

Where the HSUS Spends it's Money

HSUS 2006 Tax Return Analysis by Alice Fix

Here are some interesting facts found when doing an analysis of the HSUS 2006 Tax Return. It is a public document and you can find the tax return for yourself at this link: <http://www.hsus.org/web-files/PDF/hsus-2006-form-990.pdf>

In 2006 the HSUS took in \$100,775,962 in gross receipts. \$91,540,422 were in donations of dollars that came from individual donors like you and me. I am only guessing, but I would expect that most of those donations came in as the result of their save the dogs and cats campaigns.

Out of that \$100 million, they ended up donating **\$ 6.5 million (\$6,536,295)** or about 6.5% of their income went to support other organizations. Since the HSUS does not own or operate any animal shelters, they use the donations that you give them to support those efforts. Only **\$1.8 million (\$1,835,438)** of the money they took in went to actual shelters and humane societies around the United States, which is less than 2% of the money that they took in mainly to help dogs and cats. **\$4.7 million, (\$4,700,857)** or more than twice as much, was given to "other" organizations.

Most people don't have the time to read a 100 plus page tax return, so some of the interesting things that were found on their tax return are listed below. By law all this information is available to the public, and can be found on the HSUS website.

Income-

Gross receipts-		\$ 100,775,962
Donations	\$91,540,422	
Program Services (including government)	\$ 3,644,609	
<i>Recap of Program Services Income: Part I, line 2, Also statement 80, p. 103</i>		
Subscriptions/Book Sales	\$1,545,133	
Event Income	\$ 627,853	
Sponsorships	\$ 447,402	
Literature/Subs	\$ 431,042	
Online Workshop	\$ 262,291	
Genesis Awards	\$ 183,471	
Shelter consultations	\$ 33,700	
Spay & Neuter Clinics	\$ 67,604	
Animal Care Expo	\$ 44,688	
Educational Fees	\$ 1,425	
Total Program Services Income	\$3,644,609	
Interest Earned	\$ 3,436,253	
Dividends & Interest from Securities	\$ 1,509,201	
Rental Income	\$ 177,689	
Other Revenue	\$ 467,788	
Total	\$100,775,962	
Expenses- (Part II, p.7)		\$ 85,827,023
Management and general	\$ 4,546,845	
Fundraising	\$11,963,404	
Program Services	\$69,316,774	
Total Profit from Donations in 2006		\$ 14,948,939

Recap of Program Service Expenses of \$ 69,316,774

These figures are found in Part II 22a-44 (Page 7) and Part II, Statement 58-Other Expenses (Page 81)

Grants and Allocations	\$ 6,536,295
Officer's Compensation	\$ 1,200,812 *
Salary to Disqualified person	\$ 50,077 *
Salaries	\$16,163,795 *
Pension Plans	\$ 1,741,629 *
Employee Benefits	\$ 1,317,772 *
Payroll Taxes	\$ 1,593,715 *
Accounting Fees	\$ 140,822
Legal Fees	\$ 698,551
Supplies	\$ 2,054,718
Telephone	\$ 654,360
Postage and Shipping	\$ 878,072
Occupancy (Office space)	\$ 1,025,893
Travel	\$ 2,963,828
Depreciation (Property & Equipment	\$ 1,226,883
Mailing Costs	\$16,246,018
Consultants and Contracted Service	\$ 4,344,159
Insurance and Bonds	\$ 748,984
Real Estate and Personal Property Tax	\$ 155,217
Educational Material, Publications & Campaigns	\$ 7,030,261
Investment Expense and Trustees Fees	\$ 2,544,913
Total Program Services Expenses	\$69,316,774 **

*** Total of all expenses related to salary, wages, pension plans, employee benefits and payroll taxes- (roughly 22% of income) \$ 22,067,800**

** The HSUS had \$ 69,316,774 in program expenses, and they stated that the following amounts were designed to the listed programs. (*Part III, p.8, Statements 60-6, p.83-84*)

- A. Media Outreach- \$ 11,492,547** This program is to build support for animal protection and the HSUS in all media types. It also includes major conferences, as well as seeing that animal topics are included in the entertainment industry, etc.
- B. Field and Disaster Response Programs- \$ 19,445,946** Includes state offices to work with animal control personnel, advocacy groups, public officials, educators and the public; as well as disaster response, etc.
- C. Wildlife Programs- \$ 7,943,133** Works to campaign against fur use and trapping, wildlife refuges, and wildlife contraception, etc.
- D. Public Awareness Outreach- \$ 13,350,014** Campaigns against hunting, animal fights, focuses on all kinds of legislation involving animals, etc.

A total of \$ 52,231,640 of the Program Service Expenses are attributed to the above programs.

Profit or excess for the year- (<i>Part I, Line 18, P.6</i>)	\$ 14,948,939
Gain on Investments (<i>Form 990-Part I-Line 20 Also statement 11 Page 34</i>)	\$ 10,728,044
Total gain or profit for 2006 (roughly 25% of their income went to savings)	\$ 25,676,983

Net Asset Balances at beginning of 2006 (<i>Part I, line 19</i>)	\$ 200,058,734
Total Gain or Profit in 2006 (from Above)	\$ 25,676,983
Total Investments and Savings of the HSUS at the end of 2006	\$ 225,735,717

Form 990 (Line 21, Net Assets)

The top five highest paid officers are as follows (*Part V-a Statements 71-76 p. 94-99*)

	<u>Salary</u>	<u>Benefit Plans</u>
Wayne Pacelle- President/CEO	\$ 207,000	\$ 26,965
Andrew N. Rowan- Exec. V.P. Operations	\$ 191,850	\$ 34,865
G. Thomas Waite III- CFO/Treasurer	\$ 172,231	\$ 35,047
Roger Kindler- VP General Council/CLO	\$ 172,231	\$ 29,017
Michael Markarian- Exec. V.P. External Affairs	\$ 159,153	\$ 21,706

This is the actual wording on the HSUS donation form, stating what your donations will be used for:

*“Thanks to your generous support, we can continue to protect dogs, cats, and other animals at home and worldwide in 2008 and beyond. Your donation will be used to stop animal cruelty inflicted by individuals and institutions, to rescue and shelter animals during times of disaster, **and so much more.**”*

https://secure.hsus.org/01/makeadonation?qp_source=gabam3

It would make one wonder what the "**and so much more**" is. When to go to the HSUS web site, you can find a list of their foremost campaigns:

The foremost campaigns and programs of The Humane Society of the United States include:

- **Animal Cruelty and Fighting**
- **Factory Farming**
- **Fur**
- **Hunting**
- **Puppy Mills**
- **Chimps in Research**
- **Seal Hunt**
- **Horse Slaughter**
- **Pets for Life**
- **Wild Neighbors**

http://www.hsus.org/campaigns_programs.html

You can analyze where the Grants and Allocations for 2006 actually went. This is categorized to the best of my ability according to the information that I could find about the organizations that received grants or allocations from the HSUS using the internet and websites to determine the purpose of the organizations. *This information can be found on the HSUS 990 Tax Return, Part II, Line 22-b (Statements 12-55) Pages 35-78.*

Shelter Associations are groups that shelter directors and workers can belong to in various states. They can provide training and education. Some associations provide certifications for shelter workers for a fee. They also establish policy and encourage enforcement and campaign for legislation on the local and state level. Many times it is the local shelter director that encourages cities to create ordinances and pass legislation having to do with pets in the local community.

Grants and Allocations given by the HSUS in 2006

Grants to actual shelters(137)	\$ 1, 835,438
Grants to other organizations other than animal shelters	<u>\$ 4,700,857</u>
Total Grants and Allocations for 2006	\$ 6,536,295

Categories of Other Organizations listed by the amount of grant or allocation:

Policy, Political & Legislation	\$1,891,305
Spay & Neuter Programs	\$ 806,857
Foreign Organizations	\$ 357,732
Colleges	\$ 269,000
Misc.	\$ 264,399
Police and Government Groups	\$ 262,750
Wildlife Organizations	\$ 186,100
Response Groups	\$ 115,500
Shelter Associations	\$ 70,409
Veterinarians and Veterinarian Associations	\$ 67,800
Environment & Ecology Groups	\$ 64,750
Exotic Animal Groups	\$ 55,500
Bird Groups	\$ 54,500
Equine Groups	\$ 48,675
Marine and Marine Animal Groups	\$ 40,000
Performing Animals	\$ 33,000
Primates	\$ 27,385
Stop Animals in Science Groups	\$ 20,000
Vegan Groups	\$ 14,431
Individuals	\$ 11,264
Services and Education	\$ 11,000
Animal Welfare Groups	\$ 11,000
Wilderness Groups	\$ 10,000
Tree Groups	\$ 5,000
Bear Groups	\$ 2,000
Seal Groups	\$ 500
Total of Grants given to organizations other than shelters	\$ 4,700,857

This is roughly about 4.7 % of their income.

The HSUS website says: “**Number of animal shelters in the United States:** Between 4,000 and 6,000 (*HSUS estimate*)”

http://www.hsus.org/pets/issues_affecting_our_pets/pet_overpopulation_and_ownership_statistics/hsus_pet_overpopulation_estimates.html

The three largest contributions to individual animal shelters in 2006 were to:

Humane Society of South Mississippi	\$ 315,000
Humane Society of Broward County, Florida	\$ 100,500
Saint Tammany Humane Society- Louisiana	\$ 100,000

It must be noted that 2005 was one of the worse hurricane seasons in U.S. history:

July 8, 2005	Hurricane Dennis hit Florida panhandle
August 26, 2005	Hurricane Katrina hit New Orleans and Mississippi coast line
September 20, 2005	Hurricane Rita hit Southern Texas, Southern Louisiana and the Florida Keys
October 24, 2005	Hurricane Wilma hit southern Florida

Although there were no hurricanes that hit the U.S. shores in 2006, there is the possibility that some money was still being collected in 2006 for the benefit of animals that were affected by the hurricanes that hit the U.S. in 2005.

The HSUS donated money to 137 animal shelters that care for and re-home dogs and cats in 2006. The following is a list of states and the amount of money that the HSUS donated to actual shelters, humane societies or rescue groups in that state. It must be stated that the HSUS had incorrect addresses on the tax return. It took a bit of research to find the correct state where the shelters etc. were located. Any inaccuracies are purely unintentional. Any shelter or rescue group for animals other than dogs and cats are not listed in this summary. Those can be found under Other Organizations categories. The number in parenthesis () represents the number of shelters that received donations in each state.

Alabama	\$ 20,000 (2)	Louisiana	\$ 327,500 (12)	Oklahoma	\$ 7,000 (3)
Alaska	\$ 2,500 (1)	Maryland	\$ 49,500 (5)	Oregon	\$ 38,600 (8)
Arizona	\$ 1,000 (1)	Michigan	\$ 4,500 (2)	Pennsylvania	\$ 5,000 (3)
Arkansas	\$ 15,500 (3)	Minnesota	\$ 3,350 (3)	South Carolina	\$ 40,000 (2)
California	\$ 174,296 (14)	Missouri	\$ 75,000 (1)	Tennessee	\$ 2,320 (2)
Colorado	\$ 15,000 (2)	Mississippi	\$ 470,000 (5)	Texas	\$107,967 (7)
Washington D.C.	\$ 73,000 (1)	Montana	\$ 10,000 (2)	Utah	\$ 10,671 (1)
Florida	\$ 212,167 (12)	New Hampshire	\$ 5,000 (1)	Virginia	\$ 3,500 (3)
Georgia	\$ 2,500 (2)	New Jersey	\$ 26,000 (4)	Washington	\$ 15,500 (5)
Hawaii	\$ 1,000 (1)	New Mexico	\$ 12,000 (1)	West Virginia	\$ 5,000 (1)
Iowa	\$ 12,300 (3)	New York	\$ 26,067 (7)	Vermont	\$ 5,500 (2)
Idaho	\$ 15,000 (3)	North Carolina	\$ 5,000 (1)	Wisconsin	\$ 3,000 (1)
Illinois	\$ 11,000 (3)	North Dakota	\$ 5,000 (1)	Canada	\$ 2,500 * (1)
Indiana	\$ 6,000 (2)	Ohio	\$ 5,200 (2)	Afghanistan	\$ 3,500 * (1)

* These two countries are officially listed as having U.S. headquarters, although the money is used for shelters in their various countries.

Total donations to actual dog and cat shelters, humane societies, and rescue groups in the United States- \$ 1,835,438

It is hoped that this analysis has helped you to understand where the HSUS uses the donations that are sent to them. This analysis indicates that less than 2% of what the HSUS receives in donations actually goes to help animals in shelters. A better use of your money may be to donate your money directly to your local animal shelter or rescue group. There are hundreds of shelters and rescue groups all across the United States that depend on donations to keep operating. Donating to your local shelter/rescue group may be the best way to know that your money will be used for its intended purpose.