



مؤسسة الملك خالد
KING KHALID FOUNDATION

Non-profit Sector Outlook

The Journey From 1 Riyal to



Billion

2025

The Journey of the Report

From 1 Riyal to **100 Billion**

Overview

14

Growth

48

Ambition

62

Introduction

12

Giving

40

Perception

58

Key Facts

6

Financials

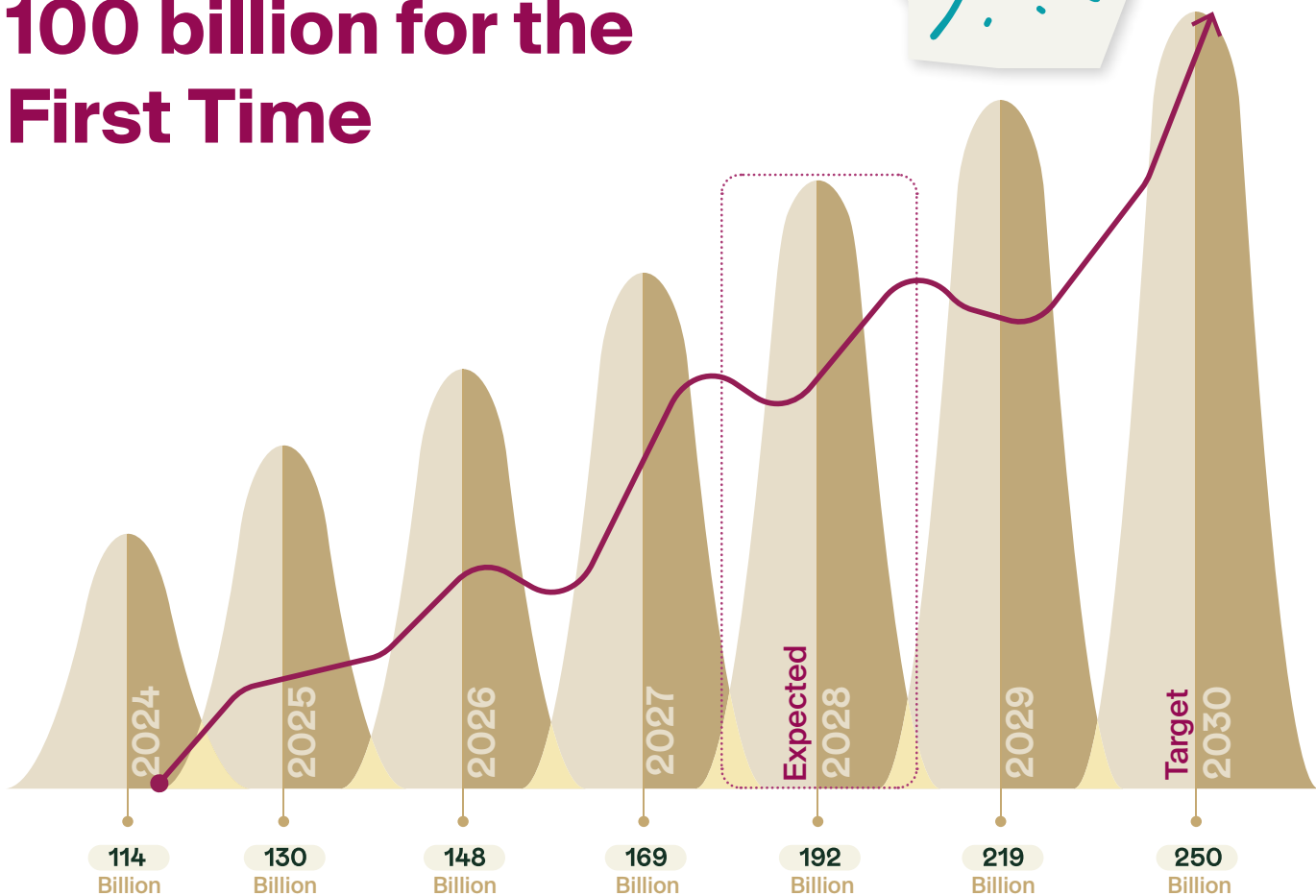
22

People

50

Key Facts

The Non-Profit Sector has Surpassed SAR 100 billion for the First Time

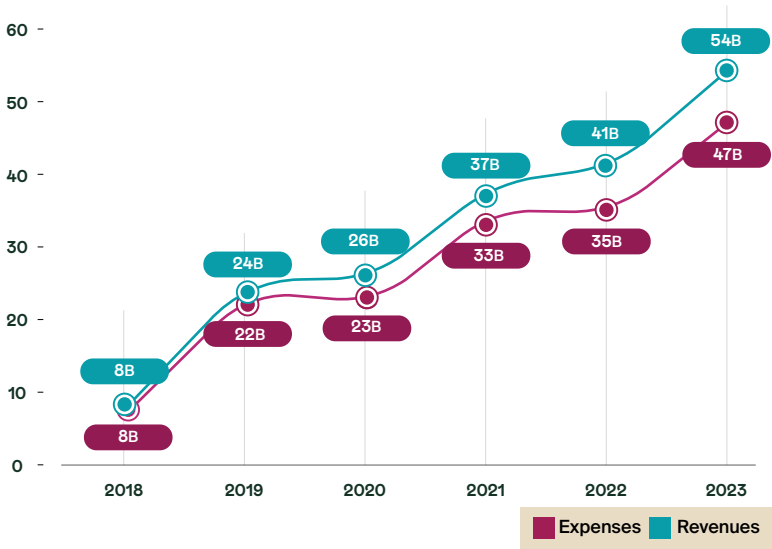


accounting for 3.3% of GDP in economic contribution. the sector is expected to achieve the Saudi Vision 2030 target of 5% of GDP two years ahead of the specified schedule after it officially exceeded the milestone of one million volunteers in 2024, i.e., six years ahead of the scheduled time-line.

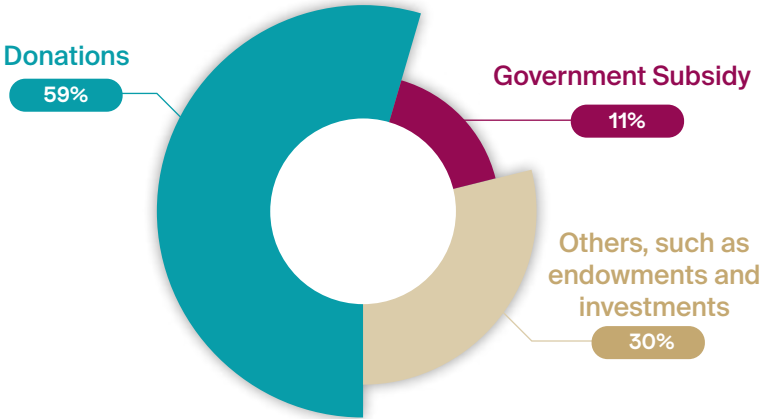


Education and research organizations ranked first in revenue, exceeding SAR 19 billion,

while health organizations topped the expenses with SAR 15 billion, thanks to the transfer of a range of government assets in health and education sectors to non-profit entities. Further, culture and entertainment as well as social services organizations have dominated employment rates. As for the environmental, volunteering, and charitable work organizations, they remain among the least significant areas in the non-profit sector.



Government subsidy accounts for 11% of non-governmental organizations' (NGOs) revenues, led by Charities Support Fund with assistance equivalent to SAR 481 millions; however, the share decreased from 27% of revenues in 2016, to 13% in 2021, and then to 11% in 2022.

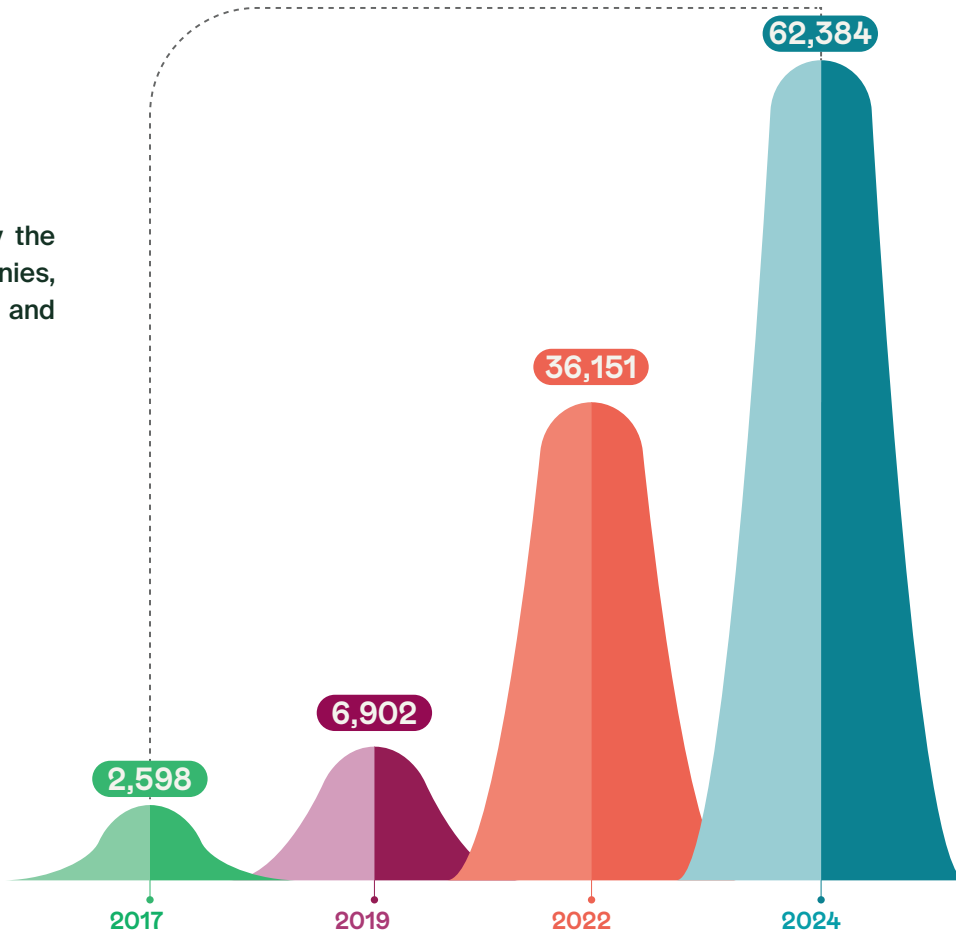


Key Facts



Exceeding
62K Non-profit
Organizations

at annual rate of 57%, driven by the growth of non-profit companies, endowments, associations, and hobbies clubs.



Wages

The non-profit sector outperforms the private sector in job localization rate and average wages, as Saudis constitute 59% in the non-profit sector with average wages of SAR 8,670 for Saudis compared to 21% in the private sector with SAR 7,700 as average wages.

Public Sector

14400 ﷲ

Charities

8670 ﷲ

Private Sector

7699 ﷲ



Digital donation platforms accomplished outstanding performance in 2024, with donations more than SAR 15 billion,

on the top of these platforms Ehsan charitable platform where largest contribution was made through small donations (e.g. SAR 1, 10؄, and 100؄), while donors with high value (more than 100K) accounted for 26% of the donations.

26% Donors With High Value



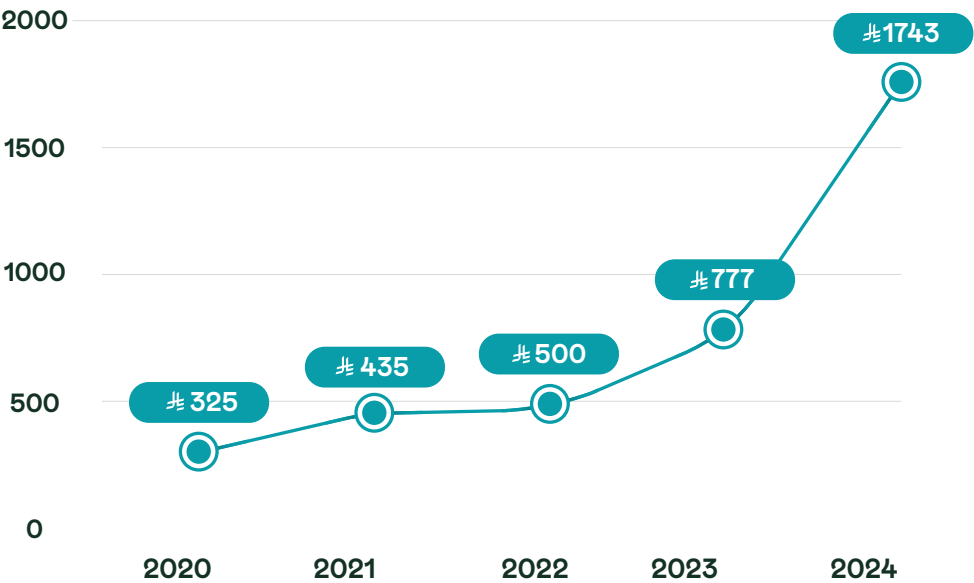
74% The Rest of Donors

Key Facts



The value of endowment investment funds' assets reached more than SAR 1.7 billion by the end of 2024, and it is expected that they will reshape the future of financial sustainability in the sector once they achieve a distribution rate supporting the revenue structure when assets reach SAR 100 billion with highly continuous growth by 2038.

Assets valued in millions of SAR



Trust levels in the non-profit sector in the Saudi Community

86%

Saudi community trust in the non-profit sector has risen to 86%, while the lack of trust in the integrity of non-profit organizations decreased from 27% in 2017 to 14% in 2024.



In 2024, 23% of Saudis were listed as volunteers, whereas 47% of the people gave donations.

However, figures were less reflected in the volunteering and donation platforms as a large percentage of Saudis prefer to directly donate to people they know and engage in volunteering activities informally, rather than being listed on a platform. Therefore, 53 million volunteering hours have been documented out of 150 million, equivalent to SAR 5 billion as an economic value.

23% Volunteering rate in the Saudi community



47% Donation rate in Saudi community



Introduction

the fourth edition of the Non-profit Sector Outlook, marks the accomplishment of exceeding SAR 100 billion in economic contribution to GDP, with the expectation of achieving the Saudi Vision 2030 target of reaching 5% in 2028, two years ahead of the defined schedule. It also depicts the journey to realize this target with a number of accelerating factors that have made a significant change in the sector's size and economic contribution.

It all starts with just one riyal given

**and one volunteering hour dedicated,
igniting catalytic change.**

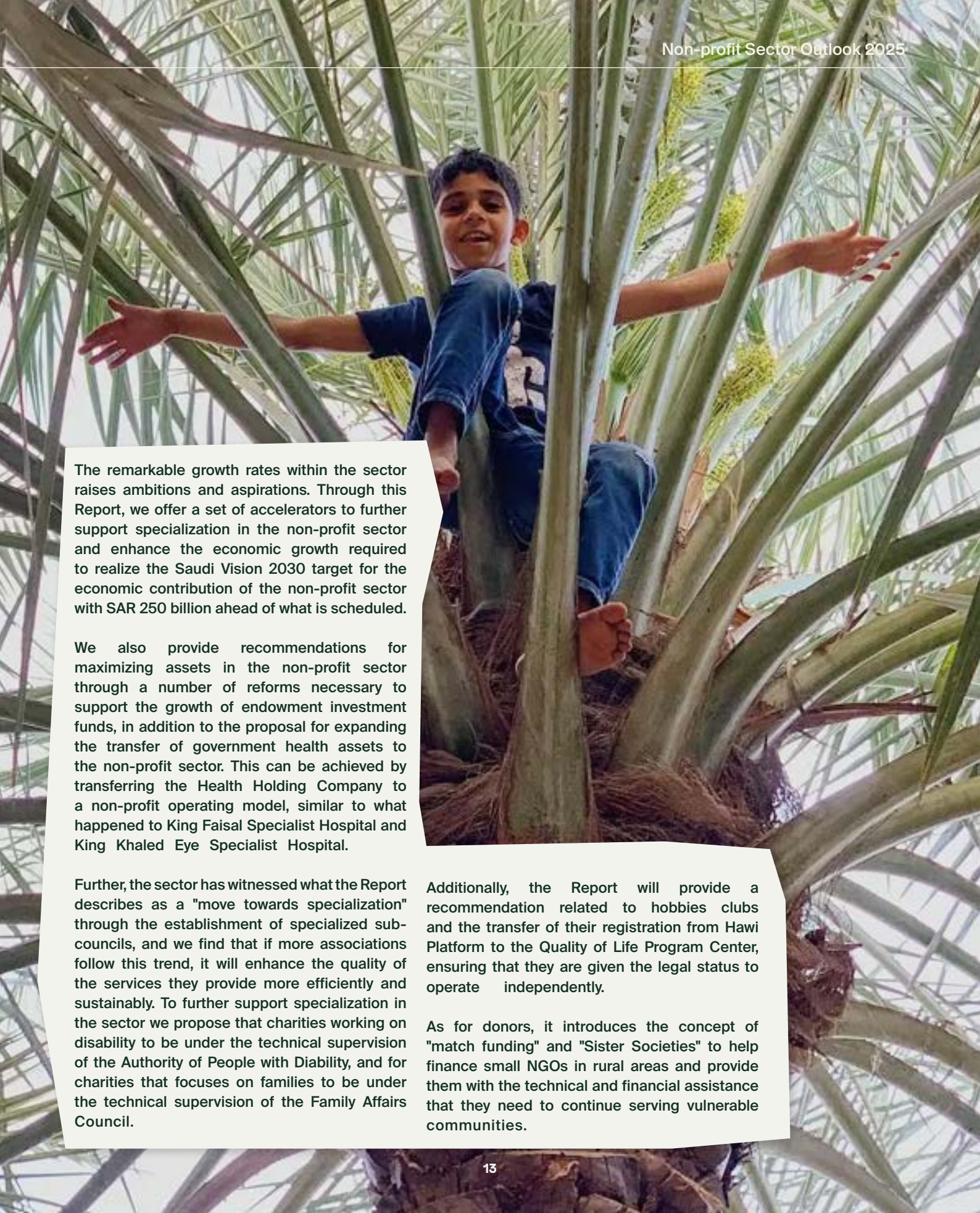
The donations flow, led by official donation platforms, achieved tremendous success, and it is considered one of the most important tools to maximize social impact introduced by Saudi Vision 2030 and its executive programs. This transformation will remain one of the most important changes that has reshaped new and promising prospects for the Saudi non-profit sector and is deemed as historical precedent for generations to come as an innovative model for transforming the small contributions into billions of riyals in financing for the non-profit sector in a short period of time.

In 2024, the sector has successfully contributed to one of the Kingdom's Vision 2030 goals; reaching one million volunteers. The National Transformation Program confirmed achieving this target ahead of its schedule in 2030. As a result, the economic contribution of the non-profit sector has grown, reaching a record of SAR 5 billion.

Perhaps the most notable variable driving the sector's economic contribution is the transferring of large government assets in health and education into a non-profit operating model, reflecting trust in the non-profit model to support innovation and efficiency in these important areas of development.

This year's report highlights the diversity in non-profit entities and the impact of the passing of the new Companies Law and the commencement of registering non-profit companies. so that they have become the leading entity in the non-profit sector, followed by endowments.

The Report also discusses the current state of endowment investment funds and their expected role in fostering more growth and financial sustainability for non-profit entities. endowment investments funds' assets amounted to more than SAR 1.7 billion by the end of 2024, with an average annual growth rate of 65% for the last five years. We are counting on these funds and their improved performance through a package of incentives to drive the growth of the non-profit sector to achieve the target of 5% by 2028, in addition to adopting the target of gaining assets worth SAR 100 billion in investment endowment funds to be a sustainable source of revenue for this sector in the long term.

A young boy with dark hair, wearing a blue t-shirt and blue jeans, is climbing a large palm tree trunk. He is barefoot and has his arms outstretched, holding onto the trunk. The background shows the dense foliage of the palm tree and a clear sky.

The remarkable growth rates within the sector raises ambitions and aspirations. Through this Report, we offer a set of accelerators to further support specialization in the non-profit sector and enhance the economic growth required to realize the Saudi Vision 2030 target for the economic contribution of the non-profit sector with SAR 250 billion ahead of what is scheduled.

We also provide recommendations for maximizing assets in the non-profit sector through a number of reforms necessary to support the growth of endowment investment funds, in addition to the proposal for expanding the transfer of government health assets to the non-profit sector. This can be achieved by transferring the Health Holding Company to a non-profit operating model, similar to what happened to King Faisal Specialist Hospital and King Khaled Eye Specialist Hospital.

Further, the sector has witnessed what the Report describes as a "move towards specialization" through the establishment of specialized sub-councils, and we find that if more associations follow this trend, it will enhance the quality of the services they provide more efficiently and sustainably. To further support specialization in the sector we propose that charities working on disability to be under the technical supervision of the Authority of People with Disability, and for charities that focuses on families to be under the technical supervision of the Family Affairs Council.

Additionally, the Report will provide a recommendation related to hobbies clubs and the transfer of their registration from Hawi Platform to the Quality of Life Program Center, ensuring that they are given the legal status to operate independently.

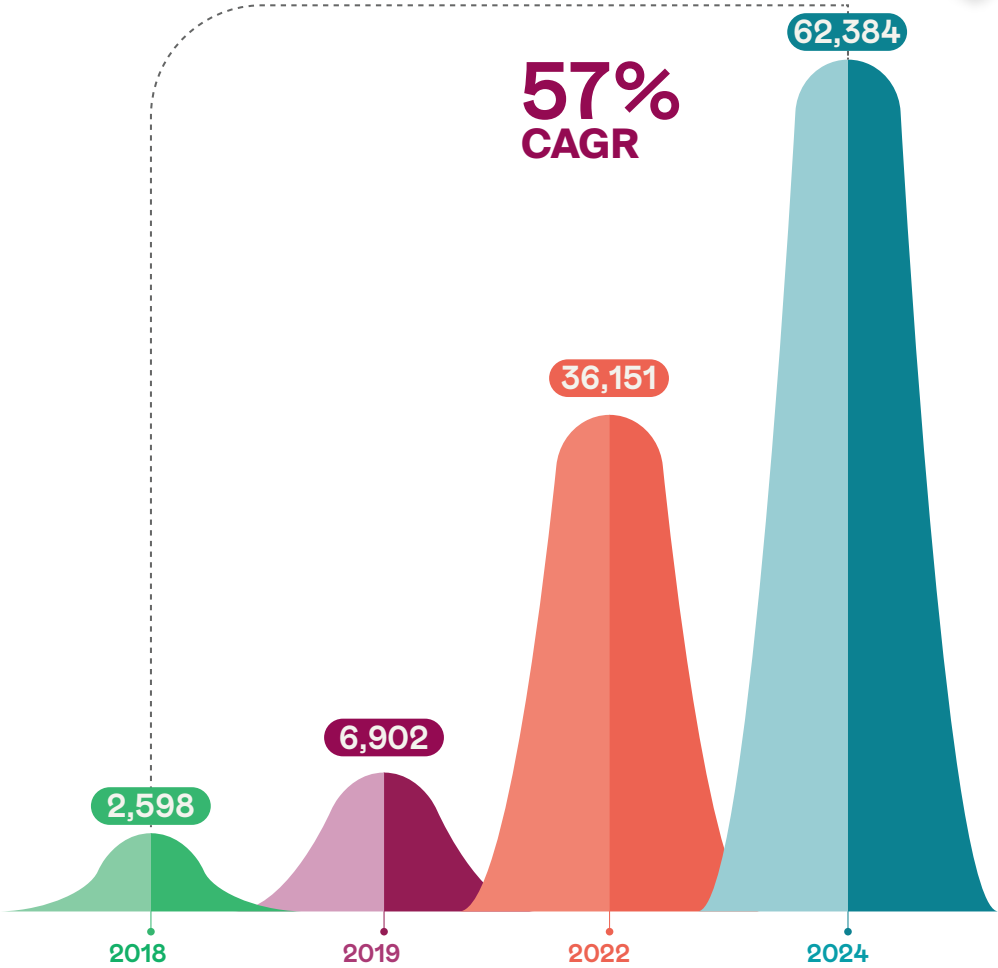
As for donors, it introduces the concept of "match funding" and "Sister Societies" to help finance small NGOs in rural areas and provide them with the technical and financial assistance that they need to continue serving vulnerable communities.

Overview

By the end of 2024, the total number of non-profit organizations exceeded 62,000, a 73% increase compared to 2022. This jump may be driven by the establishment of non-profit companies and endowments, a clear indication of the high demand for these types of entities.

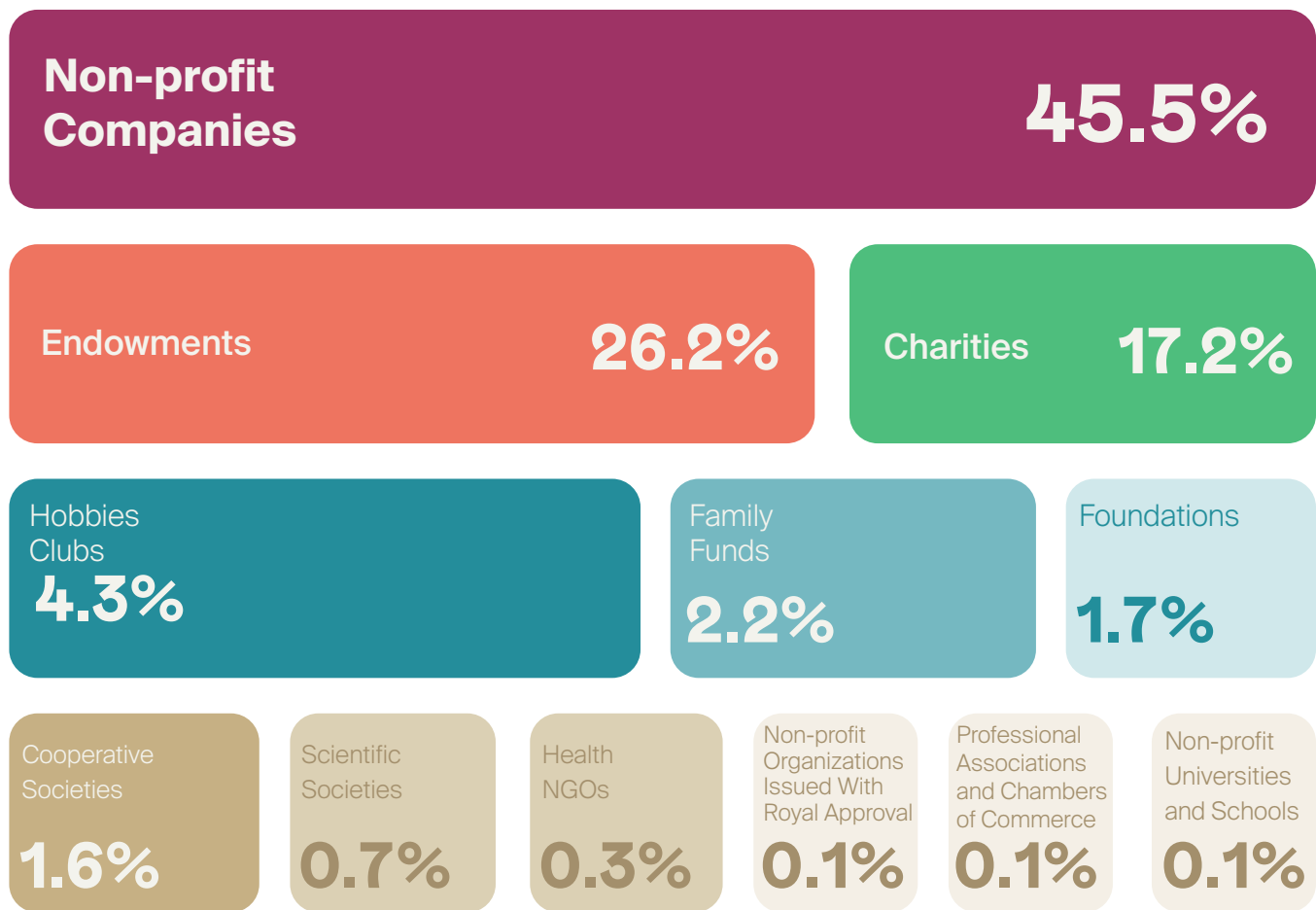
Further, all types of non-profit organizations continue to experience steady annual growth of 57% since the first Non-profit Sector Outlook Report in 2018.

No. of Non-profit Organizations 2018 - 2024



Overview

Distribution of non-profit entities by legal form



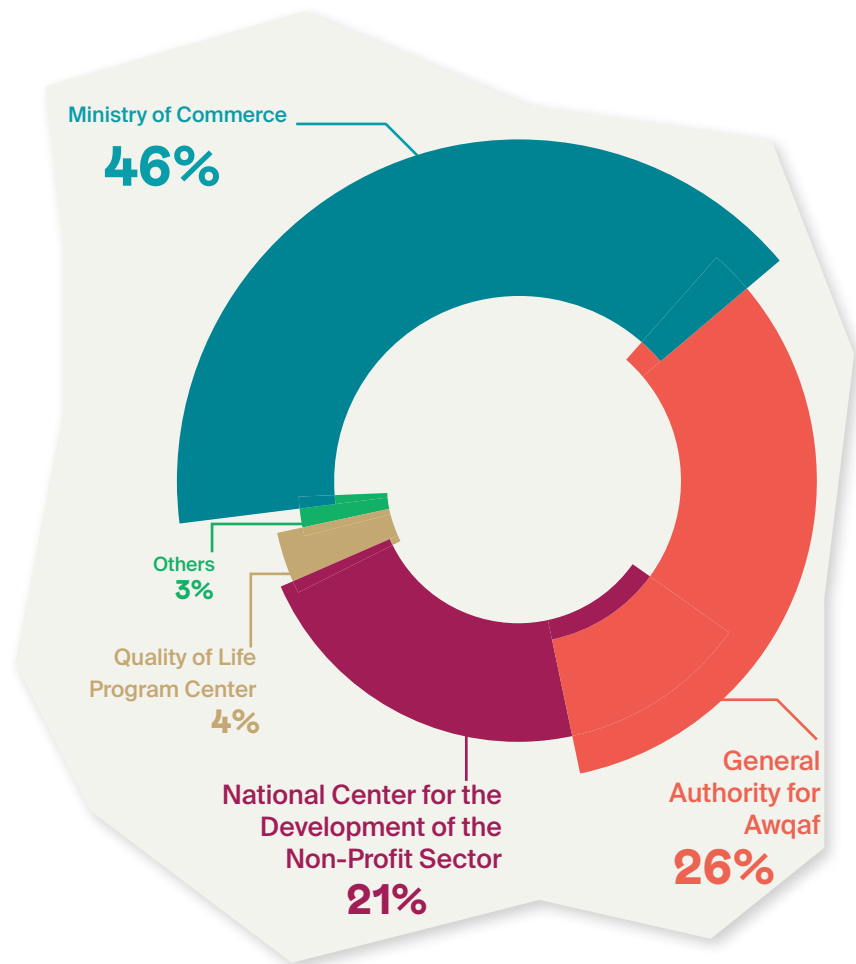
* Distribution does not include owners' associations.

Distribution of non-profit organizations by the registration entity

The non-profit sector is supervised by 26 government entities that provide registration, administrative, financial, and technical oversight services based on their specialization.

When distributing non-profit organizations as per registration entities, the Ministry of Commerce comes first with almost 46% of non-profit organizations, especially non-profit companies, which have witnessed steady growth since the issuance of the new Companies Law in 2023, as the Law legalized the establishment of non-profit companies reaching nearly 12,000 company.

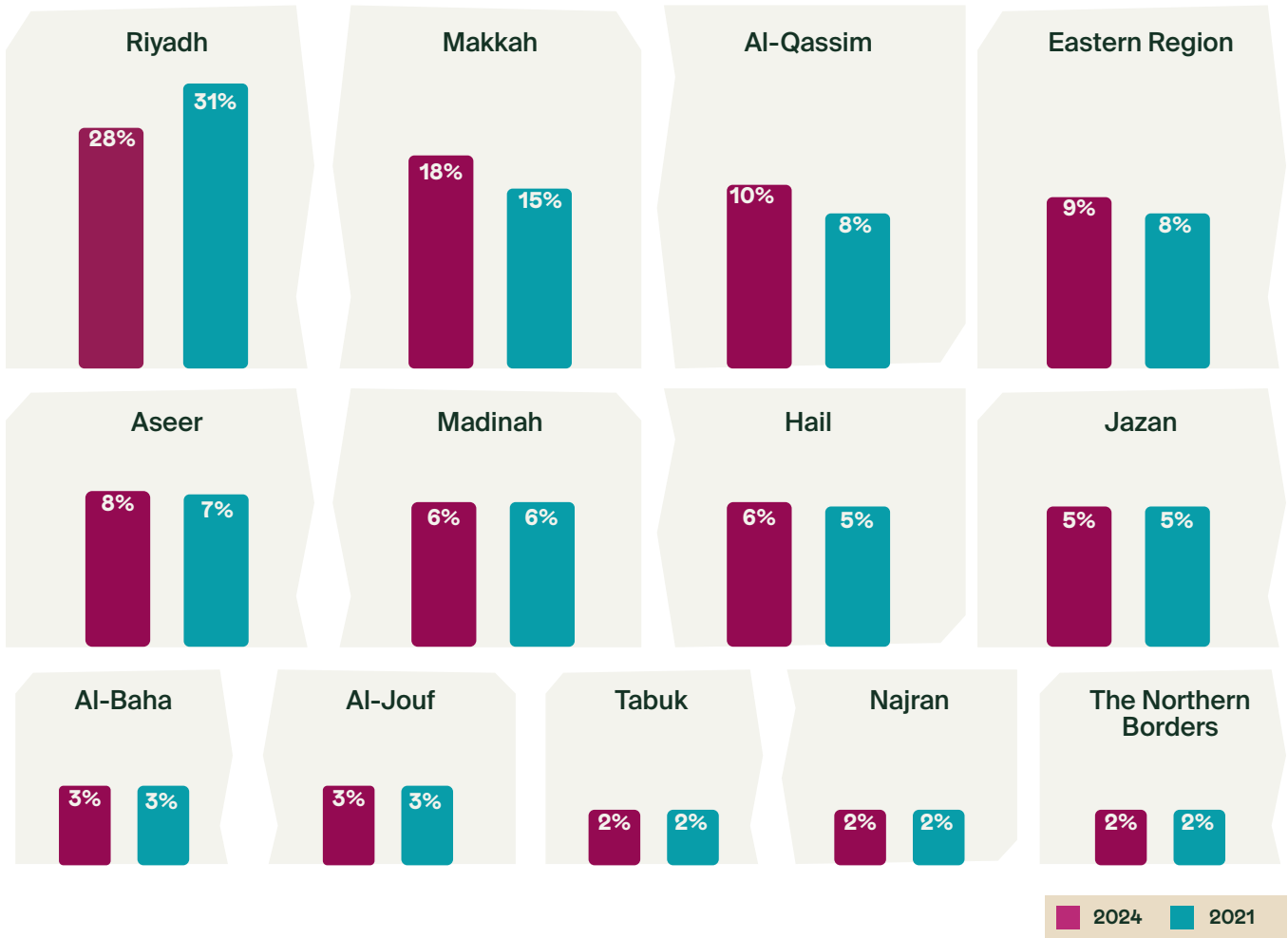
The General Authority for Awqaf comes second in terms of the size of non-profit organizations under its supervision with approximately 26% of the non-profit sector, followed by the National Center for the Development of the Non-Profit Sector with 21%.



Overview

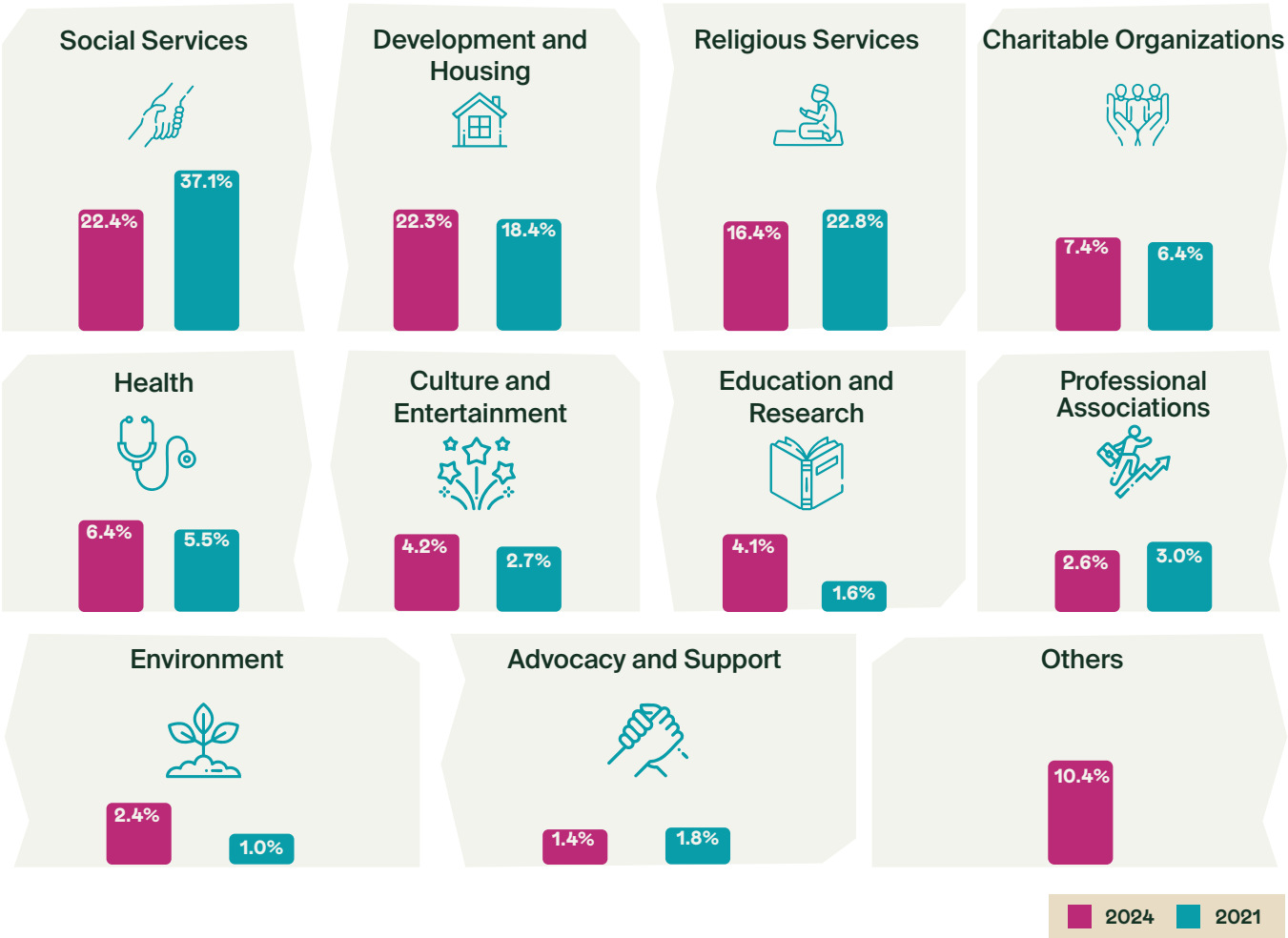
Distribution of non-profit organizations by region

Non-profit organizations are primarily located in the Kingdom's main regions with a notable increase compared to 2021 for Makkah, Al-Qassim, Eastern Region, Aseer, and Hail.



Source:
Comparing data from the Non-profit Entity Directory by the National Center for the Development of the Non-Profit Sector with data from the 2023 Non-profit Sector Outlook.

Distribution of organizations by non-profit activities



Overview

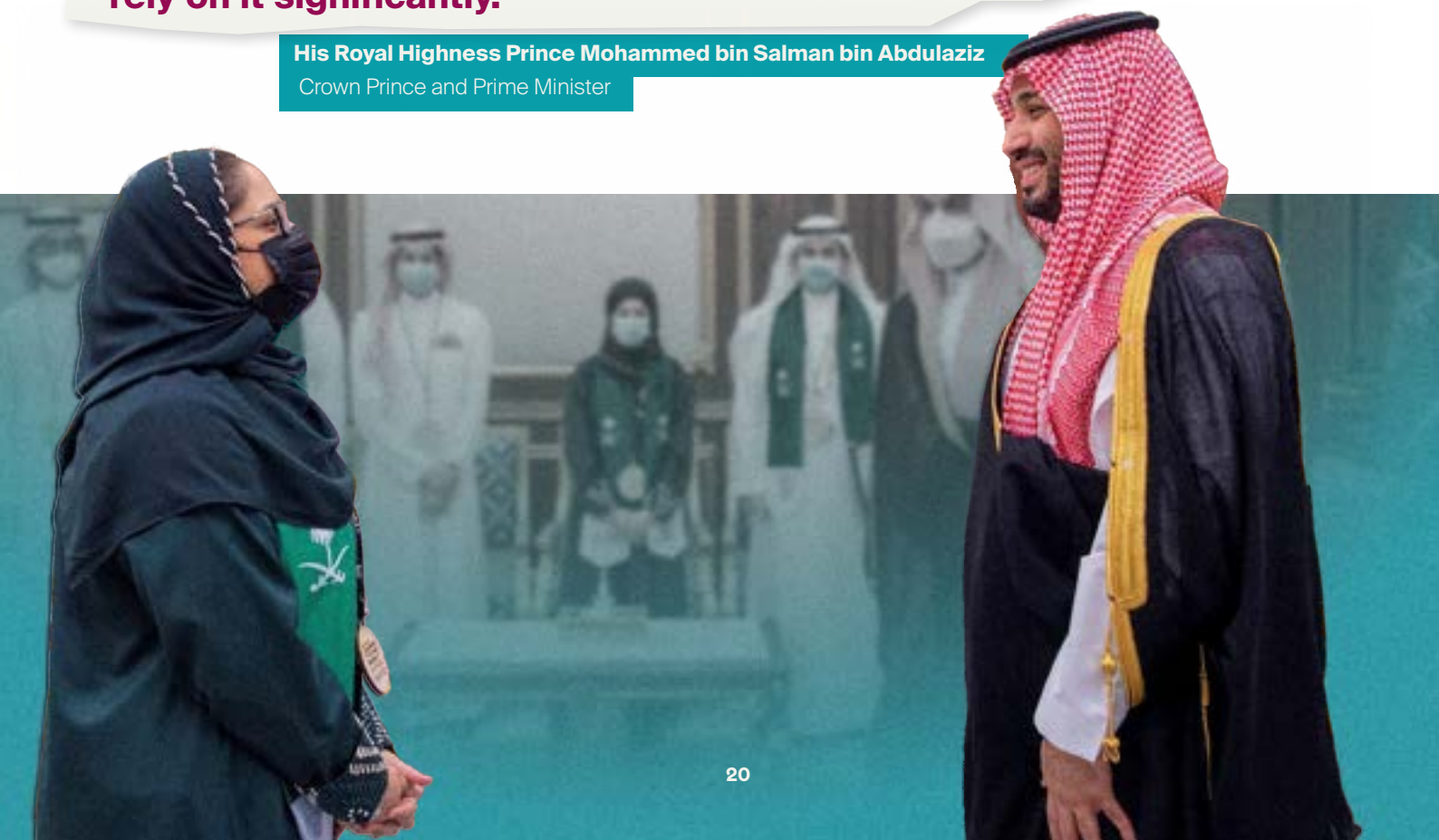
Transferring Government Assets to the Non-profit Sector to Provide Health and Education Services

We believe that the government sector's contribution to the non-profit sector through the transferring of some of its assets to the non-profit model has led to a significant economic impact, which will be discussed in the "Growth" chapter of this Report. However, the greatest impact can be shown in supporting non-profit activities in health and education fields, which were not adequately served before. Thus, the transferring of public universities such as King Saud University into a non-profit operating model, and the King Faisal Specialist Hospital, a global leader in innovation, signaling a testimony of trust in the non-profit sector and a belief in the importance of shifting to the non-profit model to improve quality of services, efficiency and innovation in health and education.

Taking into account the role of charities alone does not relay the reality of the scope of non-profit activities in the country. The non-profitization of public assets explains the tremendous growth of NPO sector in the last two years, and how they have come to make up a larger share of non-profit entities as non-profit companies and endowments dominated the non-profit sector in terms of numbers. As the financial summary of the non-profit sector in the "Financials" chapter will show, revenues from health and education, followed by culture and entertainment, have the largest share of non-profit revenues.

"We view the non-profit sector as a crucial pillar supporting education, culture, health, and research, and we plan to rely on it significantly."

His Royal Highness Prince Mohammed bin Salman bin Abdulaziz
Crown Prince and Prime Minister



Move Towards Specialization:

It is worth noting the remarkable growth of the specialized councils of associations starting with specialized councils (for orphan associations and health societies) reaching 6 specialized councils, indicating a trend towards more voluntary cooperation opportunities and more specialization. The Foundation believes that this kind of development has supported specialized associations in performing their roles more professionally. Further, the councils have provided friendly spaces to exchange expertise and best practices, in addition to improving the quality of services for the beneficiaries of these associations.

المجلس الفرعي التخصصي لجمعيات الأيتام
Specialized Council for Orphan Associations



The council includes orphan associations across the Kingdom and has been able to provide health insurance for this group by negotiating collectively with health insurance companies.

المجلس الفرعي التخصصي لجمعيات الإسكان
Specialized Council of Housing NGOs



Housing associations play important development roles in meeting the housing need around the Kingdom and providing home renovation projects with the support of the Developmental Housing Foundation (Sakan) and Jood Business Center.

المجلس الفرعي التخصصي لجمعيات ذوي الإعاقة
Specialized Sub-Council for Associations of Persons with Disabilities



Although a number of associations of persons with disability are long-standing, their number has recently increased to become 64 associations.

المجلس الفرعي التخصصي
لجمعيات الصحة
Specialized Council of Health Associations



Health associations play a significant role in development and awareness and are among top performers on donation platforms, as the "Giving" chapter of this Report will show.



المجلس الفرعي التخصصي
لجمعيات التنمية الأسرية
Specialized Sub-Council of Family Development Associations

Family associations maintain the cohesion of the social fabric and shape the future of upcoming generations, so we find it important that they become under the technical supervision of the Family Affairs Council.

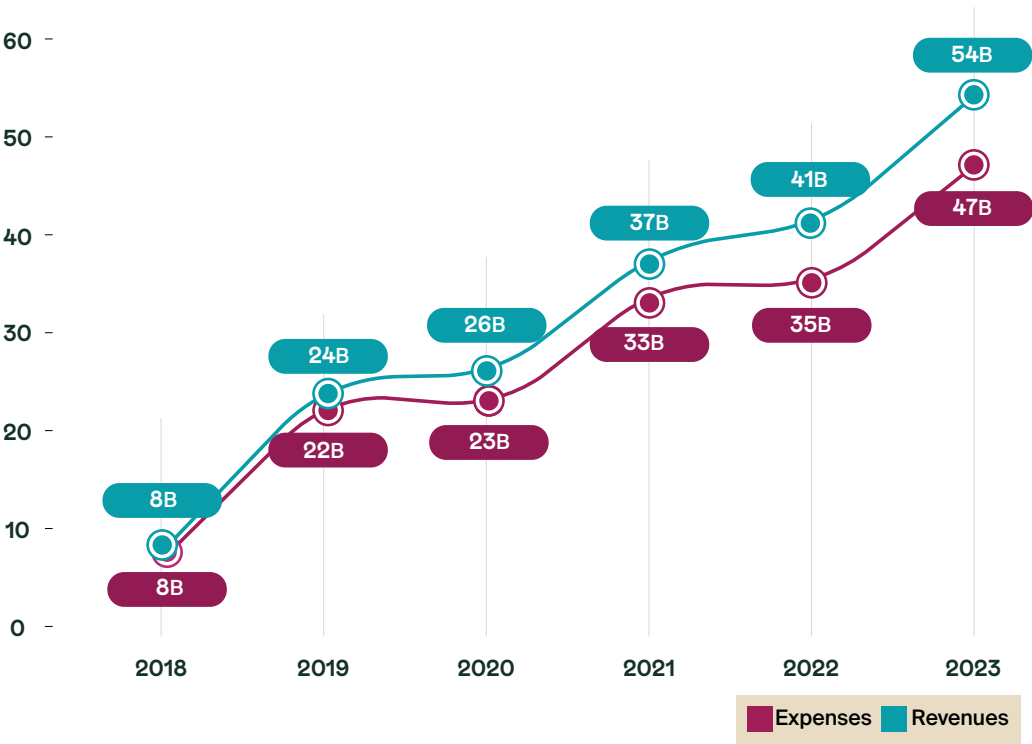
Financials

The Financial and Investment Status of the Non-profit Sector

According to data provided by General Authority for Statistics, the revenues of the non-profit sector in 2023 reached nearly SAR 55 billion, an increase of 33% compared to 2022, with an average growth rate of 23% for the last five years since 2019.

Additionally, total expenses amounted to SAR 47 billion, reflecting a 33% increase compared to 2022, with an average annual growth rate of 20% over the last five years.

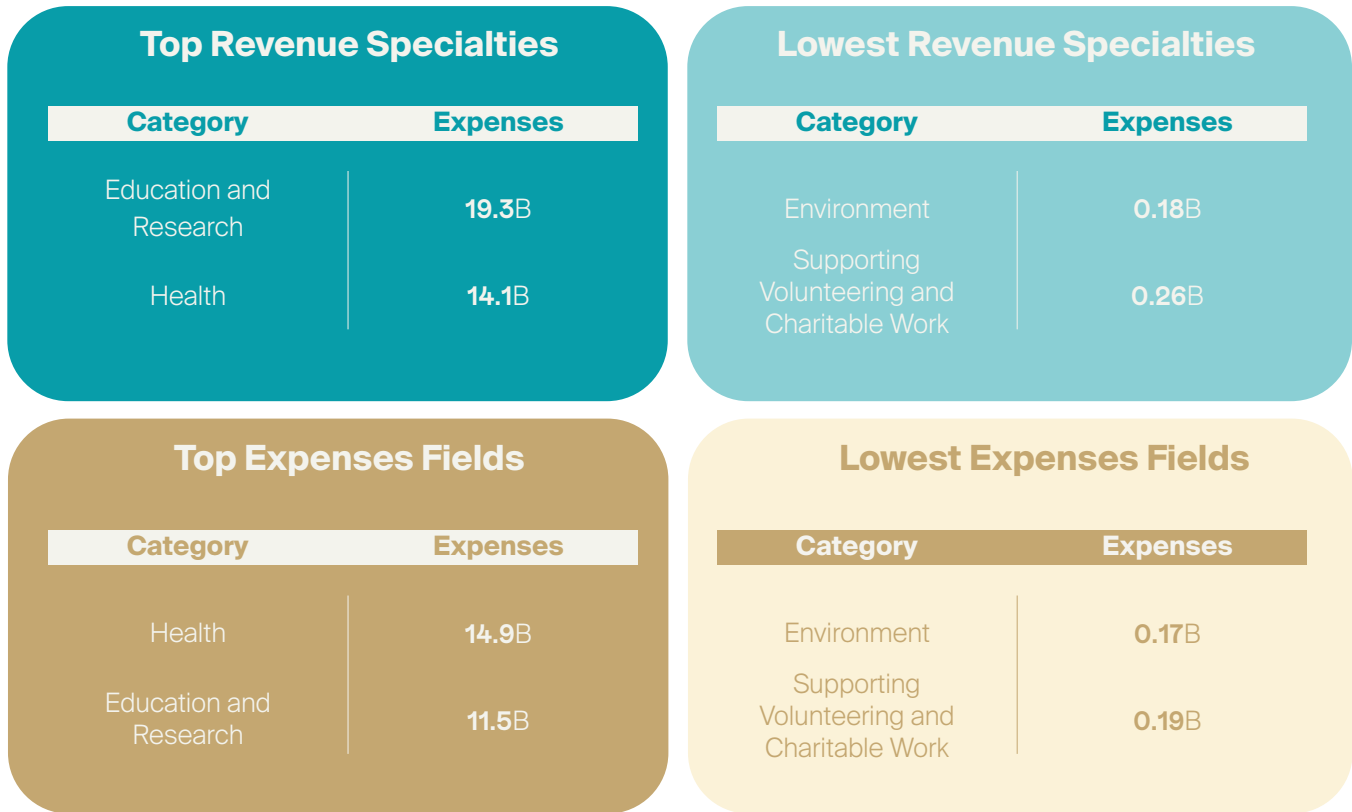
Revenues and Expenses of Non-profit Sector up to 2023 (valued in billions)



Financials

Top Revenue Specialties

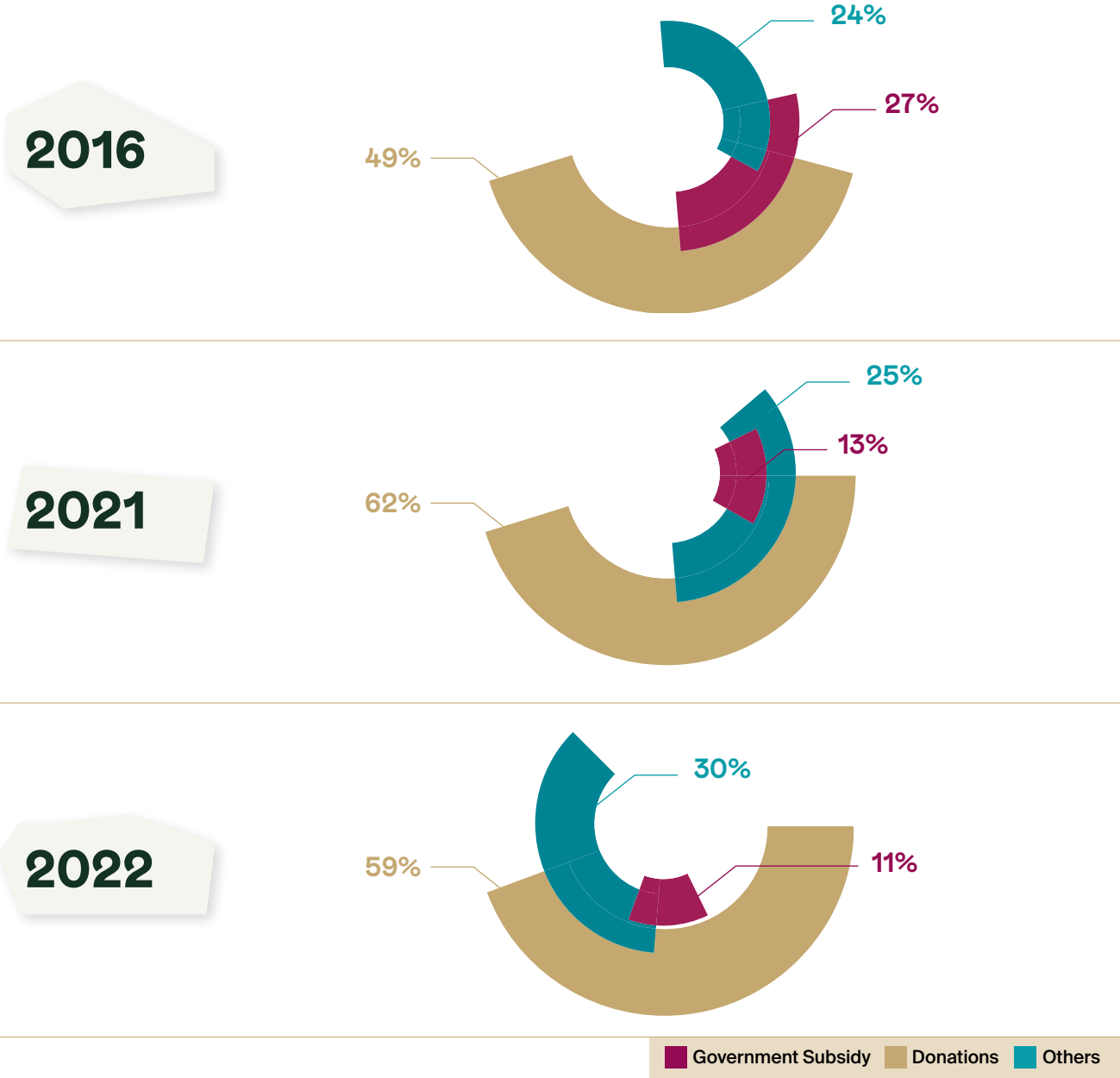
Non-profit organizations are primarily located in the Kingdom's main regions with a notable increase compared to 2023 for Makkah, Al-Qassim, Eastern Region, Aseer, and Hail.



Source:
Non-Profit Sector Organizations Survey 2023 - General Authority for Statistics

Financial Resources for Non-profit Sector

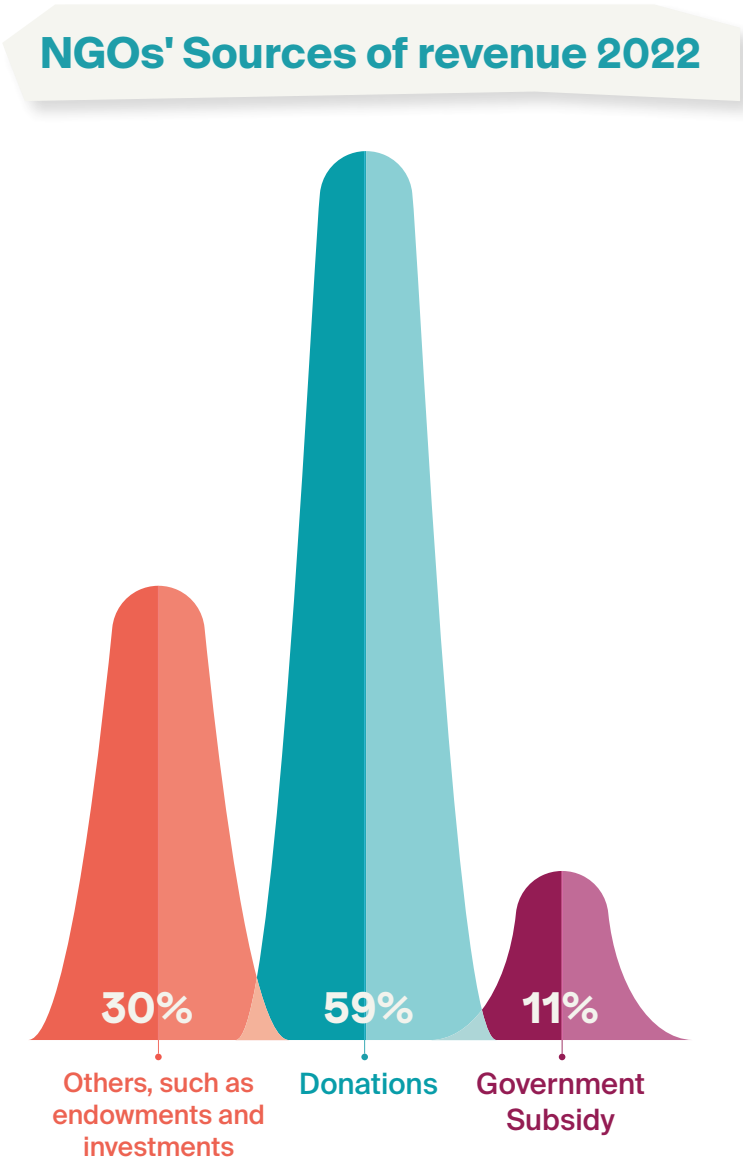
NGOs' revenues from endowments, investments, and other resources grew steadily to reach 30% of income, while donations continued to account for the largest share with 59%.



Financials

Government subsidy makes up 11% of NGOs' revenues, led by Charities Support Fund, which provides assistance of nearly SAR 481 million; however, it is decreasing as it was 27% in 2016, compared to the increase in donations and other revenues, including the sustainability portfolio and endowments that drives the sector's growth. Nevertheless, government subsidy for NGOs has begun to increase at a significant rate in the form of subsidies provided by the state to non-private institutions established with royal approval, non-profit organizations established by government entities, and to public entities that have been converted from a governmental operating model to a non-profit model, such as some public universities, King Faisal Specialist Hospital, and King Khalid Eye Specialist Hospital. They constitute a huge share of the size of revenue growth, especially after 2022 with the expansion of the allocation of government assets in favor of the non-profit sector.

The following financial summary shows the growth in revenues and expenses for non-profit organizations operating in the fields of health, education, and research, driven by the policy of transferring government assets to non-profit organizations and supporting them with government subsidies.



Source: Annual Report 2023 and NGOs Performance Indicators Highlights Report for 2022 by the National Center for the Development of the Non-Profit Sector compared to the 2016 Annual Report of the Ministry of Labor and Social Development (formerly).

Non-profit Sector Financial Summary

Comparison of financial position between 2018 and 2023

	2018	2023	Growth
Revenues	8B	54B	575%
Education and Research	0.1B	19.3B	
Health	0.4B	14.1B	
Social Services	3.2B	7.9B	
Culture and Entertainment	0.1B	5.3B	
Development and Housing	0.8B	2.7B	
Religious Services	2.2B	1.8B	
Others	1.2B	2.9B	
Expenses	7.5B	47B	527%
Education and Research	0.1B	11.5B	
Health	0.3B	14.9B	
Social Services	2.9B	6.8B	
Culture and Entertainment	0.1B	6.7B	
Development and Housing	0.8B	2.2B	
Religious Services	2.1B	2.0B	
Others	1.2B	2.9B	
Surplus	0.5B	7B	1300%

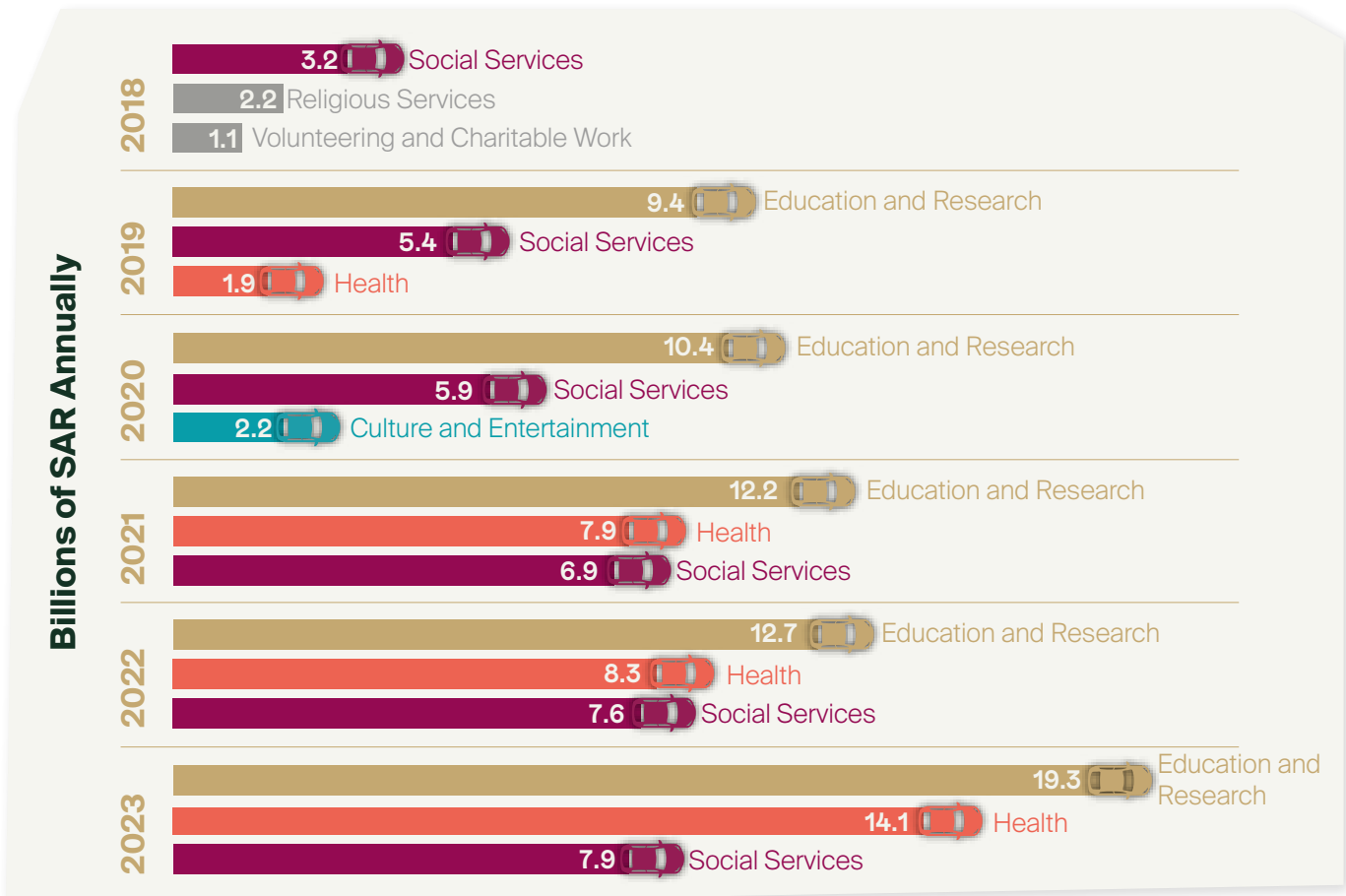
Source:

Non-Profit Sector Organizations Survey 2023 - General Authority for Statistics

Financials

Top Specialties in Revenue

Comparison of the top 3 leading fields in revenue between 2018 and 2023



Organizations focused on education and research disciplines, followed by health-related specialties, led the revenue shares compared to other non-profit sector organizations. Social services were ranked third, followed by the culture and entertainment category, which held third place in 2020 but dropped to fourth afterward.

After that, religious specialties and volunteering and charitable work organizations (such as grant-making foundations) were in second and third place in 2018, but they fell from the top spots even though their revenues continued to grow, but at lower rates.

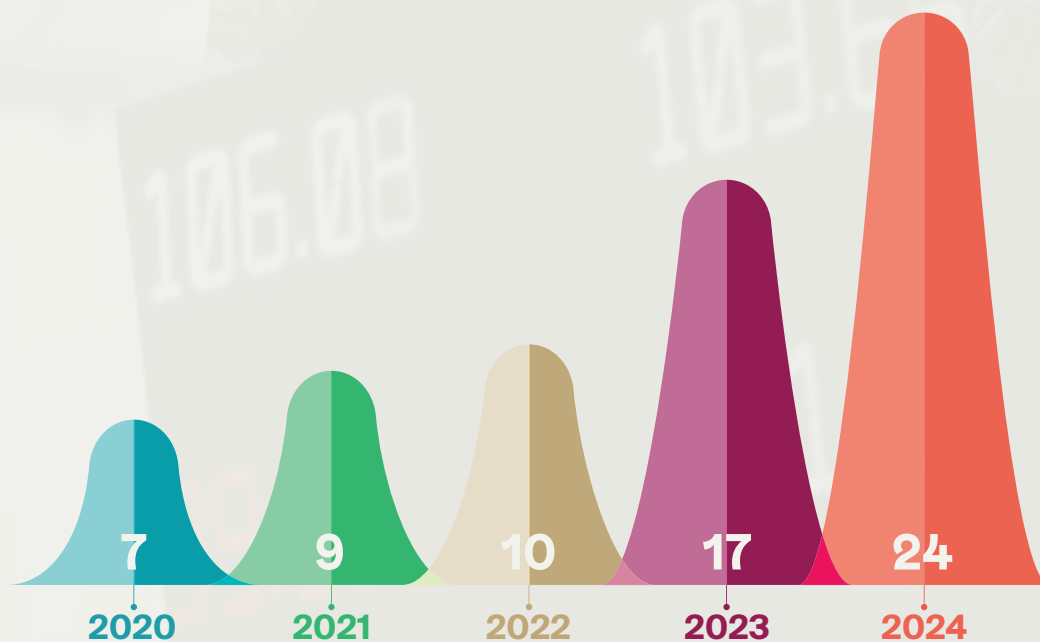
Front-Runners in Revenue Growth:



Spike in Endowment Investment Funds

The Capital Market Authority, in cooperation with the General Authority for Awqaf, has listed 24 endowment investment funds so far. This is because the model has found great popularity among donors, NGOs, and government donation platforms as it is a modern model of professional financial sustainability, which combines the professional management of licensed financial institutions and consistent revenue to meet the development needs of beneficiaries, while minimizing investment risks and diversifying it at the lowest cost and highest return.

No. of Endowment Investment Funds

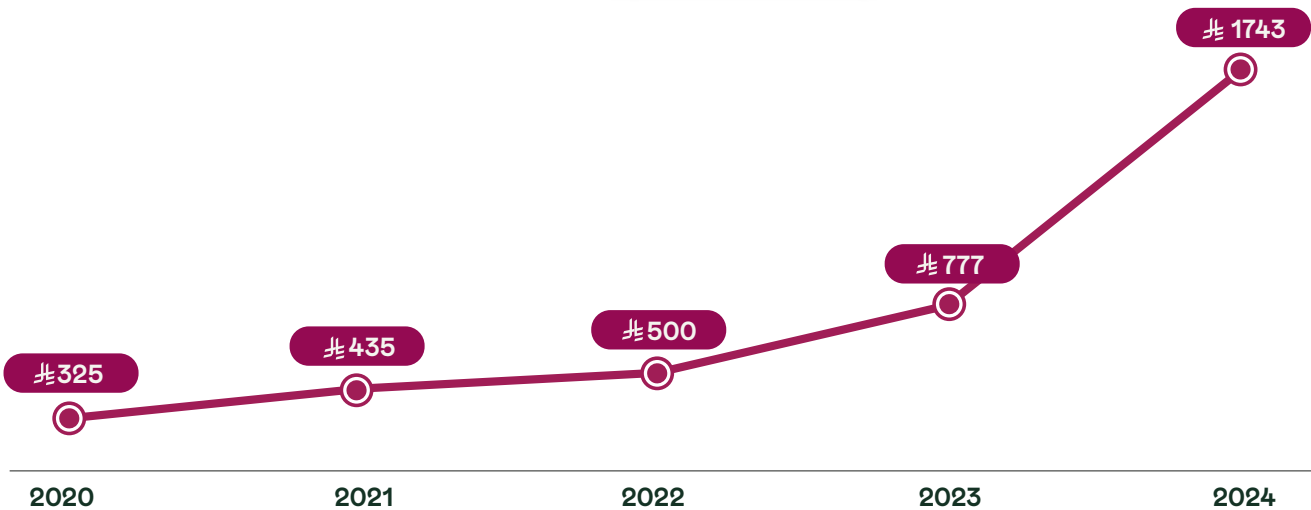


Financials

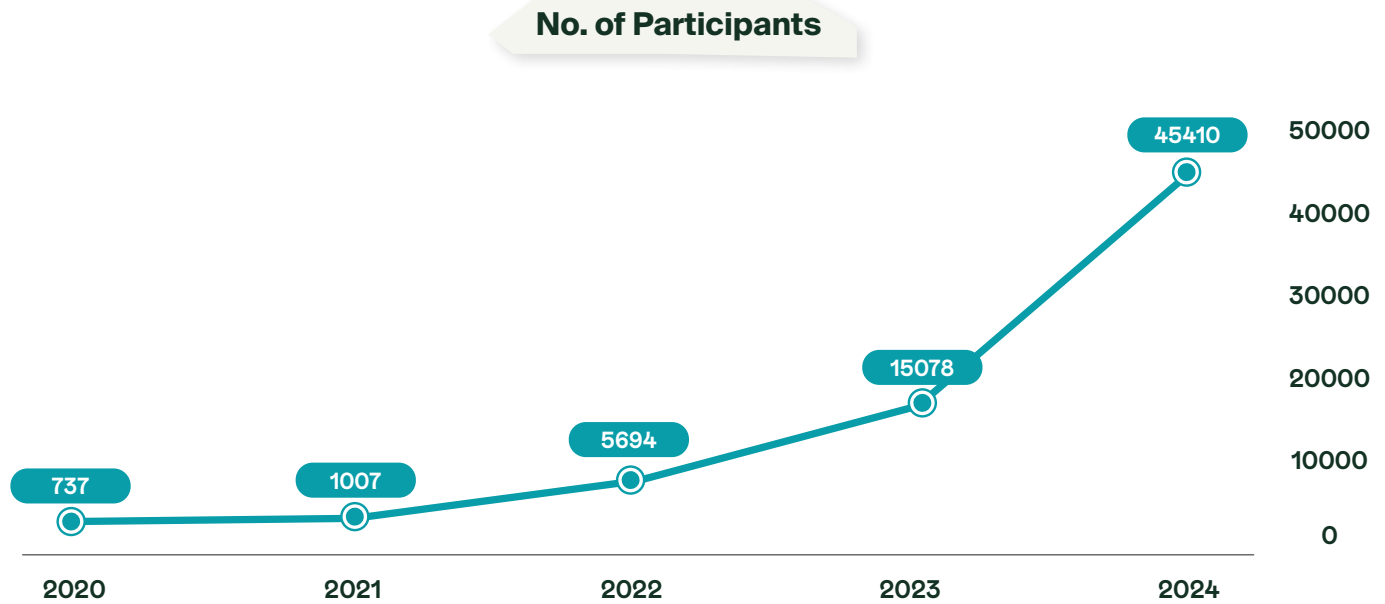
Growth in Assets and Participants Base in Investment Funds

It is noteworthy to mention that endowment investment funds' assets amounted to more than SAR 1.7 billion by the end of 2024, an increase of 40% compared to the previous year, with an average annual growth rate of 65% for the last five years.

Assets valued in millions of SAR



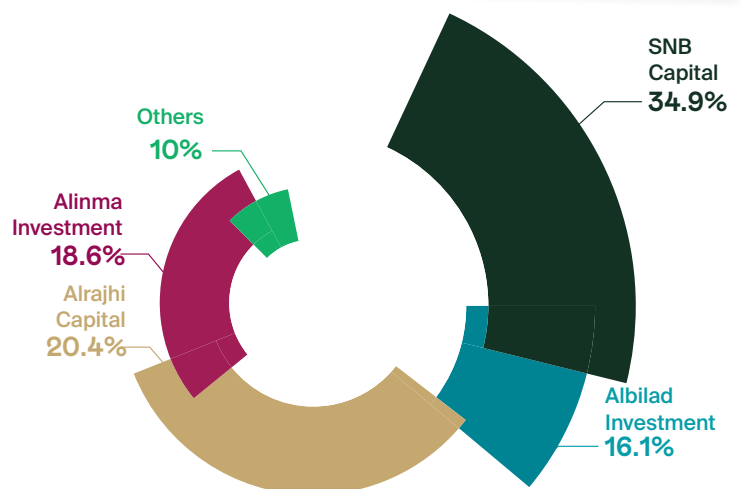
The funds also have attracted an expanding base of participants due to their distinctive features and strategic marketing among investors, surpassing 45,000 participants.



While the concept of funds is still emerging in the Saudi non-profit sector, it is rapidly gaining traction and expanding at an exceptional rate. There remains significant potential for growth, positioning it to eventually become a sustainable revenue source for the sector.

The majority of endowment investment funds are being held by four financial companies, and there is still ample opportunity to attract more fund managers, investors, and beneficiaries to maximize the benefits of the endowment fund model.

Largest fund managing entities by endowment investment assets



Source:
Open Data - Capital Market Authority and Tadawul.

Financials

Although endowment assets in the Kingdom are estimated at more than SAR 430 billion, they suffer from structural challenges related to investment management, which led to a noticeable decline in returns estimated at 1.9% of total assets, but the challenges were more noticed among community endowments owned by endowment entities, NGOs, and charities, whose performance was less than 1%.

The Volume of Endowment Assets in the Kingdom

430B

But with low returns at 1.9%

Investment Performance of Endowments in Saudi Arabia

0.77%

Community Endowments

5.0%

Government Endowments

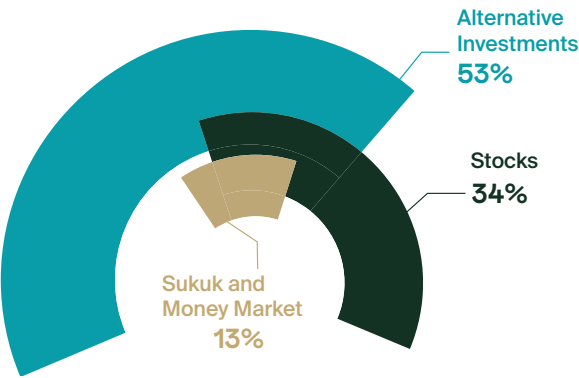
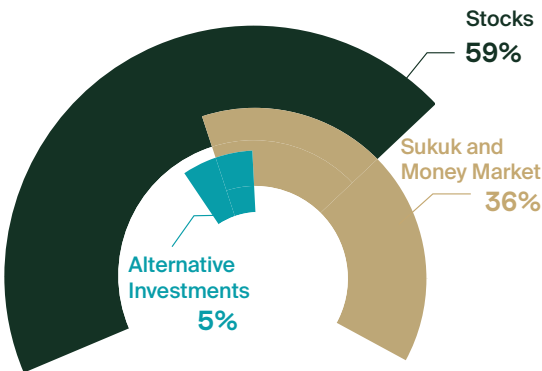
5.20%

Endowment Investment Funds

Average Asset Allocation of Saudi and U.S. Endowment Funds

This indicates an excessive caution against calculated risk-taking and investment management among endowment overseers, which may be the reason why a huge number of endowment assets have been neglected and left as overlooked and unutilized lands, leading to a high percentage of non-return-generating assets with a significant portion invested in real estate that is subject to high depreciation, inadequate maintenance, and a lack of sufficient capital for rehabilitation and upgrading. Endowment investment

funds have the best investment performance among endowment categories, but the asset allocation of Saudi endowment funds is still more traditional and conservative compared to U.S. non-profit endowment funds, as they could increase the share of alternative investments to 53%, while the share of alternative investments in Saudi endowment funds remains at 5%.



Source:

The Sustainable Investment of the Endowment Sector - Challenges and Solutions Report, Jadwa Investment, and Awqaf Riyada Center - 2024. NACUBO's 50-year Study of U.S. Endowments

Financials

License Instructions for Endowment Investment Funds

The General Authority for Awqaf outlines a set of conditions in the licensing instructions for endowment investment funds, including several governance, disclosure, and accountability requirements. They also established minimum distribution requirements, as well as guidelines for capital allocation and the distribution of investments, as follows:

1 Fund Establishment Threshold

The amount required to establish the fund must be at least SAR 10 million.

2 Investments Policy

The funds' investments value must be at least 75% of total assets according to the latest audited financial statements.

3 Distributions

The percentage of dividends distributed to the beneficiary shall not be less than 50% of the fund's annual net distributable profit.

Three endowment funds acquire 60% of the asset value with SAR 1 billion, while the top 10 funds hold a larger share of 83%, with a total value of SAR 1.5 billion. This highlights how a small number of funds dominate a significant portion of the market. The minimum requirement of SAR 10 million for establishing may contribute to the concentration of market shares, resulting in having few small funds.

**Total Assets of
Endowment Investment
Funds**

1.7B

The Biggest 10 Funds

1.5B

The Biggest 5 Funds

1.2B

The Biggest 3 Funds

1B

Source:
General Authority for Awqaf - Tadawul Company Platform

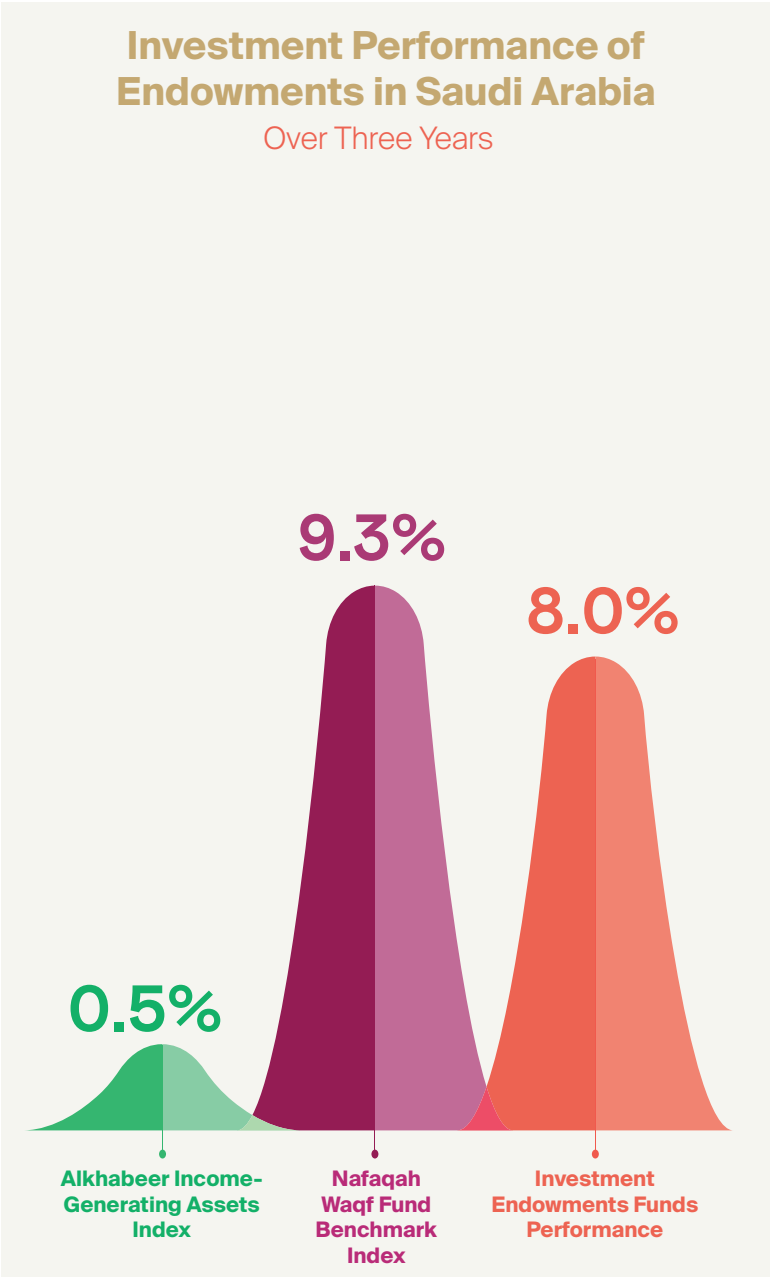
Financials

Investment Performance of Endowment Funds

Endowment investments funds achieved a positive return of 6.4% for the three-year average (2021-2023), and the performance rises to 8% when the lowest performing funds are excluded.

Compared to the available benchmarks, noting that there is no approved guiding indicator, we find that the performance was slightly lower than the approved benchmark of the Nafaqah Waqf Fund and higher than the Alkhabeer income-generating assets' index (benchmarked by the Alkhabeer Waqf Fund) for a three-year average. In addition, most of the funds' performance ranged between the two benchmarks.

This can be attributed to the fact that index of the Nafaqah Waqf Fund is weighted based on the strategic allocation, taking into account the weight of each asset class, such as local and global stocks, private equity, REITs, money markets, and sukuk, whereas Alkhabeer income-generating assets index is weighted by the performance of Saudi REITs and global Sukuk.



Best Performing Endowment Funds

Enayah Endowment Fund, Alinma Wareef Endowment Fund, Orphan Care Endowment Fund, and Nafaqah Waqf Fund outperformed the average percentage for 3 years till the end of 2023 with returns ranging from 9% to 10.2%. However, the majority of endowment funds had positive performance over the same period with average performance of 6.5% for all funds or 8% after excluding the lowest performing ones.

The market for endowment funds is still in its early stages, and a more comprehensive picture of investment performance will comprehensively appear in the coming years as the performance of newly established funds has begun to be recorded and the market gets more maturity towards more accurate performance averages

over 3, 5, and 10 years. However, improved asset distribution will be better reflected in investment performance as more fund managing entities get into the market with more diversified investment strategies and risk management in parallel with the growth of participants and assets expected in the coming years, but the guiding indicators cannot accurately and fairly reflect the performance of the funds due to the difference in asset distribution among them and the actual situation of endowment investment funds. This will require more transparency and disclosure from the funds' authorities to periodically announce their performance and publish compared performance levels with the chosen and appropriate indicators.



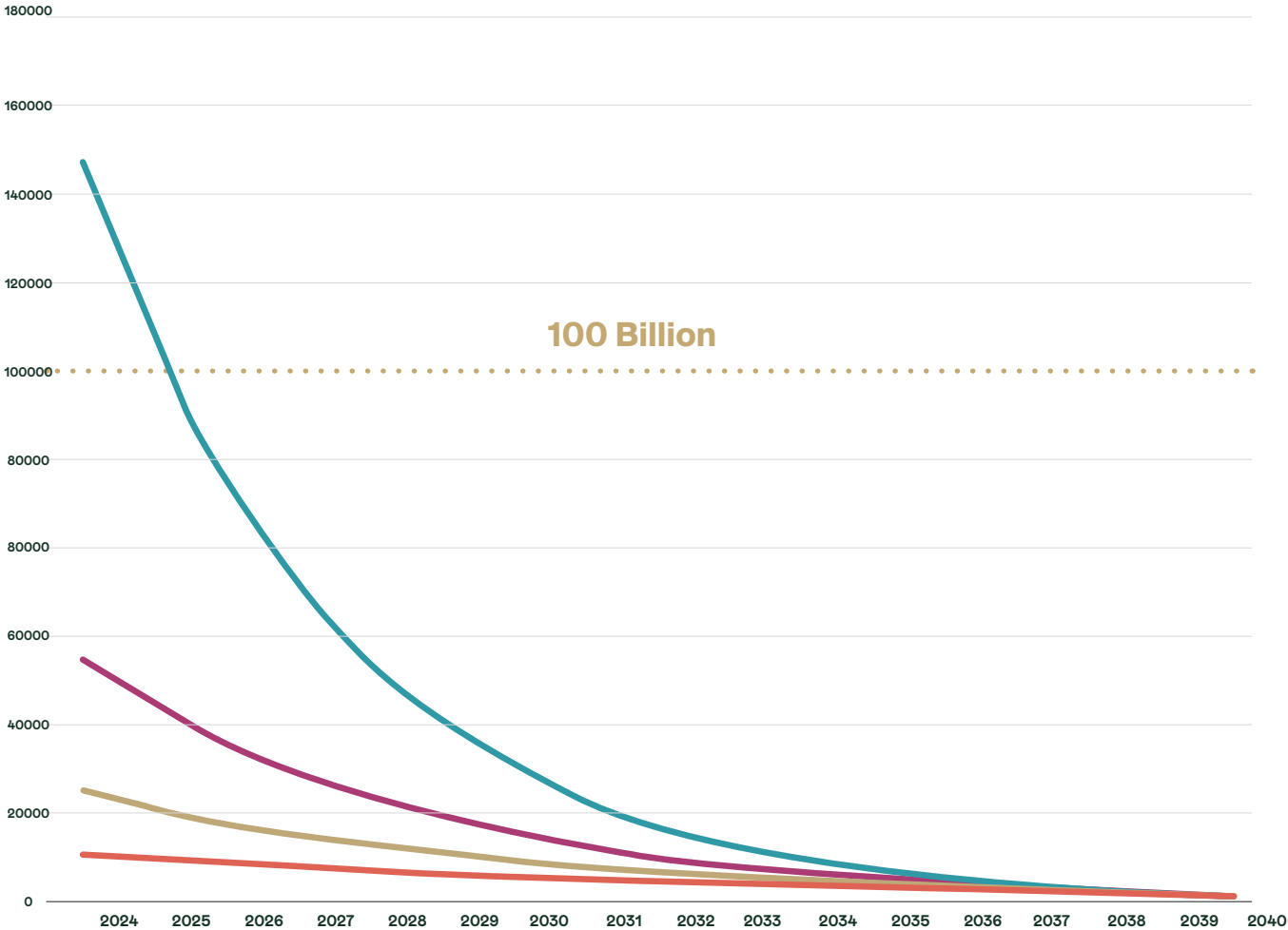
Financials

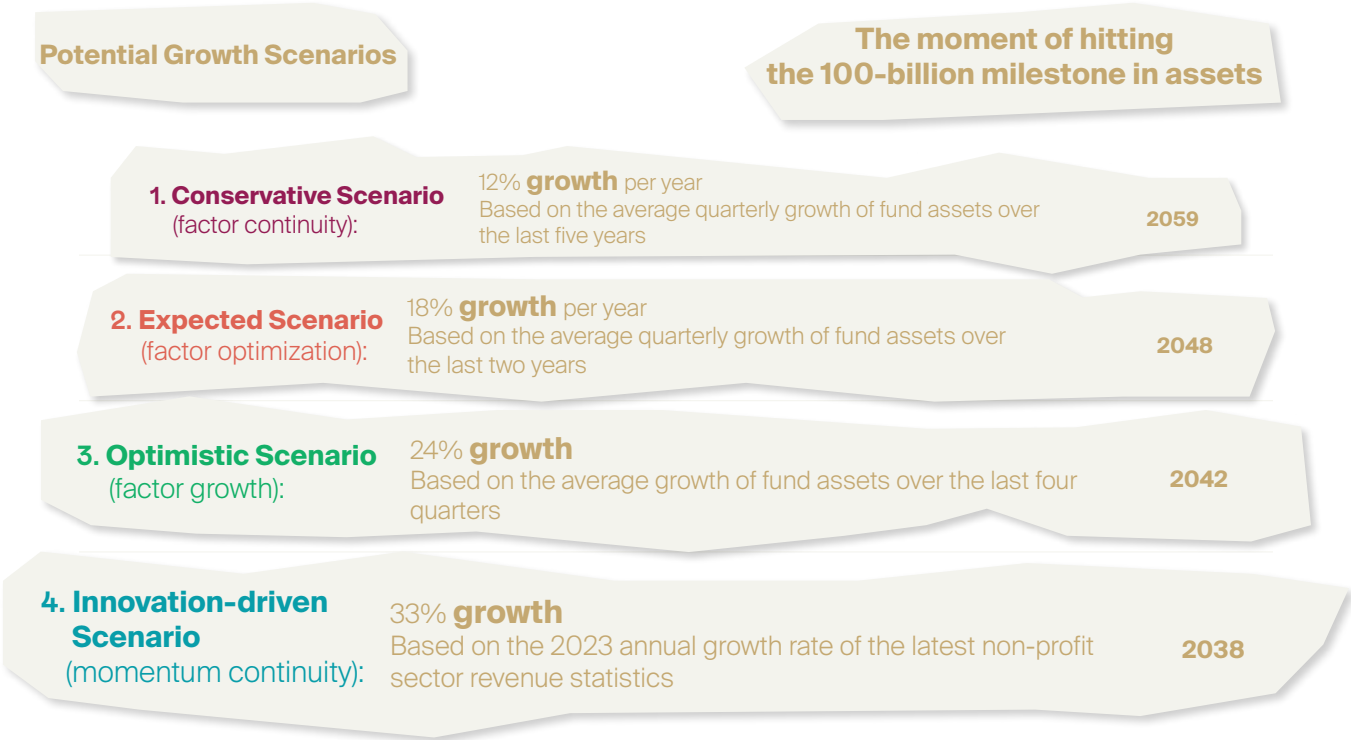
Growth Prospects for Endowment Investment Funds

Endowment investment funds are expected to unleash ambitious and sustainable growth in the Saudi non-profit sector, but their impact will be contingent on asset volume growth of certain levels where distributions highly support the non-profit sector’s revenue structure.

To estimate this, the research team prepared a set of growth scenarios that highlight the potential opportunities by 2040 and 2050 if current growth rates continue, with the aim of exceeding 100 billion as soon as possible so that potential revenue would be approximately SAR 3 billion, equivalent to around 6% of the sector’s revenue today.

Potential Endowment Investment Fund Asset Growth Scenarios (in millions)





Source:
King Khalid Foundation's estimates based on growth scenarios that rely on assumptions derived from real growth averages.

Giving

Official Fundraising Platforms

Over the last five years, government donation platforms have experienced significant growth, serving both as a tool to simplify the donor's journey and as a vital revenue source for the non-profit sector.

Since the launch of donation platforms, they have raised over SAR 15 billion, with 2024 emerging as the most successful year, generating 5 billion. Ehsan Platform had for the largest share of the value and number of donations.

Platforms' share of the total donation value by the end of 2024



59%



20%



10%



5%



4%



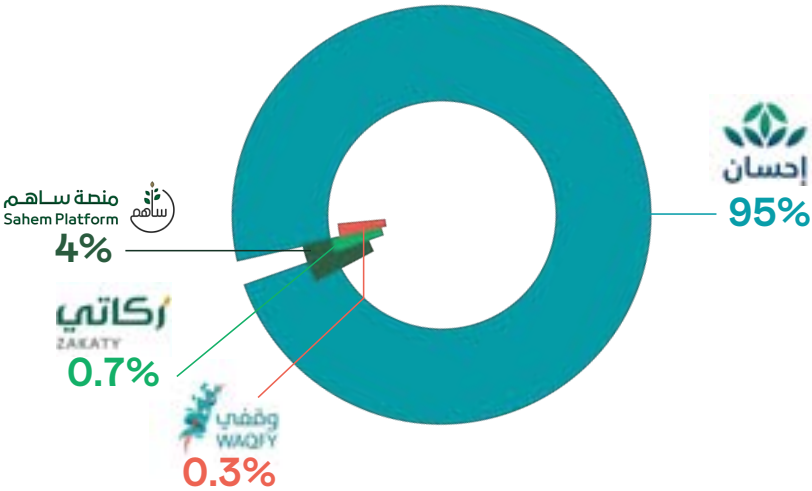
2%

Ehsan Platform has accounted for 95% of donations due to the large base of donors, the rest of the platforms shared the remaining 5%, with the highest number of donations going to Sahem platform.

In terms of donations' value, the Waqfy Platform ranked first with an average of SAR 15,000 per transaction, followed by Zakaty with about SAR 2,700, and Sahem with about SAR 110.

Due to the high volume of transactions, Ehsan platform recorded the lowest average donation value, with less than SAR 50 per transaction. This highlights the impact of a large number of small donations on liquidity volumes.

The platforms' contribution to the number of donation transactions



Average donation value in riyals per transaction



Source:
King Khalid Foundation's analysis of open data regarding donation platforms

Donation

Analyzing Liquidity Flows Across Fundraising Platforms

King Khalid Foundation's analysis indicate that small donations constitute the highest contributors to the total value, while donors with high value (those whose donations are above SAR 100K) contribute only 26% of donations on Ehsan Platform, with other donors contributing 74%.

Among donors with high value, fewer than 50 individuals or entities have donated SAR 10 million or more, accounting for 19% of the total donations. Further, they reached SAR 2.2 billion on Ehsan Platform, out of a total of 8.6 billion by the end of 2024.



26% Donors With High Value



74% The Rest of Donors

Donation Volume per Transaction Value Across Platforms in 2024

Further, small donations accounted for the largest share of the transactions on most of the platforms, where donations of SAR 10 are the most prevalent (approximately 35% of transactions) and SAR 1 as well (approximately 25%), so that 80% are formed by donations of SAR 10 or less.



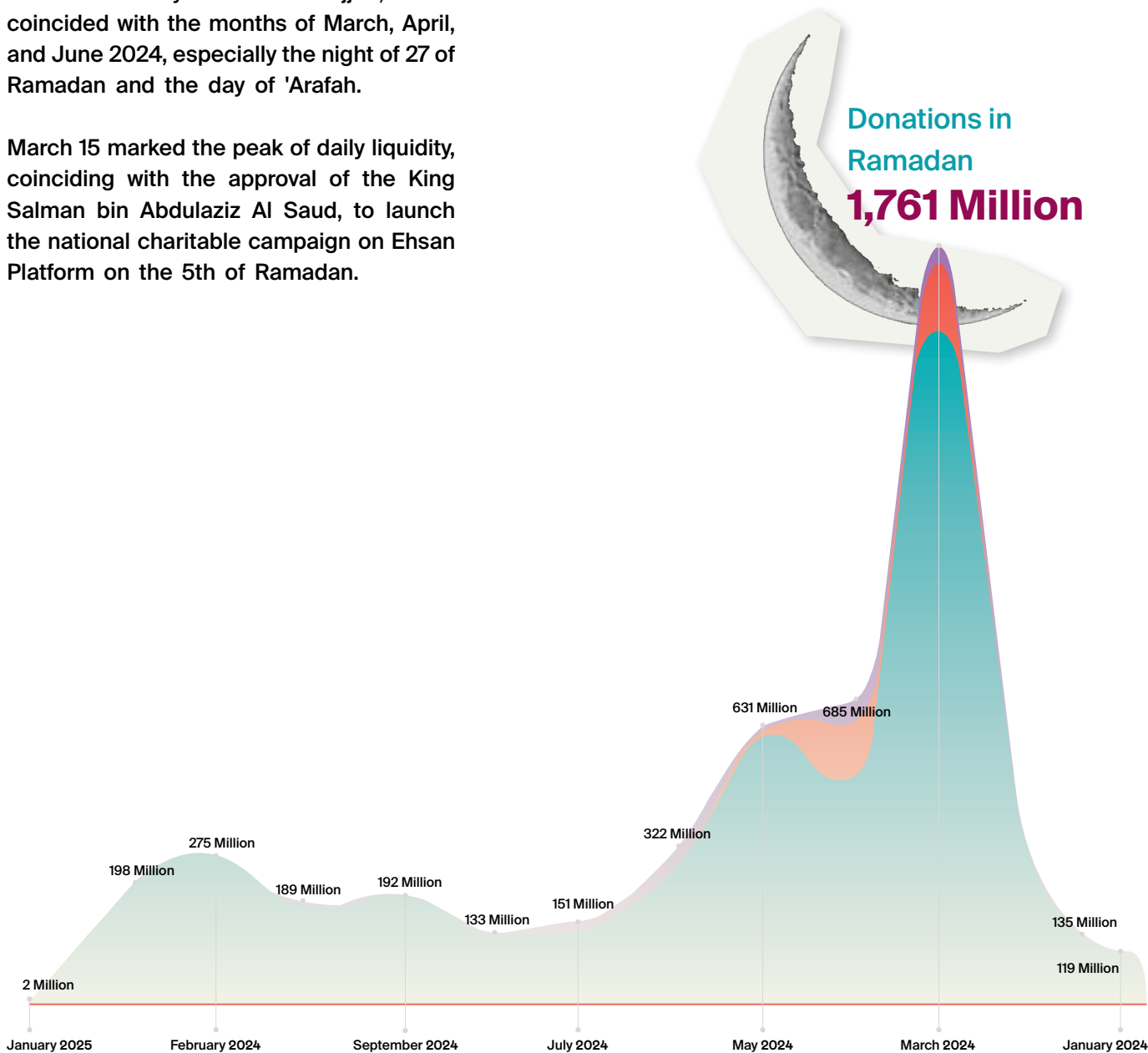
Source:
King Khalid Foundation's analysis of open data regarding donation platforms

Donation

Analyzing Donor Behavior in Fundraising Platforms

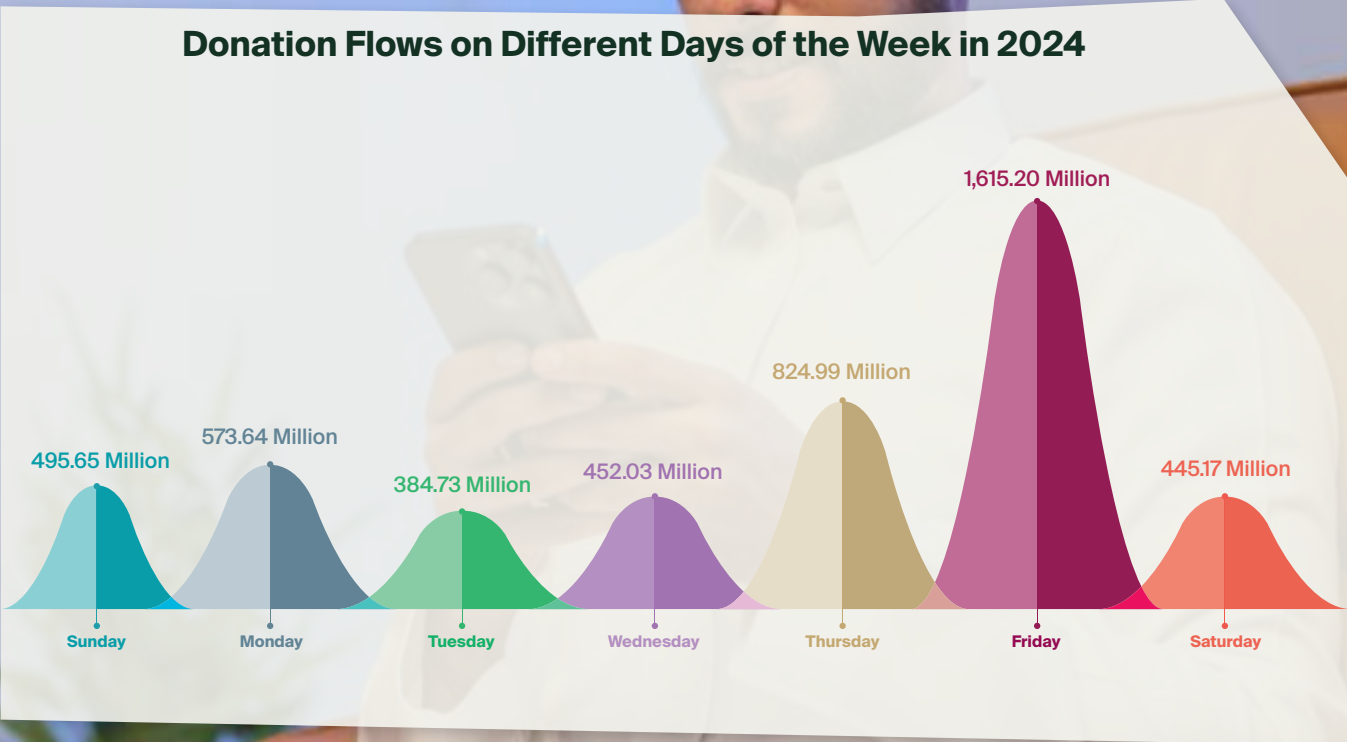
The analysis also indicate that most donations increase during religious seasons, such as the holy month of Ramadan and the first ten days of Dhu Al-Hijjah, which coincided with the months of March, April, and June 2024, especially the night of 27 of Ramadan and the day of 'Arafah.

March 15 marked the peak of daily liquidity, coinciding with the approval of the King Salman bin Abdulaziz Al Saud, to launch the national charitable campaign on Ehsan Platform on the 5th of Ramadan.



Donation Flows on Different Days of the Week in 2024

Fridays witnessed the highest volume of donations across platforms, followed by Mondays and Thursdays, which may refer to donors' interest in taking advantage of favorable times for donations during fasting days and looking for times when du'a/prayer is answered, such as during the last hour of Fridays, as analysis indicate that the most active hours were on Friday before sunset.



Source:
King Khalid Foundation's analysis of open data regarding donation platforms

Donation

Analyzing Donor Preferences Across Fundraising Platforms

Analyzing the completed donations opportunities, we find that it takes an average of 12 days for an opportunity to be closed and completed on Ehsan, usually with an average value of approximately SAR 200,000 serving an average of 5,500 beneficiaries, whose number increased to 3 million.

Furthermore, the projects were distributed in most of the Kingdom's regions in partnership with more than 2,300 charities, but the highest number was in Riyadh, followed by Makkah, Madinah, Jeddah, Jazan, and Dammam respectively. The majority of beneficiaries were in Makkah, Madinah, Jeddah, and Riyadh respectively. This is reflected in the growth in the number of beneficiaries of Umrah and Hajj pilgrims, as well as the services provided to them by NGOs.

Analyzing the content of the fastest-closing, completed opportunities, we find that orphan sponsorship, providing water aid, serving pilgrims, health operations, alleviating one's suffering, providing iftar for fasting Muslims, and maintaining mosques were the most in-demand opportunities, while the last ten days of Ramadan and the first ten days of Dhu Al-Hijjah (the month of Hajj) were the fastest closing days.

Organizations that received the most donations varied according to donors' preferences, but the higher percentage went to mosque maintenance associations, such as the Road Mosques Care Association and the Masajid Association as well as health associations, such as Health Enayah Society, Taiba Doctors Charitable Association (Hayat), Rohama'a Health Society, and the Health Endowment Fund. Among top donors' preferences were orphan associations such as the Charitable Association for Orphans Care in Madinah (Takaful) and water aid such as the Charity Association for Drinking Water Services (Erwaa). Nevertheless, donor preferences are not enough to ensure successful fundraising. It is also governed by the associations' ability to provide and integrate opportunities, governance, and delivery requirements, and the number of associations in each city.

The most in-demand donor opportunities

(fastest closing)



Source:

King Khalid Foundation's analysis of Completed Opportunities' Open Data Across Ehsan Platform

Donation Practices in Saudi Community

As per the results of the survey conducted by King Khalid Foundation, co-funded by the Saleh A. Kamel Humanitarian Foundation and Gallup by using a sample of 6,600 respondents, representing all the Kingdom's regions, half of Saudis reported donating in the last month. The data was collected in September 2024 without coinciding religious seasons to better understand donation behaviors. Data also includes informal ways of donations, like directly donating for individuals and families in need, not through the formal ways like platforms or associations. Informal donations and digital fundraising platforms received the highest percentage of contributions.

Percentage of Saudis who donated last month

47%

Distribution by Recipient of Donations

Government fundraising platforms 60.38%

Individuals or families 60.37%

Mosques 51.60%

Associations 49.08%

* The indicator allows to select multiple recipient organizations for each donor

When Saudi respondents were asked about the fields they donated for, we found that religious services (such as preaching and counseling) and social services were the most popular areas of interest, whereas professional fields and advocacy & support were the least prioritized areas of donation.

It is noteworthy that donor preferences have not dramatically affected the sector's revenue structure, as they appear to be more diversified and depend less on individual donations, with continued growth and maturity in revenue. Additionally, the government subsidies, which are usually directed to priority sectors, such as health, education, culture, and entertainment, play an important role in the sector's revenue. Thus, the culture and entertainment revenues came in third place, despite its low ranking in donor preferences.

Distribution of donations as per fields in the Saudi community

The fields that matter most to Saudis

Religious Guidance	47.46%
Social Services	45.79%
Supporting Volunteering and Charitable Work	30.97%
Education and Research	24.43%
Development and Housing	20.67%
Environment	17.04%
Culture and Entertainment	15.36%
Professional Associations	15.03%
Advocacy and Support	9.19%

Source:
King Khalid Foundation Analysis

Growth

Economic Contribution of the Sector

+100B

**Constitutes
3.3% of GDP**

The economic contribution of the Saudi non-profit sector reached SAR 102 billion, equivalent to 3.3% of GDP in 2023.

As the endowment sector contributed SAR 48 billion according to the General Authority for Awqaf, while the non-profit sector contributed SAR 47 billion as per the General Authority for Statistics. Volunteering activities generated additional SAR 5 billion according to King Khalid Foundation's estimates. As for cooperative societies, they allocated SAR 2 billion according to the Ministry of Human Resources and Social Development's data.

Economic Contribution in GDP (in billion)

Endowments

48.0B

Non-profit Organizations

47.0B

Volunteering

4.9B

Cooperative Societies

2.2B



2028

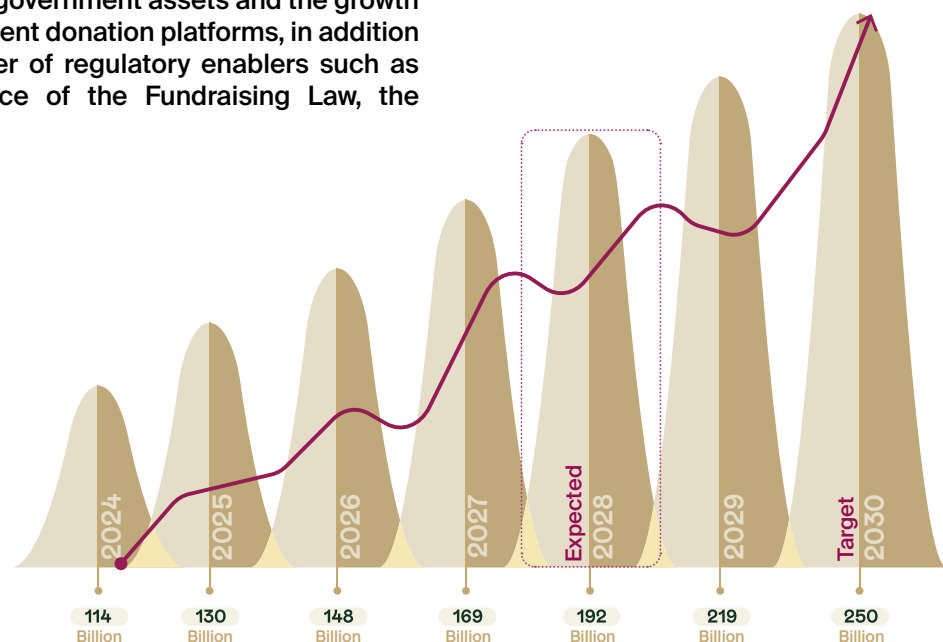
When Saudi Vision 2030 Target of Reaching
5% of GDP is Expected to be Realized

In this way, the non-profit sector has entered a new era of economic significance, with its current contribution far exceeding the 1.2% of GDP reported in the previous Non-profit Sector Outlook in 2023, surpassing several other economic sectors, including agriculture, electricity, gas, and water.

The growth of the non-profit sector was also faster than the rest of the economic sectors in the Kingdom as a result of the leaps driven by radical shifts in its structure, especially the transfer of government assets and the growth of government donation platforms, in addition to a number of regulatory enablers such as the issuance of the Fundraising Law, the

start of licensing non-profit companies, the maturity of the field of outsourcing services, and awarding government tender contracts to the non-profit sector.

Assuming current growth rates remain constant at an average of 20% per year, the sector is expected to achieve its target in Vision 2030 by 2028, two years ahead of the scheduled date, whereas 14% annual growth rate will be enough to meet the target on time.

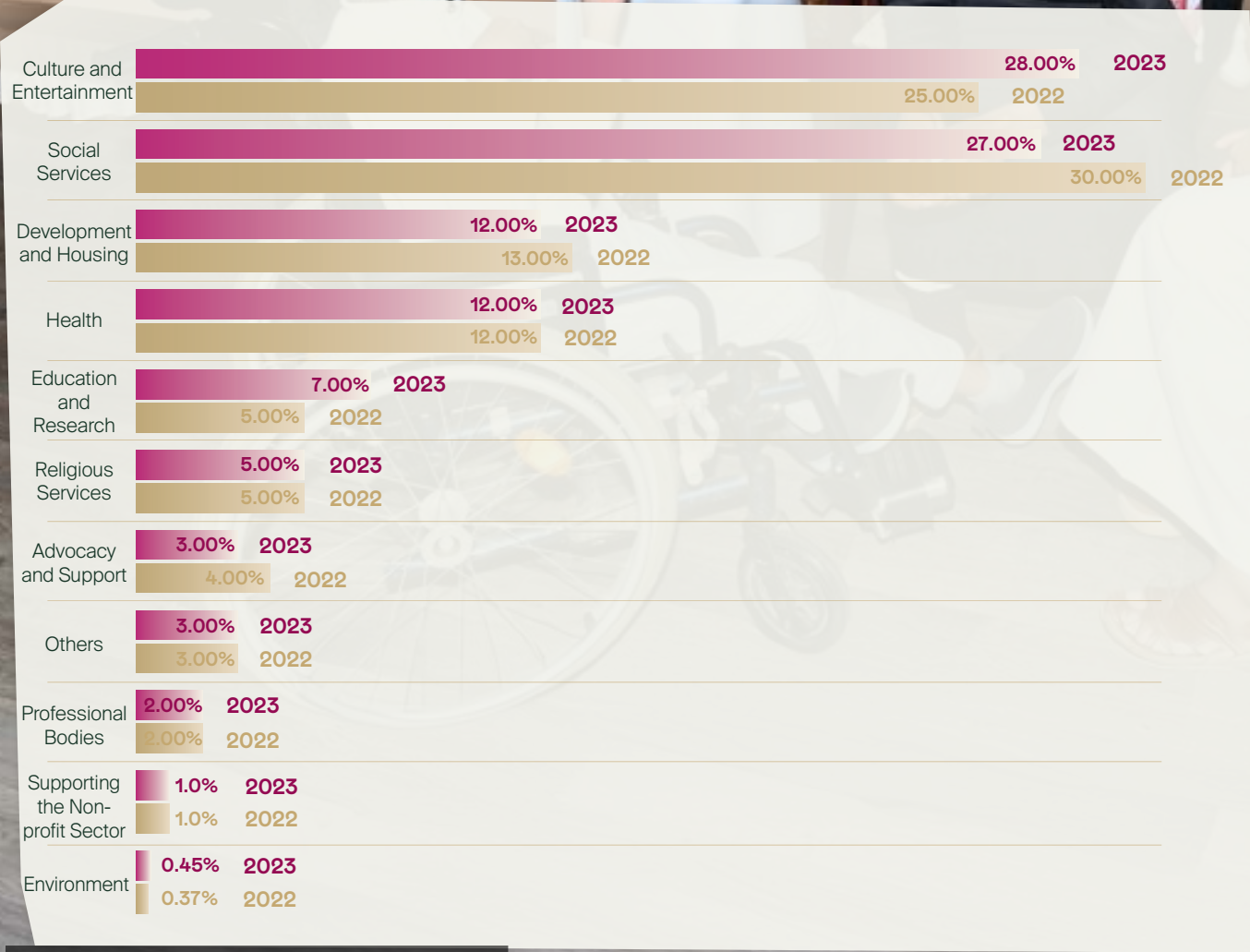


The economic contribution was estimated according to the United Nations methodology for measuring the impact of the non-profit sector on GDP through the expenses volume (according to the General Authority for Statistics' data, 2023), the contribution of the endowment sector (according to the General Authority for Awqaf's data, 2023), and the contribution of the cooperative sector (as per the Ministry of Human Resources and Social Development's data, 2023). That is in addition to the estimated value of volunteering work (by multiplying the value of the hourly wage in the Saudi labor market SAR 32.7 by the number of formal and informal volunteering hours of 150.2 million, as the average volunteer hours per person (52.2 hours) according to the results of the General Authority for Statistics' Voluntary Work Survey, 2018, multiplied by the number of Saudi volunteers, which was calculated by the Saudi volunteers rate of 23.47% of Saudi population in 2022 of 12.26 million Saudi adults).

People

Workers' distribution by non-profit activity

According to the Non-profit Sector Organizations Survey in 2023 conducted by the General Authority for Statistics, the culture and entertainment activity outperformed all other non-profit sector fields in terms of employment rates, outperforming social services as well as development and housing fields, while environmental activities, volunteering, and charitable work recorded the lowest rate.

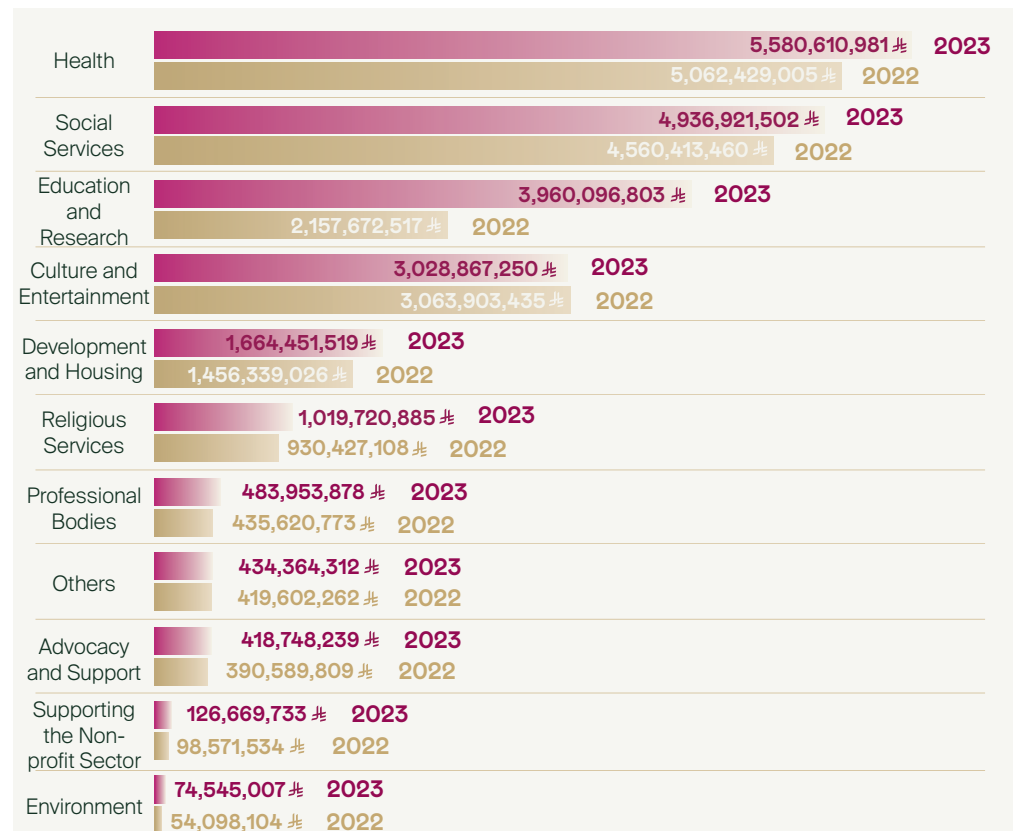


* Excluding endowments and owners' associations.

Non-profit Sector workers' compensation budget by activity

As per Non-Profit Sector Organizations Survey in 2023, General Authority for Statistics

Health organizations have the largest salary budgets compared to other non-profit sector organizations, surpassing social services, education and research, while environmental activities, volunteering, and charitable work recorded the lowest in compensation allocation.



* Excluding endowments and owners' associations.

People

Average Wages in Non-profit Sector

Based on open data for the third quarter of 2024 from the General Organization for Social Insurance for Saudi workers
The non-profit sector continued to provide decent wages for employees compared to the average wage in the private sector.

Average monthly wages in the non-profit sector in the public and private sectors (in SAR)

Public Sector

14400 ﷲ

Charities

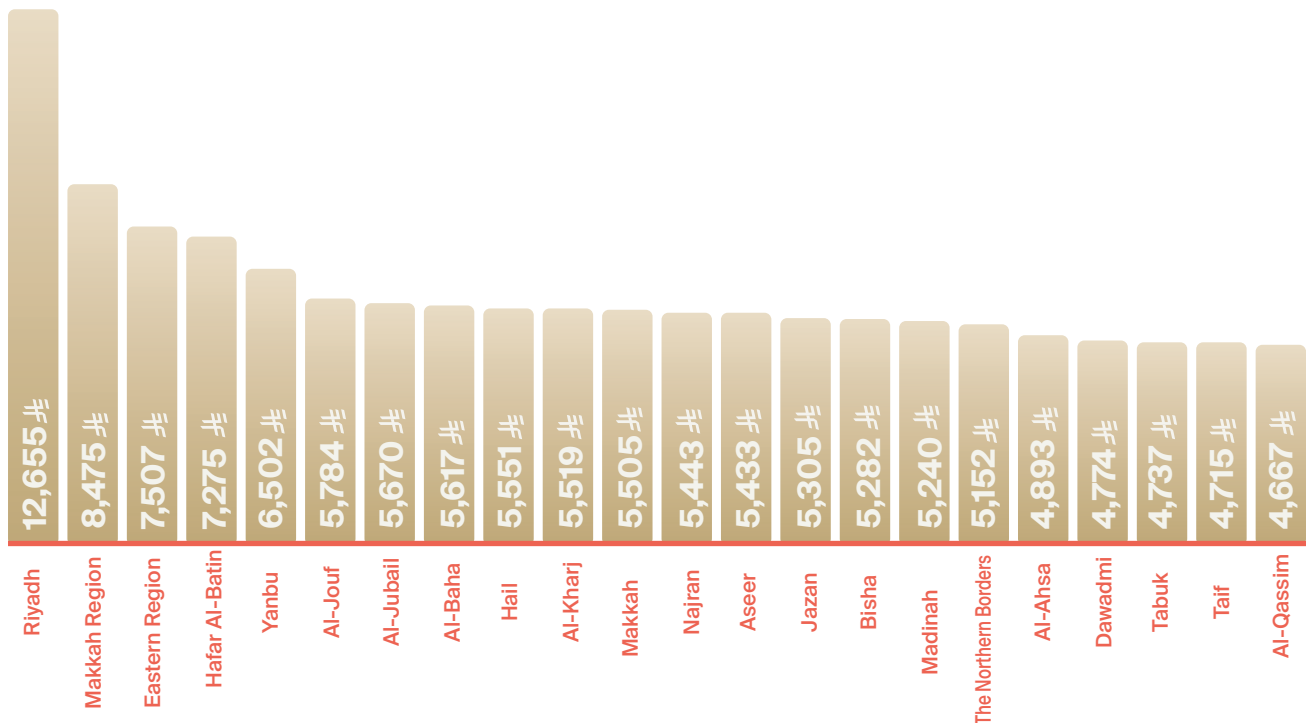
8670 ﷲ

Private Sector

7699 ﷲ

Average Wages in the Non-Profit Sector Across Social Insurance Offices in Different Regions and Governorates

Average salaries in the non-profit sector are around SAR 13,000 maximum in Riyadh and at least SAR 4,700 in Al-Qassim.

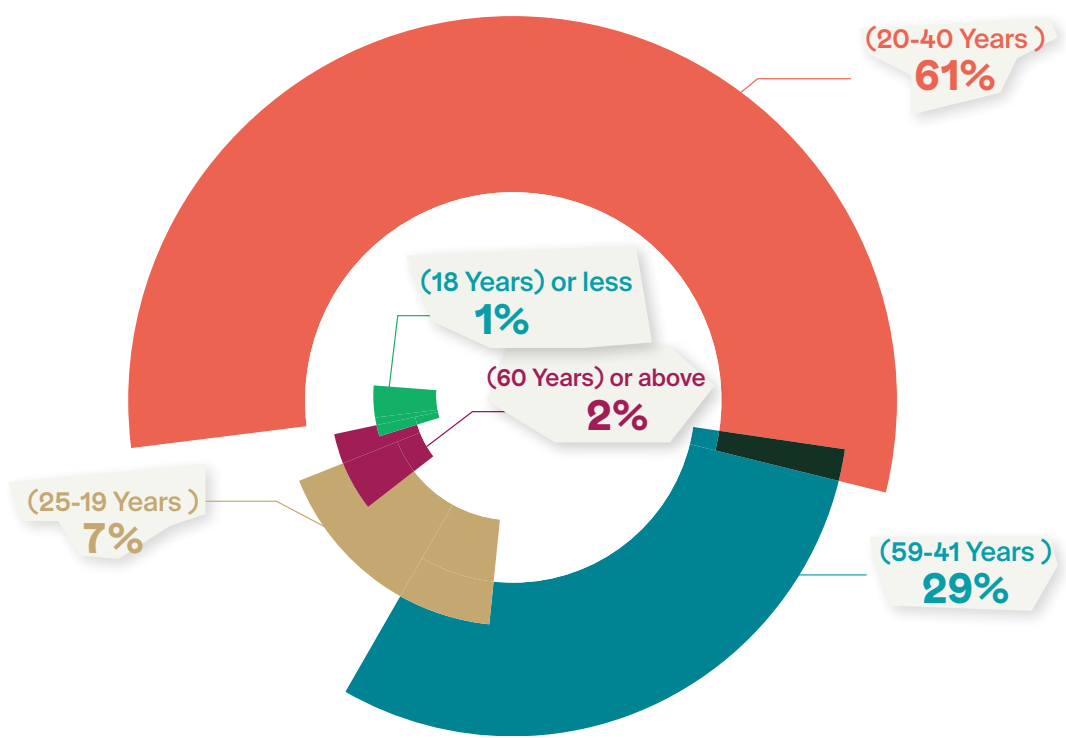


Workforce Age in Non- profit Sector

Based on open data for the third quarter of 2024 from the General Organization for Social Insurance for Saudi workers

There are 61% of workers in the non-profit sector between the ages of 20-40, making up the vast majority, followed by 29% of workers aged between 41 and 59, while youth and the elderly make up 10% of the workforce.

The private sector outperforms the non-profit sector in youth employment, and this may be one explanation for having different wage rates for Saudis in the two sectors, with youth working at higher rates in the private sector and a higher percentage of adults in non-profit sector.

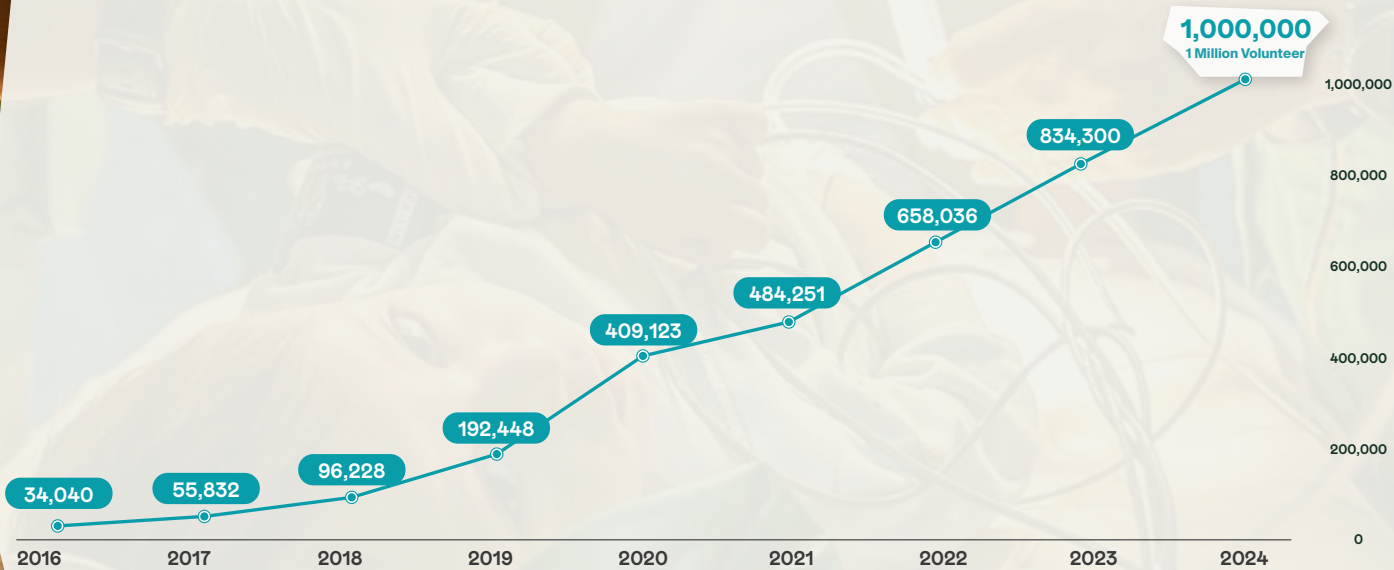


People

Volunteers

Volunteers were able through determination and resolve to exceed the Saudi Vision 2030 target of reaching one million volunteers in 2024, according to the National Platform for Volunteer Work's data. It is noteworthy that these figures are not inclusive as they do not capture informal volunteering; therefore, we emphasize the importance of updating the data for the non-profit sector by re-implementing the Voluntary Work survey, which was originally conducted by the General Authority for Statistics in 2018.

No. of Volunteers 2016 -2024



Volunteers: Non-profit Sector Heroes



Source:
National Transformation Program' Annual Reports

People



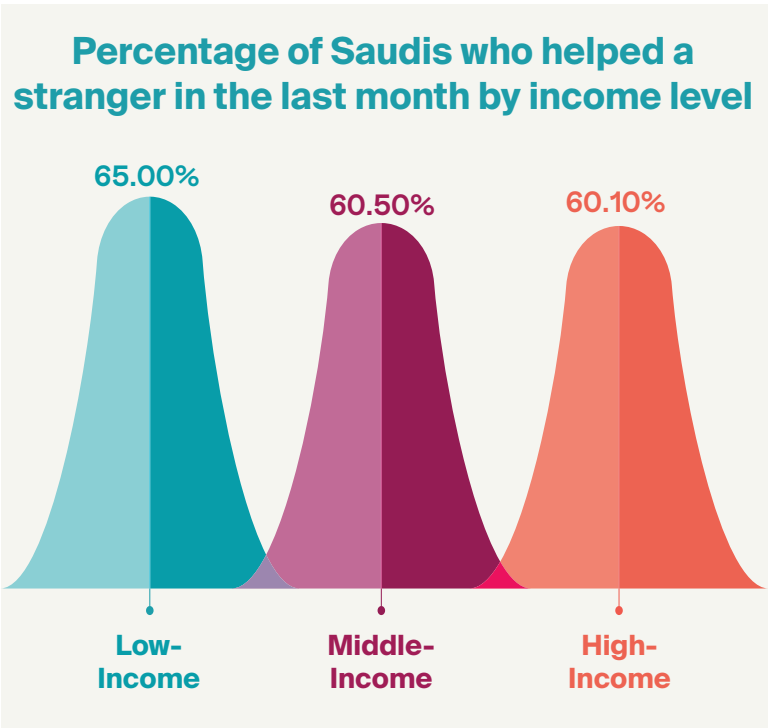
مؤسسة الملك خالد
KING KHALID FOUNDATION



مؤسسة
Saleh Abdullah Kamel
Humanitarian Foundation

The King Khalid Foundation, co-funded with the Saleh A. Kamel Humanitarian Foundation and the global polling firm Gallup, a representative survey to try to understand Saudi’s volunteering behaviors in 2024.

Illustrating high levels of social cohesion in Saudi community, with 61% of respondents helped a stranger in the last 12 months.

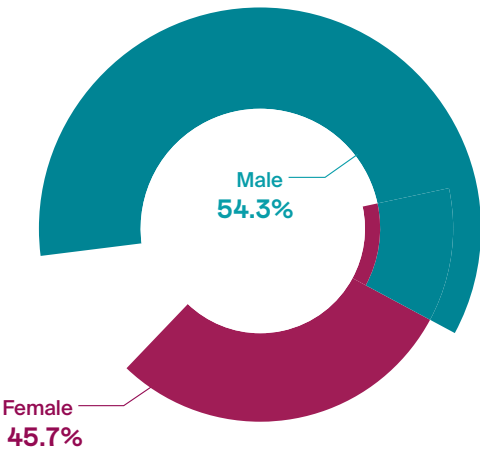


Remarkably, lower-income groups surpassed in helping others, in a sign that the value of giving and charitable work is deeply rooted in the Saudi community.

Percentage of Saudis who helped a stranger in the last month

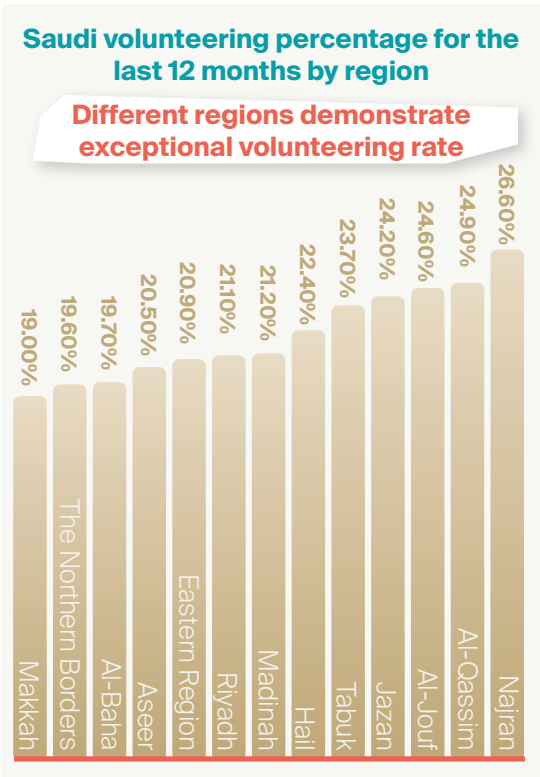
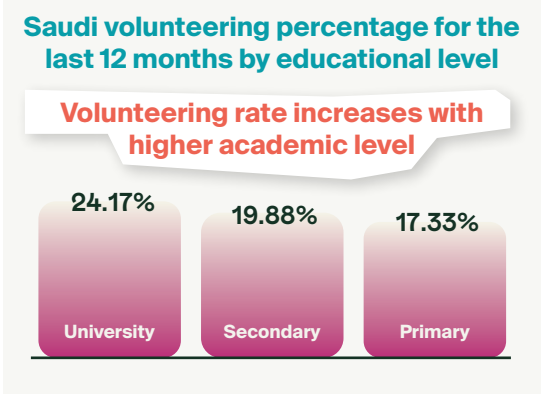
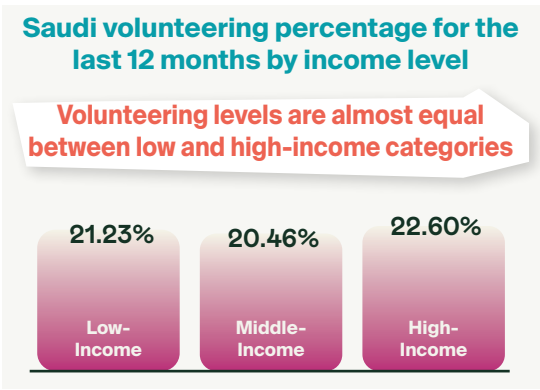
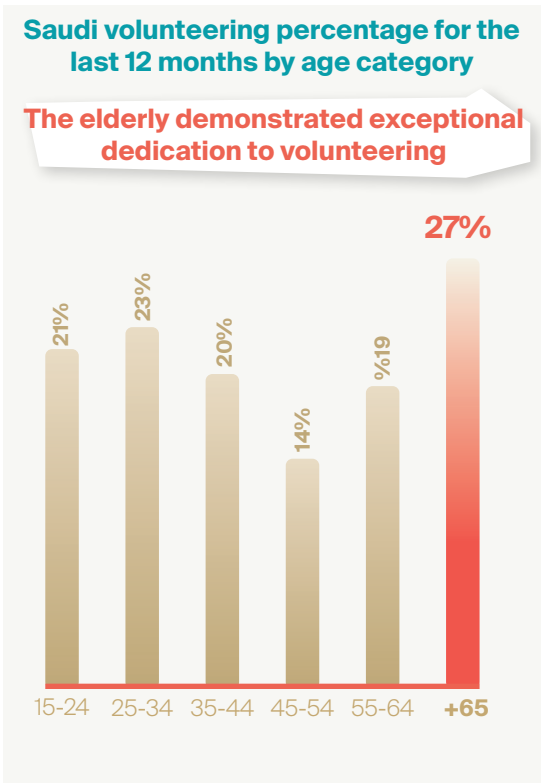
61%

Percentage of Saudis who helped a stranger in the last month by gender



Saudi volunteering percentage
for the last 12 months

23% of Saudis
volunteered in 2024

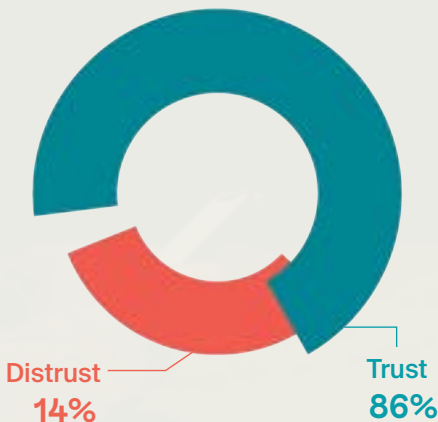


Perception

The Foundation has been periodically measuring the level of community trust in the non-profit sector since 2017, when it reached 73%, and it recorded an increase in 2024 with 86%.

Trust Levels in Non-profit Sector in Saudi Community

86%



Percentage of Saudis who don't trust the non-profit sector in 2024

14%

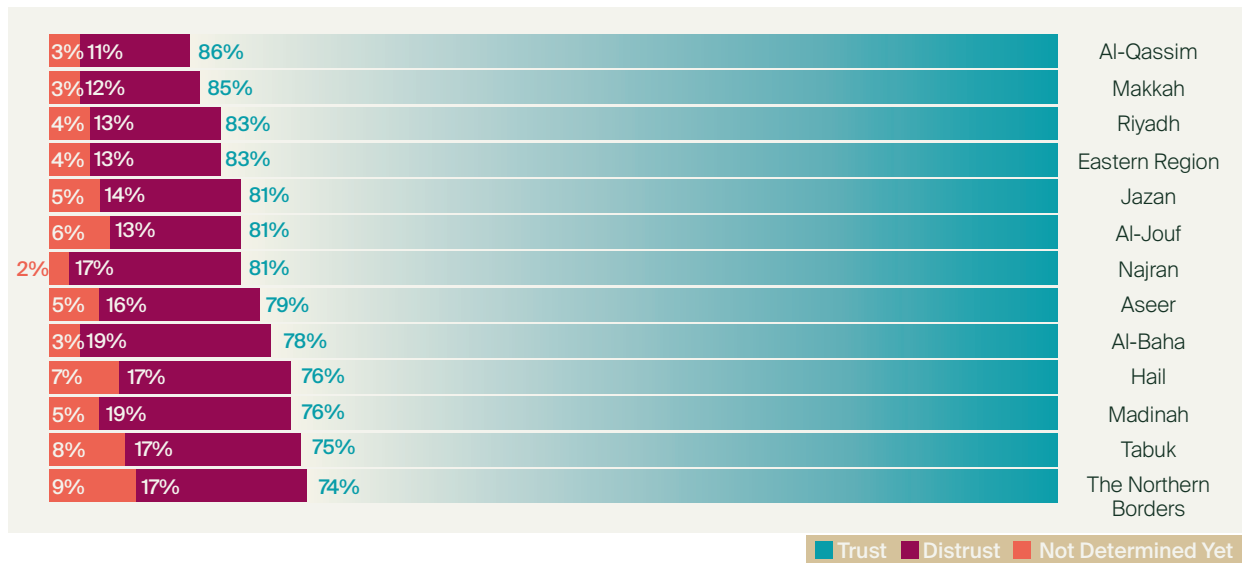
Percentage of Trust Growth Rate in Non-profit Sector

2017 - 2024

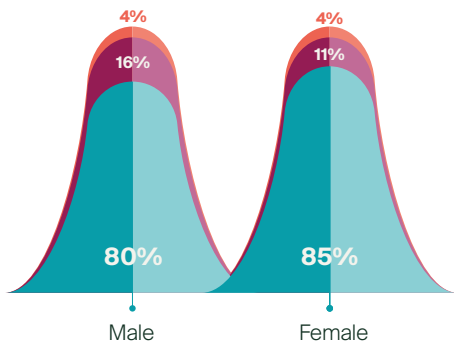


Perception

Community trust in the sector by region



Community trust in the sector by gender



Community trust in the sector by age category

Higher levels of distrust among younger age group

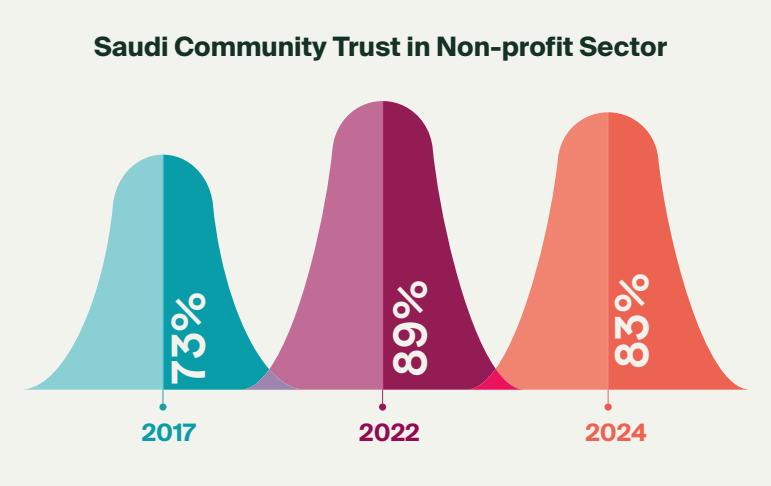


Community trust in the sector by income level

Higher levels of distrust among the low-income category compared to the rest



Despite the increase in community trust, there is a slight decrease found between 2022 and 2024.



Through social listening tools on social media platforms, we monitored a number of interesting aspects of people's opinions and interactions with non-profit activities, where the positive view and the negative perspective were identified as follow:



Ambition

The non-profit sector in Saudi Arabia is experiencing historic stages of growth, which have been documented in various editions of the Non-profit Sector Outlook Report. The 2025 edition records the non-profit sector's growth to levels that were not expected to be reached so quickly and even earlier than the 2030 target's defined schedule.

Our ambition for 2030 for the Saudi non-profit sector to be the most prominent sector in the Middle East and a strong competitor in Asia and the whole world. This is a possible ambition now with the passing of the SAR 100 billion mark in economic contribution.

In this Report, we provide a number of recommendations to support greater financial sustainability for the non-profit sector, in addition to accelerate specialization witnessed over the last two years. Other recommendations also aim to eliminate some practices that harm the perception of non-profit activities and affect the rates of social trust in the sector.



1.

Maximizing impact of endowment investment funds by targeting SAR 100B as a total asset volume by 2040 through:

A- Abolishing the minimum requirement of SAR 10 million for establishing endowment investment funds in the licensing instructions issued by the General Authority for Awqaf;

B- Adopting the practice of match funding by the Charities Support Fund, the General Authority for Awqaf, and foundations to optimize the marketing of endowment funds by the beneficiary and fund managers;

C- Suggesting that the Saudi Central Bank conducts a study of the idea of transferring the balance of abandoned accounts to endowment investment funds whose revenues will be go to NGOs; and

D- Requiring overseeing boards of neglected and developing endowment properties to either invest in the properties to fulfill their intended purpose within a set time frame or offer them for partnership opportunities for creating investment funds to develop them in collaboration with licensed financial companies, with the endowment retaining ownership in the form of a percentage of the investment fund, equivalent to the fair value of the property.

Ambition

2.

Encouraging NGOs' leaders

to establish more specialized councils for associations in fields, such as charity, water aid, Hajj & Umrah services, and environmental activities, supporting better provision of services for beneficiaries of these associations, providing opportunities to exchange expertise and knowledge, and maximizing the impact of effort exerted and activities. This is similar to existing specialized councils for health, youth, housing, family development, orphans, and persons with disabilities.

3.

Promoting support from Grant-making Foundations for "Sister Societies",

which support the establishment of branches of successful associations in new cities and establishing charities with multiple specializations for new separate single-specialty ones in their respective cities, encouraging specialization, maximizing impact and reach, and contributing to meeting the diverse development needs in cities and governorates.

4.

Transferring technical supervision over family development charities to the Family Affairs Council and persons with disability charities to the Authority of People with Disability.

5.

Considering amending the by laws of the Health Holding Company to operate according to the non-profit model, similar to the King Faisal Specialist Hospital & Research Centre and King Khaled Eye Specialist Hospital and Research Center's, without prejudice to the state's ownership of the company and its mechanism of operation on commercial bases.

6.

Transferring of amateur club registration

from Hawi Association to the Quality of Life Program Center, ensuring that clubs are given an official and legal cover to be legal entities capable of operating independently.





Policy Design and Advocacy Program
King Khalid Foundation 2025

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