

Joining God



Releasing



childhood

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in

Jesus' name



A Letter from Compassion International's President and CEO, Santiago "Jimmy" Mellado

This year, we've leaned more heavily than ever before into a phrase that changes the way we think, act and work — "joining God." This has transformed how we operate, how we interact with our global Compassion family and how we champion other organizations, partnerships and the people around us.

These words, "joining God in releasing children from poverty in Jesus' name," are written on our executive conference room wall as a daily reminder that this work belongs to him. We are merely co-laborers, partnering with so many all over the world that have accepted his invitation.

God is working through individuals, families, churches, nonprofit organizations, for-profit companies and so many others to accomplish his work. Compassion has been called to a strategic role in that story — we get the privilege of empowering others to embrace their calling and to make a life-changing difference for children living in poverty.

Releasing children from poverty is why we exist, but Compassion didn't release a single child in 2019. God did. It was God working through the frontline church. It was God working through the committed supporter. It was God working through the strategic partnership. It was God working through our team members. We had the incredible honor of connecting people together and now we get to tell those stories.

In the pages that follow, I'm excited to share stories with you from 2019, of dreams that are coming to life, talents that are being used for good, and passions and purposes that are being amplified. Let's celebrate that together.

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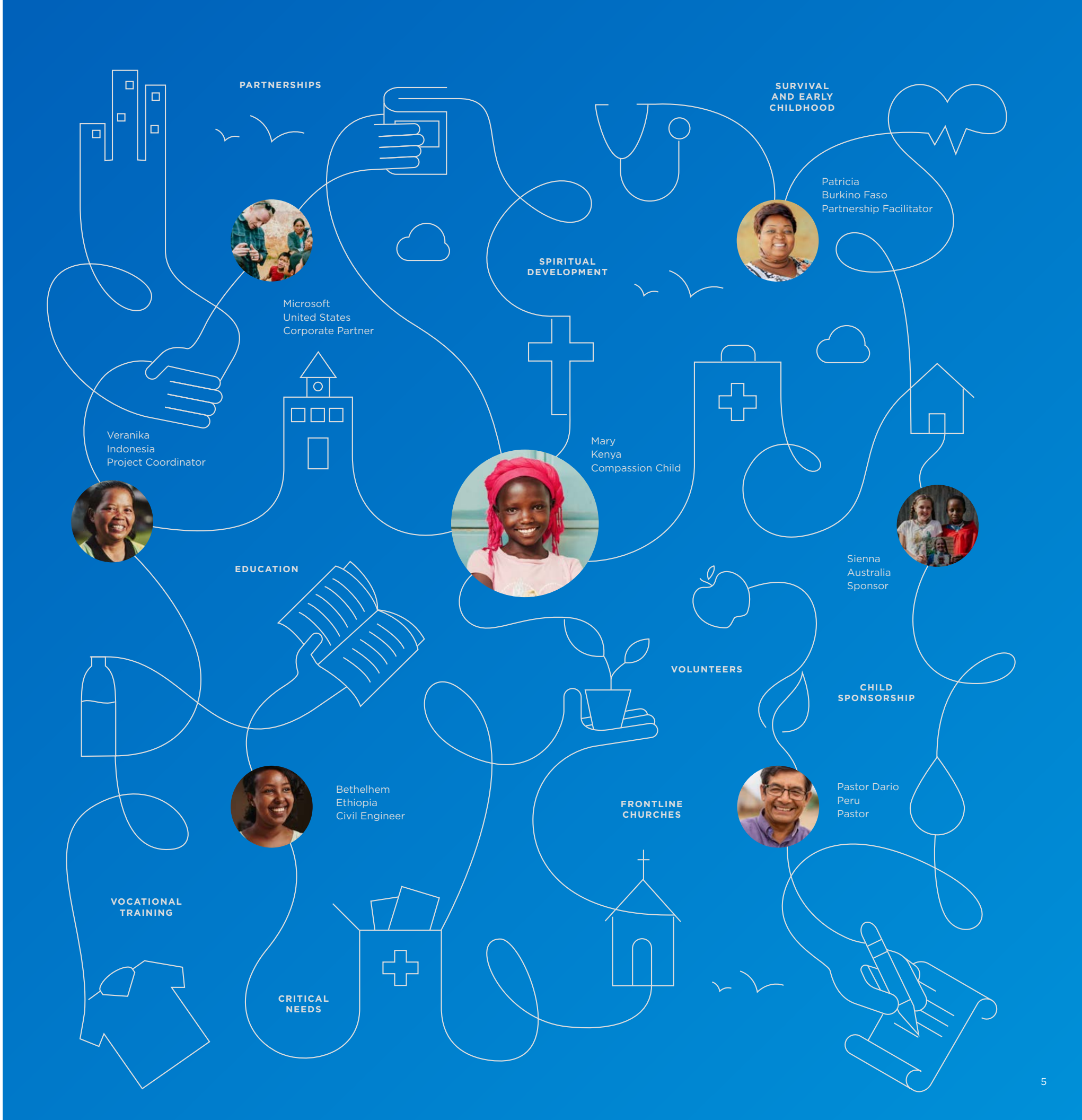


Our Global Family

2018 → 2019

In 2019, we've been inspired by passionate people all over the world. Every person's role looks a little different, but it's what we are being invited into that connects us together. Here's a snapshot of what our global family looks like.

2,100,898	7,565
CHILDREN	FRONTLINE CHURCHES
104,676	3,636
VOLUNTEERS	TEAM MEMBERS
1,625,718	17,147
SUPPORTERS	SUPPORTING CHURCHES
25	14
PROGRAM COUNTRIES	FUNDRAISING COUNTRIES





Naw-Ehmuek
Age 10, Thailand

We are on a mission. Releasing children from poverty in Jesus' name.

Our holistic child development model is unique because of three distinctives:

CHRIST-CENTERED Because Jesus is our core, everything we do for children is meant to reflect God's heart.

CHURCH-BASED Our programs are run exclusively by thousands of local churches as catalysts for change in 25 countries around the world.

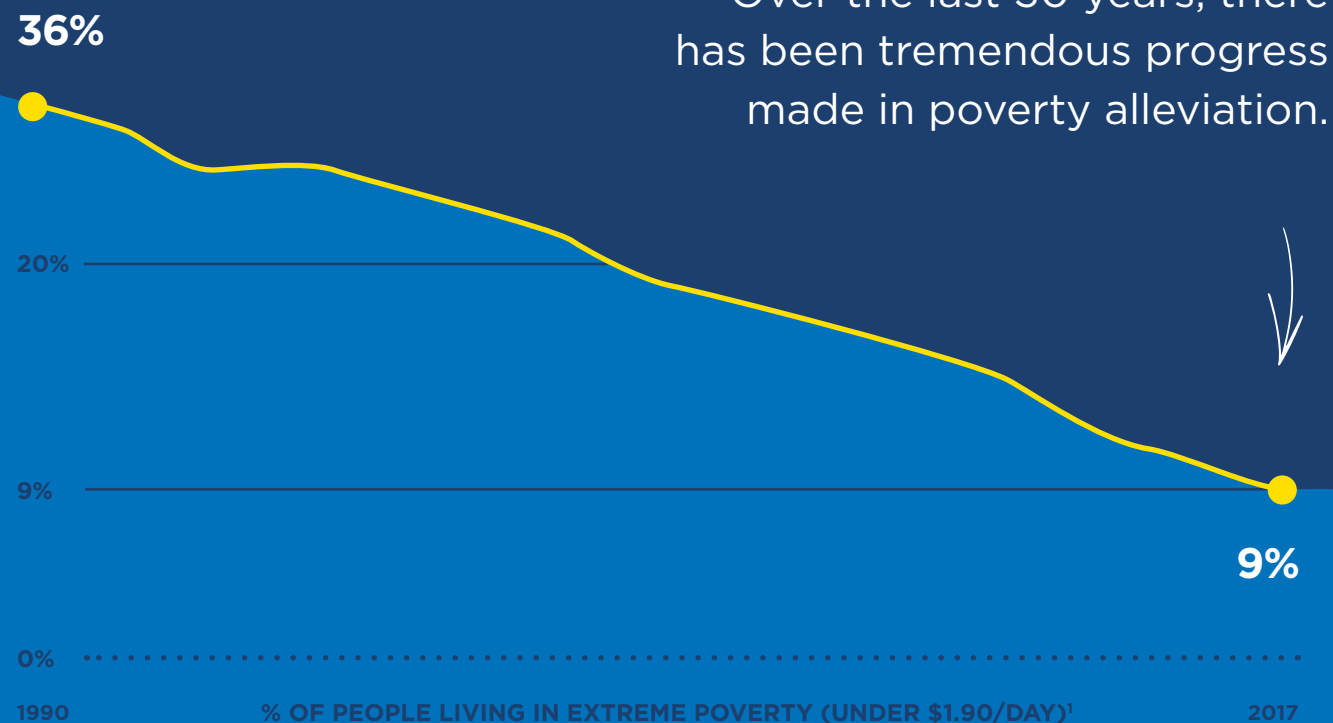
CHILD-FOCUSED Holistic child development provides physical, social, economic and spiritual care to each child in a personal, individualized, and relational way.

WE WORK TRANSNATIONALLY.
2 million children were reached through 7,565 church partners all over the world in 2019.



2018
↓
2019

The Story of Global Poverty



BUT WE'RE NOT DONE YET.

Over 440 million children are still living in extreme poverty today.²



Our Role

Compassion's strategic role in the story of global poverty is holistic child development in partnership with the local church.

We do this by serving frontline churches, supporting churches, strategic partners, individual supporters and team members — connecting them together and celebrating transformed lives.

Program Impact

We know that our approach is impactful. Independent research shows that Compassion's child development model results in long-term transformative effects.

Children enrolled in our program are:³

27-40%

MORE LIKELY TO COMPLETE SECONDARY SCHOOL

MORE LIKELY TO LEAD IN THEIR COMMUNITY AND CHURCHES

20%

HIGHER INCOME AS AN ADULT

MORE LIKELY TO HAVE ELECTRICITY IN WELL-CONSTRUCTED HOMES

¹ Gates Foundation Goalkeepers 2018; ² World Bank 2015

³ Wydick, B. (2019) Shrewd Samaritan



She's Building for Tomorrow



As a civil engineer, Bethelhem designs foundations and buildings for a major international beverage brand.



Bethelhem enrolled in the Compassion program at age seven. For the first time, she was given the opportunity to attend school.

Bethelhem was born to create, to imagine and to dream of better solutions for tomorrow.

“God is everything to me. He made me who I am today,” says Bethelhem. “He cares more about me than I care about myself.”

Bethelhem grew up in poverty in rural Ethiopia. Her mother was just 16 years old when she gave birth. Early on, there was no money to attend school, buy a bed, sheets, soap and often even food.

At the age of 7, she registered in a Compassion program and started attending school. The Compassion staff noticed her giftings and natural talent in math and spoke into her life. They walked her through a program called, “My Plan for Tomorrow,” which is a workbook that helps youth identify their dreams, set goals for their future and determine steps to reach those goals.

“Compassion is where I gained the vision to become an engineer.”

Bethelhem reflects on her sponsor’s consistent letters as a stable voice of encouragement while she was in school. They always seemed to arrive when she most needed support.

God surrounded Bethelhem with an encouraging network throughout her journey — her mom, her teachers, her sponsor, her church and Compassion volunteers and staff.

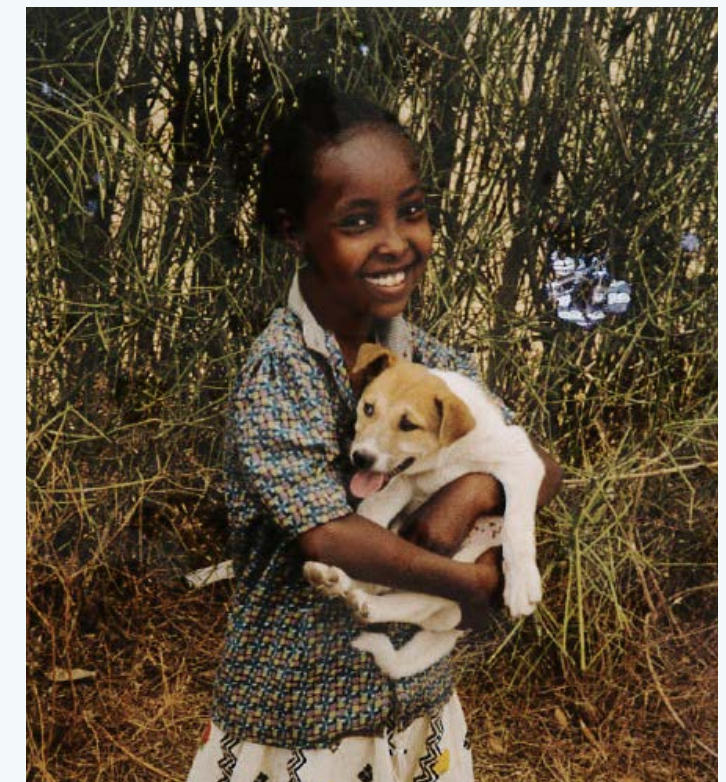
And now, she is serving the Lord in a profession she loves with unlimited potential. For Bethelhem, this is what “released from poverty in Jesus’ name” looks like.

She works as a civil engineer at a large bottling and manufacturing plant in Addis Ababa, Ethiopia, and is pursuing her master’s degree in geotechnical engineering.

“It’s exciting to see something that I designed being built,” says Bethelhem. “Most engineers don’t have the opportunity to both design something and see it built after only four years of working, so that’s exciting.”

Her passion is to use her profession for good and build schools where dreams can be fulfilled and other children can be encouraged to discover where God is leading them.

“I have a vision to build schools for young, poor people, to give them a chance to be what they want to be,” says Bethelhem. ■





Constructing Hope in Peru

Pastor Darío felt a calling to build a church to love, serve and protect the children in a community outside of Chiclayo, Peru. But building a church in a community without resources is no small feat.

When he visited for the first time three years ago, there was no local church and no place to create a stable environment where children can experience God's love in tangible ways.

"What struck me the most was seeing several children practically living in abandonment. My heart ached for those little ones... I couldn't help but to pour out my tears, each one of their faces was in my mind."

He knew he had to do something. And for a few years, he worked tirelessly toward his goal of caring for these children.

"I was sure God had put that desire in my heart and he was going to provide. I didn't know what to do, but he wanted us to serve those children. So, I continued working without ceasing."

Compassion came alongside Pastor Darío and provided funds to construct a building. They also connected Pastor Darío with Samuel, a Compassion alumnus and architecture student, to provide the building design. "I was very excited to serve God with my talent and profession. I was thrilled to design a special place for children in that community."

Today, the community and church members celebrate Pastor Darío's fulfilled dream. They operate the only Christian church in the community, caring for more than 150 children every week.

Elizabeth, a project volunteer, greets children every day. "I have lived in this community for more than 70 years, and it is the first time I have seen the children running around with smiles. I welcome them with a happy face and I know them all by name. This is my way of showing them they are loved by God, the church and us." Pastor Darío is using his gifts and talents to make a difference.

He took a step of faith and God faithfully equipped his dreams to offer hope to that community.

"I live to see this community blossom ... far behind are the times when our children lived without hope. We are preparing a bright future for them." ■



Today, the only Christian church in the community loves and protects more than 150 children.

Pastor Darío took a step of faith when he encountered hopelessness in a small community in Peru.

"I live to see this community blossom... far behind are the times when our children lived without hope. We are preparing a bright future for them."





Microsoft: Leading by Example



Microsoft and Compassion created an app that is estimated to save around 300,000 hours of paperwork a year, allowing staff members to spend that time with children instead of doing paperwork.

Compassion and Microsoft have long partnered toward a common goal, but we've recently deepened our relationship by creating innovative tools together.

Through partnership, Microsoft is showing us that their expertise — no matter how different it is from child development — can impact a child's life.

Microsoft's heart, expressed through Microsoft Philanthropies, is to partner with nonprofits all over the world, offer their technology to help transform organizations and accelerate impact.

"Nonprofits, especially those on the front lines of impoverished children and communities, need affordable access to the most modern technology. We're solving this problem by creating purpose-built technology that both lowers the cost and increases

the effectiveness of technology," says Justin Spelhaug, Global Lead for Microsoft Tech for Social Impact.

Microsoft provided the infrastructure to build an app that helps frontline churches gather information vital to running the ministry with efficiency and integrity.

This tool is estimated to save around 300,000 hours of paperwork a year, exponentially multiplying the amount of time that Compassion employees and volunteers have to do what they love: empower children to leave poverty behind.

This year, Microsoft joined Compassion in Huehuetenango, Guatemala to see firsthand the

impact of the app in the field. Meeting the children and families face-to-face refueled their passion and drive for equipping nonprofits with technological solutions.

Further, Microsoft is working with Compassion on a project initiated in partnership with Accenture to create a platform that will leverage artificial intelligence to securely and intelligently connect people who have a need, to those who can fulfill that need. This platform will enable people to more efficiently provide aid and empower Compassion to radically change the face of poverty reduction.

Seeing exponentially more children released from poverty is possible with healthy partnerships, innovative organizations and passionate people by our side. If you want to make an impact in a child's life, lean into your expertise and skillset and watch how God can use it. ■





"When my sponsors write to encourage me in my studies, it makes me so happy."

"Now, I see good things coming in my future."

— Salama, Age 14, Kenya

"God looks at me with love and care."

— Rattaphrum, Age 10, Thailand



Marisol
Age 9, Bolivia



The Future

NOW

NEXT

We've learned a lot over the last 67 years working in holistic child development, but we're always working to improve. As we look towards the future, our desire is simple:

01

To see more children reached.

02

To improve how we serve children, churches, supporters, volunteers, strategic partners, and our workforce.

01

TO SEE MORE CHILDREN REACHED

Targeting the greatest need

Compassion's programs are most effective in areas of greatest need. While poverty is declining in many countries at a global level, we're becoming more sophisticated in our approach to target communities where deep pockets of poverty remain. We are implementing an internationally recognized and country-specific measurement tool called the Poverty Probability Index (PPI). The PPI provides an estimate of the likelihood of poverty for households and will help us select the neediest children within our reach for Compassion's program.

Investing in monitoring and evaluation

We're using six measures that are based on the highest quality research available, with plans to develop additional measures in 2020. Those measures are based on growing research that shows that reaching the neediest, starting interventions early and providing care and support through mentorship — while also enabling receiving higher levels of education — give children and youth a better chance to break the cycle of poverty.

02

TO IMPROVE HOW WE SERVE

Harnessing the power of data

In 2019, we increased our data science capabilities. This will allow us to create personalized solutions for supporters and make data-driven decisions across all areas of Compassion, from product, to service design, to marketing and program development.

Listening and insights

In order to serve our global family, we must first listen. This year, Compassion continued to build a robust listening and learning foundation that will allow us to deeply understand those we serve. The global insights team designed, participated in and analyzed over 535 hours of in-person interviews.

You are uniquely gifted.
You are perfectly placed.
Together, let's join God in
releasing children from
poverty in Jesus' name.



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Consolidated Statement of Activities

Fiscal years ended June 30*	2019 TOTAL	2018 TOTAL
Revenue, gains, and other support		
Contributions	\$709,648,000	\$663,333,000
Contributions from All Funding Partners	238,093,000	223,212,000
Gifts in-kind	178,000	91,000
Interest, dividends, and other income	7,314,000	2,568,000
Net unrealized gain/loss on foreign exchange contracts	4,365,000	1,305,000
Changes in value of split-interest agreements	43,000	62,000
Total revenue, gains and other support	959,641,000	890,571,000
Expenses		
Program services		
Child development program	764,548,000	703,543,000
Total program services	764,548,000	703,543,000
Supporting activities		
Management & General	75,613,000	68,476,000
Fundraising	92,806,000	90,045,000
Total supporting activities	168,419,000	158,521,000
Total expenses	932,967,000	862,064,000
Change in net assets	26,674,000	28,507,000
Net assets, beginning of year	242,032,000	213,525,000
Net assets, end of year	268,706,000	242,032,000

*Amounts were rounded to the thousands. To see Compassion's 2019 and 2018 audited financial statements and Form 990, please go to compassion.com/about/financial or call (800) 336-7676.



GLOBAL EXECUTIVE TEAM

Santiago "Jimmy" Mellado
President and Chief Executive Officer

Paul Ackerman
Senior Vice President and Chief Financial Officer

Tom Beck
Senior Vice President of Human Resources

Ken Calwell
Senior Vice President and Chief Marketing Officer

Mark Hanlon
Senior Vice President of Global Strategic Relationships

Robert Hawkins
General Counsel and Senior Vice President of the General Counsel Office

Sidney Muisyo
Senior Vice President of Global Program

Elizabeth Uriyo
Senior Vice President of the Global Leadership Office

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Christ-centered | Child-focused | Church-based