Compassion International Speaks up About its \$1M Contract With Hillsong



Jessica Eturralde • April 12, 2023

A 42-page whistleblower report detailing Hillsong Church's egregious spending accused the church of not promoting child sponsorship charity Compassion International "out of the goodness of their heart" but in exchange for \$1 million a year.

In what they said was the "<u>most disgusting aspect</u>" of the report, the whistleblower said Hillsong "charges Compassion \$1,000,000 per year for the privilege of being their child sponsorship partner."

Compassion, which has a donor confidence score of 92 in the **MinistryWatch database**, says it has worked with Hillsong for over 20 years.



<u>A written agreement</u> between Hillsong and Compassion in 2017 outlined a strategic ministry alliance entitling Compassion to be Hillsong's only child sponsorship ministry partner in exchange for payment.

"In consideration for being the exclusive child sponsorship ministry partner, Compassion will pay to Hillsong a payment in the amount of one million US dollars (US \$1,000,000) annually to be paid in quarterly payment of two-hundred fifty thousand US dollars (\$250,000)," the contract said.

The arrangement promises Compassion representation at all global Colour and Hillsong Conferences and an annual **Compassion Sunday** on all Hillsong church campuses.

Per the contract, Compassion also receives advertising and exposure on the <u>Hillsong Channel</u>, a youtube channel with <u>82.5K followers</u>. Hillsong pays for airtime and content consulting, while Compassion pays to develop its content and provides it to the channel. Any additional advertising for the channel is Compassion's responsibility, it says.

Hillsong agreed to promote Compassion International at Hillsong network events worldwide. The contract also states that Hillsong and Compassion would work together to provide field exposure trips for Hillsong leadership, the worship team, and other key team members. "Costs for such trips, including videography will be paid by Compassion," it said.

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The arrangement exhibits a practice similar to corporate sponsorship, a form of marketing where a company pays for the right to be associated with a project or program to increase visibility.

However, although it may benefit both parties to support a well-known and socially conscious cause, corporate sponsorship is not a donation but a business agreement—often between a non-profit and a company.

Compassion International told MinistryWatch that when someone picks up a child packet at a Christian concert or conference, Compassion has invested in connecting that person to their mission.

Flooded advertising space makes it hard to reach Christians, and these upfront investments are some of the most cost-effective, financially efficient ways to connect Christian audiences to impoverished children, they said.

The ministry maintains that over 80% of donations directly benefit children in poverty and said they are willing to invest up to 10% of a supporter's expected future donations in acquiring them, giving the mission approximately a 10 to 1 return on investment.

According to Compassion's **latest report**, the ministry brought in \$1.14 billion in revenue during the 2022 fiscal year with a \$46.1 million net surplus. Their fundraising expenses were just over \$120M.

In addition to Hillsong, Compassion's website lists other well-known **partners**, including IF Gathering, Women of Joy, Extraordinary Women Ministries, and Lifeway.

Compassion told MinistryWatch they do not discuss the terms of these partnerships, but said the goal is to build mutually beneficial relationships with mission-driven people.

"Our partnerships are built on shared commitments to Jesus, transparency, integrity, excellence, and advocacy for children in poverty," they said. "These partnerships have resulted in millions of children being released from poverty in Jesus' name over the years and have taken a life-changing message to audiences we never would have been able to reach on our own."

The whistleblower document suggests Compassion could use its \$1 million annual contribution to help more children. Compassion countered that accusation, saying Hillsong Church, conferences, concerts, and events have led to sponsoring over 100,000 children in 20 years.

The whistleblower report, however, highlights concerns about how Hillsong stewards its donation funds.

In addition to its lavish spending, Hillsong faces tax fraud and money laundering claims. Its former pastor, Brain Houston, is embattled in a lawsuit for allegedly **covering up** his father's sexual abuse and for a **recent DUI**.

The document reveals how Hillsong leadership **<u>exploited church funds</u>** for lavish vacations, honorariums, gifts, and salaries paid with tithe money.

"Hillsong's travel, green room, gift and honorarium expenditure is so extreme that even with the \$1M contribution from Compassion, they still make a loss in their church operations and conference budgets. This contribution from Compassion could otherwise be directly used to provide more assistance to children living in extreme poverty – rather than contributing to Hillsong's excessive spending on luxury lifestyles."

The contract terms were listed from July 2017 through June 2020 to renew in incremental one-year terms at the same payment rate and schedule in perpetuity unless either party requests dissolution.

Compassion says their contract ran out in 2020 and there are currently no contractual agreements between Compassion International and Hillsong.

This article has been updated to reflect that Compassion International is no longer in a contractual agreement with Hillsong. An earlier version also said Compassion's fundraising expenses were \$100.6K, but the article has been updated to reflect that number should be \$120M.



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