey

Diagram 5 - Employment and Voluntarism in NPIs, by Field of Activity, 2020
Percentages



The total compensation for labour and the value of voluntarism in NPIs was NIS 76.1 billion in 2020. Thereof 94.8% were compensation for employee jobs, and 5.2% were imputed for the value of volunteer work.

Table G - Compensation of employee jobs and the value of voluntarism in NPIs, by field of activity, 2020 (1)

Field of Activity	Total NIS million	Compensation of employee jobs NIS million	Compensation of employee jobs percentages	Imputed value of volunteer work NIS million	Imputed value of volunteer work percentages
Total	76,101	72,119	100.0	3,982	100.0
Culture, entertainment & sports	7,138	6,963	9.7	175	4.4
Education & research	28,909	27,874	38.6	1,035	26.0
Health	25,112	24,228	33.7	884	22.2
Social services	7,828	6,253	8.7	1,575	39.4
Environmental protection	231	157	0.2	74	1.9
Housing & development	813	813	1.1	0	0.0
Advocacy & politics	752	683	0.9	69	1.7
Philanthropy & voluntarism	1,008	982	1.4	26	0.7
International activity	82	31	0.0	51	1.3
Religion	3,059	2,981	4.1	78	2.0
Professional associations	1,169	1,154	1.6	15	0.4

(1) Based on computation of data from the Labour Force Survey and The Social Survey

Income and Expenses of NPIs Excluding Health Maintenance Organizations (HMO) and Hospitals (Tables H-I, Compared to Tables C, E)

NPIs in Israel include HMOs that provide public health services and hospitals that are not owned by the government (that is, hospitals owned by the HMO and private hospitals, which are institutionalized as a non-profit corporation). Since their share in the economic activity of NPIs is quite large (about 44.0%) there is interest in presenting data excluding HMO and hospitals.

According to the deducted data, the total income of NPIs in 2020 amounted to NIS 101.5 billion only. Furthermore, the distribution of the composition of income is different in comparison with the inclusive data, such that, the primary source of funding is transfers from government (37.2% of income), whereas sales of services to the private sector and to the government comprise only 36.6% of income (compared to 53.7% and 31.4% respectively, in the data including HMOs and hospitals). The share of donations from Israel and abroad is 24.7% of income (compared to 14.1% in the inclusive data). This proportion was quite similar in 2021.

Table H - Income of NPIs Excluding HMOs and Hospitals, by Source of Funding, 2015-2021

Year	Total	Current Transfers from government	Sale of services	Property income	Donations from households corporations and NPIs in Israel	Donations from abroad
	NIS Million at current prices	Thereof percentages				
2015	80,824	33.7	40.1	1.2	13.8	11.2
2016	85,295	33.8	40.0	1.5	13.3	11.4
2017R	93,697	35.5	38.4	3.0	11.5	11.6
2018R	98,641	36.0	38.0	2.5	12.0	11.5
2019R	101,503	36.4	38.4	1.7	12.0	11.5
2020	101,477	37.2	36.6	1.5	13.3	11.4
2021*	110,150	36.6	37.1	1.5	13.4	11.4

The total expenses of NPIs (excluding HMOs and hospitals) in 2020 amounted to NIS 98.4 billion only. Furthermore, the distribution of the types of expense is different, such that in 2020 the primary expense is labour cost (49.5% of expenses), and intermediate consumption is the secondary expense (35.2%), that is compared to 40.3% and 50.4% respectively, in the data including HMOs and hospitals. This proportion was quite similar in 2021.

**Table I - Current Expenses of NPIs Excluding HMOs and Hospitals, by Type of Expense
2015-2021**

Year	Total	Labour cost	Intermediate consumption	Consumption of fixed capital	Financial expense	Current transfers
	NIS Million at current prices	Thereof percentages				
2015	78,414	50.8	34.1	3.5	0.9	10.7
2016	82,053	51.2	34.0	3.4	1.0	10.4
2017R	90,686	49.7	34.6	3.2	1.7	10.8
2018R	96,371	50.2	34.7	3.1	1.0	11.0
2019R	100,424	50.5	34.4	3.1	0.9	11.1
2020	98,382	49.5	35.2	3.5	1.4	10.4
2021*	106,172	48.8	35.8	3.4	1.4	10.6