



## JCIE SPECIAL REPORT

# US Giving in Response to Japan's March 11 Disaster Tops \$630 Million

A JCIE survey of hundreds of American and Japanese organizations estimates that Americans have donated \$630.2 million to aid victims of Japan's massive March 2011 earthquake. This ranks as the largest US philanthropic outpouring ever for a disaster in another developed nation and the third most generous American charitable response in history for any overseas disaster.

This massive philanthropic outpouring comes in response to the deadliest natural disaster to strike a developed country in modern history. The 9.0 magnitude earthquake and the tsunami that followed it devastated a 400-mile-long swath of coastline in Japan's northeast, leaving nearly 20,000 dead or missing and displacing almost half a million people. The Japanese government has estimated damages at \$216 billion (¥16.9 trillion), making it the most costly disaster in world history. While remarkable progress has been made in the recovery, the scope of destruction was so enormous that more than 300,000 people remain displaced a full year after the disaster and long-term efforts to rebuild communities, revitalize local economies, and deal with the psychological impact of the tragedy are just starting to gain traction.

### **Trends in US Giving for 3/11**

The disaster prompted an unprecedented level of charitable giving within Japan and it also sparked an outpouring of philanthropy from around the world. Still, while private charitable giving from Japan's neighbors—most notably Korea and Taiwan—reached historic levels, the largest single overseas source of private philanthropy has been the United States. Americans have donated generously after numerous overseas disasters in recent years, but in dollar terms their response to the 3/11 disaster was surpassed only by the outpouring of US giving for the 2004 Indian Ocean tsunami and the 2010 Haiti earthquake.

### *Importance of grassroots ties*

The most striking aspect of the US philanthropic response to the 3/11 disaster has been its breadth. Thousands of schools, churches, and community organizations around the United States held fund-raising drives to support organizations helping Japan, and more than 120 individual US organizations

acted as intermediaries to channel funds to Japanese recipients on the ground. Forty of these groups raised more than \$1 million each in donations, and a dozen surpassed \$5 million.

Strong people-to-people ties at the grassroots level clearly played an important role in mobilizing Americans. More than 60 organizations dedicated to different aspects of US-Japan exchange raised funds for Japan, collecting a total of \$48 million. These include Japan-America Societies around the country, which raised more than \$24 million combined, sister city organizations in 44 cities and towns, which gathered \$1.7 million for their Japanese counterparts, and American alumni of the Japan Exchange and Teaching Program (the JET Program, which brings young college graduates to teach in the Japanese school system), who raised more than \$300,000.

### *Role of the US-Japan business community*

Many US businesses have subsidiaries, clients, or suppliers in Japan, and these ties also appeared to have played a decisive role in the robust response of the American business community. Hundreds of US corporations made large donations to organizations providing aid to Japan, and nearly 50 have pledged at least \$1 million. In many instances, corporate donations were supplemented by fundraising initiatives spearheaded by employees, ranging from bake sales and charity sporting events to creative campaigns such as one at the US subsidiary of a Japanese bank that gave employees special permission to wear casual attire in the workplace in exchange for small donations.

### *Contributions from international development and relief agencies*

Notably, Japan is a rich country that has traditionally been a donor for international relief activities, not a recipient. However, the bulk of US funds for the disaster—almost 70 percent—has been channeled through international development and relief agencies that are accustomed to responding to disasters in developing countries. In this case, the magnitude of the disaster was so immense that it was clear that outside assistance was needed in Japan. This was especially true for its nonprofit sector, which is relatively small by international standards and has limited capacity.

For many of the international development and relief organizations fundraising for Japan, established ties with Japanese partners made a big difference, both in motivating them to raise funds and in ensuring that those funds could be channeled to trustworthy and effective Japanese organizations on the ground. Six of the 10 international development and relief agencies that raised the most for Japan had partner organizations that they had previously worked with in the country. This familiarity seems to have helped them overcome some of the challenges that donors have faced in identifying effective projects that take into account the societal context, the fluid situation on the ground, and the need to avoid overlap with national and local government initiatives.

Largest US Fundraising Campaigns for the 3/11 Response*		
1	American Red Cross	\$312,000,000
2	Save the Children	\$26,200,000
3	World Vision	\$14,000,000
4	Mercy Corps	\$13,800,000
5	Latter-day Saint Charities	\$13,000,000
6	Japan Society of New York	\$12,500,000
7	United Methodist Committee on Relief	\$12,100,000
8	Salvation Army	\$9,600,000
9	AmeriCares	\$8,500,000
10	GlobalGiving	\$8,400,000

\*US portion of total funds raised worldwide as of March 2012

## Impact of US funding

Japanese nonprofits have played an unprecedented role in the current disaster response, reacting nimbly to provide emergency relief during the initial stages and supporting the recovery by carrying out a wide range of activities at the community level—PTSD and mental health counseling, after-school tutoring, and economic revitalization initiatives, to name a few—that the local and national governments have lacked the capacity to undertake. However, at the start it was unclear how large of a role the nonprofit sector could play since it remains underdeveloped in comparison with what is commonplace in other advanced nations. In large part, this is due to the weak state of Japan’s domestic philanthropy.

This left an important gap that American funding has helped to fill. After the disaster, donations poured in from around Japan, as well as from overseas, but most went to governmental entities or the traditional funds (*gienkin*) that provide cash payments to survivors. Only a small portion of these donations went to support the activities of nonprofit organizations responding to the disaster.

However, almost 85 percent of US charitable contributions—altogether \$532 million—has been allocated for nonprofit activities in Japan. The full amount contributed by domestic donors in Japan as well as by other overseas donors is still unclear, but roughly \$1.4 billion (¥110 billion) has been donated to support the country’s major nonprofit initiatives on disaster relief and recovery. American donations for the nonprofit response are equivalent to more than one-third of this total, an amount that has significantly expanded the ability of the nonprofit sector to contribute to relief and recovery efforts. Through their focus on supporting nonprofit organizations, it is clear that American donors have had an outsized impact on the 3/11 response, while potentially helping to lay the foundation for a stronger and more vibrant Japanese nonprofit sector.



### Survey methodology

In January–February 2012, JCIE staff in New York and Tokyo gathered information from more than 750 American and Japanese organizations—252 US nongovernmental organizations, 450 US corporate donors, and 51 of Japan’s leading nonprofit organizations—via telephone, email, and online research to come up with an aggregate tally for US giving for the 3/11 disaster.

The estimate of US giving includes corporate donations, foundation giving, and individual donations through US-based organizations. It counts funds that are disbursed or committed to Japan, and it excludes contributions from governmental agencies. Special attention was paid to minimizing the potential for doublecounting donations that passed through more than one organization in the United States. Two of Japan’s largest nonprofit organization, the Japanese Red Cross and the Central Community Chest of Japan, operate large *gienkin* funds that make cash payments to survivors. Contributions to these funds are not counted as “support for nonprofit activities,” however contributions to the Japanese Red Cross for its separate long-term recovery initiative, which is more typical of a nonprofit initiative, and to the Community Chest for its grantmaking to nonprofits are included.

The estimate of total giving for the activities of major nonprofit organizations in Japan involved in the 3/11 response is the sum of a) funds raised by the 30 major Japanese and foreign nonprofit organizations working on the 3/11 response, including all that collected at least ¥80 million (\$1 million); b) total contributions to Japanese grantmaking funds (those that have raised over ¥50 million, or \$625,000) that have been created to support nonprofits responding to the disaster; c) Japanese corporate giving (including funds from industry associations and those collected by companies from employee and consumer initiatives) to nonprofit organizations, as estimated by Keidanren

(Japan Business Federation); and d) contributions disbursed by all major Japanese foundation giving programs that specifically supported the disaster response.



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**About the Japan Center for International Exchange (JCIE)**

A nonpartisan and nonprofit organization, JCIE is one of Japan's leading international affairs organizations. It carries out policy research and dialogue on pressing international issues, conducts leadership exchanges, and promotes a greater understanding of civil society and philanthropy. Since the March 2011 earthquake, JCIE has disseminated information about the disaster response, encouraged greater coordination among Japanese and overseas organizations, and facilitated more than \$5 million in overseas funding for Japanese nonprofits responding to the disaster.

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