Releasing children from poverty 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.
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.

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,100,898 CHILDREN</td>
<td>7,565</td>
</tr>
<tr>
<td>104,676 VOLUNTEERS</td>
<td>3,636</td>
</tr>
<tr>
<td>1,625,718 SUPPORTERS</td>
<td>17,147</td>
</tr>
<tr>
<td>25 PROGRAM COUNTRIES</td>
<td>14</td>
</tr>
<tr>
<td>14 FUNDRAISING COUNTRIES</td>
<td>4</td>
</tr>
</tbody>
</table>

- **PARTNERSHIPS**
- **EDUCATION**
- **CRITICAL NEEDS**
- **VOCATIONAL TRAINING**
- **SURVIVAL AND EARLY CHILDHOOD**
- **SPIRITUAL DEVELOPMENT**
- **CHILD SPONSORSHIP**
- **VOLUNTEERS**
- **CHILD SPONSORSHIP**

- **Patricia Burkino Faso Partnership Facilitator**
- **Pastor Dario Peru Pastor**
- **Pastor Veranika Indonesia Project Coordinator**
- **Sienna Australia Sponsor**
- **Bethlehem Ethiopia Civil Engineer**
- **Microsoft United States Corporate Partner**
- **Mary Kenya Compassion Child**
- **Sienna Australia Sponsor**
- **Patricia Burkino Faso Partnership Facilitator**
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- **Pastor Dario Peru Pastor**
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**Our Global Family**

2018 ——> 2019
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 are on a mission. Releasing children from poverty in Jesus’ name.

WE WORK TRANationally.

2 million children were reached through 7,565 church partners all over the world in 2019.
The Story of Global Poverty

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

Over the last 30 years, there has been tremendous progress made in poverty alleviation.

BUT WE'RE NOT DONE YET.

Program Impact

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

HIGHER INCOME AS AN ADULT

MORE LIKELY TO COMPLETE SECONDARY SCHOOL

MORE LIKELY TO LEAD IN THEIR COMMUNITY AND CHURCHES

MORE LIKELY TO HAVE ELECTRICITY IN WELL-CONSTRUCTED HOMES

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.

Children enrolled in our program are:

27-40% MORE LIKELY TO COMPLETE SECONDARY SCHOOL

20% MORE LIKELY TO LEAD IN THEIR COMMUNITY AND CHURCHES

9% HIGHER INCOME AS AN ADULT

9% MORE LIKELY TO HAVE ELECTRICITY IN WELL-CONSTRUCTED HOMES

1 Gates Foundation Goalkeepers 2018; 2 World Bank 2015
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.

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.

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

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

"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.
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.”

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.
Microsoft: Leading by Example

Microsoft and Compassion 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.”

— Ratthaphrum, Age 10, Thailand

Marisol
Age 9, Bolivia
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:

**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.

**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.

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:

**To see more children reached.**

**To improve how we serve children, churches, supporters, volunteers, strategic partners, and our workforce.**
You are uniquely gifted.
You are perfectly placed.
Together, let’s join God in releasing children from poverty in Jesus’ name.

annualreport.compassion.com
**Consolidated Statement of Activities**

**Fiscal years ended June 30***

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<thead>
<tr>
<th></th>
<th>2019 TOTAL</th>
<th>2018 TOTAL</th>
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</thead>
<tbody>
<tr>
<td><strong>Revenue, gains, and other support</strong></td>
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<td></td>
</tr>
<tr>
<td>Contributions</td>
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<td>Contributions from All Funding Partners</td>
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<td>Gifts in-kind</td>
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<td>Interest, dividends, and other income</td>
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<td>Net unrealized gain/loss on foreign exchange contracts</td>
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<td>Changes in value of split-interest agreements</td>
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<td>Total revenue, gains and other support</td>
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<tr>
<td>Total expenses</td>
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<td>26,674,000</td>
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<td>Net assets, end of year</td>
<td>268,706,000</td>
<td>242,032,000</td>
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</tbody>
</table>

*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.

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**GLOBAL EXECUTIVE TEAM**

- Santiago “Jimmy” Mellado: President and Chief Executive Officer
- Paul Askew: Senior Vice President and Chief Financial Officer
- Tom Beck: Senior Vice President of Human Resources
- Ken Caleel: Senior Vice President and Chief Marketing Officer
- Mark Hanton: Senior Vice President of Global Strategic Relationships
- Robert Hawkins: General Counsel and Senior Vice President of the General Counsel Office
- Sidney Mukyo: Senior Vice President of Global Program
- Elizabeth Uriyo: Senior Vice President of the Global Leadership Office

**BOARD OF DIRECTORS**

- Judy Goz: Chair
- Ronald Mathieu: Vice Chair
- Francisco Baleos: General Director
- Ralph Borde: General Director
- Jean-Francois Bussy: General Director
- Kristin Colber-Baker: General Director
- Blake Canterbury: General Director
- Michael Jeffs: General Director
- Christopher Knepper: General Director
- Kenneth Morgan: General Director
- Karen Wessolowski: General Director
- Santiago “Jimmy” Mellado: President/CEO