




# Giving

Australia 2016

## Philanthropy and philanthropists

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The Australian Centre for Philanthropy and Nonprofit Studies, QUT  
Centre for Social Impact Swinburne, Swinburne University of Technology  
The Centre for Corporate Public Affairs



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For more information:

[The Australian Centre for Philanthropy and Nonprofit Studies](#)  
QUT | 07 3138 1020

[Centre for Social Impact Swinburne](#)  
Swinburne University of Technology | 03 9214 8000

[The Centre for Corporate Public Affairs](#) | 02 8272 5101



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## Contributing researchers

Dr Zara Lasater, Bronwyn Eager, Blake Blain (CSI Swinburne) and Susan Smyllie and Katie McDonald (QUT).

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Dr Christopher Baker, CSI Swinburne



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# 1.0 Glossary

**Ancillary fund:** a legal structure which can be used to establish a tax-deductible foundation. There are two types of ancillary funds: Private Ancillary Funds (PAFs) and Public Ancillary Funds (PuAFs).

**Baby boomers:** the demographic cohort born during the post–World War II baby boom, between the years 1945 and 1962.

**Beneficiary:** a person or organisation benefiting under a Will.

**Bequest:** a gift of property to a person or organisation in a Will. In common usage, the term bequest is used to include gifts of money. Consequently, both bequest and legacy are generally understood to mean any gift in a Will.

**Big data:** the concept of big data has been attributed to Laney’s (2001) construct, which identified three dimensions of big data and its management of the:

- variety of data formats that render data coordination challenging
- velocity related to the speed at which data are generated by interactions and can be used to support interactions, and
- volume related to the breadth and depth of data available about contemporary transactions.


**Charitable purpose:** a nonprofit purpose for the public good, including: relieving poverty or sickness or the needs of the aged, advancing education, advancing religion and other purposes beneficial to the community.

**Charity:** in its broadest sense charity is the practice of benevolent giving. Charity can also be used to describe an organisation that exists for altruistic purposes such as supporting those who are disadvantaged. Further information on the legal definition of charity can be found in Philanthropy Australia’s online glossary (link provided at the end of this section).

**Community foundation:** independent philanthropic organisation working in a specific geographic area which, over time, builds up a collection of endowed funds from many donors in the community, provides services to the community and its donors, makes grants and undertakes community leadership.

**Corporate Responsibility (CR), or Corporate Social Responsibility (CSR):** treating the stakeholders of the firm ethically or in a responsible manner (Hopkins 2003). Stakeholders include employees, customers and investors. CR can encompass making safe products, ensuring responsible practice through the supply chain, as well as contributing more generally, beyond what might be considered core business, to community wellbeing. Since the mid-1990s, CR has been seen by many Fortune 500 corporations globally as a model of doing business and embedded in how the company makes decisions and manages itself from day to day.

**Corpus:** the original gift and ongoing principal that forms the asset base from which a foundation operates.



**Crowdfunding:** the collective cooperation, attention and trust by people who network and pool their money and resources together to support efforts initiated by other people or organisations: ‘Modern crowdfunding leverages Internet technology and various social networking platforms to link the financial resources of online communities (the crowd) with individuals and organisations that seek funding (crowdsourcers)’ (Clarkin 2014, 194).

**Crowdsourcing:** occurs when ‘(a) an actor (individual, team or organisation) tasks external sources with solving a problem or executing a task *and* (b) the actor, identifies these sources (individuals, teams or organisations) through a call broadcast to a crowd’ (Bauer and Gegenhuber 2015, 663).

**Deductible gift recipient (DGR):** entity endorsed by the Australian Taxation Office (ATO) as eligible to receive tax-deductible gifts.

**DGR1:** DGR endorsed under a category in Item 1 of the table in section 30.15 of the *Income Tax Assessment Act 1997* (Cth), rather than Item 2. DGR1s are often referred to as ‘doing DGRs’ – organisations that carry out charitable works and use tax-deductible donations to fund these activities. DGR2s are ‘giving DGRs’ – ancillary funds (such as PAFs and PuAFs) which distribute funds to DGR1 organisations to support them in carrying out their charitable purpose.

**Distribution:** a generic term for assets transferred from an estate to a beneficiary of a Will. Also used for grants made by a foundation.

**Donations:** unconditional voluntary transfers of money, goods or services to community organisations, institutions, government entities, or individuals, in which the donating organisation is not obliged to receive anything in return. These transfers would not form part of the commercial operations of the donor.

**Estate:** the total amount of a person’s assets (property, entitlements and obligations) at the time of death.


**Family foundation:** a descriptive term used to refer to private foundations that have been established by a family. They are either run by family members or managed by members of the original donor's family with, in most cases, second or third generation descendants serving as trustees or directors on a voluntary basis.

**Financial assets:** assets that are potentially available for investment – financial assets exclude the family home, consumer durables (purchased items such as cars or jewellery that are expected to last for some time) and collectables.

**Foundation:** ‘foundation’ has no precise legal meaning, but in philanthropic terms, ‘foundation’ usually refers to a trust designed to make grants to charities or to carry out charitable purposes. It may also be used to refer to a charitable organisation, or to a fund that exists to provide ongoing support to a particular organisation.

**Fund:** a legal vehicle which manages and/or holds trust property to make distributions to other entities or persons.

**Giving circles:** groups of people who pool their donations and jointly decide how to allocate them.



**High-Net-Worth-Individuals (HNWIs):** a term used in the wealth management industry to describe individuals with investable assets exceeding US\$1million and/or legally-constituted charitable entities (trusts or foundations) that typically either donate funds and support to other organisations, or provide the source of funding for their own charitable purposes (Note: ultra-high-net-worth-individuals (UHNWIs) are those with investable financial assets in excess of US\$30 million). In an Australian context, investable financial assets include superannuation.

**Impact investing:** investing that seeks to generate positive social or environmental impact as well as financial returns.

**In-kind giving:** the giving of goods and services in support of a charitable purpose.

**Investable assets:** synonym for financial assets. (See Financial assets).

**Nonprofit organisation (NPO):** an organisation that does not operate for the profit, personal gain or other benefit of particular people. This can include people such as its members, the people who run it or their friends or relatives (note that nonprofit organisations are often referred to in different ways such as not-for-profit, voluntary association, charity, nongovernment organisation and third sector organisation).

**Participant:** for the purposes of this report, a participant is a person involved in an activity or event associated with research such as a focus group, in-depth interview or expert panel discussion. The focus of such activities is on qualitative data collection about a particular issue/topic using unstructured and semi-structured techniques. See also: Respondent.


**Payroll giving:** regular donations by employees from pre-tax salary to charities and other NPOs (The Australian Charities Fund 2010).

**Philanthropy:** defined by Philanthropy Australia (2012) as: ‘The planned and structured giving of time, information, goods and services, voice and influence as well as money to improve the wellbeing of humanity and the community’. The term is derived from the Ancient Greek *philanthrōpía*: love of mankind.

**Private Ancillary Fund (PAF):** a form of private charitable trust to which a close group of individuals, (often a family) and other Australian taxable entities can make tax-deductible donations. PAFs can only make distributions to organisations designated as ‘DGR1’ (see DGR1). PAFs need to have a formal investment plan and to distribute at least 5% of their corpus value each year. PAFs superseded Prescribed Private Funds in 2009.

**Professional advisers:** includes lawyers, accountants, stockbrokers, insurance agents and financial advisers.

**Public Ancillary Fund (PuAF):** the name given to a form of charitable trust to which the public are able and invited to contribute tax-deductible donations. A Public Ancillary Fund is required to be operated in a public manner for public benefit and must make distributions only to other entities endorsed as ‘DGR1’ (see DGR1).



**Professional development:** the advancement of skills and capabilities relating to a particular profession through continued education and training.

**Respondent:** for the purposes of this report, a respondent is a person who agreed to be interviewed by phone to provide data in response to a set of questions as read to them, or a person who completed an online questionnaire as part of a survey of a particular population. This format is structured and is an aspect of quantitative data collection. See also: Participant.

**Social enterprise:** organisations that are led by an economic, social, cultural or environmental mission consistent with a public or community benefit; trade to fulfil their mission; derive a substantial portion of their income from trade; and reinvest the majority of their profits/surplus to the fulfilment of their mission (Barraket et al. 2010).

**Social impact:** the net effect of an activity on a community and the wellbeing of individuals and families (Centre for Social Impact 2016).

**Social media:** technology-based tools that allow people and organisations to create, share or exchange information in a highly interactive, online environment.

**Strategic philanthropy:** giving that is focused on a tightly defined program of grants, defined also by exclusion (what not to fund). Grants typically address the causes not the symptoms of problems (Katz 2005).

**Transparency:** (behaviour) the practice of openness and accountability through the intentional communication and sharing of information.

**Volunteering:** time willingly given for the common good and without financial gain (Volunteering Australia 2015).

**Will:** a legal document expressing how a person wishes to distribute their assets after death.

**Will-maker:** a person who makes a Will.

**Workplace giving:** philanthropic contributions of money (payroll giving, employer matching donations, workplace fundraising, employer grants), time, skills and in-kind support by employees and their employers (Australian Charities Fund 2013).

*See also Philanthropy Australia's Glossary at*

*<http://www.philanthropy.org.au/tools-resources/glossary/>*



## 2.0 Abbreviations

<b>ACNC:</b>	Australian Charities and Not-for-profits Commission
<b>ACPNS:</b>	The Australian Centre for Philanthropy and Nonprofit Studies
<b>ACT:</b>	Australian Capital Territory
<b>AEGN:</b>	Australian Environmental Grantmakers Network
<b>ATO:</b>	Australian Taxation Office
<b>CALD:</b>	Culturally and linguistically diverse
<b>CCPA:</b>	Centre for Corporate Public Affairs
<b>CSI:</b>	Centre for Social Impact
<b>CSR:</b>	Corporate social responsibility
<b>DGR:</b>	Deductible Gift Recipient
<b>HNWIs:</b>	High-Net-Worth-Individuals
<b>NGO:</b>	Nongovernment organisation
<b>NPO:</b>	Nonprofit organisation
<b>NSW:</b>	New South Wales
<b>NT:</b>	Northern Territory
<b>OECD:</b>	Organisation for Economic Co-operation and Development
<b>PAF:</b>	Private Ancillary Fund
<b>PuAF:</b>	Public Ancillary Fund
<b>QLD:</b>	Queensland
<b>QUT:</b>	Queensland University of Technology
<b>SA:</b>	South Australia
<b>TAS:</b>	Tasmania
<b>TFN:</b>	The Funding Network
<b>UHNWIs:</b>	Ultra High-Net-Worth Individuals
<b>UK:</b>	United Kingdom
<b>US:</b>	United States
<b>VIC:</b>	Victoria
<b>WA:</b>	Western Australia



## 3.0 Executive summary

### 3.1 Wealth, foundations and philanthropy

While philanthropy is by no means the preserve of the wealthy, in an era when an increasingly disproportionate share of assets is accruing to the relative few (OECD 2011; Elliott 2015), wealthy individuals and families have become increasingly important.

This report presents the findings of *Giving Australia 2016* on philanthropy, with a particular focus on monetary giving by philanthropists and by philanthropic institutions including trusts, foundations and evolving forms of collective giving. It draws on various sources of data collected across Australia throughout the *Giving Australia 2016* project.

The core features of the research for this particular report were:

- a review of previous research
- a total of 11 focus groups and 29 interviews with people and organisations active in philanthropic grantmaking
- an online survey of philanthropists and foundations with 105 final valid responses, and
- relevant information from the telephone survey of Australian households (captured more fully in the *Individual giving and volunteering* report).

### 3.2 Key themes and insights

#### 3.2.1 Culture and family matters

Culture, in the sense of shared norms and values, is an enduring motivator and shaper of giving behaviour. The influence of culture on giving extends to and is magnified by culture within families; within communities; across ethno-religious and racial groups; and national cultural values related to philanthropy. Participants in focus groups and interviews saw opportunities in embracing multiple cultures to harness shared passion and commitment to addressing social issues.

Families, personal networks and communities continue to influence all, including the wealthy and the ultra-wealthy, in relation to:

- giving practices
- motivations to give
- causes
- where they give, and
- the channels through which they give.

Many attributed their giving to values learned at an early age from their families/communities/religions.

The prevalent role of culture and values in shaping giving practices is consistent with the findings of *Giving Australia 2005*.





### 3.2.2 Mechanisms matter

The mechanisms by which giving cultures are shaped appear to be expanding as new (or recently revived) mechanisms and practices emerge. These include an increased focus on collective giving and the rise of social networking media in peer-based giving. One of the strongest meta-themes of the 2016 research was the ‘democratisation’ of philanthropy: that is, an emphasis on giving as being ‘everyone’s business’.

### 3.2.3 Impact matters

A consistent and dominant theme in the research was the importance to philanthropists of being able to ‘make a difference’; to have some agency in achieving a desired outcome. While this echoes the emphasis in *Giving Australia 2005* on strategic giving by philanthropists, it also introduces a more explicit intent around having a positive impact in giving.

This growing emphasis on having an impact and being engaged and to a degree, in control of giving outcomes, is consistent with experience around the world.

### 3.2.4 Ease and access matter

From individual through to institutional experiences of philanthropy, a core theme was that philanthropy is enabled where giving is made accessible and easy. The findings suggest that ease of giving can be negatively or positively affected by many factors, including:

- technological platforms that expand giving opportunities, broaden the range of potential recipients and increase the speed of giving
- taxation incentives, and
- legal and regulatory policies that affect structured giving, including bequeathing.

The findings of *Giving Australia 2016* suggest that to advance structured and institutional giving in Australia, regulatory conditions ideally should make giving easy and attractive, accommodate the nature of giving across contemporary life stages and recognise the diversity of causes to which philanthropists seek to give.

The emergence of digital and collective giving platforms provides rich opportunities for advancing cultures of giving in Australia.

## 3.3 Who gives?

### 3.3.1 Age

Of the *Philanthropy and philanthropists* survey respondents, 18.1% were under 40; 46.6% were 40 to 59 and 35.3% were 60 or older. Young philanthropists accruing wealth expressed a strong desire to give what they can as they are building their wealth. Retired individuals reported more time and more resources to commit.



### 3.3.2 Gender

Women are leading in community giving and collective giving. (62.7% of survey respondents were women.)

Some focus group and interview participants perceived that gender (and age) imbalance affected organisational culture and practices in the philanthropy sector.

Some participants argued the virtues of targeting giving to women and girls to achieve better outcomes for families and communities. Use of a 'gender lens' in giving is seen to have potential to increase the effectiveness of philanthropic investments in the communities served.

### 3.3.3 Country of birth

The majority (84.5%) of survey respondents were born in Australia and 31.3% had one or both parents born outside of Australia. This reflects the predominant foundation cultures rather than the changing mix that characterises Australia in the 21st century.

### 3.3.4 Wealth

Qualitative research participants saw a broadening of the perception of philanthropy, not just confined to the most wealthy, but increasingly a democratised set of practices accessible to the many.

Those who do give see the perceptions of capacity to give as a major barrier for those who do not give.

## 3.4 Why give?


Reasons for giving echoed those found in *Giving Australia 2005*, where the key themes of altruism, reciprocity and living in accordance with personal values emerged as important factors in motivating giving. In *Giving Australia 2016*, the most frequently cited reasons for giving were:

- to make a difference
- to give back to the community
- for personal satisfaction
- to align action with moral or philosophical beliefs
- to set an example
- to support family or friends linked with a cause, and
- to maintain family history and values.

Individuals and foundation/trust representatives participating in this research consistently emphasised the importance of being able to make a difference with their giving.

For individuals, a sense of social reciprocity and the desire to give back to the community that supported them was a widely shared motivator for giving.

Philanthropists commonly valued the sense of personal satisfaction and fulfilment that is part of their process of giving.



For some, their underlying philosophical beliefs are a strong motivator for giving, as ‘the right thing to do’.

Some participants want to set an example, to role model the values and behaviours of giving, both for their families and for their peers.

Philanthropists are often motivated to give to specific organisations or causes where there is a personal, social connection.

For many, giving is something that they continue on as a natural extension of the values and behaviours modelled and passed down through the family; ‘it’s what we do’.

Common motivators for survey respondents using a structured giving vehicle include:

- to be more strategic in giving
- to make a difference
- to help organise giving, and
- to involve family in giving.

## 3.5 How is giving done?

### 3.5.1 Structure

One of the most cited reasons for choosing a structured giving vehicle was having a greater degree of control over how, when and where funds were gifted. Common structured giving vehicles included:

- Private Ancillary Funds (PAFs), viewed as a useful and tax-effective structure for setting aside capital from which to generate income for ongoing giving, and
- foundations, valued as an independent, institutional structure that can provide a clear focus for philanthropic giving.

Impact investing remains an emerging strategy with one in five *Philanthropy and philanthropists* survey respondents including impact investments in their fund’s portfolio.

Just over half of the survey respondents (55.3%) applied some form of ethical screening to investment decisions.

### 3.5.2 Collective giving

More than a third (38.5%) of survey respondents indicated they participate in collective giving; the main motivation being the desire to encourage giving by others.

Giving collectives are seen as a means of making it easier to participate in philanthropic practices, including access to other donors and access to appropriate charitable organisations.

Community foundations are viewed as valuable providers of local, accessible ways to give (sub-funds), connecting donors to people with local knowledge of community need.



### 3.5.3 Non-monetary giving

Qualitative research participants indicated a shared understanding of the value and benefits of contributing their time and expertise, as well as money. Supporting charitable organisations to build their capacity in the effective use of funds was viewed as a way to increase the impact of giving and the sustainability of that impact.

### 3.5.4 Bequests

The large majority of respondents to the *Philanthropy and philanthropists* survey (89.3%) indicated they have a Will, compared to just half (49.8%) of respondents to the 2016 *Individual giving and volunteering* survey.

More than a third (35.7%) of respondents to the 2016 *Philanthropy and philanthropists* survey who have a Will, included a charitable bequest in their Will compared to 7.4% of the respondents in the *Individual giving and volunteering* survey.

Every *Philanthropy and philanthropists* survey respondent with a charitable bequest in their Will indicated they had first provided for their family to the extent the Will-maker thought necessary.

## 3.6 What else influences philanthropic giving?

### 3.6.1 General factors

Several themes recurred throughout focus groups, interviews and the *Philanthropy and philanthropists* survey about key influences on philanthropic giving. Giving is influenced by:

- perceived capacity to give (whether time, money or skills) by individuals
- valuing giving (believing that giving is worthwhile and the right thing to do)
- social networks (both personal such as family and peers, and professional, such as advisers)
- ease and accessibility of giving (barriers may not prevent giving, but can discourage it), and
- having a positive impact.

### 3.6.2 Choice of recipient

The top three issues/areas to which survey respondents directed their grantmaking were:

- social services (63.7%)
- education and research (62.7%), and
- health (52.9%).

The majority of respondents (81.4%) reported having a process to review their grantmaking priorities.

Just over half (53.9%) of respondents indicated the grantmaking processes of their fund(s) have changed significantly over the past 10 years.



The top three influences over granting choices were:

- alignment with personal passions
- sound governance in the receiving organisation, and
- perceived competence of the charity.

The level of due diligence of organisations or causes undertaken by donors differed with the size of a gift.

Reporting and evaluation were seen by many as having an important role to play in considering repeat funding with respondents noting that:

- reporting and evaluation processes required adequate resourcing of skills and time, and
- some projects have much longer-term outcomes or indirect benefits that are difficult to measure.

Just under half (46.9%) of respondents stated that their fund has conducted an evaluation of its own effectiveness.

## 3.7 How has philanthropy changed since 2005?

### 3.7.1 Changes over time

(Note: As *Giving Australia 2005* did not include a survey of philanthropists, comparisons are with 2005 qualitative data and 2016 qualitative and quantitative responses.)

In 2016, greater emphasis was on funding for impact and sustainability, in particular the value of:

- transparency
- evaluation
- openness to longer-term investment in areas of need, and
- engaging communities in co-creating solutions to their local challenges.

Some focus group and interview participants observed a generational change in how people select charities – less related to a general desire to be charitable, and more related to personal connection to specific causes.

Some expressed concerns that younger generations were less involved in giving. Others highlighted the potential for younger generations to contribute in new ways.

There was also a shift towards a view that those with capacity to give should do so, and that this should be a lifelong habit, not confined to particular life cycle phases such as postretirement.

Changes in regulation and the accessibility of different modes of giving (such as PAFs) have influenced the processes of philanthropic giving and increased the volume of giving.

Collective giving and crowdfunding were identified as powerful democratising methods with considerable potential to harness resources beyond those who consider themselves philanthropists.



### 3.7.2 Influence of technological development and social media

Eight in 10 (81.1%) of respondents indicated their fund had a web presence, for which the most common use (86.4%) was 'promotion/brand presence'. More than half (58.9%) reported the use of social media, and many research participants indicated that social media is intrinsic to, and aligned with, their strategy.

Internet based communication technologies are making it easier to connect family members, directors/trustees and partnering organisations working across great distances. Use of information systems, software and web-based technologies was viewed by many as relatively untapped across Australian organised philanthropy. Grants management software and use of online applications increasingly are being utilised to lift efficiency for both grantmakers and applicants.

Participants cited increasing use of social media and online technologies as changing awareness of where gifts can be made and how this can be done. Many emphasised the expanding potential of social media to be very effective in increasing access to relevant information and growing networks.

More care was seen to be needed in the design and implementation of new technologies in order to better enable community-based organisations rather than creating further barriers to access.

## 3.8 The future of philanthropy

### 3.8.1 Future of philanthropy: participant views

The popular vision for Australia's philanthropic sector is characterised by collaboration and consolidation and by increased capacity and impact. Many focus group and interview participants viewed mergers and/or strategic partnerships between existing nonprofit organisations (NPOs) as highly desirable. Reservations about new entrants to organised philanthropy wanting to 'make their mark' and potentially duplicating existing infrastructure were expressed.

Education was considered important to growing Australia's philanthropic sector by normalising giving among the public and enhancing the professionalism of those who work in the sector.

Greater focus by philanthropy on capacity building in the nonprofit sector was seen as an important path to increasing the impact of philanthropic giving.

Some participants raised concerns about a perception that government is withdrawing funding of key social services and support and lacks of long-term vision for the philanthropic and nonprofit sectors and the social value they deliver.



### 3.8.2 Barriers and challenges

Focus group and interview participants raised a number of issues specific to the Australian context as set out below.

- ‘Tall poppy syndrome’<sup>1</sup> was seen as an ongoing barrier to talking about giving.
- A cultural desire to be supportive and encouraging of efforts for good tends to sideline deeper discussion about effectiveness.
- The limits of existing giving structures, specifically the limitations of allocating tax-advantaged funds only to those organisations endorsed by the Australian Taxation Office (ATO) as DGR1.<sup>2</sup>
- For those not utilising sub-funds, perceived high establishment costs for PAFs and the level of knowledge required to initiate such structures were seen as disincentives.
- The barrier of lost access to committed funds if personal circumstances changed was cited as an obstacle to using structured giving vehicles.
- Perceptions that giving to charity is ineffective, or that significant proportions of donations will be consumed by administrative costs, deter giving.
- The media is perceived to discourage giving by popularising public scepticism towards charitable donations, and thereby providing a ready justification for reluctant donors not to give.
- Quality of reporting and communication is important in perceptions of impact.

Participants believed reduced public funding, in parallel with increasing need, boosts demand and competition for philanthropic dollars. The volume of legitimate demands can become a barrier for some as it increased the complexity of decision-making around giving.

## 3.9 Strengthening giving in Australia

Financial capacity to give is a precondition for monetary giving, but predisposition to give is also required. Culture, learned values and lived experience play an important role in guiding people’s assessment of their capacity and propensity to give.


Findings suggest growing giving in Australia can be informed by the framework behavioural economists use to encourage desired social behaviours (Behavioural Insights Team 2013, 2014). Qualitative research participants were also clear about the need to making Australian giving easy, attractive, social and timely.

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<sup>1</sup> ‘Tall poppy syndrome’ refers to a social phenomenon – the perceived tendency of people to resent or disparage those who have achieved notable success, wealth or fame in life.

<sup>2</sup> See ‘DGR1’ in glossary.





Participants supported the value of many ideas coming from many sources and suggested four key areas of opportunity for strengthening giving by the Australian population in general and by wealthy Australians in particular, including:

- culture of giving
- platforms for giving
- collaborations and giving, and
- innovations in giving.

### 3.9.1 Culture of giving

Fundamental to giving behaviours by High-Net-Worth-Individuals (HNWIs) and Ultra High-Net-Worth-Individuals (UHNWIs) are the normalisation of giving and the ongoing growth of a culture that values, respects and even expects giving. Giving could become more normalised by:

- encouraging and promoting the development of values in support of the common good
- enabling educational experience and exposure to giving and its impacts
- supporting and encouraging giving through recognition processes and awards
- supporting initiatives that make giving more social and fun
- increasing awareness and skills among professional advisers in relation to giving; and in doing so potentially enhancing their clients' understanding of their capacity to give, either while living or from their estate, and
- educational initiatives across primary, secondary and tertiary sectors.

### 3.9.2 Platforms for giving

The success of the introduction of PAFs and growing energy around community and collective giving mechanisms indicate the potential to boost philanthropic giving through targeted initiatives, including through:

- enhancing regulation pathways that make involvement in giving easier, such as new technology platforms, community foundations and giving circles
- encouraging diversity in giving (including diversity of models, of cultures, of scale)
- investing in tools and processes that better match those with funds and those in search of them
- reducing the complexity involved in establishing structured giving vehicles
- reducing restrictions on where donations can be made (e.g. enable PAFs to gift beyond DGR1s, inclusive of individuals),<sup>3</sup> and
- developing initiatives aimed at encouraging significant superannuation holders to gift capital, potentially in ways that may enable the donor to partially recover their gift if required.

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<sup>3</sup> There have been several regulatory changes to PAF and PuAF Guidelines, including changes that came into effect in May 2016 incorporating amendments to the *Private Ancillary Fund Guidelines 2009* (Cth) and the *Public Ancillary Fund Guidelines 2011* (Cth). The aims of these amendments include: to align the two sets of guidelines; and to recognise the introduction of the Australian Charities and Not-for-profits Commission (ACNC).



### 3.9.3 Collaborations and giving

Opportunities to strengthen giving through collaboration both within the philanthropic sector and through greater engagement with the broader nonprofit sector include:

- building and maintaining mechanisms that help foster ongoing relationships between philanthropists and the communities or causes with which they connect
- building on the momentum developed by the Australian Charities and Not-for-profits Commission (ACNC) and others for nonprofit sector regulation and coordination
- establishing mechanisms to encourage sharing of administration (back-office services)
- coordinating simplification and standardisation where appropriate of common foundation processes (from application to acquittal), and
- leading and stimulating collaborative efforts between government and philanthropy at all levels.

### 3.9.4 Innovation and giving

Opportunities for innovation flowing from this research include:

- encouraging and supporting local initiatives aimed at developing the necessary scale for impact investing in Australia
- increasing targeted social investment by Australian philanthropy (personal and institutional) through the strategic use of matched funding
- investigating models to better support local community driven and funded initiatives, inclusive of matched funding (referenced above)
- supporting initiatives aimed at 'Big Data' use, information sharing and transparency related to all aspects of giving, and
- ongoing research (inclusive of taxation policy) aimed at encouraging HNWI and UHNWI families in particular to participate in giving while living and/or to gift a portion of their estate.



## 4.0 Introduction

### 4.1 Overview

This report presents the findings of *Giving Australia 2016* on philanthropy, with a particular focus on monetary giving by philanthropists and giving by philanthropic institutions including trusts and foundations. It draws on various sources of data collected throughout the *Giving Australia 2016* project, including: existing literature and statistical evidence; focus groups and interviews with people and organisations active in philanthropy; an online survey of philanthropists and foundations; and relevant questions from a household survey examining individual giving and volunteering.

This mixed method approach uses qualitative data to add depth and perspective (Weick, 2007) to the quantitative survey results.<sup>4</sup> It is extremely difficult to obtain an adequate understanding of the complex motivations, value judgements, emotions and beliefs driving giving and volunteering behaviour if relying only on a limited range of options in a survey and answers of only a few words.

The term ‘philanthropy’ covers a wide range of giving behaviours. Philanthropy is broadly defined by the national association, Philanthropy Australia, as ‘The planned and structured giving of time, information, goods and services, voice and influence, as well as money, to improve the wellbeing of humanity and the community’ (Philanthropy Australia 2012). Giving of time and money by individuals is considered in detail in the *Individual giving and volunteering* report within the *Giving Australia 2016* series. While there is necessarily some overlap between these reports, our primary focus here is on monetary and in-kind giving using institutional vehicles. For descriptive purposes, we use the terms philanthropists, givers, donors and funders interchangeably in this report.


### 4.2 Structure of the report

The report briefly canvasses findings from the existing literature, with a focus on key issues and emerging trends.<sup>5</sup> These issues inform the *Giving Australia 2016* research questions relevant to this report, which are set out in [section 4.4](#). The methodology that informed data collection and analysis is described and a summary of data sources included.

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<sup>4</sup> Qualitative research involves exploring the widest possible range of experiences and perspectives, whereas quantitative research confirms which experiences and perspectives are most common and of most relevance within a population.

<sup>5</sup> For a fuller presentation of the literature review, see Baker, Christopher. 2016. “High Net Worth Individuals/Foundation.” In *Giving Australia 2016: Literature review summary report*, edited by Wendy Scaife, Myles McGregor-Lowndes, Jo Barraket and Wayne Burns. Brisbane, Queensland: The Australian Centre for Philanthropy and Nonprofit Studies, Queensland University of Technology, Centre for Social Impact Swinburne University of Technology and The Centre for Corporate Public Affairs.



Findings from the *Philanthropy and philanthropists* survey, focus groups and interviews with a wide variety of philanthropists are presented in [section 6](#) in response to the research questions.

- Who gives?
- Why give?
- How is giving done?
- What else influences philanthropic giving?
- How philanthropy has changed since 2005?
- The future of philanthropy, and strengthening giving in Australia.

The key practices, emerging trends and challenges of philanthropy arising from the findings are then discussed in light of findings from the literature. Finally, implications for policy and practice are considered.

Tables and figures are used to present some of the quantitative findings, while direct quotations from focus group and interview transcripts illustrate key findings from the qualitative research.

## 4.3 Key findings from previous research (Literature review)

The *Giving Australia 2016 Literature review* 'Chapter 3: High-net-worth-individuals (HNWIs) and philanthropic foundations' contextualises the issues explored in this report. Both the full literature review and a summary version are available at

<http://www.communitybusinesspartnership.gov.au/about/research-projects/>.

In the public eye, philanthropy is often seen as the preserve of the very wealthy. To include the great diversity of people who give and donate, 'philanthropy' is increasingly defined by the sector as the giving of money, time and talent to chosen causes or organisations for the benefit of others.

The importance of transparency to the effectiveness of philanthropic initiatives is a strong theme in recent literature, as is the importance of positive social impact to HNWI donors. The globalisation of giving perspectives and practices among HNWIs is not surprising in a world in which the global wealthy are increasingly global citizens (Chia 2015; Leat 2007; Mickiewicz, Sauka and Stephan 2015).

Issues that are engaging HNWIs and foundation staff and trustees/directors alike include:

- impact investing
- evaluation of grantmaking and grant effectiveness
- collaboration among major donors, and
- crowdfunding for foundations engaging with, and helping to develop the infrastructure for, civil society.



## 4.4 Research questions addressed in this report

With a focus on philanthropy and philanthropists including HNWIs; philanthropic entities such as foundations, funds and trusts; and bequestors, this report responds to the following 13 of the 17 *Giving Australia 2016* research questions.

- What are the rates and patterns of giving and volunteering in 2016?
- How are giving and volunteering behaviours changing over time including the use of innovative giving and volunteering platforms?
- How are innovations in social media and technological development influencing giving and volunteering?
- What factors influence people to utilise methods of giving, such as bequests, workplace giving and collectives (e.g. giving circles) and foundations?
- How do Australian patterns of giving and volunteering compare with other like countries and what factors contribute to these differences?
- What are the critical factors that motivate giving and volunteering behaviours in 2016?
- Are there differences in motivation and behaviours among people according to age; gender; geography; cultural background; family structure; income or employment status?<sup>6</sup>
- What are the key factors that motivate individuals to move from spontaneous to planned giving and volunteering?
- What are the opportunities to grow levels of giving and volunteering among individuals and business?
- What is the role of intermediaries, such as foundations and ancillary funds, in giving and volunteering?
- What does information about changing patterns of giving and volunteering in 2016 tell us about the future of philanthropy in Australia?
- How do philanthropists select a charity?
- How do performance and outcomes reporting influence philanthropists' decisions about donations?

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<sup>6</sup> As noted in [section 6.2](#), this research question will largely be addressed in the *Individual giving and volunteering* report.



## 5.0 Methodology

This section provides an overview of the research methods, including data collection, instruments and analysis used in collecting findings presented in this report. Further methodological detail for the *Giving Australia 2016* project overall can be found in the *Giving Australia 2016: a summary*.

### 5.1 Literature review

A comprehensive review of the available academic and grey literature<sup>7</sup> was conducted to identify themes and gaps in available evidence, which informed the questions for data collection instruments. It is available at <http://www.communitybusinesspartnership.gov.au/about/research-projects/>. Search terms and search engines used for the HNWI and Foundations literature review are listed below.

#### 5.1.1 Keyword search terms

- High-Net-Worth-Individuals; and
  - giving
  - philanthropy
  - foundations
- Wealth; and
  - giving
  - philanthropy
  - foundations
- Philanthropists; and
  - giving
  - philanthropy
  - foundations
- Foundations; and
  - giving
  - philanthropy

#### 5.1.2 Search engines

EBSCOhost database, Google Scholar and Google were used.

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<sup>7</sup> Grey literature refers to general material not published in books or journal articles.



## 5.2 Qualitative research: interviews and focus groups

Twenty-nine interviews and 11 focus groups were conducted from November 2015 to August 2016. These addressed questions relevant to family foundations, PAFs, Public Ancillary Funds (PuAFs), professional advisers, community foundations, sub-fund holders, philanthropists and young philanthropists. Participants were recruited using a purposive sampling technique; drawing on individuals with relevant experience and skills to enable research aims and objectives to be met. A summary is presented in Table 1.

The majority of participants for the interviews and focus groups were recruited via the Australia-wide network of Philanthropy Australia. Researchers also recruited participants through the Australian Centre for Philanthropy and Nonprofit Studies (ACPNS) and Centre for Social Impact (CSI) Swinburne databases. Specific individuals with expertise in topic areas were sent personalised email invitations requesting their participation. The Australian Women’s Donors Network and the Australian Environmental Grantmakers Network assisted with qualitative research recruitment in these growth areas of Australian philanthropy.

Semi-structured interviews were conducted either face-to-face, or where necessary via telephone or online, and took an average of 43 minutes.<sup>8</sup> Focus group sessions were conducted face-to-face and took, on average, 83 minutes. Interviews and focus groups explored: motivations for giving; challenges and barriers; predicted changes to giving behaviours; and how technology influences philanthropy.

Each interview and focus group was digitally audio-recorded. Audio data were transcribed verbatim and analysed thematically using NVivo software. Data were coded according to higher-order themes and in accordance with the *Giving Australia 2016* research questions (see [section 4.4](#)).

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<sup>8</sup> It is not uncommon in HNWI research for interviews to run for less than an hour.



Table 1 Location and number of interviews and focus groups by topic area

Group/topic area	Location	Interviews	Focus groups	Dates
Collective giving	NSW	1	1	March 2016
	WA	1		November 2015
	SA		1	November 2015
HNWIs and foundations	VIC	5	1	November 2015 – April 2016
	QLD	4	1	March – April 2016
	NSW	1	1	May – July 2016
	TAS	1		November 2015
	SA	1	1	November 2015
	WA	1	1	November 2015
	NT	2		April – May 2016
PAFs	VIC	1		March 2016
	QLD	1		March 2016
	WA	1		November 2015
Professional advisers <sup>9</sup>	QLD		1	March 2016
US grantmaker into Australia	QLD	1		April 2016
Nonprofit organisation <sup>10</sup>	NT	1		April 2016
Bequestors <sup>11</sup>	VIC		1	November 2015
Giving by and to women and girls	VIC	3	1	July 2016
Grantmakers to the environment	QLD	1		August 2016
	VIC	3		August 2016
	Multi-state		1	August 2016
Total	7	29	11	November 2015 – August 2016

Efforts were made to collect responses from all states but on occasion focus group numbers were insufficient to proceed.

<sup>9</sup> In this context, professional advisers refers to advisers working in the context of wealth management and included financial advisers, trustees and lawyers.

<sup>10</sup> This content from a nonprofit interviewee was included in the analysis for this report for the additional insights offered into HNWI donors in the NT.

<sup>11</sup> Bequestor data is reported in both this report and the *Individual giving and volunteering* report because some bequests are of very high levels; from HNWIs; and/or form the base for an ongoing philanthropic foundation.



## 5.3 Online survey

### 5.3.1 Distribution and administration

Preliminary findings from the interviews and focus groups informed the development of an online survey of philanthropists and grantmaking philanthropic entities referred to throughout this report as ‘the *Philanthropy and philanthropists* survey’ or ‘the online survey’ to distinguish it from the *Individual giving and volunteering* telephone survey of households. The full questionnaire took approximately 30 minutes to complete, and survey responses were anonymous.

### 5.3.2 Sample and screening

All philanthropic trusts and foundations across Australia were eligible to take part in the online survey. The questionnaire for the *Philanthropy and philanthropists* survey was designed to address issues both for philanthropic entities (foundations, trusts, funds, PAFs etc.) often managed by a grantmaking professional and for philanthropists (individuals) who give through such structured vehicles. Accordingly, the questionnaire was structured with a set of questions appropriate for entities and a set of questions appropriate for individuals, such as a principal donor to the fund or family member of the fund’s principal donor/s.

HNWIs who give outside a specific structure were not included in the sample and were screened out by the first question if they did not meet this criterion.

Potential respondents were notified of the survey via sector media, including *Probono News*, *Generosity Magazine*, ACPNS and CSI Swinburne databases and networks, project partner Philanthropy Australia, other bodies (e.g. the Impact 100 network, The Funding Network) and umbrella organisations that host philanthropic trusts, such as Perpetual Trustees, Equity Trustees and larger community foundations. A link to the questionnaire was also posted on social media sites (e.g. Twitter and Facebook), as well as the *Giving Australia* website. The population of possible philanthropists is unknown and a response rate cannot be calculated.

### 5.3.3 Process for designing questionnaire and pilot

Quality control for the content of the questionnaire was established through a series of related steps. Subject matter experts evaluated the appropriateness of included items. A panel of *Giving Australia 2016* project team researchers who had not been involved in the development of the questionnaire then reviewed the questions and provided feedback. The final draft was piloted by six individual philanthropists and representatives of philanthropic foundations, who completed the questionnaire online and provided feedback.

### 5.3.4 Completion rates

In total 126 respondents linked through to the online questionnaire and 11 exited the questionnaire without answering any questions. Some 115 respondents answered at least one question. The final valid sample comprised 105 respondents.



### 5.3.5 Non-response analysis

Of the 115 initial respondents, those who did not answer a significant proportion of the questionnaire (the sections regarding specific foundation characteristics and individual giving and volunteering practices) were excluded from further analysis ( $n = 10$ ).

### 5.3.6 Weighting

Weighting of scores was not carried out prior to analysis. Descriptive and frequency data analysis was performed on both single and multiple response questions for the purposes of providing support for the qualitative data outputs. As percentages have been rounded to the nearest one decimal point, they may vary by 0.1% when totalled, resulting in a total percentage ranging between 99.9–100.1%.

### 5.3.7 Definitions used

Where survey data appear in this report, missing data have been excluded, so all percentages defined in the report are calculated based on responses received. A copy of the questions are included as Appendix 1.

### 5.3.8 Individual giving and volunteering survey

The *Individual giving and volunteering* survey involved approximately 6,200 Australian households selected via random telephone digit dialling to get a representative sample of Australians stratified by age, gender and State/Territory. The survey was undertaken by McNair Ingenuity in partnership with ACPNS. Questions from that survey that are relevant to the findings presented below included:

- Some people like to plan what will happen to their possessions in the event of their death. Do you currently have a Will?
- In your Will, have you left any gifts of money, property or possessions to any charities or nonprofit organisations?
- What is your total gross income from all sources?

## 5.4 A word on the mixed-methods approach

The *Giving Australia 2016* study adopted a mixed-methods research approach, using both quantitative and qualitative data collection and analysis methods, from multiple different sources.

Qualitative methods allow for a greater understanding of behaviour to be gained and offer rich insights (Weick, 2007) into phenomena, in this case giving of money, time and goods. These greater insights arise from asking questions including ‘why?’ or ‘why not?’ that are difficult to answer in a few words, or from a limited range of options in a survey.

When studying national, complex and potentially sensitive subjects such as giving and volunteering, the mixed method approach adds value by enabling voices of the diverse participants who are involved in giving, volunteering and NPOs to be heard.

# 6.0 Findings

## 6.1 Who gives?

This section explores the patterns, demographics and trends emerging from the qualitative and survey data on philanthropy and philanthropic entities and discusses the views of respondents and participants regarding the cultural context of giving in Australia.

The findings presented in section 6.1 relate to the following *Giving Australia 2016* research questions.

- What are the rates<sup>12</sup> and patterns of giving and volunteering in 2016?
- How do Australian patterns of giving and volunteering compare with other like countries and what factors contribute to these differences?

### 6.1.1 Profile of respondents to the *Philanthropy and philanthropists* survey

Respondents to the *Philanthropy and philanthropists* survey included both individuals with structured giving vehicles, and representatives of philanthropic foundations. Key demographic information for the 105 total respondents to the *Philanthropy and philanthropists*' questionnaire is included below.

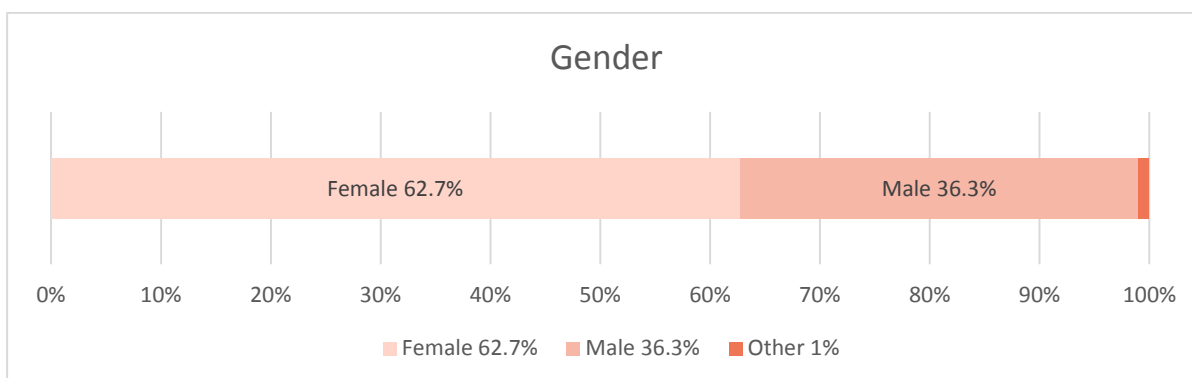


Figure 1 Gender of respondents

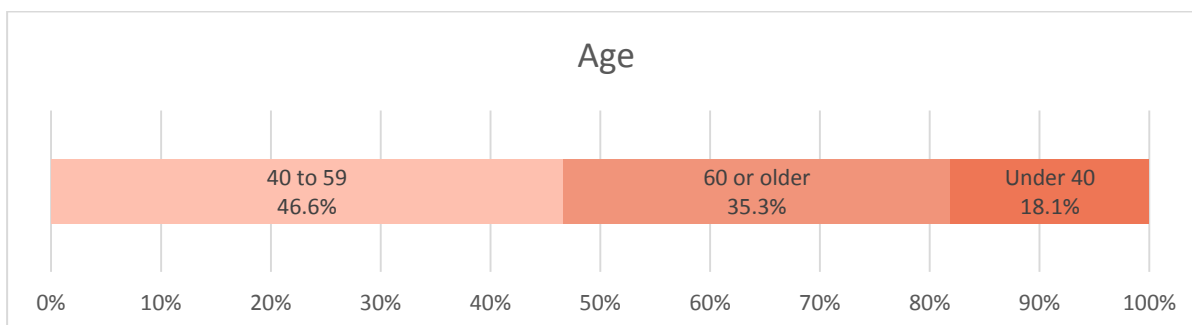


Figure 2 Age of respondents

<sup>12</sup> This report focuses on patterns emerging from the data on philanthropy and philanthropists. For broader data on the rates of giving and volunteering in Australia, see the *Individual giving and volunteering* report.

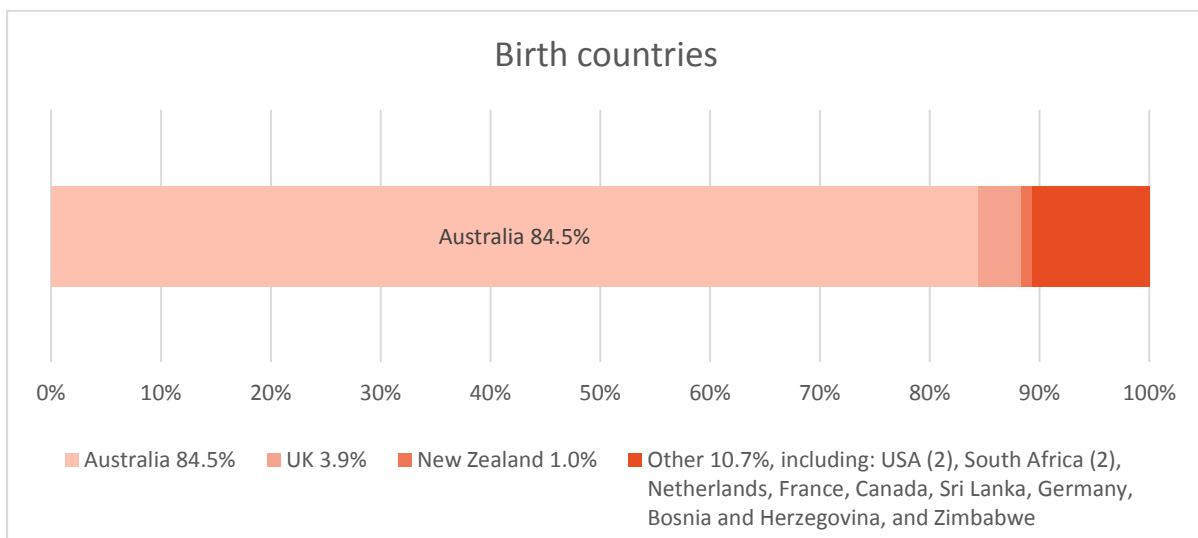


Figure 3 Birth countries of respondents

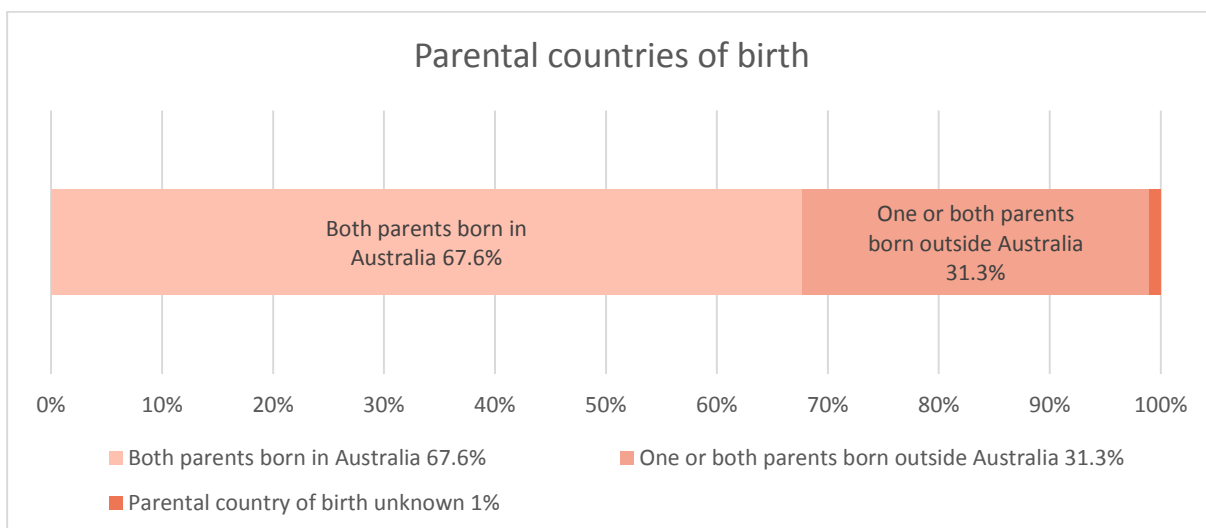


Figure 4 Parental countries of birth of respondents

## 6.1.2 Demographics and diversity


Qualitative findings illustrated that participating philanthropists perceived the philanthropic community to be a fairly diverse group.

...there's a whole range of people who do philanthropy... for all sorts of reasons.  
 - Focus group, Philanthropy, VIC

Focus group and interview participants also perceived some differences in the ways that philanthropists might prefer to be involved in giving, according to various demographic factors described below.

### Age and life stage

The findings on age and life stage echoed those of *Giving Australia 2005*, that people tend to give what they have capacity to give – whether this involves contributing money or donating their time, energy and influence to valued causes. For example, people at postretirement stage have had a



chance to accrue greater wealth and so may have more disposable income to give, particularly when they no longer have to financially support dependants.

*I suspect the grey hair reflects more the quantum of the giving. So what we're talking about here is the money is with the older generation, and so therefore the opportunity to give more is also with them.*

**- Focus group, Professional advisers, QLD**

While younger philanthropists may be at earlier stages of accruing wealth and influence, they still communicated a strong desire to get involved, and do what they could do address existing problems.

*...there's no reason for people not to step forward from the get-go... the problems [of the world] can't wait for us to be old enough and have accumulated all that we're going to accumulate.*

**- Interview, Young HNWI, VIC**

Some focus group and interview participants perceived that younger generations were more disengaged, or primarily sought giving opportunities that provided 'instant gratification', and suggested this would diminish support for longer-term involvement in the nonprofit sector, such as participation on boards. Other participants countered these concerns, suggesting younger people could become very involved and active in giving once engaged and could also be strong catalysts for encouraging giving among their social networks.

*They're people who are passionate. They're people who are committed. They're people who have a generous spirit. The important thing is the skill set that they can bring, and the philosophy and the approaches that comes with that. We've got... young people who are very well experienced and leaders in their own sort of fields, through to young people who are emerging in their industries who...have that sort of social justice interest and want to give back because they're at a time in their life where they can do that.*

**- Interview, NPO, NT**

Largely, participants recognised that people can have different motivations and capacities for giving across a lifetime, and there are opportunities to successfully engage a broad range of givers by providing individuals with options that best matched their interests and capacity to give at that point in their life.


## **Gender**

A small number of focus group and interview participants observed that gender and age imbalance affected organisational culture and practices in the philanthropy sector.

*I still think it's a predominantly male culture that we work within.*

**- Focus group, Giving by and to women and girls, VIC**

Participants observed that women were often more visible at the level of community work, whereas men tended to occupy higher-profile, more public positions in institutional philanthropy. There was a sense that decision-making positions in philanthropy remain relatively male-dominated and that this reflects the broader gender inequity still present in Australia's corporate and political realms. Many



participants expressed a perceived need for greater gender diversification on the boards of philanthropic foundations and trusts and more recognition and celebration of women's leadership to encourage and strengthen philanthropy.

*...we've got some very complex social and environmental difficulties that face us, and we're in a period of incredible change... the collaborative and practical response that's often shown by women – I think the leadership that they can show if they've got resources is going to be critical in helping us move through and solve some of those things.*

**- Interview, Giving by and to women and girls, VIC**

*We were involved with some networks, philanthropy support networks, and one of the early conferences they were talking about trustees of these big funds, and they're going pale, stale and male.... It's not necessarily saying that they're all bad, but the trustees ... if they're old and fuddy duddy, well they're not going to be up to speed with better practice.*

**- Focus group, Philanthropy, VIC**

Regardless of whether philanthropists have a particular focus on targeted giving to women and girls, focus group and interview participants suggested that use of a 'gender lens' in giving has potential advantages for philanthropic organisations, NPOs and the communities they seek to serve, including:

- greater sophistication and understanding of grantmaking issues
- ability to demonstrate how people are differently affected by issues
- stronger program design, and
- better outcomes for families and communities when women are supported.

*...if you want to impact education levels... if you want to impact homelessness, if you want to impact whatever, first try and understand 'is there a gendered nature to the issue?' So do a quick analysis. 'How's this playing out?', 'Is it affecting people equally?', 'Is it different for boys and girls, men and women?'*

**- Interview, Giving by and to women and girls, VIC**

### **Cultures and religions**

There was also recognition among focus group and interview participants of the wealth of diversity in Australia and a sense of untapped potential for philanthropy to better reflect the changing ethno-cultural composition of our communities.

*...the people that are coming here are much more giving and willing to get involved because they want to be part of a community... So they're much more willing to kind of say, 'I will help in the way I can or give a little bit because I love this place and I am grateful.'...I think anyone who comes here, be it a refugee or however they came here, they're always willing to step up and do so much extra. We could learn a lot from them...*

**- Interview, Foundation, QLD**

Participants suggested there were opportunities for greater learning about relationship building and community development from our many cultures, from Aboriginal and Torres Strait Islander peoples to newly arrived migrant communities, and for philanthropy to harness shared passion and commitment to addressing social issues.





*Aboriginal leaders I think are some of the senior cultural leaders and senior artists who really love sharing their information and engaging with people and encouraging them to learn and come back and whatever. So it's a perfect way of keeping people engaged even though they're not necessarily thinking that that is what it's doing.*

*- Interview, HNWI/foundation, NT*

As one Indigenous participant noted:

*...Aboriginal people don't make a song and dance, or they don't have an organised charitable structure to promote that. It's not so much organised in similar ways, it's done very much based on family need and local dynamics that are happening from day to day... there's actually quite a story of great generosity in our communities.*

*- Interview, NPO, NT*

The importance of diverse representation of communities in philanthropic organisations was highlighted, along with acknowledgment that engagement with cultural communities must be genuine, patient and practised with respect if it is to build successful partnerships and avoid tokenism. Participants also suggested that philanthropists must take a flexible approach to identifying and supporting community leaders and recognise that particular ethno-cultural communities will have their own ways and processes for doing this.

*We actually value diversity, because if we're going to be representative of our community, we need to have people from all different facets of the community... So diversity is really a big part of what we look for I think.*

*- Focus group, Collective giving, SA*

*People have their own cultural communities and networks and you can't just say, 'Where are you, why are you not here?' We can at least develop a mapping and an understanding of the landscape to say maybe they don't have to be on our board, but we have to know who we're hoping to invest in and work with. We have to know where the leadership is.*

*- Interview, Community foundation, VIC*


### **Rural and regional communities**

There was a strong sense of the vital role that philanthropy and volunteering play in rural and regional communities, particularly where there are increasing gaps in services.

*...I see with the increase in sea changing and tree changing where I am at the moment... the place is bursting with people with disposable income and time and education and talent to share.*

*- Interview, HNWI/foundation, NT*

Participants in focus groups and interviews expressed concern that populations are becoming more transient and highlighted the need and opportunity for well-resourced or skilled 'sea changing and tree changing' residents to contribute to their new communities.



*...we've changed a bit and not so much in a good way. It's a lot more transient so people aren't as – what's the word – locally parochial in that way.*

*- Interview, Foundation, QLD*

## **Wealth**

Focus group and interview participants felt that the perception of philanthropy is shifting. Rather than being seen as the domain of the very wealthy alone, philanthropy was increasingly being seen by those involved as a practice accessible to those with comparatively less disposable wealth.

*Giving Australia 2005* found that those with greater financial capacity tend to give more and give more often. While financial capacity to give remained a strong influencing factor in *Giving Australia 2016*, some participants felt that many HNWI could still afford to increase their giving and that there is a mismatch between the actual capacity of wealthy individuals to give and their perceived capacity or propensity to do so.

*I don't think the top end give enough in Australia, and I think that the people that really battle in Australia are actually the ones that really give... the people that keep giving are the battlers, are the ones that don't earn that much money, but they have got amazing ethics and morals. And so I get the privilege of seeing what our company individually can donate, and I'm surprised at the variances in those that can afford to give as opposed to those that can't give.*

*- Focus group, HNWI, QLD*


## 6.1.3 Philanthropic giving in Australia – cultural and policy context

### **International comparisons**

Participants in focus groups and interviews suggested differences between the culture of giving in Australia and other like countries. *Giving Australia 2005* found that the United States (US) generated more than twice the level of giving as Australia. In 2016, participants still perceived that HNWI in the US were giving at significantly higher levels than their Australian HNWI counterparts.<sup>13</sup> These differences were attributed to factors such as varying cultural expectations of giving, a relative lack of public discourse in Australia around giving, taxation incentives and differences in the extent of service-provision by government.

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<sup>13</sup> This perception reflects the views of interview and focus group participants, but is also reflected in a recent article by Smerdon (2016), reporting on the *Wealth-X and Arton Capital Philanthropy Report 2015*. Relevant findings were that UHNWI in Australia were donating a lifetime average of 2.7% of their net worth, compared to UHNWI in the US who donated a lifetime average of 8.7% of their net worth.



*...there's a lot more money in the US, a lot older money in the US. They've had the structures and the advisers and the systems and the private family offices and all those sorts of things reporting that process for a lot longer than we have. And I know on our journey we've had to travel to the US regularly over the past five or six years to get up to a place that we felt was best practice, because, you know, there just wasn't enough resources here in Australia to learn.*

**- Focus group, Professional advisers, QLD**

*I would like to think there's some way we could start a broader conversation in this country about people stopping just focusing on, am I going to buy the latest iPhone, am I going to upgrade my flat screen? Well, actually, maybe instead of doing that, I could give away a little bit of money.*

**- Interview, Young HNWI, VIC**

Some participants perceived that Australia is a little behind the UK, the US and Canada in incorporating outcome measurements as a standard expectation and in adopting structured approaches to tracking community wellbeing. Many believed there were opportunities to learn from international models of monitoring community wellbeing and to trial successful models in Australia.

*We very much like a lot of the models of the community foundations of Canada ...we like their Vital Signs program which measures the wellbeing of communities.*

**- Focus group, Collective giving, SA**

Focus group and interview participants were generally aware of international trends where targeted giving to women and girls has become more accepted as a well-evidenced strategy for achieving increased impact in addressing social and economic disadvantage. They noted, however, that this approach largely is not currently being taken up in the Australian context. It was suggested that (mis)perceptions of gender equality in Australia might mean that investing in women and girls is viewed as a strategy that is appropriate and necessary in developing countries, but not in Australia.

*If people fund in the international space, I don't think you have to have a conversation to convince people that benefiting women is by far the best way of improving the lot of people more generally in third world countries. So I find that fascinating, and I believe there's an acceptance of that argument. And similarly often within Indigenous communities, I think there's an acceptance that if you want to get things done that you focus your funding in on the women too.*


**- Focus group, Giving by and to women and girls, VIC**

### **Australian public policy and regulation**

Public policy and regulation and its implications for philanthropy informed a number of themes in the findings. With regard to the role of philanthropy in society, some felt that philanthropy is currently absorbing too much of the burden for funding programs or services that government should fund through tax revenue.

*I pay my taxes, and I believe that the government should do an awful lot of the work that is currently being picked up by charities.*

**- Focus group, Bequestors, VIC**



Some participants suggested that greater tax incentives should be provided to philanthropists if they are to be encouraged to maintain or increase their giving (a quoted example being the boost to the film industry achieved through the 10BA incentive, introduced in 1981, which enabled 150% deductibility on donations).<sup>14</sup> Opinions on the influence of tax incentives were diverse, but it was recognised that such incentives do have an impact on giving, regardless of whether they are a primary motivator.

*...if you're talking policy changes, money talks.*

**- Focus group, Collective giving, NSW**

*Would I still give if it was not tax-deductible? Yeah, absolutely. Would I give less? Depending on my financial situation at the time...*

**- Interview, Young HNWI, VIC**

Another key theme to emerge from focus group and interview discussions related to enabling giving was the need to balance effective regulation with sufficient flexibility. Overall, participant comments on regulation acknowledged the difficulty in balancing flexibility while protecting against the potential for unscrupulous behaviour in the philanthropic and/or nonprofit sectors. However, the overarching message was that the requirements of initiating giving structures, maintaining legislative compliance and reporting on activities must not be so onerous as to discourage giving.

*Regulation. You know, this plethora of reporting requirements. The same old, same old. Making it easier to operate effectively and efficiently across jurisdictions. That's my big one.*

**- Focus group, HNWIs, QLD**


*The government, and in particular the funding bodies the government support, have got to go far more accountable for making sure they're using the right resources. I just don't think they do enough work in terms of vetting these people and making sure that they deliver a good result.*

**- Interview, PAF, WA**

Multiple participants highlighted the potential benefits to charitable organisations, philanthropists and governments if this balance could be achieved. There was a widely shared view in the findings that government could support the creation of alternative, more flexible ways of giving.

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<sup>14</sup> Introduced in June 1981, 10BA enabled investors to claim a 150% tax concession on investments in qualifying new Australian feature films, documentaries or mini-series. In addition, investors were only liable for tax on half of any investment income earned. Concerns about the cost of 10BA over the years to 2007 resulted in concessions being progressively reduced to 100 %, and 10BA was replaced in 2007 by the Producer Offset incentive, which offers a 20–40% tax rebate. See <https://www.screenaustralia.gov.au/fact-finders/people-and-businesses/production-businesses/in-the-archive/10ba-key-statistics>.



*[A Commonwealth Minister] talked about the concept of like a ‘PAF junior’... to try and encourage the mid-tier age group that don’t feel they’re secure enough to give a bunch of money away but want to contribute – so give a bunch of money away, but after 10 years you can get it back. So you’ve got 10 years of giving, and the idea is that you like doing what you’re doing so you keep going, but if you fall on hard times ...you’ve got this bunch of money sitting there which you can then take back.*

**- Focus group, HNWLs/foundations, WA**

*Whether there’s some way that they can tie charitable giving with superannuation, pensions ... [For many wealthy individuals with surplus income] that would have a lot of cut through if they were able to tie the two together. I don’t have the answer, but I think linking charitable giving with superannuation would be beneficial.*

**- Focus group, Professional advisers, QLD**

There were also mentions of effective international models of giving that government could encourage in Australia.

*...if you look at the US model, the charitable remainder trusts have had an incredible take up and have been very successful in stimulating giving in the US, and that in turn has I think generated cultural awareness of giving as well.<sup>15</sup> So it actually has a domino effect. The community development trust model in the UK is a very successful model there as well, and I think it provides a lower entry point and access point for people who might want to think around how effective they can be in their philanthropy too...*

*In Australia our companies are used to paying very high dividends, and I think shareholders in many cases would actually embrace that if they were to start at the top level giving charitable donations as part of their dividend policy. And if government can encourage that, that would certainly help I think.*

**- Focus group, Professional advisers, QLD**

There was acknowledgment of the benefit of bodies such as the ACNC, with better access to information and greater financial transparency for philanthropists and philanthropic entities, as well as for NPOs.

*Frankly, when we’re assessing applications [for funding], to be able to go online and say, oh yeah, they were established in, whenever, and their budget’s this. There are many, many benefits of ACNC. We definitely want it to continue.*

**- Interview, Foundation, VIC**

Questions were also raised regarding the impact of consolidation of the Australian nonprofit sector, and a tension between survival of the biggest and losing the value that a diverse pool of smaller organisations might provide.

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<sup>15</sup> This statement reflects the participant’s opinion, but is also evidenced by James, Russell N., III, Lauderdale, M.K. & Robb, C.A. 2009, "The growth of charitable estate planning among Americans nearing retirement", Financial Services Review, vol. 18, no. 2, pp. 141–156.

...there's a growing divide between the haves and the have nots in the not-for-profit world. Foundations are saying, 'We'll fund bigger grants for a longer time', but therefore to fewer not-for-profits, which is... what are the rest doing? ... The not-for-profit world has earned and deserves a portfolio of different granting options regardless of what suits us. It shouldn't be our convenience, that's the tail wagging the dog, but that's how it always works, having said all that.

- Interview, Community foundation, VIC

## 6.2 Why give?

This section outlines the key motivating factors for giving, as identified by participating philanthropists in the quantitative and qualitative data. The findings below address the following research questions.

- What are the critical factors that motivate giving and volunteering behaviours in 2016?
- What are the key factors that motivate individuals to move from spontaneous to planned giving and volunteering?

The issue of how motivations and behaviours for giving might differ across demographic groups will be addressed in other *Giving Australia 2016* reports such as the *Individual giving and volunteering* report. The *Individual giving and volunteering* report includes a specific section on giving and volunteering in culturally and linguistically diverse (CALD) communities, along with analysis of demographic data from the *Individual giving and volunteering* survey.

### 6.2.1 Motivators of philanthropic giving

As part of *Giving Australia 2016*, philanthropists were asked about their reasons for giving in the *Philanthropy and philanthropists* survey. The top five motivations for giving as cited by respondents to this question (n=27) are shown in Figure 5.

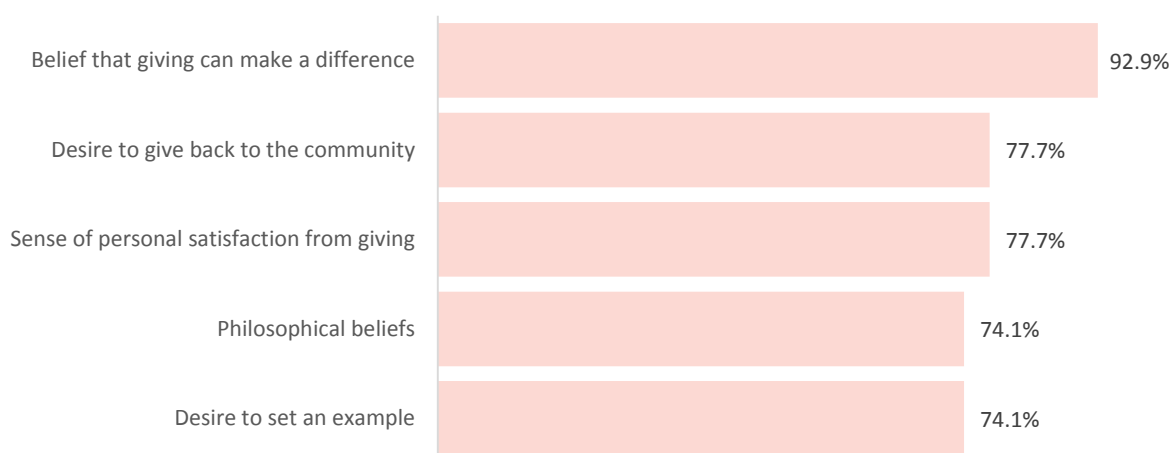



Figure 5 Top five most common reasons for giving

These reasons for giving echoed those found in *Giving Australia 2005*, where the key themes of altruism, reciprocity and living in accordance with personal values emerged as important factors in motivating giving.





In response to another question related to benefits of giving to the giver, 92.3% of *Philanthropy and philanthropists* survey respondents indicated that they find charitable giving personally fulfilling. The sense of personal satisfaction derived from giving is discussed further within this section, in an exploration of the top key motivators as found by the survey.

### **Belief that giving can make a difference**

A philanthropist's belief in the impact of their giving appeared frequently in the qualitative data as a motivating factor. Participants suggested that this belief could be influenced by receiving information about how their contribution would make a difference to recipients, and how they would see that this change occurs.

*...people give because they want to make a difference. They seriously have a passion. They've made money in their lives and they want to make a difference to ... their particular thing.*

*- Interview, PAF, VIC*

*One of the interesting things about philanthropy in the medical research space is that people will make big contributions because they feel like they can actually contribute to solving a medical problem, a breakthrough, it's more tangible.*

*- Focus group, HNWIs/foundations, SA*

Another important factor identified by participants was actual contact and conversation with the communities a donor seeks to benefit. Philanthropists suggested that giving was more likely to occur where interpersonal interaction confirmed the potential for positive impact to be achieved.

### **Desire to give back to the community**

Giving could also be motivated by a sense of social reciprocity and desire to give back to the community that supported the donor to achieve their successes in life.

*For me the first thing that came is I guess that sense of community, giving back, because I've received a lot from the community. So it's my way of returning and helping people less fortunate.*

*- Focus group, Bequestors, VIC*

### **Sense of personal satisfaction from giving**

Another motivating factor identified in the qualitative data was a sense of personal satisfaction and fulfilment.


*For some it's a sense of significance, that they are adding another dimension to their lives or their lives are worthy...I really believe if we understand what personal drivers are and invariably it's about people's kind of view of themselves, that's the primary driver.*

*- Interview, Collective giving, NSW*

*What's in it for me? It's called wellbeing, and in large doses. That's what it's about. Wellbeing, and of course the family and perpetuating the foundation and the long-term benefits that brings, the long-term wellbeing benefits I hope that brings other members of the family.*

*- Interview, Family foundation, SA*





This sense of satisfaction could extend beyond the individual, connecting the enjoyment of giving to other noted motivators such as the giver's desire to support the community, share the skills and resources they can offer and see positive outcomes arising from this.

*It's a very rewarding place to be... I think there's a major feel good factor, so that you can bring the skills that you have to bear on something that provides positive outcomes.*

*- Interview, Foundation, TAS*

### **Moral or philosophical beliefs**

For some focus group and interview participants, philosophical beliefs were a strong motivator for giving, with giving seen as the right thing to do, a moral responsibility and commitment to a better life.

*I just feel everybody who is of reasonable means has a moral obligation to give back to the community. So I feel I'm discharging that moral obligation and I can sleep better at night. It's not something you walk around beating your chest about, but it's just doing the right thing.*

*- Focus group, HNWI, QLD*

*People are more enriched if they are able to lead a values based life. That's from the philosophical perspective and that's my motivator.*

*- Interview, Young HNWI, VIC*

### **Desire to set an example**

Some participants wanted to set an example and to see values around giving continue through future generations. Questions were raised about how this would occur as people's interactions with faith-based and community-based institutions changed, given that these have historically promoted and encouraged giving.

*One of the interesting things is... where do people learn about giving today? At a time when 60% or 70% of the population went to church when giving was part of it, service clubs and so forth ... [as the influence of these institutions diminishes] where do people learn about giving?*

*- Focus group, HNWI/foundations, SA*

Figure 6 shows other reasons for giving, as reported by respondents to this question in the *Philanthropy and philanthropists* survey (n=27). These appear in descending order from the highest to lowest percentage of respondents agreeing with each reason.

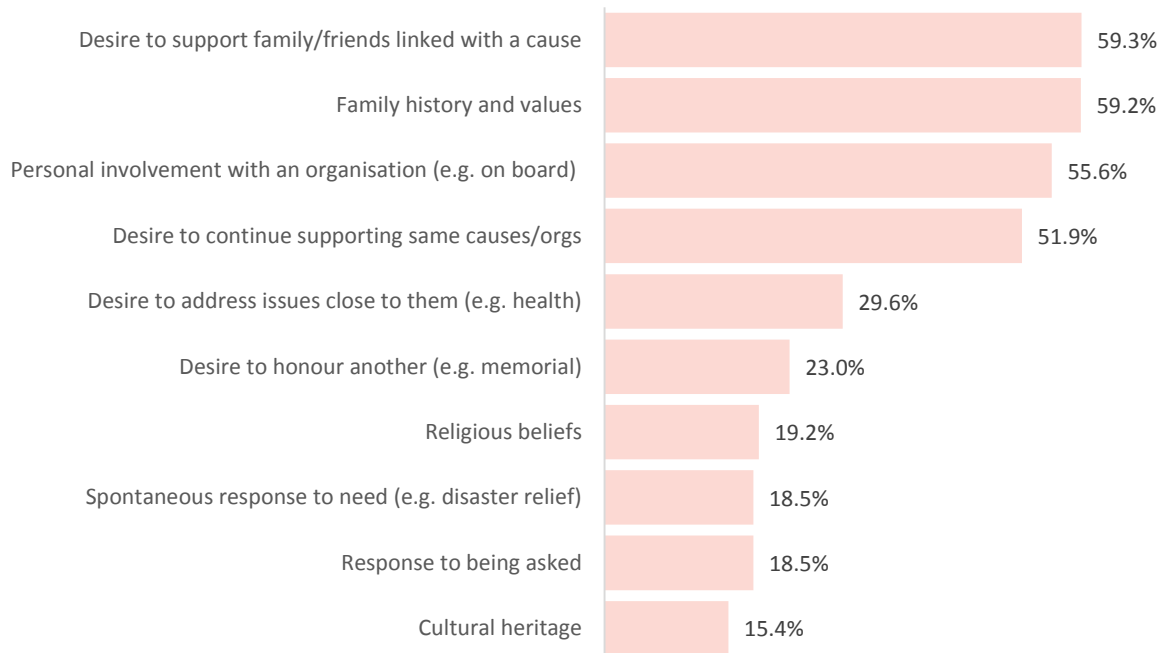


Figure 6 Other reasons for giving

### Desire to support family or friends linked with a cause

Just under two-thirds of *Philanthropy and philanthropists* survey respondents agreed that a social connection to specific organisations or causes could motivate giving. This was also reflected in the qualitative data, where participants recognised that connections to particular causes could change throughout a giver's lifetime, in relationship with the events that affected them or those they cared about.

*...people are often giving because it touches them at the deepest point of their life, you know, things that really matter to them. It might be that a loved one has died of an illness and they feel like they can make a contribution to others not suffering like that, or it might be humanitarian or it might be a passion for the arts in some way.*


*- Focus group, HNWLs/foundations, SA*

*And to be honest, sometimes it's been a good friend is doing something, you want to support them, and so you jump in and do it. You wouldn't do it if you didn't believe in it, but it's not necessarily your core focus but you want to allow a little bit just to support those sort of activities.*

*- Focus group, Collective giving, NSW*

### Family history and values

Charitable values were identified by participants as being passed down through family, instilling a desire to give and to teach these values to the next generation.



*Well I'm a second generation PAF holder, and my father decided to set up the PAF...he invited myself and my brother to be part of the board... he'd always been a charitable person...throughout his life, and so when the opportunity to set up a PAF came around, he didn't hesitate to do that.*

**- Interview, PAF, VIC**

Experiences within a family history of relative poverty or under-utilised wealth could also be a motivating factor in giving.

*You know, we didn't have a lot, and one of six. My father used to come home and we used to count the money from his pay cheque, and off we'd go. We didn't all have seats in the car, so two of us sat in the boot, but we fed homeless people. ... I [draw] upon those learnings as a little kid as to how fortunate I was, even though many would have seen me as non-fortunate. But the values it instilled at such a young age is where I'm flabbergasted – so where I can involve my son I will. I'll bring him along.*

**- Focus group, HNWI, QLD**

*My parents never got to enjoy all their hard work, money that they made. You're not going to take it with you, and if I can contribute along the way, if it's going to help someone else – and when I'm no longer here I hope that the money will benefit others and it will continue.*

**- Focus group, Bequestors, VIC**

The desire to honour another (for example in memorial) emerged as a strong theme in the data on charitable bequest giving, so this specific motivation has been discussed in further detail in [section 6.3](#).

Less than 20% of respondents to the *Philanthropy and philanthropists* survey cited religious beliefs (19.2%) or cultural heritage (15.4%) as the usual motivators for their giving, while 18.5% of respondents agreed that they usually give of their own accord in response to need, or when they were asked to give.

Similar to the findings from the survey, religious beliefs and ethno-cultural heritage did not come through strongly from interviews and focus groups as motivating factors in giving. Participant comments specifically referencing these two demographic factors were relatively few; the *Individual giving and volunteering* report provides further insight on the intersection of demographic differences and motivations.

## 6.2.2 Motivators for moving to structured philanthropic giving

The key factors influencing the adoption of a structured approach to giving identified by respondents to the *Philanthropy and philanthropists* survey are summarised in Figure 7. Respondents could select all answers that applied.

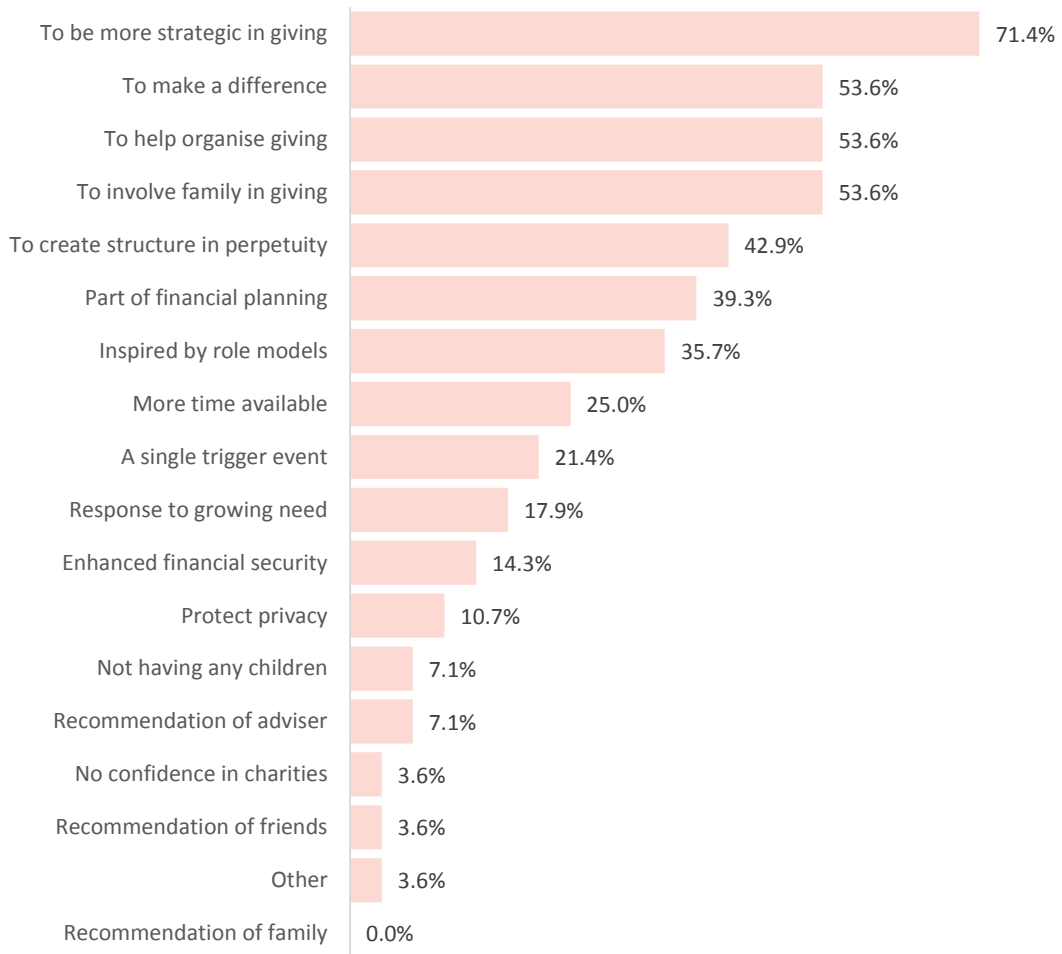


Figure 7 Factors influencing implementation of structured giving


As shown in Figure 7, the top five factors survey respondents identified were very similar to those that emerged from the qualitative data.

The benefits of planned giving strongly informed donors' attraction to a formal structure for giving. Structured giving vehicles were seen by those who used them as complementing the desire to be more strategic and evaluative in decision-making processes relating to their giving, and the aspiration to increase the impact of giving. For donors, the perceived benefits of a giving structure included the ability to maintain a sharp focus and greater financial sustainability of their giving, and to plan their giving around known personal and/or business needs.

This desire for organised approaches to giving also emerged in the data in relation to charity selection and the role of performance and outcomes reporting. This is discussed further in [section 6.4](#).

The two most common considerations for determining the initial amount committed to establishing a formal giving structure were:

- amount deemed to be surplus to family need (24.4%), and
- part of wealth management planning (14.6%).



These considerations were reinforced in the qualitative data, where being at earlier stages of wealth accumulation was noted by a younger participant as a factor in structured giving decisions.

*Mostly [younger] people are pre a PAF setup stage, for a number of reasons. Mostly because I think people haven't probably accumulated the wealth yet. Maybe what that means is that they're just giving ad hoc, or workplace giving. Maybe they have a sub-fund [in a] community foundation but I've never heard of anyone who had a sub-fund that was in our age bracket.*  
- Interview, Young HNWI, VIC

Other participants reiterated the desire to create a more permanent structure for their giving.

*We've always given piecemeal stuff... But not on a regular basis... it's just that we felt it was time we did something on a permanent basis and be more structured.*  
- Interview, Foundation, QLD

Professional advisers who participated in a focus group suggested that there was an influential role for them to play where clients were open to discussion around philanthropy as a part of advisory consultations. As can be seen in Figure 7, 39.3% of survey respondents stated that their implementation of a structured approach to giving was part of financial planning, though only 7.1% indicated that this decision was due to the recommendation of an adviser.

Advisers acknowledged that they were most likely to be effective in engaging their clients on planned philanthropic giving when the client already had confidence and trust in the adviser's capabilities. Participating advisers also observed that discussions about giving are not routine practice for the financial and professional advice sector in general and developing greater awareness and skills about structured giving among advisers could potentially increase participation in structured giving among those who seek assistance with wealth management.

*There's still a huge need for more education of financial advisers... it doesn't occur to them to help the family set up a PAF or look at some planned giving... and to tap in to try and elicit the interest of families or individuals to find how you might plan that...*  
- Interview, HNWI/foundation, NT

Figure 7 shows a range of other factors survey respondents identified as influencing the move to structured giving. Identified factors included having more time available (25%), the experience of a 'trigger event' (21.4%) and enhanced financial security (14.3%). These factors align with the qualitative data, with several participants identifying trigger events that had occurred, such as: receiving a financial windfall (for example from a business venture); being affected by a particular issue (such as an illness or problem affecting the person, their family, friends or community); or a fundamental change in life stage such as reaching the milestone of retirement and feeling confident in capacity to give. The results also suggest that an improved sense of personal financial security can prompt the decision to move from spontaneous to planned giving.



*...instead of investing in the firm for 30 years I was able to take some money out of the business. That enabled me to then look at 'Well, what do I do with it?' So I can stick it in the bank but I then started on a journey I guess of making the transition from being like a business entrepreneur to a social entrepreneur... We started our own foundation and then I started getting involved in a couple of local projects that were a little bit dear to my heart...*

*- Interview, HNWI, QLD*

*...most of the client base that I deal with are retirees as well. They're really getting to a point where they do understand a lot more about how much they need, because they've done all the things of raising the children and dealing with that, and so... they're more readily able to make that commitment at that time.*

*- Focus group, Professional advisers, QLD*

## 6.3 How is giving done?

The following section explores how philanthropists give, with particular reference to influences on the use of specific giving methods and the role played by different philanthropic giving structures. This section relates to the following research questions.

- What factors influence people to utilise methods of giving, such as bequests, workplace giving and collectives (e.g. giving circles) and foundations?
- What is the role of intermediaries, such as foundations and ancillary funds, in giving and volunteering?

### 6.3.1 Methods of philanthropic giving

Findings on the choice to utilise different methods of giving are investigated here, specifically in relation to collective giving, non-monetary giving, foundations and charitable bequests. Other methods of giving such as volunteering are largely addressed in the *Individual giving and volunteering* report, which also includes a more in-depth exploration of in-kind giving and volunteering.

#### **Collective giving**


A working definition of collective giving is people coming together to pool or share resources for grantmaking.<sup>16</sup> The notion of collective giving encompasses giving circles and established entities such as TFN, Impact100, 10x10 and the Melbourne Women Donors Network. Community foundations often undertake the role of bringing together sub-fund holders, other foundations, grantmakers and philanthropists looking to leverage their input by joining with others. In a looser sense, foundations may sometimes fund collectively, in collaboration.

*...the explosion of giving circles is what I first think when you hear of collective giving, and obviously that's where a group of people come together to try and see impact with the funds pooled to a DGR1 charity.*

*- Focus group, Collective giving, SA*

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<sup>16</sup>The Department of Social Services has commissioned a report looking specifically at giving circles.



Of respondents to the *Philanthropy and philanthropists* survey, 38.5% indicated that they participated in collective giving. Of those who participate in collective giving, 90% indicated they were motivated by the desire to encourage giving by others.

Other frequently cited factors that influenced participation in collective giving were:

- capacity to participate (80%)
- enjoying the process of giving with others (70%)
- opportunities to be exposed to new causes (60%), and
- wanting to meet like-minded people (60%).

A key theme emerging from the qualitative data on collective giving was the appeal of increasing positive impact from pooling funds. Focus group and interview participants mentioned several potential benefits of this, including the ability to provide a greater level of support to the sector and reducing the need for beneficiary organisations to find, apply for and acquit multiple grants. Thus, collectives were seen as being able to make larger gifts with the potential for larger scale, more transformational positive impacts.

*...most definitely the ability to raise a significant amount of money and have large immediate impact is the largest benefit that I see from giving circles or collective giving.*

*- Focus group, Collective giving, SA*

*If you've got 10 organisations facilitating an investment, you've got 10 times the engagement.*

*- Focus group, Collective giving, NSW*

Giving collectives were also seen as a means of engaging with the philanthropic sector in an accessible yet deeper way than individual giving and volunteering, without having to set up new structures.

Another advantage of collective giving noted by participants was the assurance that some due diligence into the quality of potential funding recipients had already taken place prior to funding decisions being made. Participants commented that, as part of a giving collective, philanthropists had more avenues for interaction with potential funding recipients (such as through collective giving events). Some also noted the opportunity to derive greater enjoyment in using their knowledge, skills and networks, as well as providing financial support.

*...there's this big number in the middle of people who aren't necessarily really wealthy but affluent enough to do something meaningful in the community. They don't want to go and set up a foundation but they still want to get involved.*


*- Interview, Collective giving, NSW*

*Ease and accessibility is absolutely fundamental to collective giving, and fun. At the end of the day it's all about that human connection... because philanthropy as a word is very daunting.*

*- Interview, Collective giving, NSW*

Another factor that was influential in attracting donors to giving collectives is reduction in individual risk by giving together.





*...if you are one of the largest known supporters of a project or whatever that suffers some sort of reputational consequence, then it's the mistake you make alone. So the mistake you make alone is very hard to recover from.*

**- Focus group, Collective giving, NSW**

Conversely, there can also be risks by association for collective members.

*And it can also increase risk by the same token. If you're involved in a project that you've co-funded with somebody else and your co-funder has had reputational risk and you're associated by default, it can impact on you too.*

**- Focus group, Collective giving, NSW**

Collective giving was typically reported by those involved as an easy and social entry path into philanthropy, with the capacity for outreach. Opportunities to network and belong to a community were identified as valued social aspects of collective giving, present for both philanthropists and the NPOs involved. Several participants observed that women may be more inclined towards collaborative models of giving which provide opportunities to connect with and learn from others involved in considered giving approaches. Although these social aspects were not viewed as the primary aim of giving collectives, they were mentioned multiple times as a perceived benefit to members – but one that could best be sustained by strong engagement with the underlying charitable purpose of the group.

*The other benefit of collective impact is... people want to come together to network, and they want to belong to a community. And that has been really surprising to me with Impact100 SA, because we are all time poor, but it's a sense of community. And I think that's a real benefit.*

**- Focus group, Collective giving, SA**

This impact and sense of community was noted when foundations collaborated as well:


*Most trusts can't really make a difference in a big way on a big need unless we collaborate and we each put in whatever we can afford and collectively build a big chunk.*

**- Interview, Environmental grantmaker, VIC**

*But the surprise one was the pleasure you get out of it, not just the activity, but the people.*

**- Interview, environmental giver, VIC**

Identified challenges of collective giving included sustaining the large amount of time and effort required by organisers and the need for broader awareness of collective giving opportunities among philanthropists. Although some focus group and interview participants expressed concern that collective giving should not detract from other philanthropic activity and the longer-term support required to address persistent social issues, there was a sense of optimism that collective giving is attracting new philanthropists, encouraging giving and could provide an opportunity to harness resources that might not otherwise go to the nonprofit sector.



*I do believe it's bringing new money into the sector. I do believe that collective giving isn't necessarily always recycling money that would go into the sector. What percentage that is, is too early to tell...*

*- Interview, Collective giving, NSW*

### **Non-monetary giving**

There is a growing understanding among philanthropists of the value and benefits of in-kind giving, with many qualitative research participants identifying that they contribute time and expertise, as well as money. The value of this was particularly emphasised where philanthropists had specific skills or knowledge that matched up with gaps in the capabilities of charitable organisations.

*In my head I sort of think of philanthropy as... that whole continuum of how you contribute to your community, and that's the way I think of it. So whether it's information, volunteering, giving dollars, it's all about making some sort of contribution.*

*- Focus group, Philanthropy, VIC*

Participants acknowledged that giving time still comes at a cost, but there was a sense of exponential value in contributions that enabled NPOs to build capacity and gain skills that equip them to maximise the effectiveness of their ongoing work.

*... for projects that receive \$100,000 or more, we have a mentoring visit with one of our board members. They actually go along every six months, have a chat to them about how they're going, help them build their capacity and networks across the community, whilst also making sure the project's on track.*

*- Interview, Foundation, TAS*

### **Ethical investment**

Just over half of the respondents to the *Philanthropy and philanthropists* survey indicated that their fund applies some form of ethical screening to investment decisions. This may be a negative screen, where investments perceived to create negative social or environmental impacts are screened out (for example, tobacco, weaponry, deforestation); or a positive screen, where investments perceived to create positive impact (such as health care, renewable energy and sustainable development) are screened in. Some funds apply both positive and negative screens and may follow this with a process for further evaluation if the impact of the investment in question is determined to be neutral, or unclear.

The 55.3% of respondents who indicated that their fund uses ethical screening in investment decisions reported that their fund applies:

- negative screens (only): 28.6%
- positive screens (only): 5.7%, and
- both positive and negative screens: 21.0%.

### **Impact investing**

A significant majority of survey respondents (80%) indicated they either do not currently include impact investments in their fund's portfolio, or do not know if impact investments are included.



Of the remaining 20%, the following responses emerged:

- commit 2% or less of funds available for investment: 9.6%
- commit 3–5% of available funds: 4.7%, and
- commit 6% or more to impact investments: 5.7%.

Reflecting the relatively low use of impact investing indicated in the quantitative data, there were also few mentions in focus groups and interviews of impact investing as a method of giving. Where impact investing was discussed, most participants characterised impact investing as an emerging giving strategy in Australia.

Some young HNWI interviewees described their use of impact investing, reflecting a sense of optimism about this model, but also acknowledging that different questions and decision-making processes can arise when giving is linked to financial return as well as social impact.

*In terms of the role of impact investing, I guess it is about solving some of the problems differently, where there is the opportunity to accelerate progress through incentives or whatever it is... There's no way you can shift everything to impact investing, it's dangerous to have that mindset, but it's kind of saying where can you apply a business model?*

*- Interview, Young HNWI, VIC*

*If it is truly an investment I will look at do I think the returns promised are going to be achieved? Do I think that what they're calling impact is really aligned with what I believe is impact and what's an important impact? If it is however a pure donation then, I'm going to be honest, for me it's much more gut feel. Do I know who the charity are? Do I think the charity's legit? Do I think they're doing something that aligns with what I do?*

*- Interview, Young HNWI, VIC*


### **Quantitative data on charitable bequests**

The *Philanthropy and philanthropists* survey did not capture data on either income or wealth. The individuals who responded, however, are those who have established a structured approach to their giving and are deemed logically for the purposes of analysis to be HNWIs. Of these respondents:

- 89.3% indicated they have a Will
  - against 49.8% of the population as a whole as measured by data from the *Individual giving and volunteering* survey (this is lower than the *Giving Australia 2005* result, which found that 58% of the population had made a Will), and
- 35.7% of those who have a Will indicated they have included a charitable bequest in their Will
  - against 7.4% of the general population – slightly less than *Giving Australia 2005* – as measured by data from the *Individual giving and volunteering* survey.<sup>17</sup>

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<sup>17</sup> While informative, the considerable difference in sample sizes between the *Philanthropy and philanthropists* survey and the *Individual giving and volunteering* survey should be considered when drawing conclusions from these data.



Of the 35.7% of surveyed philanthropists who included a charitable bequest in their Will:

- no respondents have directed all of their estate to their own philanthropic fund
- 70% have directed some of their estate to their own philanthropic fund, and
- 40% have directed some of their estate to charitable purposes other than their own fund.

Of the surveyed philanthropists, 10.7% of respondents did not have a Will. This left just over half (53.6%) of structured philanthropic donors who did have a Will, but had not included a charitable bequest in their Will at this time. Of these respondents:

- 93.3% reported they are doing their giving while living, and
- 20% are considering directing some of their estate to their fund.

In relation to influences over the decision to include a charitable bequest, the *Philanthropy and philanthropists* survey found that:

- 100% of charitable bequestors were influenced by their family being provided for to the extent the Will-maker thinks necessary
- 50% do not wish to direct all of their wealth to family members
- 40% indicated that people important to them would be pleased by their decision to include a charitable bequest, and
- 30% are interested in leaving a legacy.

These responses indicate that every responding philanthropist who has included a charitable bequest in their Will has taken into account the extent to which family is already provided for; and one in two has made a conscious decision not to direct all their estate assets to their children (in alignment with the philosophy made famous by Warren Buffett, Chairman of Berkshire Hathaway, in the mid-1980s).<sup>18</sup>

The other two most frequently selected influences over the decision to leave a charitable bequest relate to esteem; the positive regard that others will have for the Will-maker in leaving a bequest; and the enhanced regard the Will-maker will have for her or himself.

For the purposes of comparison, findings in relation to the annual income of respondents to the *Individual giving and volunteering* survey are included in Table 2. While income and wealth are not directly equivalent measures, the *Individual giving and volunteering* survey collected data on the annual income of respondents (and not their wealth, which would be a measure of accumulated assets). High income is used in the analysis that follows, as a proxy for high net wealth.

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<sup>18</sup> Buffett describes the perfect amount to leave his children as 'enough money so that they would feel they could do anything, but not so much that they could do nothing'. (See Kirkland, 1986 'Should You Leave It All to the Children?' FORTUNE Magazine, September 29).

Table 2 Percentage of respondents with a Will and with a charitable bequest by income level<sup>19</sup>

	Number of respondents with a Will	Percentage of respondents with a Will	Number of respondents with a Will including a charitable bequest	Percentage of respondents with a Will including a charitable bequest
Nil income	85	31.0% <sup>##</sup>	8	9.4% <sup>##</sup>
\$1–\$7,799	29	29.9% <sup>##</sup>	2	6.9% <sup>##</sup>
\$7,800–\$15,599	102	35.9%	8	7.8% <sup>##</sup>
\$15,600–\$20,799	208	53.5%	11	5.3% <sup>##</sup>
\$20,800–\$25,999	218	57.5%	20	9.2% <sup>##</sup>
\$26,000–\$33,799	156	48.4%	14	9.0% <sup>##</sup>
\$33,800–\$41,599	158	47.4%	6	3.8% <sup>##</sup>
\$41,600–\$51,999	175	42.9%	12	6.9% <sup>##</sup>
\$52,000–\$64,999	205	47.2%	18	8.8% <sup>##</sup>
\$65,000–\$77,999	159	45.0%	11	6.9% <sup>##</sup>
\$78,000–\$90,999	178	47.8%	22	12.4% <sup>##</sup>
\$91,000–\$103,999	147	54.4%	14	9.5% <sup>##</sup>
\$104,000–\$155,999	218	53.8%	14	6.4% <sup>##</sup>
\$156,000 +	212	64.0%	23	10.8% <sup>##</sup>
Total	3089	49.8%	230	7.4%

Source: *Giving Australia 2016 – Individual giving and volunteering survey*

Statistical analysis of the annual income of respondents to the *Individual giving and volunteering* survey reveals:

- there is a statistically significant relationship between level of income and the likelihood of having a Will, with respondents who reported higher income more likely to have a Will, and
- there is no statistically significant relationship between the level of income of those with a Will and the likelihood of including a bequest.

As referenced above, income and wealth are not directly comparable. In particular, individuals who are no longer earning a wage or salary may have significant accumulated assets, sometimes in the form of the family home. Nevertheless, Table 2 does indicate that in broad terms, those with higher annual incomes are more likely to have a Will, but no more likely than those with lower incomes to include a charitable bequest in that Will.

Additional analysis of data from the *Individual giving and volunteering* survey revealed a strong statistically significant relationship between age and the likelihood of leaving a Will, with older age groups more likely than younger age groups to leave a Will. However, no statistically significant relationship was found between the age of those with a Will and the likelihood of including a bequest.

<sup>19</sup> Where the number of respondents is too small to achieve an acceptable confidence level, results are considered too unreliable for general use, indicated in the tables in this report by a double dagger (##).



### Qualitative data on charitable bequests

As referenced in [section 6.2.1](#), desire to honour another in memorial was identified in the *Philanthropy and philanthropists* survey data as a motivator of philanthropic giving. This was also strongly reflected in the focus group and interview data. Other than perceived capacity, the most prominent influence on the decision to make a charitable bequest was the desire to leave a legacy or a gift in memoriam of a loved one.

*There's a personal satisfaction of putting things in order, to actually let your family know these are the things you do support, but also for them hopefully to reflect as time passes to their children that they need to be aware of those less fortunate in their community...*

*- Focus group, Bequestors, VIC*

*...it's also a sense of commemorating or remembering someone. So one of the gifts is kind of in recognition of what my mum went through... so there's an emotional element to it.*

*- Focus group, Bequestors, VIC*

One of the greatest challenges to bequest giving involved cultural sensitivities associated with the topic of death or dying. A further challenge focus group and interview participants identified was the potential for disputes within the family; a challenge that could potentially be reduced by ensuring that the intentions of the Will-maker and her or his Will provisions and instructions were shared in advance and made extremely clear.

*...it's such a sensitive thing. It can bring up a lot of pain for people, the idea of it all, even talking about a bequest, because they may have left it to in memory of someone close to them. So I think that's the reason why a lot of people don't talk about it, because you're going to bring up something that's uncomfortable.*

*- Focus group, Bequestors, VIC*

*It comes back to those values, and ensuring that your instructions are very, very clear. You don't need any ambiguity.*

*- Focus group, Bequestors, VIC*

Further comments made by participants regarding their reasons for making a charitable bequest included the desire to make a difference, personal connection and interest in specific causes.

### 6.3.2 The role of philanthropic giving structures

Some individuals introduce more structure and planning to their giving approach by way of a philanthropic giving vehicle such as a PAF, a charitable trust or a sub-fund within a larger foundation.

The *Philanthropy and philanthropists* survey provided quantitative data on the use of particular types of philanthropic giving structures, as well as their location, length of establishment, size and distribution of value. This data is summarised below.

#### Types of philanthropic giving structure

The *Philanthropy and philanthropists* survey asked respondents for details about the type of entity and tax status they hold.

In terms of legal structure, the largest representation was from:

- PAFs (33.3%)
- charitable trusts (18.1%)
- sub-funds (12.4%), and
- other (25.7%).<sup>20</sup>

PAFs tend to be established by those who have the resources and the inclination to set up and manage their own fund. Sub-funds of umbrella organisations such as community foundations are established by those with smaller capital amounts to give or by those who would prefer their giving to be part of a collective endeavour. Some opt for both.

### Location of philanthropic funds

The majority of survey respondents listed their fund's location as Victoria (48.6%) or New South Wales (27.6%). See Figure 8 for more detail on the percentage of funds by State and Territory.<sup>21</sup>

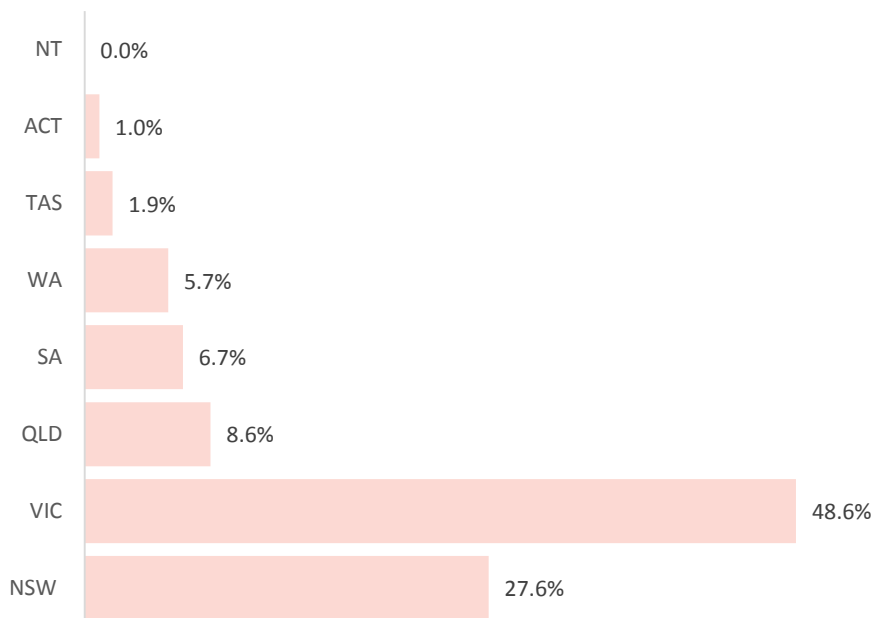


Figure 8 Fund location of respondents by State/Territory

### Age of philanthropic funds

Of respondents to the *Philanthropy and philanthropists* survey, 60.1% reported that their fund had been established within the previous 10 years. See Figure 9 for more detail.

<sup>20</sup> 'Other' included: company of the Australian Government; family office; community foundation with trust entities; company as trustee of a Public Fund; incorporated, nonprofit company; company limited by guarantee; and applied research institute.

<sup>21</sup> Figure 8 shows the fund locations of respondents, not the actual distribution of philanthropic entities across Australia.



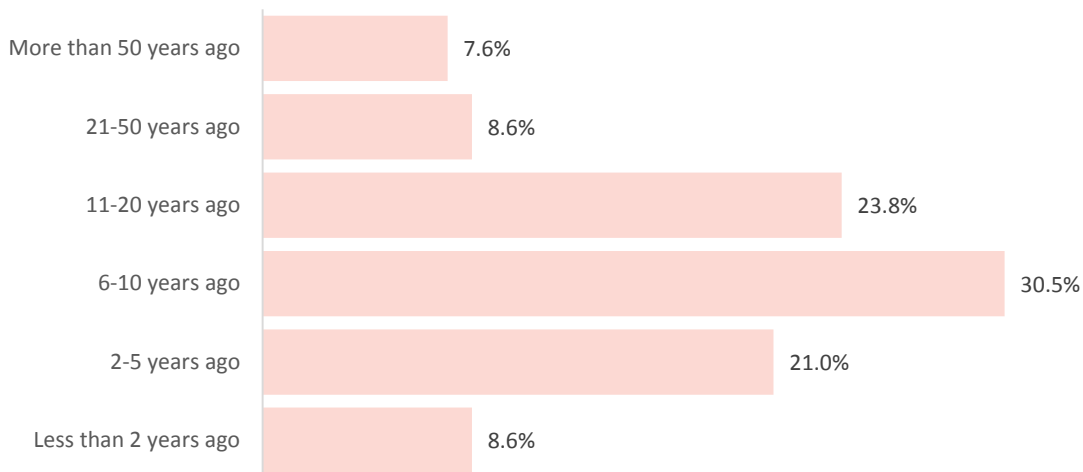


Figure 9 Establishment date of fund

### Size of philanthropic funds

Respondents to the survey were asked to report the approximate market value of their fund or sub-fund at the end of the 2015 financial year. Figure 10 shows the range of fund sizes reported and the percentage reported within each value range. All values are in Australian dollars.

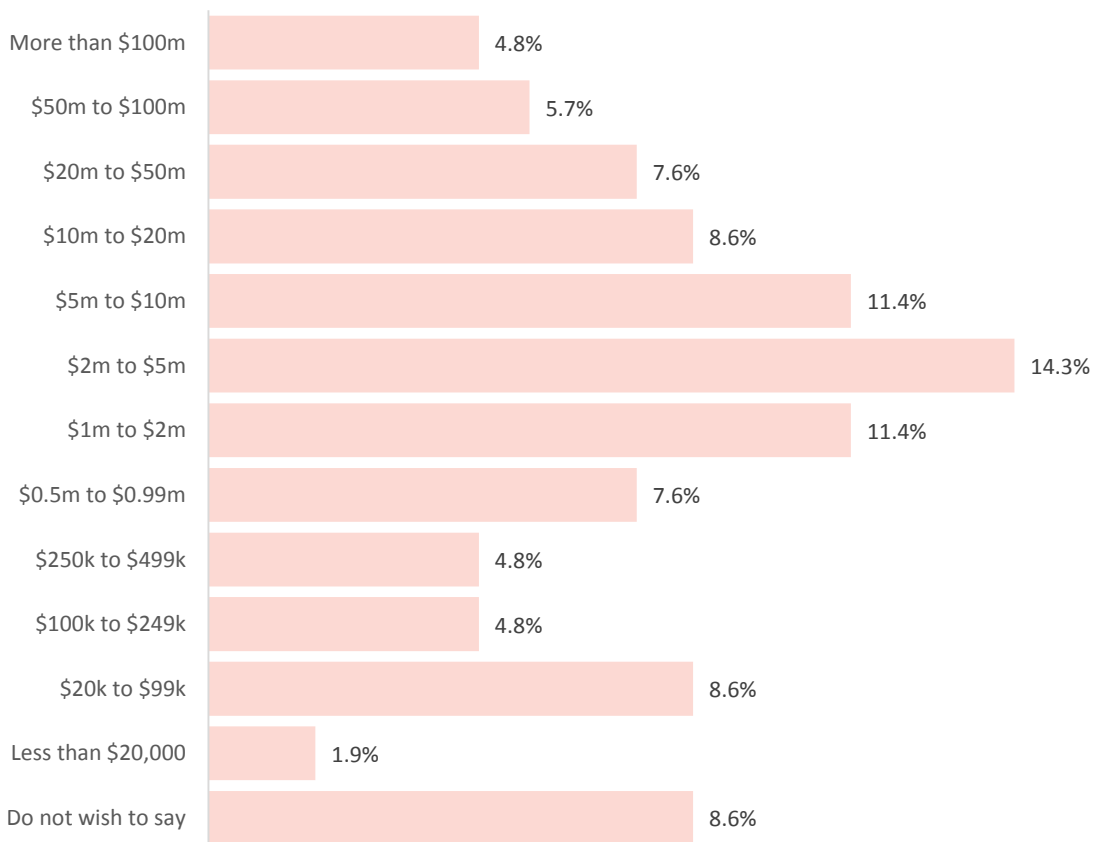


Figure 10 Approximate market value of fund or sub-fund at the end of financial year 2015

### Proportion of value distributed in 2015

Respondents were also asked what proportion of the value of fund assets were distributed in the previous financial year. The highest percentage of respondents (48.5%) reported distributing 4–5%<sup>22</sup> of the value of their fund’s assets in the previous financial year. See Figure 11 for more detail.

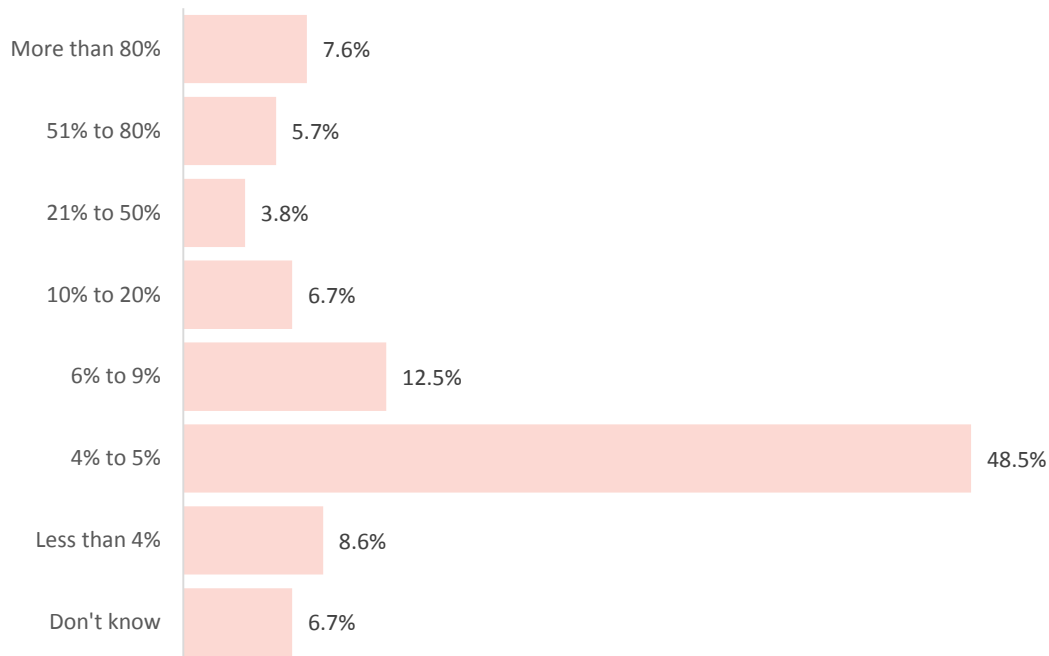


Figure 11 Proportion of the value of the fund's assets distributed in the 2015 financial year

### Where philanthropic funds make distributions

Most funds (65.7%) were not restricted to operating in one State/Territory and the quantitative data showed that the distribution of funds spanned all Australian states and territories. Some funds were also distributed outside of Australia. Figure 12 illustrates the percentage of cases where respondents reported that their fund distributes to each listed location (respondents could select all locations that applied).

<sup>22</sup> PAFs must distribute at least 5% of the market value of the fund's net assets as valued at the end of the previous financial year; PuAFs must distribute at least 4%.

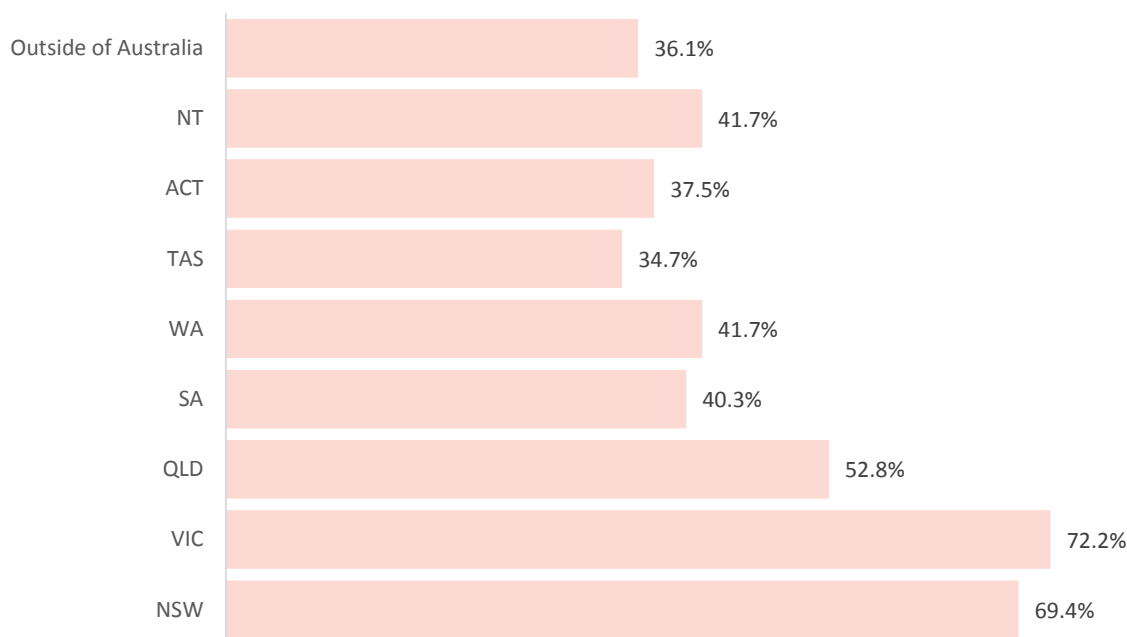


Figure 12 Where does the fund make distributions?

Focus groups and interviews with representatives of foundations, trusts and ancillary funds provided further insights into the role of these kinds of giving structures, influences on the choice of structure, some of the perceived benefits and barriers to using them. These findings are discussed below along with the role of professional advisers in facilitating the creation of giving structures.


### The attractions of structure

One of the most cited reasons for choosing a structured giving vehicle was having some degree of control over how, when and where funds will be gifted.

Other influences included:

- the ability to provide longer-term investment in valued causes or focus areas, independent of changes in the political landscape
- the appeal of a more organised way of giving (rather than giving many smaller donations as requests appeared)
- the desire to pass on family values and set an example for future generations, and
- the desire to leave a legacy that was broader than the individual's own family context.

*I thought if I can create that culture in a family there are going to be some big benefits, and do it in a perpetual way. I think once the family starts getting on board and the foundation supports the individual... one day if they were financially well off they would start to contribute. This foundation will actually grow rather than decline when I die and my wife dies.*  
**- Interview, Family foundation, SA**



*...we set up the [name Foundation] mainly – because the profits from the company are sometimes a bit lumpy, it allows us to put money in in good times and to keep a constant sort of payment out...so we can give to anyone, we don't have to give to someone with DGR status. It just eases it across the years, and it's only part of our giving. So I suppose it's evenness...it allows us to have long-term commitments.*

**- Focus group, Environmental givers, National**

### **Private ancillary funds**

PAFs were viewed by focus group and interview participants as a useful and tax-effective structure for giving more substantial capital amounts from which to generate income for ongoing giving.

*...a PAF is most useful to create a permanent institution and to keep the family involved and...that's interesting and something positive.*

**- Interview, PAF, VIC**

Factors that enabled creation of a PAF included access to good information and advice as required, particularly in the stage of establishing a new fund. PAFs were viewed as a good option for creating a perpetual structure that could involve family, leave a legacy and enable continued giving through future generations.

Barriers to using PAF structures included a perceived need for high levels of knowledge or advice required to correctly set up a PAF. Several participants suggested that the current regulatory framework for PAFs means they can be somewhat limited and inflexible (for example, in restricting the potential recipients of PAF funds). Participants argued that, if giving was to be encouraged, barriers must be reduced in order to make giving as easy as possible.


*...we have a PAF and there are definitely things about the PAF's structure that are barriers in terms of the kinds of organisations you can give to, that can be problematic. I'd say those legal barriers in a PAF structure... sometimes that can be a hard system to navigate as a new person to the field. I think it's a hard system for people to navigate who've been in it a long time.*

**- Interview, Young HNWI, VIC**

Participants suggested that future consideration should be given to: reviewing how taxes on PAF giving and impact investment are structured; sharing administration costs between PAFs; and increasing flexibility of PAFs to enable fund holders to draw on funds if their personal circumstances should change. This desire for greater flexibility was noted particularly by younger participants, who expressed a sense of caution about establishing a PAF because of the need to plan for uncertain events the future may hold.

*...if 10 PAFs got together and said, 'We'll each chip in,' and share a – let's call it an administrator or something, that can do due diligence and – not everybody's got to buy into the thing, but if your son-in-law says, 'I want to do X,' there's a resource to call on that at the moment I don't think you can access.*

**- Focus group, HNWIs/foundations, WA**



*...by putting it in a PAF you get an upfront tax deduction... The trouble for me is in order to get that tax deduction I lose the ability to use that money for anything else...If I lose my job or my wife loses her job, whatever...I'm uncomfortable putting that money away forever after. I would rather not get the tax deduction.*

*- Interview, Young HNWI, VIC*

## **Foundations**

Foundations<sup>23</sup> were valued by focus group and interview participants as an institutional structure that could provide a clear focus for philanthropic giving. Foundation representatives also spoke to the ability of foundations to utilise their comparative scale to facilitate collaboration, or attract further support to a particular focus issue.

*For us as a foundation, the really clear motivation is that at the end of the day we are there to support the growth and development of those organisations that we partner with, so how can we best support them. Often our dollars aren't enough, so we need to bring others to the table in order to get the capacity and the development into those organisations...We'll do all the really heavy due diligence...and others can then rely upon that so that they can actually take a simpler and easier position...*

*- Focus group, Collective giving, NSW*

Participants noted that foundations could use their voice in support of marginalised groups within communities and advocate on emerging issues within a community.

*Our mobility could be such that we stand with them...and do a media release saying we are here to strengthen communities and we stand with the Islamic communities in our region, and push back against the alienation and the disconnect that no doubt has led to this terrible division between people...Our community foundation is in a position first hand to do something about it...the more we're able to embed ourselves in the knowledge of what is our community, and bring resources to it, the more we're going to be able to address those things immediately.*

*- Interview, Community foundation, VIC*


Foundations were understood to have greater freedom and the capacity to be less risk averse than government in directing their spending. Some grasped this potential to fund more innovative programs, or areas of emergent need where the viability and effectiveness of an initiative needs to be established before the possibility of public funding can even be considered.

*[Community foundations] tend to be a little bit less risk averse and will fund things that may not necessarily receive government funding. It allows those organisations to build a base of evidence to say this is a critical issue and to then build that change...*

*- Interview, Foundation, TAS*

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<sup>23</sup> 'Foundation' is the term generally applied to a PuAF. A primary distinction between a PAF and a PuAF is that a PuAF can raise funds from the general public; a PAF cannot.



*...philanthropic giving in our context is critical...What that allows us to do is to add some flexibility and innovation in what we do, rather than being dictated by government cycles, changes in policy, changes in leadership, short-term agendas. We have a more mature relationship with philanthropists and a very direct relationship with philanthropists...it's completely critical in allowing us to do further work... and be responsive in the communities.*

**- Interview, Foundation, NT**

However, there was also expressed concern that foundations cannot and should not become an ongoing stop-gap for programs with discontinued government funding.

*One of the things that we try not to do is to fund projects that are discontinued government funded programs, because if we set a precedent of doing that then we run the risk of that being the only thing we ever do.*

**- Interview, Foundation, TAS**

Community foundations viewed themselves as valuable providers of local, accessible ways to give, connecting people with local knowledge and capacity that could be channelled into areas of community need. Participants noted that community foundations could also play a role in cultivating a sense of empowerment and community ownership of outcomes.

*[Community foundations] have a very important place particularly regionally, to keep that money locally that can support those communities year after year in the way they work, and obviously just those grassroots organisations...that whole saying about a small amount makes a big difference, I see that's what [a] community foundation is about...We still might be only making \$10,000/\$15,000 grants but the impact that's having in the community can be huge.*

**- Interview, Foundation, QLD**


*...one thing that's really resonated with me is that it's not always about the money. You know, you speak to the smaller community foundations that have gradually grown over time, and the conversations that they have in their community and the sense of belonging...it allows people to come together, and then with that the money comes over time as you grow your awareness and your influence in your community.*

**- Focus group, Collective giving, SA**

Some expressed disappointment at what they saw as ongoing inequities in the amount of philanthropic funding that reaches regional, rural and remote communities. Participants in the qualitative research held measured hope that this was beginning to shift, but felt that more leadership and evaluation was required to ensure funding was equitably and effectively distributed in regional areas.

*...the one burning thing for me...was the low distribution of private funding into regional rural remote Australia. So FRRR [Foundation for Rural and Regional Renewal] the role they play is just so crucial and I think somewhere something be it government, Philanthropy Australia, whatever, it requires great leadership I think to redress that.*

**- Interview, Philanthropy, NT**



Barriers to initiating a community foundation included: the amount of knowledge and work required; the challenge of maintaining or growing sufficient funds; and sustaining adequate support from board members and other volunteers on an ongoing basis. For organisations operating in regional and remote Australia there were sometimes additional difficulties of managing higher travel costs.

Fund matching was viewed by community foundations as a helpful way for government to support projects that demonstrated community value and a way to encourage and reward community foundations for their efforts to raise other funds.

*[The] Victorian government did it very well with issuing match funding challenges to community foundations. If they raised a certain amount of money to start with, the Victorian government would double that.<sup>24</sup> [In this State] I don't think we want gifts as such, but challenge grants and things like that would be really helpful...*

**- Focus group, Collective giving, SA**

### **The role of professional advisers**

Professional advisers participating in the qualitative research saw themselves as helping translate charitable values into charitable action, by initiating conversations about giving and assisting clients to consider their range of options. Philanthropists saw a role for professional advisers in educating people about different ways to give and providing guidance on what giving structures might best suit their resources and circumstances.

*...top of mind is our values based conversation that we have with every new and existing client, and through the values conversation we often identify that charity is important. And although we often identify that charity and helping others is important, it's only a very small amount of time that actually converts into action... part of our role is to facilitate that leap of faith that's required to step into the philanthropic space and actually give their hard earned money away.*

**- Focus group, Professional advisers, QLD**

There was also a key role identified for trustees in maximising the funds available for grants by ensuring sound financial management of trusts. The perceived need to employ professional advisers varied with the scale and complexity of philanthropic activities.


*...the strong view, which is continued by the current trustees, [is] that the key to successful corpus management is to do it in-house. Apart from anything else it is cheaper...most trustee companies or external managers charge 1% of corpus. Even employing a very experienced investment executive etc. is a fraction of that [for us]...The net effect of that is we probably have better management and we have a significant amount of dollars that have been freed up for us to make grants.*

**- Interview, Foundation, VIC**

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<sup>24</sup> The example referenced by the participant relates to the Community Foundations Funding Program (2009 to 2013) of the Victorian Government.





*...we're pretty small and we don't really think a good use of our money is to spend it on professional advisers in relation to our grant giving.*

*- Interview, Young HNWI, VIC*

Participants noted that the provision and quality of philanthropic financial advice varied greatly depending on the particular adviser's knowledge and experience. There was also a sense that philanthropic advising is still a very new field in Australia and that we are currently lagging behind other western countries in this area. It was suggested that provision of philanthropic advice could offer additional value for clients and firms.

*...there's a segment of...the new gen population who have a very different approach to wealth management. I think it's a paradigm shift for the people who are advising at the moment... you can rock up to the family adviser and say we want our money to be managed in a way that's consistent with our values, and mostly advisers at the moment are saying one of two things. The first is that, 'We already have a responsible investment fund', and... 'What else positive can we do with it?' Or...they say, 'We've heard about impact investing, but aren't fluent or confident enough to talk about it.'*

*- Interview Young HNWI, VIC*

Some participants noted the effect of having such a focus as part of their services positively impacted morale and employee respect for their organisation.

## 6.4 What else influences philanthropic giving?

This section examines the factors that influence philanthropic decisions on when and where to give. These findings relate to the following research questions.

- How do philanthropists select a charity?
- How do performance and outcome reporting influence philanthropists' decisions about donations?


### 6.4.1 General factors that influence philanthropic giving

Several themes recurred throughout focus groups, interviews and the *Philanthropy and philanthropists* survey about the factors that influence philanthropic giving. These included:

- perceived capacity to give (whether time, money or skills)
- valuing giving (believing that giving is worthwhile and the right thing to do)
- social networks (both personal such as family and peers, and professional, such as advisers)
- ease and accessibility of giving (barriers may not prevent giving, but can discourage it), and
- evidence or perception of having positive impact (belief in, or demonstration of the difference giving makes).

#### **Perceived capacity**

Perceived capacity to give varied with changes in circumstance, but also with financial literacy or level of financial confidence of the donor.



Comments from many qualitative research participants highlighted the difference between *perceived* and actual capacity to give – people may be able to give, but needed to believe this for themselves or be assured it was a sound decision before they would actually do so. This assessment of capacity was sometimes influenced by professional advisers.

*I've got dozens of letters saying that [other potential philanthropists] 'aspire to such an entity but sadly we don't have capacity'...So that's where the inspiration came from and then, you know, a financial adviser said, 'Actually, you do have capacity and we can do this,' and [they were] delighted to hear that.*

*- Focus group, HNWI/foundations, SA*

### **Valuing giving**

Focus group and interview participants were aware of learning from their families the values and practices that encouraged giving. Commitment to giving was also regularly cited as something that philanthropists wished to pass on to their children. Participants noted that charitable values could be present regardless of wealth level and continued to evolve with the generations as family members formed their own views on giving and shared these values with those close to them.

*It's who they are as a person, as a culture, as a family that does dictate that giving.*

*- Focus group, Professional advisers, QLD*

### **Social networks**

Social networks were influential in fostering philanthropic values for qualitative research participants. Friends or family who give or are connected to a cause or organisation directly influenced decisions to give. Advances in communication technologies and social media are viewed as providing new avenues for the influence of social networks.

*There's something about seeing other people doing something that triggers something within you.*

*- Focus group, HNWI/foundations, SA*


*Anyone who joined the New Gen program<sup>25</sup> ends up being [a role model] because they're saying we're self-selecting as someone who's making a financial commitment to our practice...I'm continually in awe of all of those people. This is something they pick up in their mid to late twenties, in some cases their early twenties, and they're going to be role models for the rest of their lives.*

*- Interview, Philanthropy intermediary, VIC*

In addition, community leaders – people who are well-known, trusted and respected in their community or in philanthropy – were seen as providing influence and inspiration, leading by example and encouraging others to give.

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<sup>25</sup> The New Generation of Giving is a national program founded by Philanthropy Australia in 2013 with the aim of connecting and developing emerging leaders in Australian giving. See <http://www.philanthropy.org.au/about-us/new-generation-of-giving/>



*...there's a number of us that sort of work together on various projects, and we sort of pull each other in. It's just a little more informal. Sometimes I might not be funding a particular project, but I know someone who is interested in that area and I might give them a call or pass on a lead to them. It's kind of collaborative...because that's a lot of how the sector works.*

**- Focus group, Collective giving, NSW**

*A human dynamo. If you've got someone like that who knows everybody in town and they all owe him one...But also I think there is quite a strong synergy and community in Adelaide. A lot of people know each other. It's still connected.*

**- Interview, Collective giving, SA**

### **Ease and accessibility of giving**

Ease and accessibility of giving methods were also noted as influences on philanthropy. Participants highlighted the need for clear processes, flexible giving structures and access to helpful information in order to better enable those with the potential to give.

*It's about making giving easy I think, and about setting some structures or some advice in place that makes it accessible and easy to understand.*

**- Focus group, Professional advisers, QLD**

*The same goes for the non-financial contributions as well. It should be easier; it should be just more habitualised.*

**- Interview, Young HNWI, VIC**

### **Perceived positive impact**

The perceived positive impact of contributions of time, talent or money was consistently mentioned by focus group and interview participants as a key influence on philanthropic decision-making. This perception of positive impact can be strengthened through philanthropists' experiences of working with recipients of giving and seeing or hearing about the difference their contributions have made.

*I've had a lot of contact with not-for-profits in my work, and that's really reinforced to me that these people do very good work on shoestring budgets.*

**- Interview, PAF, VIC**

*If you can empower people who are less engaged in society to get engaged, or youth at risk or – you know, there's lots of different areas you can get involved in, and if there's something you can do that really makes a difference, that's what motivates me.*

**- Focus group, Collective giving, NSW**

## **6.4.2 Where philanthropists give**

Data from the *Philanthropy and philanthropists* survey illustrate some of the key criteria and factors philanthropists and grantmaking entities consider in the selection of charities to fund and provides insight into how grantmaking priorities and processes may have changed since the first *Giving Australia* report in 2005.

Table 3 Entities to which funds and sub-funds distribute

Type of entity	Percentage of cases
Organisations	78.1%
Individuals (e.g. In the form of scholarships, fellowships or prizes)	1.9%
Both organisations and individuals	19.0%
Neither organisations nor individuals	1.0%
<i>n</i> = 105	

Table 4 Charitable and deductible gift status required of grant recipients

Status	Yes	No	Flexible	Number
Charitable (TCC) status	51.7%	25.3%	23.0%	87
Deductible Gift Recipient (DGR Item 1) status	66.7%	13.7%	19.6%	102

Respondents to the *Philanthropy and philanthropists* survey were also asked to indicate those issues and areas to which most of the funding for their grantmaking organisation is allocated. Respondents were able to select as many options as appropriate. These selections are therefore an indication of priority areas rather than percentage of funds granted.

As detailed in Figure 13, the top three selections in terms of issues and areas were:

- social services (63.7%)
- education and research (62.7%), and
- health (52.9%).

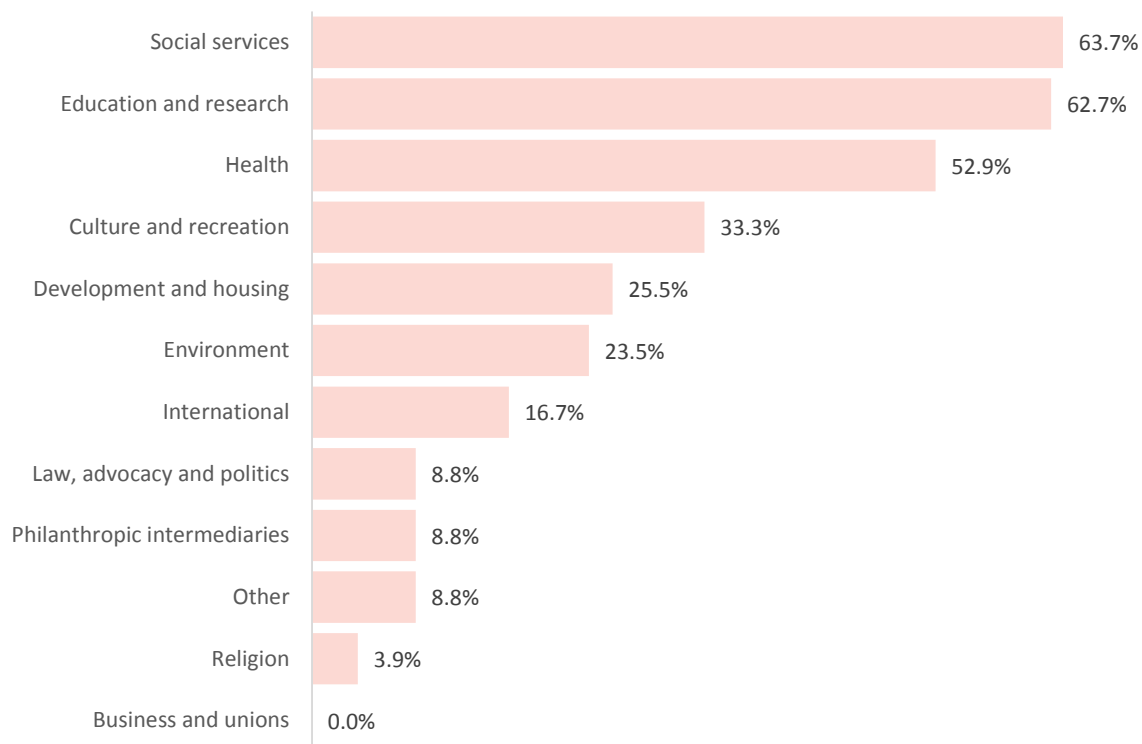


Figure 13 Issues/areas allocated most funding

These priorities are subject to review by most, with 81.4% of survey respondents reporting that they have a process to review areas of funding. Of those:

- 60.2% conduct a review annually
- 30.1% conduct a review as and when required
- 4.8% conduct a review every two to three years, and
- 4.8% responded 'other', noting either that reviews were conducted more than once a year, as required or that they were unsure how often reviews were conducted.

### Grantmaking priorities

Some 72.5% of *Philanthropy and philanthropists* survey respondents stated that their grantmaking priorities have not changed significantly over the past 10 years (or length of time operating if less than 10 years).

For those whose grantmaking priorities have changed, the most frequently mentioned theme was a tightening of focus in terms of the areas or organisations supported through grants. Conversely, a smaller number of respondents mentioned broadening their giving or changing focus yearly in response to increased resources, fund-holder interests or government funding changes. Other themes in terms of setting priorities included: the adoption of more strategic approaches, such as deeper partnerships with the nonprofit sector; longer-term grants; and an increased focus on impact, effectiveness and sustainability.



### Grantmaking processes

While most *Philanthropy and philanthropists* survey respondents reported that their grantmaking priorities had not changed, just over half (53.9%) indicated that the grantmaking processes of their fund(s) have changed significantly over the past 10 years.

The most frequently mentioned changes involved grant application structures or processes. This included moving to online applications (the most common change in processes reported), as well as initiating a two-stage process requesting expressions of interest from applicants prior to the submission of a full application. Other changes included:

- grantmakers taking a proactive approach and seeking out organisations relevant to their priorities
- establishment of clearer criteria in terms of focus areas or organisations that will be supported with grants
- greater emphasis on detailed reporting from grant recipients, and
- evaluation of effectiveness for both the funding recipient and grantmaking organisations themselves.

The emphasis on reporting and evaluation was seen as highly relevant to another emergent theme – a greater focus on achieving impact and longer-term outcomes (see [section 6.4.3](#) for more discussion of performance and outcome reporting).

Changes in review and decision-making processes were seen as linked to:

- a move towards greater due diligence and research into organisational capacity
- improvements in the quality of reporting and use of data, and
- early development of algorithm-based<sup>26</sup> technology to assist review and decision-making.

Several survey respondents noted that they were widening involvement in decision-making from committees, community volunteers and younger generations of families.

### Grantmaking decisions

Data emerging from the *Philanthropy and philanthropists* survey found that choice of cause, organisation or charity to support was influenced by a number of factors as shown in Figure 14.

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<sup>26</sup> Algorithms are sets of processes or rules that are used to guide problem-solving operations, often used in computing.

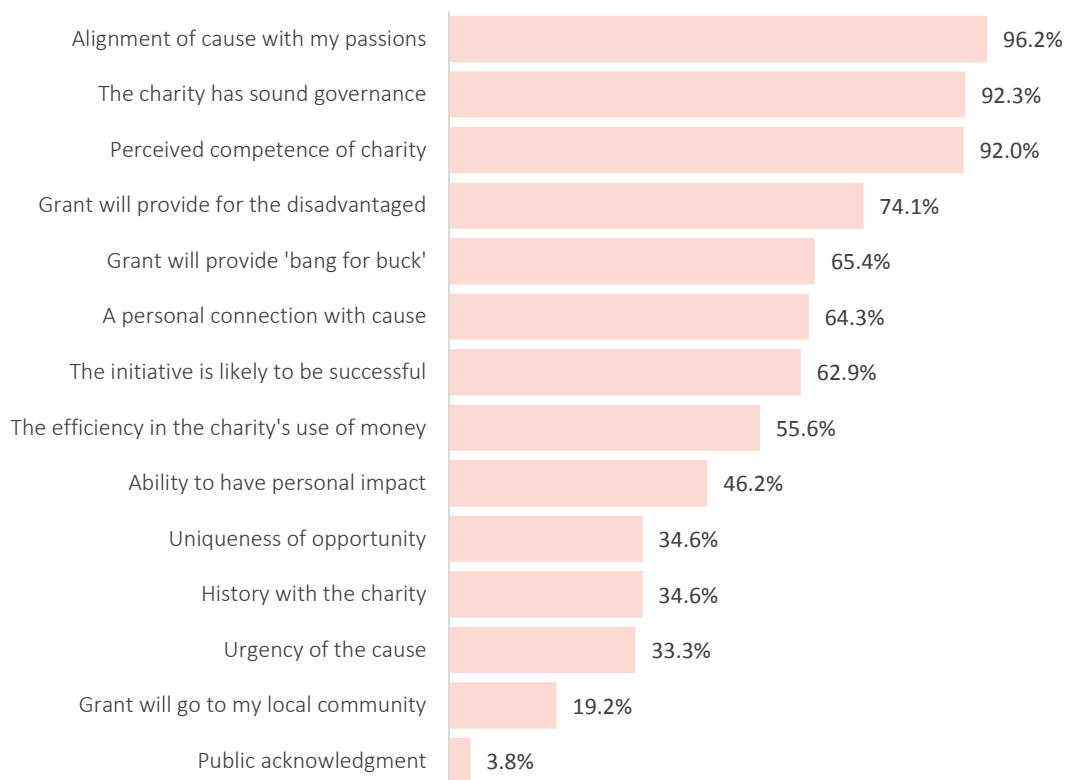


Figure 14 Reasons for choosing a cause, organisation or charity to give to

Of the top six most frequently agreed influences on selection of a charity or cause, two relate to a philanthropist's personal passion for a cause, and four relate to the belief that an organisation or grant will generate the desired impact. These same influences on philanthropic decision-making appeared throughout the qualitative data. The key emergent themes are discussed below.

### Personal connection or passion for cause

Survey respondents indicated a strong preference for giving to causes that align with their passions (96.2%) and those that they have a personal connection to (64.3%).

In some cases, preferences around how organisations operate were also related to personal experiences or inclinations. For example, in the qualitative research, some philanthropists from business backgrounds noted a preference for giving methods or organisations that were entrepreneurial or businesslike in their approach. Being personally involved in the process of philanthropic decision-making was also strongly valued.

*I am unwilling to give money to someone who decides where it goes on my behalf. The single critical item for me...is the ability for me to choose the recipient...For me the single most important thing in giving to a charity, in giving philanthropically, is deciding where that money goes.*

*- Interview, Young HNWI, VIC*





This was a common theme from environmental givers.

*...very powerful sense of the urgency of doing something about the very frightening onset of climate change and the degradation of Australia's environment...a very strong emotional compulsion almost to do something about that.*

**- Focus group, Environmental givers, National**

*I retired from work when I turned 50 eight years ago, and I could have taken two paths...living a very hedonistic life travelling around and doing stuff, which I think is relatively less meaningful, or I can do this, which I find a lot of meaning and purpose from.*

**- Focus group, Environmental givers, National**

Some philanthropists made decisions about where to give based on factors such as locality and a sense of social reciprocity – for example, choosing to support local charities or invest in the communities that had supported them to achieve their success.

*...that was always our intention that we made all our money in Queensland so we very rarely donated outside Queensland.*

**- Interview, Foundation, QLD**

### **Capacity to generate impact**


Similar to the *Philanthropy and philanthropists* survey findings, interviewees and focus group participants emphasised perceived positive impact as another key factor in philanthropic decision-making. However, descriptions of how relative impacts are determined were more general.

*The other way you choose the organisation is impact, and it's everything from do a project rather than throw money at it, it's the percentage of the money that you give that goes through to meeting the cause, it's whether they can leverage it dollar for dollar with something else that comes from somewhere else, whether it's a government contribution or a corporate contribution or what. So you're trying to have the biggest impact...*

**- Focus group, HNWIs, QLD**

Participants described a variety of approaches to maximising their philanthropic impact, including a focus on either breadth or depth of reach. Some philanthropists appeared to focus more on achieving broad impact, opting to spread donations across a range of recipients including quite small organisations with the stated aim of sharing potential positive impact. For example, they might make a number of smaller grants to a range of community organisations or make lifetime donations to one organisation, but make a bequest to another.

The opposite pattern was also observed, where some philanthropists chose to concentrate their giving towards one, or a few focus areas or organisations, with the aim of providing a greater depth of impact on a single issue, or in the areas they considered to be their highest priorities. In the case of giving to women and girls, qualitative research participants highlighted these kinds of rational motivations, citing the relatively higher levels of disadvantage experienced by women and girls and the potential for targeted giving to have greater impact, given the greater likelihood that women will use additional resources to the benefit of their family and community.



*...there's a sort of moral or values driven obligation to support those who don't have as much...So, that motivation is both emotional, intuitive and sort of values driven, but it's also very logically, rationally head driven about 'Where's the greatest need?', 'Where can you have the greatest impact?'...*

*- Interview, Giving by and to women and girls, VIC*

Collective giving was viewed by focus group and interview participants as one possible way to balance the competing desire for both broader and deeper impact, as an individual's donations form part of a larger pool of funds that can potentially create exponential impact for recipients.

### **Strategic decision-making**

The need for strategic thinking in philanthropic decision-making was highlighted repeatedly. While specific reference was not made to it, respondents and participants often reflected the underlying contention of the wider 'effective altruism' movement, which argues for the application of a scientific, data driven approach to 'doing good' as a means to address what is otherwise a lack of information, bad data and the intrusion of personal sentiment (MacAskill 2015).

This sentiment was also illustrated by participants' descriptions of the application of criteria such as considering whether a charitable focus area was already well covered; where the greatest impact could be made; and whether the donation might catalyse further impact leading to sustainable future outcomes, or whether philanthropists felt that their donation would simply perpetuate a cycle of dependence. Philanthropists might then consider any relevant potential benefits, such as positive effects on reputation (for example for business donors).

*I'm more interested in being a catalyst and more interested in backing, giving something to an organisation that needs it, has the passion for it and then shows a capability to get it going rather than just writing out a cheque year after year after year.*

*- Interview, HNWI, QLD*

For qualitative research participants funding the environment, there was a strong sense that environmental issues have a strategic intersection with several other causes.

*...we now see climate change as a lens across everything. So in our health area we fund community resilience in the face of climate change, particularly in the face of disasters and heatwaves...and also in our employment and education space we're looking at future jobs and green jobs...*

*- Focus group, Environmental givers, National*

*...a lot of grants...that we might call an education grant or a community grant actually will have connotations with the environment as well...like recovery after natural disasters....So there is a lot of overlap...in our granting in terms of whether we call it environment or something else.*

*- Focus group, Environmental givers, National*

Barriers to strategic decision-making included limitations on recipients of funding – for example if a charity did not have DGR status. This could deter giving for participants even when such organisations were otherwise deemed the preferred funding destination.



## Due diligence

There were several references in both the qualitative and quantitative data to the importance of conducting due diligence,<sup>27</sup> and weighing the potential benefits and risks in choosing which charities or causes to support. Philanthropists considered their past experience of giving to the same or similar charities, the reputation or other available information about charitable organisations and whether these factors painted the organisation in a positive or negative light.

The level of due diligence of organisations or causes differed with the size of a gift. Where the risk of losing a large amount of money to ineffective giving was greater, the ability to justify time spent on due diligence (including an assessment of organisational capacity to achieve positive impact) was also greater. For smaller gifts, a simpler approach, including personal intuition, was sometimes used to assist with decision-making.

*...we assess risk in terms of some of the organisations we get involved in, we think they can make some real inroads with whatever we're contributing, whether that be money or time.*

*- Interview, PAF, WA*

*Finding a charity that really, your \$250, or your \$10, or your \$1,000 is going to make a genuine difference can be difficult. I think at the level that [we] are giving we're happy to just wing it [but] when I've been on grant committees as a philanthropic fund giving away up to \$50,000 in a single cheque, then you're after a lot more information and it's a much more studious decision, much more considered decision.*

*- Interview, Young HNWI, VIC*

## Organisational credibility and capability

Organisational credibility and capability were nominated as highly important factors in philanthropic decision-making, in both the survey and qualitative data. When assessing credibility and capability, philanthropists looked at:

- whether organisations were viewed as experts and experienced in addressing the relevant issues
- whether they were a 'grassroots' organisation already doing good work in the community, and
- whether there were any factors that raised concerns about the organisation's ability to deliver the desired impact.


*When it boils down to it, as a trust we're not going to give a grant of some hundreds of thousands of dollars to an organisation that we have concerns about their organisational capabilities.*

*- Interview, Foundation, VIC*

In addition, if there was an existing relationship with NPOs, the quality of previous interactions in terms of responsiveness, reliability and communication informed decision-making.

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<sup>27</sup> In this context, due diligence refers to taking reasonable steps to assess the quality of recipient organisations: for example, gathering information about their credibility, capability and any potential risks.



As noted in relation to collective giving, focus group and interview participants stated that opportunities to meet the relevant people, build personal connections and see the impact that could be achieved were highly valuable in helping grantmakers establish a sense of trust in NPOs.

*...when you get to that point where you meet the individual...It's confidence and it's trust. That's what it is. It's trust. I think that's the tipping point for me, where I can say 'I trust you'.*  
- Focus group, HNWI's, QLD

Quantitative and qualitative findings were consistent in suggesting that the quality of funding applications and their relevance to the established funding criteria also factor into decision-making. Applications were considered more likely to be successful if they were credible, authentic, honest and answered all the questions. However, some qualitative research participants also underlined the point that the persuasiveness of a funding pitch or submission did not necessarily always align with the quality of work delivered.

*Some of the groups that get significant amounts of money from us are just really good talkers.*  
- Focus group, HNWI's/foundations, SA

### **Gender-wise giving**

The adoption of a 'gender lens' in selection of a charity or cause for grantmaking was seen to depend on several factors, including the philanthropic vision of trustees, and the assumption that women and men benefit equally from all grantmaking decisions. Some qualitative research participants emphasised the importance of undertaking gender analysis for effective philanthropy. In terms of motivating other philanthropists to consider gender and targeted giving to women and girls in their grantmaking, participants referenced a range of key factors, including the following:

- increasing understanding of the investment case for targeted giving
- demonstrating the potential for impact
- accessibility of tools to make gender-wise giving easy
- adopting a patient and educative approach, and
- women donors needing to be role models for others.

*...to show that your return on investment – if you make this investment here and that investment there...it's not sort of beating people over the head with it. It just doesn't work. It marginalises the issue, and it allows people to trivialise it and allows them not to own it a lot of the time, and just put it back in a feminist box.*  
- Focus Group, Giving by and to women and girls, VIC

### **External influences**

While philanthropic decision-making could be influenced by the strength of advocacy efforts from communities or organisations, it could also be influenced by external factors such as current social, environmental, economic and political events and by the popularity of particular causes.

*...whatever the darling of the moment is, where everybody wants to fund the bright shiny object in the room, like 'This one's great,' and money follows money. Which is great for the organisation that's doing the good work, that's getting the attention in the moment, but [for] the quieter, 'We've got our head down and we're doing the work but we're not necessarily tooting our own horn as well as we could' – it leaves them a little bit out of the funding.*  
**- Interview, US grantmaker into Australia<sup>28</sup>**

### 6.4.3 Reporting, evaluation and transparency

The *Philanthropy and philanthropists* survey asked respondents a range of questions about performance and outcomes reporting and evaluation.<sup>29</sup> Figure 15 is a summary of responses from the survey data on reporting and evaluation.

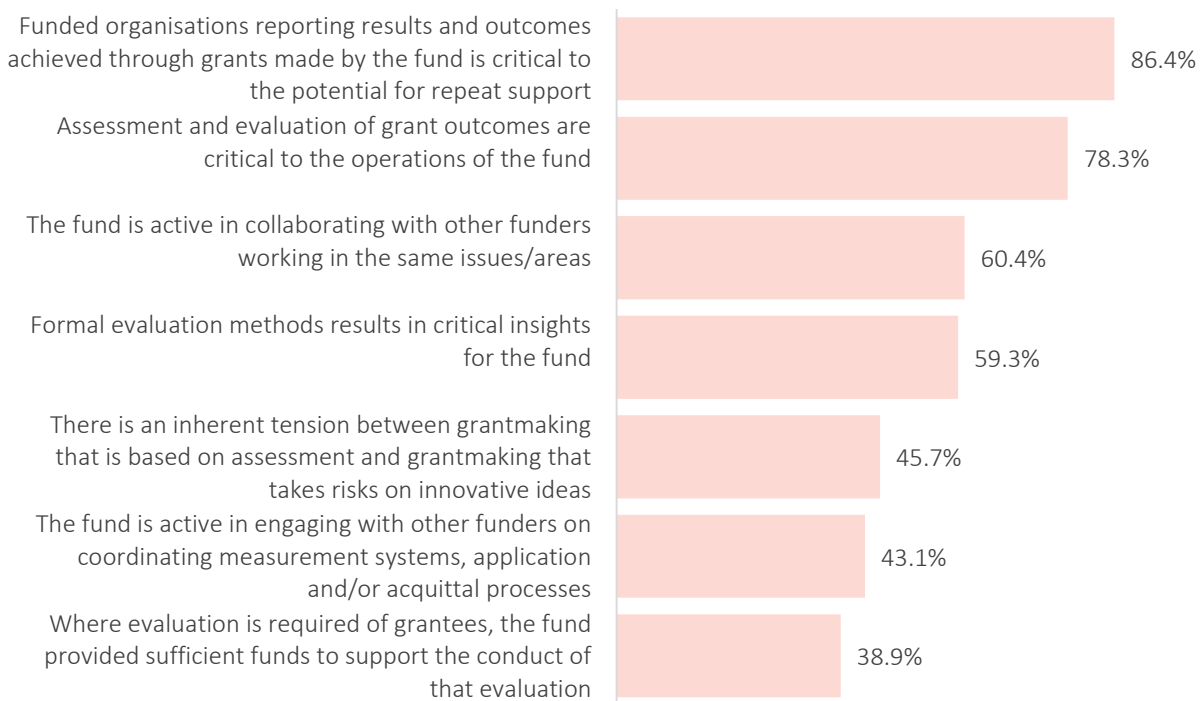



Figure 15 Reasons performance and outcome reporting are considered important

Reporting was seen by funders as a useful way for charities to maintain contact with donors, provide a sense of the positive impacts achieved and inform donor decisions regarding further funding.

<sup>28</sup> The reason for inclusion of US-based grantmakers is that some philanthropic grants are made to Australian organisations as part of international grantmaking programs. Therefore, this perspective is considered relevant to the Australian philanthropic sector.

<sup>29</sup> While many different kinds of structured giving entities responded to the *Philanthropy and philanthropists* survey, 'fund' is the general term used to refer to philanthropic entities in the data that follows.



Philanthropists noted that there are differences between the kinds of reporting expected for grants, as distinct from gifts.<sup>30</sup> While many focus group and interview participants agreed that grants require more formal acquittal processes, the potentially negative impact of onerous reporting requirements for gifts was acknowledged. Participants suggested that reporting on outcomes from gifts could be more flexible, and tailored to the preferences of the intended audience in terms of the level of detail required.

*Part of the limitations of impact reporting is that people look at it and it's so dry and so boring that we have to enable – we've got to find a way that's going to make it appealing for people to read...*

*What we've recognised with the collective giving model is that we need to create more donor connectedness. Part of that is our ability and propensity to do the storytelling, to do the informal and formal reporting on behalf of the organisations. That's where we're investing our time as well. It's not enough to give someone a one-off giving experience and expect them to be converts. You've got to kind of bring them on the journey of the organisation that they've supported.*

**- Interview, Collective giving, NSW**

There was also acknowledgment that reporting and evaluation require adequate resourcing of skills and time, and that funding recipients cannot achieve the required level of reporting if they are not resourced to do so. The potential value of less formal, dialogue based reporting was raised as a way to provide for real-time monitoring and course correction as required and to facilitate honest reporting of less positive outcomes.

*...if you want them to measure and evaluate those KPIs [Key Performance Indicators] and they can't because they don't have internal frameworks, then you should look at funding that, if that's what you want. You just can't dictate, you have to work with them to create that.*

**- Focus group, Collective giving, NSW**

*...measuring and monitoring means having...touch points where people can come to you and troubleshoot with you instead of dreading announcing the bad news.*


**- Interview, Community foundation, VIC**

Participants indicated that some projects might have much longer-term outcomes, or indirect benefits that are difficult to measure. Some philanthropists noted that they conduct their own evaluations of grant effectiveness. While effective reporting was viewed as a critical factor in making decisions about whether to continue funding organisations, there was acceptance that some level of risk tolerance remains in grantmaking decisions.

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<sup>30</sup> In broad terms, grants involve an agreement between the donor and the grantee, where funds are provided for a specific purpose, program or project, with agreed outcome expectations within an agreed timeframe. Gifts are more generally made without specific expectations and without a requirement for acquittal.





*...reporting on success depends so much on the sort of project that is being supported. Some projects have immediate and measurable outcomes and others...might be literally years in seeing a benefit. Indeed, we've lately started using the phrase... 'patient funder', meaning that we recognise that some projects take years to demonstrate effectiveness and we will be patient in awaiting that outcome. It's become clearer...in recent times, because of a couple of projects that we first funded seven or eight years ago...have, just in the last 12 months, demonstrated their benefits.*

**- Interview, Foundation, VIC**

*We need to be careful that when measuring outcomes we don't lose sight of those personal impacts that have long, long-term outcomes that were never even considered.*

**- Interview, Foundation, TAS**

Effective reporting increased donors' levels of trust and confidence in funded organisations and was an important factor in deciding whether to donate (or continue donating) in both the quantitative and qualitative data. Transparent communication about how funded work is progressing (regardless of whether it is all positive) was viewed as helpful in building trust and strengthening giving relationships. The need to set clear expectations on required reporting was highlighted in interviews and focus groups.

*...at the outset, as part of that trust and face-to-face, getting a very clear frame around what is it you expect, but in general enough terms to say the grant recipient is the manager of this money so we've got to trust what happens...we started years and years ago having round table reporting so that people could raise any question or any problem in the real moment. Mid-course corrections were possible.*

**- Interview, Community foundation, VIC**

Conversely, donor confidence was compromised by the lack of responsiveness or reliability in reporting and the presentation of data that appeared inconsistent or of poor integrity.

*...some of our worst outcomes and reports come from some of the biggest organisations. They lack responsiveness, their reports are always late...I actually find the most responsive tend to be the smaller ones.*

**- Focus group, HNWIs/foundations, SA**

These findings prompt questions around the perceived purposes of reporting and whether these differ in relation to the level of involvement donors wish to have. Some focus group and interview participants welcomed more active engagement in helping guide the delivery of funded projects, whereas others viewed this as beyond their scope or desired contribution.

### **Transparency of philanthropic entities**

Just under half (46.9%) of *Philanthropy and philanthropists* survey respondents stated that their fund has conducted an evaluation of its own effectiveness, with the most common reasons being:

- to learn from experience and improve practice (82.6%)
- to understand the impact of the fund (67.4%), and
- to demonstrate accountability for use of resources (43.5%).



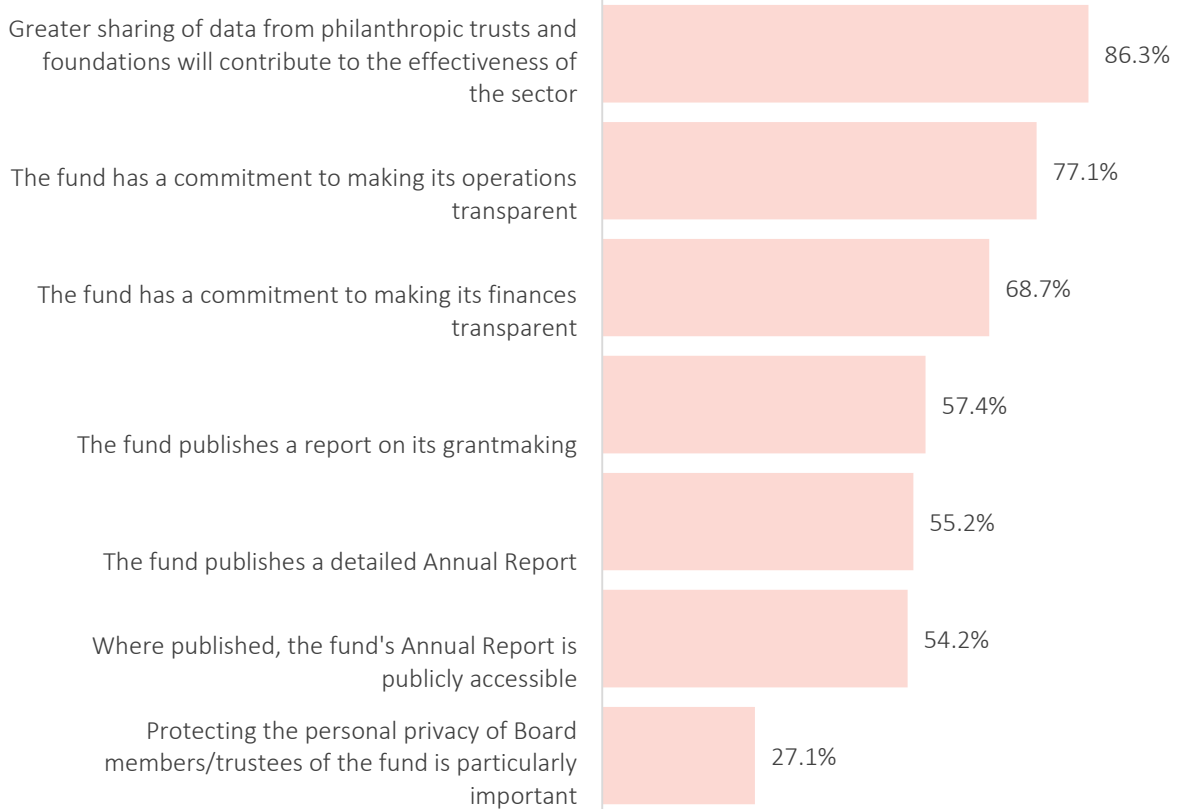


Figure 16 Principles and practices of transparency valued by respondents

The majority of survey respondents agreed that greater sharing of data by philanthropic entities will support the sector to become more effective and stated that they are committed to financial and operational transparency. However, despite broad agreement on the value of transparency in philanthropy, a much smaller percentage of funders said they were actually currently publishing and sharing this kind of information with other philanthropic organisations (see Figure 16).

Qualitative research participants recognised that the private nature of giving structures such as PAFs might contribute to barriers in transparency. There were concerns that this could limit the capacity of community organisations to target their funding approaches, due to the challenge of finding sufficient detail on PAFs to approach them effectively.

*...what would help from a charity's point of view? You know there's all this money that's locked away in PAFs, but you don't know what their mission statement is. I mean you don't have to know much more than what focus do they have, because as a PAF holder I don't want to be inundated with stuff...*

**- Focus group, HNWI/foundations, WA**



## 6.5 How philanthropy has changed since 2005

This section presents the findings on how philanthropy in Australia has changed since 2005 in terms of giving behaviours, innovations in philanthropic giving platforms and the influence of social media and technological development. These findings relate to the research questions:

- How are giving and volunteering behaviours changing over time including the use of innovative giving and volunteering platforms?
- How are innovations in social media and technological development influencing giving and volunteering?

### 6.5.1 Changes over time

Focus group and interview participants generally agreed that there was a greater emphasis in 2016 on funding for impact and sustainability.

*In 2014, we had a targeted round on building resilience and life skills for young people and that funded 11 projects for, I think it was \$2,200,000. Most of those were three-year projects looking for longer-term outcomes.*

*- Interview, Foundation, TAS*

It was acknowledged that this could be challenging for NPOs, particularly where a focus on direct impacts of funding detracted from the importance of investing in human resources, information systems and infrastructure.

*Everyone is talking about sustainability and impact, which sometimes makes it a bit more difficult I think probably for the charities because it's that demonstration of sustainability and impact as well, and while you've got the expertise and the smarts in the trusts and the foundations, you don't always have that in the grassroots to understand what they need to achieve to do that; they can't just buy a photocopier anymore with that money, they actually have to deliver a sustainable impact project. So they also don't necessarily have the skills base.*


*- Interview, Foundation, QLD*

For some philanthropists, there was a clear sense that there had been a move towards more targeted and strategic giving in recent years. There was also a greater emphasis of the value of transparency, evaluation and openness to longer-term investment in areas of need.

*...[philanthropy] used to be a very simple bucket of money with a fairly invisible and very small group of people in the '70s and '80s in Australia, who sat behind closed doors and gave things five minutes thought. It was random acts of generosity based on hunches.*

*- Interview, Community foundation, VIC*

Engagement of communities in co-creating solutions to their local challenges, and supporting them to succeed, was another emerging theme. Philanthropists recognised the value of harnessing the existing motivation, knowledge and skills within communities and providing funding for good ideas. Noted challenges included connecting those with the capacity and desire to strengthen communities and enabling long-term ownership by communities of project outcomes.



*Community foundations can thrive on trust because we've got face-to-face relationships, we've got mutual agendas that people understand quickly because we live and work and lead and flourish around the same sort of geography...We can be innovative about how we connect with our donors, how we connect with our grantees, with how we develop confidence in our local businesses.*

**- Interview, Community foundation, VIC**

*We have a lot of large NGOs who are working with disadvantaged communities, or for disadvantaged communities, but not necessarily creating community driven solutions. One of the things we try to tackle is...how do you get those really, really long-term ownership outcomes?*

**- Interview, Foundation, TAS**

Collective giving and crowdfunding were identified in the qualitative research as powerful methods of connecting passionate, resourced and skilled community members. Collective giving and crowdfunding have gathered significant momentum as fundraising tools due to the capacity for broad reach and for motivating deep engagement.

Collective giving has been discussed in detail in [section 6.3.1](#). In the case of crowdfunding, the opportunity to contribute is opened up to many more people, who do not necessarily need to give large amounts for a project to reach its target. Collectively, crowdfunding contributors can still make a difference to their own or other communities in need.

*[Collective giving] is demonstrating that people in the community are coming up with their own solutions...to their own problems. Invariably they've had a lived experience but they're not waiting for social services to come with a new program to solve those problems.*

**- Interview, Collective giving, NSW**

*I saw the power of the collective and what that power of the collective can do, particularly if you give them an experience. I think this is where collective giving that is direct and live is so powerful. Similarly, crowdfunding is also powerful but what it lacks is that human experience. What it gains is the reach but what it lacks is that human person-to-person contact. So I think the more you can give someone an experience regardless of how much they give, the more propensity is for them to go deeper and want to get more involved in the community.*


**- Interview, Collective giving, NSW**

### **Social changes**

The qualitative findings suggested there have been changes over the past decade in the public conversation around charitable giving (e.g. newspaper articles, intellectual discussions on effective giving by public figures such as Professor Peter Singer) and a perception of reduced social taboo regarding the public discussion of money matters. There was also a sense of broadening of the 'extended family of philanthropy' to include giving models such as impact investing and social enterprise.

*The conversation has changed in the last ten or 15 years. It is more and more out there.*

**- Focus group, Bequestors, VIC**



*...we've got so many different ways people come to this tent and say I am part of philanthropy. We've got the pure altruistic giving, we've got the investing in not-for-profits so that they can make money, which used to be a no-no. Now we're saying, 'No, it's good. If we give you a grant and you make money out of it, terrific.' Then we've got explicit donations to people saying, 'We're only giving this to you because you are running a social business.' Now we've even moved into the impact investing questions where it's a corporate intention to make money and I'm watching that with great interest.*

**- Interview, Community foundation, VIC**

Additionally, there was some sentiment that the increasing secularisation of Australian society and changes in the level of engagement with traditional community hubs (especially in urban areas) is contributing to a sense of lost community and an accompanying desire to build new ways of connecting, belonging and encouraging giving.

*...a lot of people my age don't go to church anymore. We're not so comfortable playing golf on a Saturday morning because we're too busy taking the kids to their sports. Now that's all great, but there is a loss of community.*

**- Interview, Collective giving, WA**

### **Generational changes**

Some focus group and interview participants observed a generational change in how people select charities – a sense that giving was now less related to a general desire to be charitable and help all those in need and more related to personal connection to specific causes. Participants from philanthropic organisations also commented that they needed to recognise and respond to these shifts in how people feel engaged and rewarded.


*Maybe there's a generational shift around seeking out charities. I think there was maybe a sense of traditional philanthropy and traditional charities...I think maybe we've moved away from that a little bit...There's probably a stronger sense of connection between why people want to benefit a particular charity, because they're maybe wanting to make a difference or change in a certain area, or because they've been affected or touched by something particular.*

**- Focus group, Bequestors, VIC**

*We need to recognise that there is generational change, there is technology change, there is all of those things and people want to do things differently.*

**- Interview, Foundation, TAS**

There was recognition that community needs and organisations also change over time and that organisations that were responsive to generational and community changes were more likely to thrive. Despite some participants expressing concerns that younger generations were less involved in giving, there was a counter-narrative highlighting the potential for younger generations to contribute to new ways of doing philanthropic work.



*Innovation, it does probably come from having different perspectives, having a younger presence means that sometimes new ones can ask the harder questions...I guess the thing that's implicit in that is that if you've got an organisation that's resistant to change, then it's not particularly attractive, which then means people are drawn to the more innovative...*

**- Interview, Young HNWI, VIC**

*The younger generation are going to do it more effectively, more efficiently and enjoy the journey because of those two things. They haven't got time to sit on boards where you go through reams and reams of bloody paper and decisions aren't made. They don't have that time, but technology and smart ideas are going to allow them to participate without getting bogged down.*

**- Interview, Family foundation, SA**

*Young money...has been...the biggest single influx I think in conservation investment in the States...It's new industries. It's particularly the IT industry.*

**- Interview, Family foundation, QLD**

### **Cultural changes**

Among participants in the qualitative research, there was a perceived shift in Australian culture between 2005 and 2016, towards a view that 'giving is good', that those with the capacity to give should do so and that giving should not be confined to post retirement. There was a sense among participants that there is growing awareness of the good that can and should be done by giving and that the profile of giving has been lifted.

*There's more of a recognition of the good you can do by giving now, than there was even 10 years ago, even five years ago. Yeah, I think in summary the profile's been lifted.*

**- Interview, PAF, WA**


*I'm a big believer in the fashion of philanthropy. I think there's a growing awareness and there's a growing belief that those that are in wealth accumulation phase should be involved in giving in some capacity...I think it's on people's radars now, whereas it probably wasn't in the past.*

**- Focus group, Professional advisers, QLD**

Some participants also noted a trend towards higher levels of engagement with the nonprofit sector, with philanthropy moving beyond monetary gifts, to recognising the value of contributing time and talent. Participants perceived that giving in its many guises has a higher public profile than a decade ago and is more often a topic of conversation in the press and in the community.

*The level of engagement has changed. So...they might be giving plus sitting on the board and becoming an ambassador for the organisation so philanthropists [are] using their voice more to be engaged and really being involved in having a say on how it's used.*

**- Focus group, HNWIs/foundations, SA**



*...when we say giving, do we really mean giving money? Because community foundations, as a large part of their modus operandi, are about giving time and giving strength and empowerment to groups in the community, not necessarily around the money at all. So getting people involved is much deeper than just trying to get them involved with money.*

*- Focus group, Collective giving, SA*

### **Governmental changes**

Policy changes and the perceived willingness of governments to work with philanthropists have had an impact on increasing collaboration within the sector. Changes in regulation and the accessibility of different modes of giving (such as PAFs) have influenced the processes of philanthropic giving and increased the volume of giving. Participants in the qualitative research also observed that there are further opportunities for policy initiatives to encourage giving by increasing accessibility. Philanthropists particularly voiced the impact of government funding cuts to the nonprofit sector and increasing demand on philanthropy to fill the funding gaps.

*Twelve months ago somebody said why don't you start knocking on the government door and I said the last thing I want to do is deal with government, it will just destroy me. Funnily enough, 12 months later I found myself at the right time, with the right opportunity...so I'm starting to talk to government about what we're doing, to make them realise there are people who want to put money into this sector.*

*- Interview, Family foundation, SA*

*Externally the world has changed a lot. I'm sure you've heard this many times, the cutbacks in government funding are impacting very much on the philanthropic sector. There is no way that the philanthropic sector can fill all the gaps that have been created and politically look likely to continue being created. It is just the reality of life these days. The pressure on trusts like us is greater because the needs are greater.*

*- Interview, Foundation, VIC*


### **Organisational changes**

In the context of limited government funding and continuous demand from NPOs, focus group and interview participants noted that there is even greater need to ensure that funding is used as effectively as possible. Since 2005, there has been an increased focus on evaluation among philanthropic entities themselves. Suggestions included clearer processes for monitoring and evaluation of gifts and grants as well as improving professionalisation. Collaboration within the philanthropic sector was also seen as increasingly vital to achieving more effective and higher-impact philanthropic giving, but finding the right mechanisms for collaboration remains a challenge.

*The previous 10 years, the biggest trend for me would be this increasing professionalism of the sector more broadly and the number of jobs, opportunities; even family foundations are hiring... people really want to get the highest impact for their giving, [that] has changed a lot.*

*- Focus group, HNWLs/foundations, SA*





*...we all recognise the need to collaborate but we're still trying to work out how best to do that and how do we identify projects that several trusts together want to support. The mechanics of collaboration are quite difficult.*

**- Interview, Foundation, VIC**

Some participants were very pleased with the collaboration made possible by funder groups.

*...having joined the AEGN [Australian Environmental Grantmakers Network] recently, it's actually expanding the way I give. So I'm really learning about smaller environmental initiatives that are really making a big difference...So I am shifting...*

**- Focus group, Environmental givers, National**

Philanthropists reported giving greater recognition to the need for professional development in the nonprofit sector to deliver the positive impacts sought from philanthropy.

*...we're funding well intentioned people who haven't necessarily gone through any PD [professional development] for 10 years to be doing more and more sophisticated work, more sophisticated evaluation.*

**- Focus group, HNWI/foundations, SA**

### **Innovation and philanthropy**

Innovation was viewed by philanthropists in the qualitative research as a somewhat nebulous concept, but one that could also be as simple as a small, local change that might then grow if successful. While participants recognised opportunities for innovation and a sense of openness to new ways of doing things, they also identified the need to balance this with valuing of local knowledge, expertise and demonstrated potential for meeting real need.

*One of the things that the [foundation] does look for in its projects is the gap; and an innovative approach that has long-term outcomes, whilst at the same time trying to be innovative within ourselves without scaring a community that doesn't necessarily like change very much. That's that balance.*


**- Interview, Foundation, TAS**

*...a local solution from local people. It doesn't have to be overly complex, to be new, digital – it doesn't have to be any of those. But something...small, grassroots and meeting an obvious need for a direct outcome.*

**- Focus group, HNWI, QLD**

While for some innovation, or novelty, was attractive in itself, for others innovation was only viewed as being of value where it provided a better way of solving an existing problem. Participants also recognised that organisations have operational and/or equipment needs that are necessary for effectiveness but not about innovation. Some participants felt that philanthropy could at times be overly focused on innovation, potentially at the expense of experience of what works. Concerns were raised that this could be detrimental for issues that may require a strengthening of longer-term interventions, rather than a slew of new approaches.





*...we're sort of innovation obsessed in philanthropy...everything is about what's new in pilot form or a new organisation, a new approach, different ways of doing things. That's to some extent understandable...but the assumption that you need a new approach rather than to invest in and support an existing approach that might be working but isn't powerful enough or big enough, frustrates me.*

**- Interview, Giving by and to women and girls, VIC**

*...we actually ask people is how is this innovative...but having said that, we also recognise that sometimes the local community hall just needs new chairs, so it's finding that balance.*

**- Interview, Foundation, TAS**

Not all philanthropists viewed innovation as being a primary factor in evaluating the work of an organisation, but if innovation allowed for more effective use of the available resources, it became an attractive proposition.

*In a lot of cases innovation lines up with trying to get the biggest bang for your buck. If you can get involved with somebody and you can do it a different way and you end up with a better result, then that's pretty important.*

**- Interview, PAF, WA**

Some participants noted that marketing projects as innovative has become almost a prerequisite for securing philanthropic funding in many cases. For those organisations already doing innovative work, but not necessarily speaking about it publicly, this could result in invisibility.

*Often innovation goes unacknowledged because nobody thinks to say, 'Oh my God, this hasn't happened anywhere before'. You've almost got to have a sales and marketing angle to say we want to put our hand up for having innovation here. Otherwise people think there mustn't be any innovation unless you're talking about it.*

**- Interview, Community foundation, VIC**

In order for innovation to occur, participants noted that recipients of funding must feel they have permission to try new things and that failure in the pursuit of positive change will not be too harshly viewed by donors.

### **Giving platforms**

Philanthropic platforms such as collective giving were seen as innovative in themselves,<sup>31</sup> as were online giving platforms. Collective giving was also viewed by focus group and interview participants as being flexible enough to fund newer or smaller organisations with innovative ideas without an already established evidence base.

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<sup>31</sup> While many forms of collective giving are not new, they were clearly perceived by many to be emerging or re-emerging in Australia, and innovative relative to more traditional approaches.

*Collective giving can be the testing ground. It can be the basis where people can take some risks. Collective giving invariably supports the smaller grassroots organisations who are trialling and testing new approaches...Unlike in larger charities per se which invariably get government funding and it's invariably tied. So there's little opportunity for innovation.*

*- Interview, Collective giving, NSW*

Crowdfunding sites and social apps were seen as enabling quick, easy donations and new scales of giving, with greater capacity for givers to engage their networks. Crowdfunding was also seen as a way for funding seekers to trial ideas and establish whether their idea has community support before approaching philanthropic entities.

*We'll have, particularly younger organisations who will come with their ideas and say okay, we trialled this through crowdfunding, so it's got community support. What it has done, from an operational side though, for us, particularly for people who are savvy, is that we're able to say, 'have you thought about crowdfunding as an option?' We're able to put that out there.*

*- Interview, Foundation, TAS*

## 6.5.2 The influence of social media and technological development on philanthropy

Use of online technologies and social media was explored in the *Philanthropy and philanthropists* survey and relevant findings are summarised below.

Some 81.1% of survey respondents indicated their fund had a web presence. The top six cited uses are summarised in Figure 17.

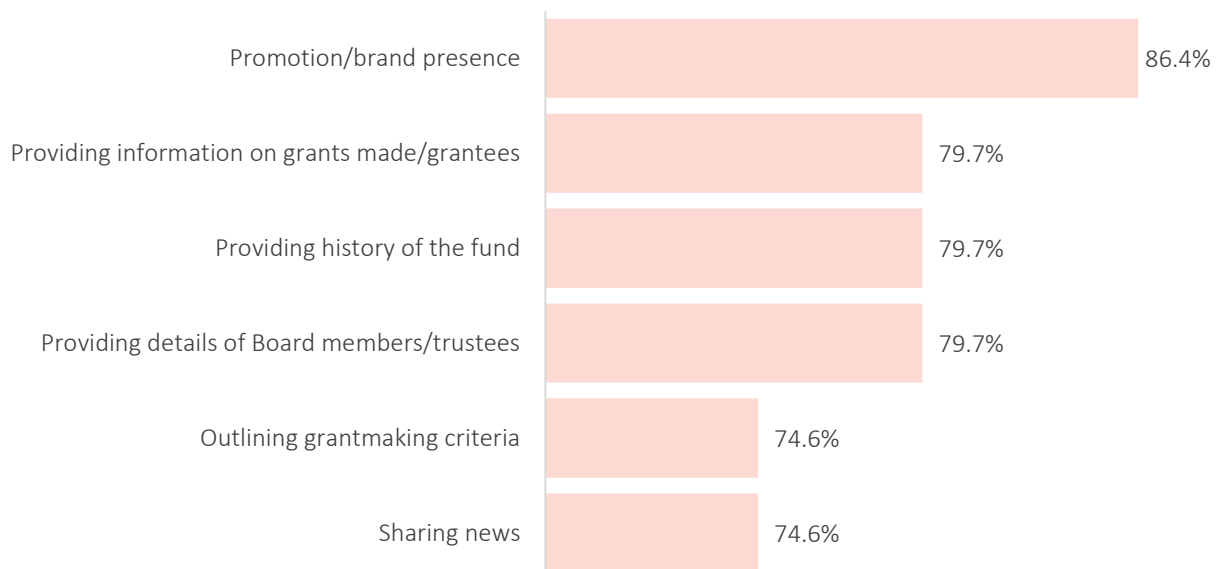


Figure 17 Web presence and purpose

Some 23.3% of respondents reported that their fund uses grantmaking software, suggesting that more than three-quarters of funds did not use any grantmaking software. Of respondents who did use grantmaking software, as demonstrated in Table 5, the main systems used were the proprietary products MicroEdge GIFTS and SmartyGrants.

Table 5 Granting systems used by respondents

System	Percentage of respondents using this system
MicroEdge GIFTS	35.3%
SmartyGrants	35.3%
Other <sup>32</sup>	29.4%

*n* = 17

Some 58.9% of funds reported use of social media. Of these, the main platforms used were:

- Facebook (86%)
- Twitter (60.5%), and
- LinkedIn (37.2%).


The majority of *Philanthropy and philanthropists* survey respondents indicated that use of social media by their fund had changed over recent years, for the most part increasing. Many individuals and organisations indicated that social media was intrinsic to and aligned with their strategy and that they used it to communicate, to promote and to collaborate. Social media was seen as useful in:

- providing easy access to networks
- maintaining a dialogue with stakeholders and supporters
- sharing news and information, and
- publicising events and promoting grants.

In the qualitative findings, participants noted that the philanthropic sector is drawing more on available technologies and data to communicate and collaborate, identify needs, match givers with recipients and enable giving. Examples included greater use of internet based communication technologies and social networking media to connect family members, directors/trustees and partnering organisations working across greater distances, whether this was connecting volunteers in rural or remote settings collaborating via Facebook, or overseas family members and philanthropic partners attending meetings via Skype.

*Well we've found Skype is a very good way of managing our meetings, because we sit around the table, we've got a computer here, a computer there and everyone just Skypes in. So even if they're sitting in the UK, they can hear about things and have a sense of still belonging.*  
**- Focus group, HNWIs/foundations, WA**

<sup>32</sup> 'Other' includes: Tailored Salesforce; bespoke arrangements; WordPress; Blackbaud, Raiser's Edge, Spectrum modules; and Digits.



*Technology has certainly helped as far as our giving in Australia, just from that connectedness and the availability of things on the internet, the connection. I can look up – you know, just a Google search. If we're talking about what's going on in the homeless community in Australia, I can find things pretty easily on Google, and have made connections to organisations that we have funded that way. And usually it's the smaller groups or Facebook – so I would say I do use Facebook a bit just to do some research...*

**- Interview, US grantmaker into Australia**

As technologies and data become more accessible, there is a greater focus on process improvement and optimising use of available resources. Organisations are making more use of the available information and communication technologies, moving towards grants management software and utilising online applications for grants to provide efficiency improvements for both grantmakers and applicants. Participants in the qualitative research expressed the sense that opportunities to collaborate were being more actively sought, with greater attention to fostering open and transparent communication with partners.

*You build relationships with people where your application process is not cumbersome, where you have a shared agenda. It's how you communicate.*

**- Interview, Community foundation, VIC**

*...on our website...it has all the online application forms, but it also sets out in quite clear detail the areas of our current grantmaking objectives and priorities. That again is a help to us and to potential grant recipients...We do get a lot of positive feedback about the website and the value of a grant seeker being able to understand where our interests currently lie, how to make the application etc.*

**- Interview, Foundation, VIC**

*We've also really taken advantage of online and computer based programming, and record keeping and databases in a much bigger way than we had done previously.*

**- Interview, Environmental grantmaker, VIC**


Participants also reported that the reach of social media and online technologies were changing awareness of where money can be given, how this can be done (for example, online) and who can be recruited to give or become an advocate of giving.

*We can't possibly imagine what's coming yet, just in technology generally let alone what impact that will then have on fundraising, giving, grantmaking, researching, community connection. I mean it's just – I can't keep up with what we've got today.*

**- Focus group, Professional advisers, QLD**

*We now have a very active Facebook page and a very active Twitter account, and it allows us a medium to reach younger people in the community and to feel – to speak in a way that they want to be spoken to. You know, it's a world of instant gratification, especially in younger people, so they want to know then and there what you're doing and how you're doing it, and be able to respond and have a chat to you. Social media gives us that.*

**- Focus group, Collective giving, SA**



There was recognition that online technologies and social media could be very effective in increasing access to relevant information and growing networks, but also that with this connectivity brings a level of risk, in that content created and shared by the network cannot be controlled.

*It has to be the messaging and the whole way that philanthropy, giving, whatever you want to call it...has to be managed really carefully, because I think social media can be incredibly destructive, incredibly damaging and incredibly negative. And I actually think that there is quite a risk to be different, because there's just so much information and so much bombardment, so much controversy and so many different perspectives, and I think you've got to make sure you're tapping into the right emotives.*

**- Focus group, HNWIs, QLD**

Although online technologies enable new ways of approaching philanthropy and giving, there was a strong sense that these do not necessarily replace approaches focused on personal contact.

*Well, it's pretty useful to keep your donors connected to the impact they're having. I think that's the most important thing. It's useful in recruiting donors to some degree, although research suggests that personal contact and a personal invitation is really the most effective donor recruitment strategy. The bigger picture – certainly social media could spread the word. You're going to get more people engaged.*

**- Interview, Collective giving, WA**


*If you deeply understand how to use social media that's the way you're going to create word of mouth. I think that video is the future and that storytelling is the future and you've got to have the capacity to do that to capture people's imaginations about why giving is important and how joyful it can be.*

**- Interview, Collective giving, NSW**

Use of information systems, software and web-based technologies for managing grants and other philanthropic administrative processes were viewed by many focus group participants and interviewees to be still in the early stages and relatively untapped across Australian philanthropy. Some advocated greater use of technology in the philanthropic sector, but some expressed frustration at the absence of fit for purpose systems to support delivery, and felt that further improvements to the available technologies were needed before their adoption could provide greater effectiveness. Participants noted that technologies may open up more opportunities for younger or increasingly tech-savvy people to get involved with philanthropy and increase the capacity for philanthropists to connect with and learn from each other.

*I think that is a challenge to say what have we learned over 30–40 years that means we hold onto the stories of our elders as the wisdom of some cultures insists, but not necessarily ours. I think the age thing, the technology thing and the business thing, they're very important questions to be continually revisiting.*

**- Interview, Community foundation, VIC**



*...trying to understand where the breakthroughs are being made and effective service delivery and those kind of things...that are a particular interest to us. So whether it's what's happening in...neighbourhoods in the US or it's the reduction in recidivism rates in Singapore or it's those type of things, I think that technology means that...access to information is so easy and if you've got something that interests you, you can find a journal for that.*

**- Focus group, HNWI's/Foundations, SA**

At the same time, participants acknowledged that greater access to communication technologies required the development of greater skills in using them and could add to a sense of 'information overload'. Identified barriers to using social media and technologies included the initial cost of upskilling or hiring adequately skilled staff, purchasing software tools and the ongoing costs of maintaining, networking or upgrading new systems.

A focus on maximising access to and the use of existing systems was suggested as a more effective way for non-experts to capitalise on the technology they already have available – for example, adding a donate button to an organisation's existing website.

*We've also really taken advantage of online and computer based programming, and record keeping and databases in a much bigger way than we had done previously. For example, all applications are done online...We've been seeking to save both our own, and more particularly the grant seeking organisation, to save time and effort if, for whatever reason, their proposed project doesn't fit with our objectives, or legal status is not right.*

**- Interview, Foundation, VIC**

*...yes there's technology and it's great but it doesn't always make that kind of thing easy, and in fact, it can be an awful lot harder in resourcing terms if you have to do something like, 'Well, let's just use technology and crowdfunding,' than it could be to actually go and talk to a major donor and get one gift.*

**- Focus group, HNWI's/foundations, SA**

Participants also noted that care needed to be taken in the design and implementation of new technologies, in order that technologies function to better enable community-based organisations, rather than creating further barriers to accessing philanthropic support.

*We're not working solely with organisations that have paid grant writers, fundraisers, those sorts of things. We're working with organisations that need us to tell them what a constitution is, and what their ABN [Australian Business Number] number [sic] is, and how to turn their computer on, some days. We need to make sure that whilst we innovate we're not actually excluding a part of the community that we're actually set up to serve.*

**- Interview, Foundation, TAS**

There were concerns from donors about privacy and security in terms of how their information is shared, and ensuring that they are protected from fraud and scams.





*...the government does have a role to monitor and to look at the scams and to look how charities are formed and how much information is sent, how much personal information is just bandied around and sent. Because people are vulnerable, and if they get older, in bequests they are vulnerable.*

*- Focus group, Bequestors, VIC*

Philanthropists who participated in the qualitative research also observed a rise in funding applications for technologically-driven solutions to societal problems. Donors sometimes viewed these as innovative and appealing, but with the understanding that not every problem needs a technological solution.

*We see a lot of technology solutions in applications. People try and incorporate it into the design of their services, which is great...I would say...make sure you build that into the beginning of your concept and your design...I think we're going to see more and more applications that have a strong digital component in the way they're trying to bring services to people in remote areas. But I feel it's a real 'watch that space' for us, and we need to make sure we're across it as a foundation, knowing what people are doing and where they're doing it well.*

*- Focus group, HNWI, QLD*

Despite the increasing uptake of social media, communication and donation technologies, preferences around their use still differed between individuals and participants noted that not everyone in the philanthropic sector would be interested or expert in using the available technologies.

## 6.6 Future of philanthropy and strengthening giving in Australia

This section investigates participant perspectives on the future of philanthropy, current barriers to giving and opportunities to grow giving in Australia. These findings relate to the research questions:

- What does information about changing patterns of giving and volunteering in 2016 tell us about the future of philanthropy in Australia?
- What are the opportunities to grow levels of giving and volunteering among individuals and business?


### 6.6.1 Future of philanthropy: participant views

The popular vision for Australia's philanthropic sector is a landscape characterised by collaboration and consolidation, along with increased capacity and impact.

#### **Collaboration and consolidation**

Many participants in focus groups and interviews espoused the view that mergers and/or strategic partnerships between existing NPOs would be highly desirable, especially with a view to reducing fixed costs (e.g. administrative expenses). The current trend of multiple charities addressing similar if not the same causes was widely perceived by philanthropists as resulting in 'wasted resources'. Such duplication was described as counterproductive and effectively diluting the impact of finite resources.





Additionally, concerns were raised in the *Philanthropy and philanthropists* survey regarding donor fatigue. For example, comments were made about whether ‘too many causes’ would lead to ‘donors being overwhelmed and disillusioned’.

Linked to this theme were favourable views towards the philanthropic intentions of younger generations, who were seen as increasingly prosocial. The future of philanthropy will, by necessity, be carried by future generations, and their enthusiasm was expected to positively contribute to societal good. However, some qualitative research participants raised concerns as to whether younger generations would seek to ‘make their mark’ by establishing their own social organisations and thereby duplicating existing initiatives and infrastructure.

Several focus group and interview participants noted that they planned to defer decisions regarding the distribution of family wealth to philanthropic organisations to their children. The wealth transference from baby boomers to their children therefore represents both an opportunity and a threat to philanthropy in Australia. Promoting the benefits of philanthropy and educating younger generations as to how they may meaningfully contribute is a key priority.

### **Redefining ‘giving’**

Education was considered a key enabler of growth for Australia’s philanthropic sector by focus group and interview participants. Specifically, educating citizens as to what constitutes ‘meaningful giving’, loosely interpreted as positively increasing net community benefit.

Among those who participated in the qualitative research, there was a widely shared belief in the broadened definition of giving beyond just monetary contributions, as adopted by the peak body Philanthropy Australia. There was also an identified need to normalise giving behaviours by shifting perceptions of giving from an act of wealthy citizens, to one that is routinely engaged in by ‘average Australians’.

*Making it mainstream, that is getting a large sector of Australians participating...*  
**- Philanthropy and philanthropists survey respondent**

Perceptions of philanthropy are shifting. As one participant commented:

*We’re moving from old world charity to new world generosity.*  
**- Interview, Collective giving, WA**

Such generosity is trending towards individuals giving their time, as well as dollars, to causes. Of individuals responding to the *Philanthropy and philanthropists* survey, 82.1% had volunteered their time (beyond contributions to their own fund or sub-fund) over the past 12 months. Non-monetary contributions were viewed as a gateway to philanthropy for individuals who would not traditionally be considered ‘wealthy’ in the Australian context.

Additionally, giving circles were viewed by qualitative research participants as a vehicle for expanding philanthropic behaviours in the wider community, due to their inclusive nature and accessibility to individuals who might not typically consider themselves wealthy enough to practice philanthropy in its more traditional meaning.



## Capacity building

Greater focus by philanthropy on capacity building in the nonprofit sector was seen as an important path to increasing the impact of philanthropic giving. Many focus group and interview participants noted the lack of professional development training currently available for staff of NPOs. This issue was exacerbated by the desire to fund only direct delivery of charitable work, resulting in scarce investment in capacity building for staff. Somewhat alleviating issues surrounding skills shortages were the transition of older workers from the corporate to the philanthropic sector, as well as the influx of younger recruits.

*Capacity building, there are few trusts and foundations that will support that at the moment. I think there's big opportunity there for the future. It's a national issue.*  
- Interview, Foundation, VIC

Existing capacity was seen as a limiting factor in relation to increased demands for transparency and reporting.

*[NPOs] struggle with the imposition on them for greater transparency and accountability, because it takes away from their service providing and actually doing what they do.*  
- Focus group, Collective giving, NSW

Increased transparency of both philanthropic and NPOs was repeatedly called for and viewed positively by the qualitative research participants. However, specific examples of how this might be achieved were notably lacking in the data. Tension existed between the need for effective giving to be demonstrated through reporting and evaluation and supporting innovative or unproven projects that meet emerging needs.

## Digital technologies

The impact of evolving technologies was discussed in detail in [section 6.5.2](#).

Some qualitative research participants appeared sceptical of digital technologies being touted as a vehicle for increasing overall giving in Australia. While benefits were cited (e.g. simplifying giving transactions), doubt was raised as to whether technology adoption would influence overall giving amounts.

*If you want to give money, you give money. In Australia there's every opportunity for someone to give money probably every week of their lives. My view is, 'Are you going to get more money because you've got an app?' Well, maybe [some NPOs will] get a bigger share of the money, but I don't think the portion of money being given as a percentage of net income of the Australian society, I don't see that new technology is going to grow that.*  
- Interview, Young HNWI, VIC

Technological innovations (e.g. crowdfunding), while offering promise of opening the marketplace, might increase the number of channels through which *existing* donors give (i.e. reducing the amount of money received through any one channel). Participants were largely uncertain as to how digital technologies will influence Australians' giving behaviours long-term.

*[Technology has] got a big part to play. I don't think we even know what that part is.*  
- Focus group, HNWIs, QLD



## Changing landscape for philanthropy

There were mixed feelings about the changing landscape of philanthropy; in particular, the balance between government maintaining responsibility for addressing public needs, or shifting this responsibility further towards the philanthropic sector. Concerns were raised in focus groups and interviews about government withdrawal from funding of key social services and support and about the perceived lack of long-term government vision for the philanthropic and nonprofit sectors and the social value they deliver. There were also views expressed that there are very real limits to the extent to which philanthropy can shoulder the burden of ongoing shifts in social responsibility and that to the extent that any such shifts occur they must be backed by adequate government support for the philanthropic sector. Specific suggestions regarding opportunities to strengthen the philanthropic sector are discussed in [section 6.6.3](#).

*In order to have the sector grow, the government has got to show some vision in terms of the importance of the sector, and I think that's one of the biggest problems we have, is that there's no vision for how important this sector is.*

*- Focus group, Collective giving, NSW*

*...too many people think government are [sic] responsible. And they're not. They can't be responsible for every social welfare issue in the world or in Australia, and that's where I think we need to change that perception that it should be from cradle to grave support by the government...*

*- Interview, PAF, VIC*

*What's in it for government? A richer community. I use the word richer in every respect.*

*- Interview, HNWI, WA*

## Impact

Excitement as well as caution surrounded the increasing emergence of the 'extended family of philanthropy'; for example, hybrid organisations such as social enterprises, and strategies such as impact investing. Some concern existed in focus groups and interviews as to whether philanthropy will maintain at its core the altruistic aim of contributing to social good and whether short-term reporting requirements may restrict long-term impact.


*I worry that too many people are trying to chase this impact idea, both on the philanthropic and the organisational side. I think it's got the potential to do some really great things, but I also worry that it's deflecting away from some real basic needs that need to be met.*

*- Interview, US grantmaker into Australia*

*There is a long game going on. [Government bodies] expect instant success and they want to measure it after three years. I really think it's a 20-year game. It's a 30-year game. It's not a three-year game.*

*- Interview, Collective giving, WA*

Overall, the issues of philanthropic engagement, decision-making, evaluation and government regulation remain as present today as they were 10 years ago. Hopes for a changing sector are balanced by concerns that the conversation on giving in Australia will continue in a circular fashion unless attempts are made to address barriers and take up opportunities to encourage effective giving.



*...assume that economically we will not keep riding high, we will therefore need each other more and we will learn again what we used to know about being good neighbours, being attentive to society's issues. It's for whom the bell tolls, that there will be a progression forward to recapture a sense of community and how we can do things together.*

*- Interview, Community foundation, VIC*

*I've seen incredible goodwill from philanthropists and through service providers. The intent is there but...we have to be very frank about where we're failing. If we don't do that then we'll just continue to do the same old same old and nothing will change. But I hope that we can stimulate, really, those honest conversations about deep change in the sector, and philanthropy and government so that we can create the social equity and justice that we need to have.*

*- Interview, Foundation, NT*

## 6.6.2 Barriers and challenges to philanthropic giving

### Cultural challenges

'Tall poppy syndrome'<sup>33</sup> was seen as an ongoing barrier to talking about giving in Australia – donors in the qualitative research did not want to be seen as talking themselves up, or creating unrealistic expectations regarding their capacity to give. At the same time, there were concerns that this reticence to talk about giving could limit positive influence on others with the potential to give.

*...there's a different culture in America in that very often they [make a donation] as a promotion...give large amounts and have their name attached to it. In many cases in Australia it's almost the opposite. People would prefer to give but not have that promoted, and they don't necessarily want to do it for the fame of it but for the actual ongoing benefit.*

*- Focus group, Professional advisers, QLD*


*I'm quite comfortable being low profile. Maybe it's just a reaction to the tall poppy syndrome that prevails in this country, plenty of people that like to have a crack at you. Also, you don't want to create too many expectations, because actually, everyone has their moments. Things are great, things are not so great.*

*- Interview, HNWI, WA*

Participants also commented that in Australia a cultural desire to be supportive and encouraging of efforts for good tends to sideline deeper discussions about the actual effectiveness of these efforts. There was a sense that we can learn from international models, but must also be careful to critique these appropriately.

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<sup>33</sup> 'Tall poppy syndrome' refers to a social phenomenon – the perceived tendency of people to resent or disparage those who have achieved notable success, wealth or fame in life.



*...you get a lot sort of broader systemic conversations, I think, internationally. The other thing... is that we're all in Australia really nice people and so no-one's even going to critique my strategy, they just say, 'That sounds great. Let me know how it goes'. Whereas over there, it's still in a really respectful way, people will say something like, 'Bill and Melinda Gates, they did this. Why did they do that? Why didn't they do this?'*

*You can read all of these amazing conversations and learn from them in a way that I don't feel like we can do here because people aren't brave enough and the sector's not big enough and everyone wants a job to go to, you don't want to be known as the person that is shooting everything down or critiquing everything. It's just different.*

**- Focus group, HNWLs/foundations, SA**

*...the lack of self-examination kind of contributes to that because...we are not at all challenging, we're not very reflective in terms of our effectiveness or otherwise, and I think that leads to exposure of lots of things that kind of just don't pass the pub test.<sup>34</sup>*

**- Focus group, HNWLs/foundations, SA**

### **Structural barriers**

Frustrations were expressed by some qualitative research participants with the limits of existing giving structures, largely regarding the limitations of gifting tax-advantaged funds to those organisations endorsed by the ATO as DGR1. Participants noted that the difficulty of using these structures to maximum effect ultimately results in less funding getting through to the desired recipients of giving.

*You go to [a] high school and I can't even give from the PAF. I've got to do it personally because there's no vehicle structure...*

**- Focus group, HNWLs/Foundation, WA**

Participants also identified that while PAFs are growing in number, there is still a need for more widespread knowledge about how structured giving vehicles can be used to best effect. For those not using sub-funds, perceived disincentives were the high establishment costs and level of knowledge required to initiate a structured giving vehicle. Detrimental impacts of particular regulatory policies were also described.


*Linked to the cost, I've heard from some of the accountants that establish the Private Ancillary Funds the cost and complexity, and it's almost dismissive, 'It's all too hard. Let's not go down that path.'*

**- Focus group, Professional advisers, QLD**

With regard to emerging structures and instruments, there was a sense of caution about social impact bonds and an identified need for more skilled advisers who are knowledgeable in the area of impact investing. Finally, the barrier of no longer having access to committed funds if personal circumstances change was cited as an obstacle to using structured giving vehicles.

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<sup>34</sup> The 'pub test' is an expression that refers to whether an average member of the public would find something credible and acceptable.



Again, the message was to ensure that giving structures are as accessible and flexible as possible for both smaller and larger scale philanthropists, so that motivated givers are enabled to follow through on their wishes easily.

*One of the obstacles I've experienced is the restrictions...So the increasing interest in funding offshore, particularly if you're making a distribution from a PAF, you can't in many instances do that or alternatively you have to use an auspicing entity, which can be fraught with issues and usually comes with a significant associated administration fee that diminishes the value of the grant to the end beneficiary. So I think the system could be simplified...*

**- Focus group, Professional advisers, QLD**

*...If people are saying now I want to invest...in companies or projects that do have a positive social and/or environmental return, the trouble there is getting access...quite often they are wholesale only investments so you need to be [a] 'wholesale' client under the [Corporations Act].*

**- Interview, Young HNWI, VIC**

### **Perceptions of charity as ineffective**

Perceptions that giving to charity is ineffective, or that significant proportions of charitable donations will be consumed by administration costs act as a deterrent to giving for some participants in focus groups and interviews.

*I have a look at what actually is being given and what happens to that money. Unfortunately a huge amount of charities spend about 85% to 90% on their funds in administration – that really turns me off...*

**- Interview, Foundation, QLD**

Some participants expressed the view that mainstream media acts to discourage giving by popularising public scepticism towards charitable donations, thereby providing a ready justification for reluctant donors not to give.


*Well, the narrative is terrible in the media and charity dollars and what do they spend on admin and that just needs to stop. On so many levels that needs to stop. And that deters people. They don't believe that their money is going to be spent in a worthwhile way so they just don't give.*

**- Focus group, HNWIs/foundations, SA**

Participants also highlighted the tension between donors wanting charity dollars to go directly to the charitable work being undertaken, versus resourcing the organisation to build their capacity to deliver programs and services more efficiently or effectively.

A related barrier noted by philanthropists was not seeing a significant impact from giving, or feeling that not enough effort was being made to maximise the value of the gift in generating sustainable positive outcomes. Participants recounted quite different experiences of funding the same types of organisations, reiterating the point that quality of reporting and communication matters in perceptions of impact.





*We don't like medical research anymore, because we've had too many bad experiences with it where we've had difficulty – you know, whilst the idea has been good and I'm sure the research is very valuable, researchers leave and then the research tends to stop we found. We don't feel as if we get good value or we're making an impact, a significant impact.*

*- Interview, PAF, VIC*

*I look back and I think, 'That was bloody stupid. I could have...', because what's happened is that they've got up and running but they've been just relying on my money and they haven't really gone out successfully and got other income...So my biggest concern is we're going to get to three years and the body's going to fall over. I think, 'Well, that's been a bit of a disappointment'. So, I'm going to make sure that's not going to happen without throwing in any more money...so I'm trying to encourage the board to look at the sustainability of it, which they are, but it just takes time.*

*- Interview, HNWI, QLD*

### **Increasing competition for philanthropic funding**

Foundations and philanthropists noted in focus groups and interviews that the confluence of reductions in public funding and increasing community need is leading to ever greater competition for philanthropic dollars. In response to increasing competition, some NPOs were looking outside of the traditional philanthropic and government-based funding sources to draw in support from the corporate sector and other partnerships.

*Money's getting harder to find through the traditional channels, which has been government...If we want to take on areas where we want to, I guess, accelerate the change and positive changes in our communities, we've got to go to other sectors to do that, to find new funding to do that.*

*- Interview, NPO, NT*

Having a multitude of opportunities to give can actually become a barrier for some as the sheer volume of legitimate and 'deserving' demands increases the complexity of decision-making around giving.

*...in this day and age everyone's getting bombarded by a whole range of different opportunities, and in some cases it becomes overwhelming for people, 'Where do I actually give and where do I give the most benefit?'*


*- Focus group, Professional advisers, QLD*

### **6.6.3 What can be done to support the future?**

Participants in the qualitative research raised many suggestions for supporting the future of giving and volunteering in Australia.

There are opportunities to grow giving through harnessing our understanding of the underlying motivations for giving (which may differ across individuals, communities, cultures, demographics and companies) and applying this understanding to encourage philanthropy.





*I believe it's very much about feel good giving...there'll be some people who'll take umbrage at that saying, 'Well no, it's not about me. It's about the organisations.' But the reality is unless you feel good about it you won't continue to give. But that also flips and puts the onus back on the charities, nonprofits, to ensure that there is a level of engagement. So there's an onus on both sides.*

**- Interview, Collective giving, NSW**

Opportunities also exist to make more effective use of the increasingly available technologies and data on giving. With these opportunities come recognition that this requires appropriate skills and resources and will generate better outcomes when done in ways that demonstrate sensitivity and respect for the individuals behind the technology and data. For example, if organisations can use data on individual donor preferences (such as the frequency or method of funding requests), this may help protect against 'donor fatigue' and encourage ongoing giving relationships.

*Really, your donors are the ones that are going to tell you so much about how they want to be treated, how they want you to communicate with them. I get insight into do they like to receive phone calls, do they prefer email...and just really listen as to how they wanted to be communicated with. Some people like to get about eight donation requests a year. If that's what they want, great. Then others feel bombarded and feel that they can't say no. And it's just really getting to know them...*

**- Focus group, Bequestors, VIC**

*We seem to deal with statistics, but we're dealing with somebody's mother, we're dealing with somebody's sister, we're dealing with somebody's cousin. These are real people...and I think that the organisations who are more sensitive around that do well.*

**- Focus group, Bequestors, VIC**

There are ongoing opportunities to further develop mechanisms for matching givers and recipients and to ensure ease of access to these mechanisms. These could include leveraging knowledge of local communities to better understand who is interested and able to contribute, and bringing desired giving opportunities to the people who have the capacity and motivation to give financially or in-kind.

*...we're running a skills fest...matching their executives to work with our Sydney alumni on a specific project. There's a huge thirst out there for it. I can't tell you how many Corporate Social Responsibility (CSR) and corporates want to engage their staff more meaningfully and are looking for practical vehicles to do that in the community. We've had so many conversations with corporates who want to do that, who just haven't landed on the right model to do it.*

**- Interview, Collective giving, NSW**

Emphasis was also placed on the importance of building and maintaining relationships between philanthropists and the organisations, communities and/or causes they connect with. Suggestions included strengthening philanthropic networks – particularly since opportunities to grow giving may happen through discussions held among these networks.



*...if we want to have a conversation with [named foundation], for instance, about how we might work in partnership to deliver specific outcomes, then they need to know who we are and trust that we actually know what we're talking about.*

**- Interview, Foundation, TAS**

*I belong to a couple of networking organisations of other foundations that are similar to ours, but based in the US. I'm able to talk with them and we get together and have monthly meetings and just talk about what we're doing, what we're seeing trends wise...how do you measure outcomes, and reporting from your grantees. I'm missing that a little bit from Australia, and I'm in the process of trying to find that.*

**- Interview, US grantmaker into Australia**

Collective giving processes, inclusive of community foundations and giving circles, were offered by qualitative research participants as providing particular opportunities to facilitate connections for NPOs and to strengthen philanthropic networks.

*...we're all time poor, and one of the things about the [event-based collective giving] model is you've got 200/300 people sitting in that room, and you've got that eight minutes where you have the opportunity to educate 300 people about your organisation. How many other times are those not-for-profits going to have that privilege to communicate to that many people...*

**- Focus group, Collective giving, NSW**

Opportunities to encourage and support collaborative efforts were identified, with a potential role for greater coordination and collaboration across government, philanthropic and nonprofit sectors. Other suggestions included development or distribution of collaborative tools and incentives to share best practice and available resources.

*...people are democratising assets. They're democratising infrastructure. Why can't we do the same with giving? There's so much waste and so much opportunity out there.*


**- Interview, Collective giving, NSW**

*...there's still a separation in our investors. We have our philanthropic investors and we have our government investors, but the government's not bringing the philanthropic investors into the room to have a real conversation about true investment partnership. It has massive application in terms of social bonds or innovative alternative investment paradigms. Yes, I think government has an incredibly important role and it would be wonderful if they embraced the philanthropic sector and had some shared strategy...*

**- Interview, Foundation, NT**

*We've done work with the Victorian government setting up principles for collaboration between philanthropy and government. There has to be a way of seconding people into government and bringing people out of government into philanthropy so that there are bridges that are strengthened, person by person. It can't be institutionalised because the people change and then it's just a structure.*

**- Interview, Community foundation, VIC**



Suggestions included facilitating key NPOs within a field to work in partnership with each other and government providing more matched funding initiatives.

Increased collaboration was strongly suggested for NPOs, but equally encouraged within the philanthropic sector itself. Participants noted the need to balance the passion and drive of givers with education about where and how they can provide the greatest impact, noting that this may be achieved by contributing to existing efforts rather than initiating new ones.

*Everyone's got a great idea and then they go and start a charity. You go, 'Oh no, please don't. Go and join a charity.'*

**- Focus group, HNWI, QLD**

*I guess that's the fine balance of how do you capture an individual's passion and drive to find solutions or create outcomes without crushing that, but by managing that demand and overlap.*

**- Interview, Foundation, TAS**

Participant recommendations on growing giving in Australia align largely with the strategies behavioural economists suggest to encourage people towards desired behaviours, making these behaviours easy, attractive, social and timely (Behavioural Insights Team 2013, 2014). In the context of giving, this would include streamlining processes, making benefits clearer, encouraging a social culture of giving and using approaches that intersect with opportune times to give.

*...looking at the challenges that we face as a community and as a society in the future...making it easy for people to give is in the best interests of government and community and society...And this is a really unique window that we have to actually effect that change.*


**- Focus group, Professional advisers, QLD**

An example of using opportune timing to grow giving includes the potential for implementing mechanisms such as encouraging giving via the transfer of wealth from one generation to the next. Some participants argued that the philanthropic sector needs to be active in helping position the nonprofit sector to receive an increased flow of gifts via Wills and bequests.

*...encouraging people to leave money to charities in their Wills I think that would be – it's not as useful from a tax point of view but that is a good method to increase the amount of money going to charity compared to what's happening now.*

**- Interview, PAF, QLD**

Opportunities to adjust policy to encourage giving were also suggested; for example, through support of workplace giving to enhance the culture of giving across the full diversity of wage and salary earners. Participants felt there was much to be gained from drawing on the knowledge and experience of the philanthropic sector and local communities and also felt governments could do more to support and utilise successful models.



*Another area I'm involved in is workplace giving, and...one policy that we'd like to see is the opt-out. So that when you join a new organisation who has a workplace giving program, you automatically are involved in workplace giving, and then opting out would mean you actually have to tick the box to get out of it.*

**- Focus group, Collective giving, NSW**

*...new structures that the government can introduce...we only need to look at other jurisdictions where there are charitable trust structures and incentives that remove that barrier. So I'd like to see a little more creative thinking at the legislation level around how we can stimulate and incentivise High-Net-Worth-Individuals to give.*

**- Focus group, Professional advisers, QLD**

Achieving equity for women and girls in philanthropy was understood as part of a larger movement towards equality in Australia, requiring long-term commitment to culture change.

*...the really big role of Government is to never relent on a basic premise about culture change and about respect, and until there's increased respect of women and minority groups in general, we're always going to have powerful people taking advantage of them in whatever place it is.*

**- Focus Group, Giving by and to women and girls, VIC**

Specific suggestions for action included:

- mapping the flow of philanthropic funds by gender
- requiring a gender lens to be part of strategic considerations for institutionalised giving
- providing the philanthropic and nonprofit sectors with the tools to implement gender analysis, and
- obliging a portion of tax-advantaged giving to be gender targeted.


Developing mechanisms to encourage and support willing givers to lead by example and share their stories with peers and their various communities in focused ways may influence others to give. This connects with the stated motivations of some philanthropists of setting an example. Collective giving may provide a key pathway for people to become involved in giving within their communities and encourage others by example. There was some scepticism regarding whether non-givers would change their behaviour; however, there was measured willingness to use social influence to positive effect.

*The philanthropist that wants to fly under the radar brings nobody with them, and quite possibly not even their family. That struck a chord with me, and every time I'm asked to do something publicly and I think I don't really want to do that, I go well, who are you bringing with you? I'm accepting the leadership role quietly but more assertively as it evolves.*

**- Interview, Family foundation, SA**

*...giving is contagious. When people start to see themselves as philanthropists and involved in giving as part of their DNA they actually behave differently.*

**- Focus group, HNWI/foundations, SA**



Another suggestion for growing giving in Australia, related to the value of storytelling, was to increase awareness of the more personal, self-esteem and wellbeing related benefits of giving among potential philanthropists.

*Enthusiasm breeds enthusiasm, and so if people can see that, you know, you're getting a lot of pleasure out of what you're doing and a lot of pleasure out of the success of it, that engages people as well...people say 'Hey, I want to get on this tram.'*

**- Focus group, Collective giving, SA**

Many givers voiced reluctance to speak about philanthropic activities because they did not want to draw attention to themselves. There will be some philanthropists who will wish to remain private. However, it was suggested by some that if speaking about giving is understood to encourage giving rather than demonstrate self-congratulation, this may reduce reticence.

*We said, 'We don't want you to tell people about it and big note yourself, we want you to tell others about it so that they go: That's a good idea and I should consider doing that too.'*

**- Interview, Foundation, QLD**

Participants felt that there were opportunities for governments and corporations to grow giving by: fund matching; setting challenges and encouraging communities to take ownership over the social issues they want addressed; and learning from successful models within the philanthropic sector, both nationally and internationally.

*The public nature [of collective giving models] I think is critical, even when it comes to government. So, for instance Creative Partnerships Australia (CPA) have provided matched funding for our arts intervention...events and that's provided a vehicle for them to get more funding into the sector to support arts organisations which is the kind of remit of CPA and the Australia Council. So they can use this sort of model to leverage that. Similarly, if [a government department] wanted to test the appeal or support a particular social issue they could partner with us and we can get the public to co-fund an issue...or a number of organisations...*

*So what it's doing is it's getting public investment, civil society investment into where public funds would fund as well.*

**- Interview, Collective giving, NSW**

*On the broader level it's promoting giving more and seeking political government support to promote that as part of something one should do.*

**- Interview, Philanthropy, NT**



## 7.0 Analysis

### 7.1 Key themes and findings

The findings from *Giving Australia 2016* demonstrate that culture, or shared norms and values, is an enduring motivator and shaper of giving behaviour. This includes cultures within families, within communities, across ethno-religious and racial groups and national cultural values related to philanthropy. Families, personal networks and communities continue to be highly influential for HNWIs in relation to their giving practices, their motivations to give, the causes to which they give, where they give and the channels through which they give. The prevalent role of culture, and the values that underlie and inform culture, in shaping giving practices is consistent with the findings of *Giving Australia 2005* and with other Australian research (Baker and Moran 2014; Madden and Scaife 2008a; Scaife et al. 2012; Timmons 2013) and related international literature (Ostrower 1995; Pharaoh, Goddard and Jenkin 2014; Rooney et al. 2014; Zunz 2011).

While culture plays an enduring role in influencing giving behaviour, some mechanisms by which giving cultures are shaped appear to be changing. Our findings suggest that the role of social norms (Behavioural Insights Team 2013; Shang, Reed and Croson 2008) and the influence of peers (Ostrower 1995) are being given new shape by relatively recent (or recently revived) mechanisms and practices. These range from the 'Giving Pledge'<sup>35</sup> targeted at the ultra-wealthy, through to collective giving vehicles – including giving circles, crowdfunding (Bernholz, Reich and Saunders-Hastings 2015) and others – that engage Australians at large in philanthropic activity.


These vehicles are providing new pathways into giving and, in some cases, building new giving norms and establishing new communities of givers, who are coming together from across a range of diverse backgrounds, communities and interests. The prevalence of such collective and community giving practices is more strongly emphasised in the views of responders and participants in *Giving Australia 2016* than it was in *Giving Australia 2005*. These developments suggest that, just as culture itself is dynamic, emergent practices have the potential to change norms of giving and related practice over time. This is evidenced by the rate of adoption of PAFs since their introduction in 2001 (ACPNS 2014; McLeod 2013, 2016), to 1,339 total established PAFs by the end of June 2015.

A consistent and dominant theme in both the qualitative and quantitative data was the importance to philanthropists of being able to 'make a difference'; to achieve a desired outcome. This emphasis on agency is consistent with the existing literature, which finds that wealthy donors bring to their giving 'the combination of psychological and material capacity' (Schervish 2008, 165). The enhanced capacity often translates to the desire not only to contribute to a chosen cause or issue but to be a material influence. *Giving Australia 2005* observed greater interest by wealthy individuals in 'systematic change' (2005, 35) and in projects where it was possible to 'place their personal stamp on things' (2005, 11).

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<sup>35</sup> 'The Giving Pledge' is a global initiative started by Warren Buffett and Bill and Melinda Gates aimed at securing a 'pledge' by the world's wealthiest individuals and families to gift a majority of their wealth to philanthropy.





The drive among wealthy donors to be active players in making a difference has also been identified among philanthropists around the globe, including in the UK (Shaw et al. 2011) and in the US (Rooney et al. 2014).

The increased mobility of people also appears in the *Giving Australia 2016* data as both a challenge and an opportunity for growing giving cultures. The globalisation of giving perspectives and practices among HNWI is not surprising in a world in which the wealthy are increasingly global citizens (Chia 2015; Leat 2007). This is consistent with Salamon's (2014) expectations for philanthropy to become both more global and more diverse. Transnational networks and perspectives – combined with changing patterns of mobility and ease of international communications between individuals, families and communities in Australia – have generated new opportunities to learn from the giving patterns and practices of diverse cultures (Baker and Mascitelli 2011; Hugo 2006; Johnson 2007).

The dominant cultural thinking about what philanthropy is (which, in turn, affects the systems that enable it) was seen by some as limiting the mutual benefits of philanthropy for givers and receivers. These views are consistent with recent critical reflections in academic literature on the narrow constructions of what is recognised as philanthropic (Liu and Baker 2014; Thoup 2013) and the limitations that culturally singular models of giving can impose on cultural and linguistically diverse communities (Baker and Moran 2014; Bryan 2008).


Mobility of people also appeared as a more prevalent theme in 2016 in relation to the geography of Australian philanthropy. While there is no single universal experience of rural and regional Australia, our qualitative findings suggest that fly-in fly-out industry models, people's choices to relocate to particular communities postretirement (sea change and tree change), out-migration of young people to cities for educational and work opportunities and the use of transient workforces in some regions affect both the make-up of populations and where their philanthropic contributions are made. This can have both positive and negative effects on rural and regional communities.

Beyond movements of people, another notable development influencing philanthropic culture is advancement in online technologies, particularly social networking media. The findings indicate that these media are playing a growing role in:

- enabling people to influence and encourage the giving practices of others in their personal and professional networks
- supporting collective giving through specific technologically-mediated platforms
- enabling new scales of giving, including micro-giving of time and money, and
- using social media to channel financial giving in new ways, to nontraditional organisations and causes.

The prevalent role of social networking media marks a departure from findings of *Giving Australia 2005*, reflecting the rapid advancement of these technologies since that project was undertaken. The findings are consistent with contemporary literature addressing social media and philanthropy (Bernholz 2014). Whereas in the US there is evidence of (larger) foundations building their own crowdfunding platforms (Bernholz, Reich and Saunders-Hastings 2015), no evidence emerged from contributors to *Giving Australia 2016* to indicate this form of development within Australian foundations.





While culture – that is, shared values and norms – is a dominant shaper of giving behaviour, life stage and significant life events present in the findings as major triggers for giving and for decisions about where to give and how to structure giving. Personal experience or exposure to particular social issues, major illness of loved ones and individual interests and passions (e.g. for arts and culture) influence people’s giving decisions. These individual/personal level influences can also be present at an organisational level within PAFs and family foundations. This finding is consistent with those of *Giving Australia 2005* and with other Australian research (Madden and Scaife 2008b; Scaife, McDonald and Smyllie 2011).

The finding that creating a legacy is a leading consideration in structuring giving among those surveyed is consistent with the findings of others. An important link established in recent literature between making a decision to include a charitable bequest and self-reflection on personal life history and mortality (James and O’Boyle 2012; Routley 2011; Routley, Sargeant and Scaife 2007; Schervish 2006). It is notable, however, that ‘giving while living’ remains a dominant practice in the Australian context.


Another pervasive motivator of philanthropy that resonates through the findings is the importance of having a high level of control over where and to what ends giving is directed for both HNWI and philanthropic institutions. For individuals, this relates to being able to see or understand that one’s contributions can ‘make a difference’; also the dominant motivation for giving by HNWI in the US (Rooney et al. 2014). At the level of institutional philanthropy, the desire to be effective in giving,<sup>36</sup> to have a positive impact, is often linked in the findings to commitments to strategic philanthropy (Pharaoh, Jenkin and Goddard 2015). Regardless of language, the underlying driver and requirement here is for evidence that philanthropy is effective in achieving desired ends.

While evaluation of effectiveness and social impact (Barraket and Yousefpour 2013) is an issue of growing significance for institutional grant makers (Hill and Doyle 2011; Leat, Williamson and Scaife 2014), for individual philanthropists such evidence is often anecdotal and derived from the donor’s immediate and personal experience of their giving. At the macro-level, however, there were calls from focus group and interview participants for greater coordination of evidence about where philanthropy was directed and what it was achieving. This was apparent in the expressed focus by philanthropists and foundations on clearer processes for monitoring, evaluation and reporting of grants, as well as improved evaluation among philanthropic entities themselves.

From individual through to institutional experiences of philanthropy, a core theme was that philanthropy is enabled where giving is made easy.

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<sup>36</sup> See Katz, S. 2005. What Does It Mean to Say That Philanthropy is ‘Effective’? The Philanthropists’ New Clothes <https://www.amphilsoc.org/sites/default/files/proceedings/490201.pdf>



The findings suggest that ease of giving can be negatively or positively affected by:

- family background (and associated role-modelled beliefs and practices)
- the breadth and influence of people's social networks
- cultural conceptions of what philanthropy is
- technological platforms that influence the targets and speed of giving
- taxation incentives, and
- legal and regulatory frameworks that influence structured giving, including bequesting.

The importance of ease in giving to maximise philanthropy is underscored in the relevant literature (BIT 2014; Scaife et al. 2012). While *Giving Australia 2005* did note the value that HNWI place on their time, the importance of the ease of giving is emphasised more in the findings of *Giving Australia 2016*. This, in part, has been borne out over the previous decade by the growth in PAFs (McLeod 2016) which were specifically introduced in 2001 to reduce complexity and associated barriers for HNWI giving. The importance of ease in giving to maximise philanthropy has most recently and powerfully underscored by the work of the UK's Behavioural Insights Team (Behavioural Insights Team 2013, 2014).

## 7.2 Emerging issues and predictions for the future

Since *Giving Australia 2005*, much has changed. In the decade to 2016, the Australian population has increased from 20.3 million in June 2005 to 23.9 million in December 2015 (Australian Bureau of Statistics 2015a). The rate of growth in the number of HNWI Australians with more than one million dollars in investable assets (including superannuation) has been considerably higher than growth in the population as a whole. HNWI have nearly doubled from 146,000 in 2005 to 234,000 in 2015 (Capgemini 2016; Capgemini Merrill Lynch 2006). The nation has also seen a growth in diversity. At June 2015, 28.2% of the estimated resident population was born overseas (Australian Bureau of Statistics 2015b). In Australia, there has been a growth in the employment participation rate of women (Australian Bureau of Statistics 2016); and women are increasingly wealth generators and wealth holders (Daley and Wood 2014). In this context, a higher proportion of Australian women than men make tax-deductible gifts and women gift a higher proportion of their income than men (McGregor-Lowndes and Crittall 2015; Wilson and Knowles 2016).

The review of relevant literature that informs this report suggested that issues engaging HNWI and foundation staff and trustees/directors alike were:

- globalisation of giving among the wealthy
- impact investing
- evaluation of grantmaking and grant effectiveness
- collaboration among major donors, and
- crowdfunding for foundations engaging with and helping develop the infrastructure for civil society.

The perspectives and experiences gathered as part of this research point to a related but nuanced array of issues that have emerged in the philanthropic sector since *Giving Australia 2005* and which will continue to influence future giving practice and processes.



This includes:

- democratisation of giving
- globalisation of giving among the wealthy
- impact investing
- evaluation of grantmaking and grant effectiveness, and
- collaboration among major donors.

One of the strongest meta-themes of the research is what we would describe as the ‘democratisation’ of philanthropy. There is, in short, an emphasis in the data on giving as being everyone’s business. Social networking media are contributing to and enabling this democratisation. These platforms are pervading Australian society as a whole and consequently influencing both individual philanthropists and philanthropic institutions. Similarly, the emergence, or revival, of collective giving vehicles is providing new avenues for people to become more personally and socially involved in giving. Many wealthy donors with their own structured giving vehicles are also participating in collective giving processes, for reasons including the encouragement of giving by others and the social enjoyment of giving with like-minded people. These issues will continue to be important to Australian philanthropy in the coming decade.

The transnational nature of contemporary wealth, the often global distribution of entrepreneurial families and the ease with which communication now occurs are playing an important role in sharing of giving practices and insights among philanthropists and philanthropic trusts and foundations. The Giving Pledge is an example of the globalisation of giving at the very wealthy end of the giving scale, and the spread of collective giving models is an example of globalisation of giving in its democratised form. Transnational families, diasporic communities, shared information and shared experiences made easier by telecommunications and technological developments will ensure that the globalisation of giving will continue to shape and modify philanthropy in Australia.

Over the longer-term, the increased cultural diversity in Australia will amplify these trends, especially as significant wealth generators emerge from new entrant communities and turn their minds to giving, informed both by culturally dominant perceptions of giving in Australia and those of the culture in which they were nurtured.

Impact investing has emerged since *Giving Australia 2005* and, while it appears to be gaining momentum, it remains on the fringes of the social investment strategies of philanthropic institutions and of wealthy individual philanthropists. Global initiatives continue to inform impact investing considerations. A focus on evaluation is also consistent with the importance of impact to philanthropists and philanthropic institutions in Australia. Evaluation of impact is a logical complement to wanting to make a difference. Questions such as where, when and at what scale projects should be evaluated, how and at whose expense, remain part of ongoing debate. The need to evaluate not just the recipients of grants but also the grantmakers themselves and the effectiveness of their processes is likely to continue to influence institutional philanthropy in particular.

Like evaluation, the potential for greater collaboration among grantmakers is a developing issue in Australia. The globalisation of giving and ongoing technological developments will ensure that data, data sharing and transparency will be issues of growing significance to philanthropy in Australia. The ever-increasing focus on systems related information sharing and data analytics is a powerful example.



A recent visit to Australia to share insights into a range of global philanthropic trends, by Justin Rockefeller (of the Rockefeller Brothers Foundation) introduced 'The ImPact'.<sup>37</sup> This is a (global) membership initiative in which wealthy philanthropic individuals and families commit to a 'Pact' to share data on their application of private capital for public good. Locally, owners of online grant platforms (such as SmartyGrants) discussed by participants in this report are working to maximise the analytic potential of these tools; while digital fundraisers (reported on elsewhere in the *Giving Australia 2016* series) are utilising data analytics to identify and mobilise givers and giving. Across the philanthropic spectrum, data sharing and data analytics are likely to be of increasing significance.

## 7.3 Strengthening future giving – implications for practice, policy and further research

The individuals who participated in *Giving Australia 2016* research into philanthropy are active in giving – they are philanthropists and grantmakers. In Australia, donors with relative wealth share a commitment to making a difference with their resources and espouse a strong sense of moral purpose.

The capacity to give is a precondition for monetary giving, but propensity to give is also required for giving to occur. Culture, learned values and lived experience play an important role in guiding people's subjective determinations of their capacity to give and thus affect propensity to give.

Opportunities for growing giving in Australia can be informed by the framework for encouraging people towards desired behaviours designed by behavioural economists (Behavioural Insights Team 2013, 2014), making the target behaviours easy, attractive, social and timely.

The inputs to this report and the analysis of those inputs support the value of many ideas coming from many sources and suggest four key areas of opportunity for strengthening giving by the Australian population in general and by wealthy Australians in particular:

- culture of giving
- platforms for giving
- collaborations and giving, and
- innovation in giving.

### 7.3.1 Culture of giving

Fundamental to giving behaviours by HNWIs and UHNWIs are the normalisation of giving and the ongoing growth of a culture which values, respects and even expects giving.

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<sup>37</sup> The ImPact is a form of impact investment and data sharing initiative in part aimed at ensuring that all invested wealth contributes to generating social good. See <http://theimpact.org/>



Opportunities to contribute to the normalisation of giving include the following:

- encouraging and promoting the development of values in support of the common good
- enabling educational experience and exposure to giving and its impact
- supporting and encouraging giving through recognition processes and awards
- supporting initiatives that make giving more social and more fun
- increasing awareness and skills among professional advisers in relation to giving; and in doing so potentially enhancing their clients' understanding of their capacity to give, either while living or from their estate
- investing in educational initiatives across primary, secondary and tertiary sectors, and
- supporting foundations to leverage the relative freedom they have to take risks with their money to achieve impacts not otherwise attainable.

### 7.3.2 Platforms for giving

The success of the introduction of PAFs and rising energy around community and collective giving mechanisms indicate the potential to boost philanthropic giving via targeted policy initiatives, including:

- enhancing regulation pathways that make involvement in giving easier, such as new technology platforms, community foundations and giving circles
- encouraging diversity in giving (including diversity of models, of cultures, of scale)
- investing in tools and processes that better match those with funds and those in search of them
- reducing the complexity involved in establishing structured giving vehicles
- reducing restrictions on where donations can be made (e.g. enable PAFs to gift beyond DGR1s, inclusive of individuals),<sup>38</sup> and
- developing initiatives aimed at encouraging significant superannuation holders to gift capital, potentially in ways that may enable the donor to partially recover their gift if required.

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<sup>38</sup> There have been several regulatory changes to PAF and PuAF guidelines, including changes which came into effect in May 2016 incorporating amendments to the *Private Ancillary Fund Guidelines 2009 (Cth)* and the *Public Ancillary Fund Guidelines 2011 (Cth)*. The aims of these amendments include: to align the two sets of guidelines; and to recognise the introduction of the ACNC.



### 7.3.3 Collaborations and giving

Opportunities to strengthen giving through collaboration both within the philanthropic sector and through greater engagement with the broader nonprofit sector include:

- building and maintaining mechanisms that help foster ongoing relationships between philanthropists and the communities or causes with which they connect
- building on the momentum developed by the ACNC and others for nonprofit sector regulation and coordination
- establishing mechanisms to encourage sharing of administration (back-office services)
- coordinating simplification and standardisation where appropriate of common foundation processes (from application to acquittal), and
- leading and stimulating collaborative efforts between government and philanthropy at all levels.

### 7.3.4 Innovation and giving

Opportunities identified by focus group and interview participants for innovation include:

- encouraging and supporting local initiatives aimed at developing the necessary scale for impact investing in Australia
- increasing targeted social investment by Australian philanthropy (personal and institutional) through the strategic use of matched funding
- investigating models to better support local community driven and funded initiatives, inclusive of matched funding as above
- supporting initiatives aimed at Big Data use, information sharing and transparency related to all aspects of giving, and
- ongoing research (inclusive of taxation policy) aimed at encouraging HNWI and UHNWI families in particular to participate in giving while living and/or to gift a portion of their estate.






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# 9.0 Appendices

## 9.1 Appendix 1: Online questionnaire

Please note: throughout this survey, the words 'fund or sub-fund' are used to cover all grantmaking philanthropic entities (Foundations, Trusts, Funds, etc.)

### Which of the following best describes you?

- An employee of the Fund or an associated entity (If you are an employee of a trustee company, please respond on behalf of an individual fund. You may complete a separate survey for each individual Fund you choose to respond for).
- An independent trustee or board member of the fund.
- A donor to the fund or sub-fund, or family member of the fund's principal donor/s.

### What is your gender?

- Male
- Female
- Other

### What is your age group?

- < 25 years
- 25 to 34 years
- 35 to 39 years
- 40 to 44 years
- 45 to 49 years
- 50 to 54 years
- 55 to 59 years
- 60 to 64 years
- 65 to 69 years
- 70 to 74 years
- 75 to 79 years
- 80 to 84 years
- 85 to 89 years
- 90 to 94 years
- 95 to 100 years
- 100 years and over

### In what country were you born?

- Australia
- UK
- New Zealand
- China

- India
- Vietnam
- Philippines
- Italy
- Other (please specify).....

**Were either or both of your parents born outside of Australia? (select one)**

- Both parents born in Australia
- One parent born outside of Australia
- Both parents born outside of Australia
- Don't know

**Fund characteristics**

**What type of legal structure best describes your fund or sub-fund? (select one)**

- PAF
- Sub-fund
- Donor advised fund
- Testamentary trust
- Charitable trust
- Statutory trust
- Company
- Incorporated association
- Unincorporated association
- Letters patent
- Royal charter
- Individual
- Unknown
- Other (please specify).....

**What type of tax status does the Fund have? (select all that apply)**

- Ordinary taxpayer
- Charitable institution
- Public Benevolent Institution (PBI)
- Private ancillary fund (PAF)
- Public ancillary fund (PuAF)
- Australian disaster relief fund
- Developed country disaster relief fund
- Necessitous circumstances fund
- Overseas aid fund
- Public hospital
- Public libraries, museums and art galleries
- Public university
- Health promotion charity

- 
- Scholarship fund
  - School building fund
  - Specifically named in the legislation
  - Unknown
  - Other (please specify).....

**In which State or Territory is the fund or sub-fund located?**

- NSW
- VIC
- QLD
- SA
- WA
- TAS
- ACT
- NT

**Is the fund restricted to operating in one State?**

- Yes
- No
- Don't know


**Where does the fund or sub-fund make distributions? (select all that apply)**

- NSW
- VIC
- QLD
- SA
- WA
- TAS
- ACT
- NT
- Outside of Australia

**When was the fund or sub-fund first established?**

- Less than 2 years ago
- 2–5 years ago
- 6–10 years ago
- 11–20 years ago
- 21–50 years ago
- More than 50 years ago





**How large is the fund or sub-fund by approximate market value of the fund or sub-fund's net assets at the end of last financial year? (select one)**

- Do not wish to say
- Less than \$20,000
- \$20k to \$99k
- \$100k to \$249k
- \$250k to \$499k
- \$0.5m to \$0.99m
- \$1m to \$2m
- \$2m to \$5m
- \$5m to \$10m
- \$10m to \$20m
- \$20m to \$50m
- \$50m to \$100m
- More than \$100m

**Approximately what proportion of the value of the assets of the fund or sub-fund was distributed in the last financial year? (select one)**

- Don't know
- Less than 4%
- 4%
- 5%
- 6%
- 7%
- 8%
- 9%
- 10% to 20%
- 21% to 50%
- 51% to 80%
- More than 80%

**Does the fund or sub-fund engage any paid employees?**

- The Fund has direct employees
- The Sub-fund is under a Fund that has direct employees
- The fund or sub-fund is provided with indirect support (e.g. an office or sponsor organisation whose staff provide support services)
- No employees engaged

**How many paid employees (full-time equivalent) does the fund or sub-fund employ? (select one)**

- Less than 1 full-time equivalent (FTE) employee
- 1 to 5 FTE employees
- 6 to 10 FTE employees
- 11 to 20 FTE employees

- More than 20 FTE employees

Does the fund or sub-fund host include any Impact Investments in its investment portfolio? (select one)

- No
- Yes, less than 1% of funds available for investment
- Yes, 1% to 2% of funds available for investment
- Yes, 3% to 5% of funds available for investment
- Yes, 6% or more of funds available for investment
- Don't know
- Other (please specify).....

Does the fund or sub-fund apply any ethical screening in its selections of investments? (select one)

- No screens applied
- Negative screens applied
- Positive screens applied
- Both positive and negative screens applied
- Don't know
- Other (please specify).....

## Giving

What types of entities does the fund or sub-fund distribute to? (select all that apply)

- Organisations
- Individuals (e.g. in the form of scholarships, fellowships or prizes)

Does the fund or sub-fund require grant recipients to have:

- Charitable (TCC) status:
  - Yes
  - No
  - Flexible
- Deductible Gift Recipient (DGR Item 1) status:
  - Yes
  - No
  - Flexible

To which of the following issues/areas does the fund or sub-Fund tend to allocate most of its funding? (select all that apply) The selections below are as classified by the International Classification of Nonprofit Organisations (ICNPO). For full details of each category select [here](#).

- Culture and recreation (i.e. Culture and Arts; Sports; Other recreation and social clubs)
- Education and research (i.e. Primary & secondary education; Higher education; Other Education; Research)

- Health (i.e. Hospitals & rehabilitation; Nursing homes; Mental health & crisis intervention; Other health services)
- Social services (i.e. Social services; Emergency & relief; Income support & maintenance; Disability services)
- Environment (i.e. Environment; Animal protection)
- Development and housing (i.e. Economic, community & social development; Housing; Employment & training)
- Law, advocacy and politics (i.e. Civic & advocacy organisations; law & legal services; Political organisations)
- Philanthropic intermediaries & voluntarism promotion (i.e. Grantmaking Foundations; Other philanthropic intermediaries & voluntarism promotion)
- International (i.e. International activities)
- Religion (i.e. Religious congregations & associations)
- Business and professional associations, unions (i.e. Business associations; professional associations; Labour unions)
- Other (please specify).....

**Does the fund or sub-fund have a process to review the areas of funding?**

- Yes
- No
- Not applicable

**How often does the review process occur?**

- Annually
- Every two years
- Every three years
- Ad hoc, as and when required
- Other (please specify).....

**Have the grantmaking priorities of the fund or sub-fund (where you give) changed significantly over the past 10 years or the period the fund or sub-fund has been operating if less than 10 years?**

- Yes
- No

**Please explain briefly how and why the priorities have changed.**

.....

**Have the grantmaking processes of the fund or sub-fund (how you make your giving decisions) changed significantly over the past 10 years or the period the Fund has been operating if less than 10 years?**

- Yes, in response to ad hoc review
- Yes, in response to regular review
- No
- Not applicable



Please explain briefly how and why the grantmaking processes have changed.

.....

Do you (or the founder/s) make donations to your fund or sub-Fund over and above the initial amount donated for its establishment? (select one)

- No additional contributions
- One contribution annually
- Multiple regular contributions during the year
- Multiple intermittent contributions during the year
- No particular pattern
- Other (please specify).....

How did you (or the founder/s) determine the initial amount to commit to establishing your fund or sub-fund? (select all that apply)

- Round number
- Amount deemed to be surplus to family need
- Proportion of assets
- An inheritance
- Process from a sale (e.g. business or property)
- Funds raised
- Family decision
- Grant for another foundation
- Part of wealth management planning
- Other (please specify).....

Did you (or the founder/s) make a charitable donation to your fund or sub-fund last financial year?

- Yes
- No

Which of the following do you (or the founder/s) employ in determining how much to give each year? (select one)

- A percentage of my income
- A percentage of my net assets/wealth
- A predetermined amount
- Funds raised
- Other (please specify).....

Please rate the extent to which you (or the founder/s) agree with the following statements. (select from the following ratings: Not applicable; Strongly disagree; Disagree; Neither agree nor disagree; Agree; Strongly agree)

- I usually give because of my philosophical beliefs
- I usually give because of my cultural heritage
- I usually give because of my religious beliefs



- I usually give because of my family history / traditional values
- I usually give because of my desire to set an example
- I usually give because I believe my giving can make a difference
- I usually give for personal satisfaction
- I usually give in order to give back to the community
- I usually give spontaneously in response to need (e.g. disaster response)
- I usually give to address issues that have affected me or those close to me (e.g. health conditions, addiction)
- I usually give to honour another (memorial gifts, celebratory gifts)
- I usually give to support the same causes/organisations each year
- I usually give when I am asked
- I usually give when I want to support a family member or friend with an association with a cause/organisation
- I usually give when I am on the Board or volunteer for the organisation

**What proportion of your personal giving do you make to/through your fund or sub-fund? (select one)**


- 100%
- 76% to 99%
- 51% to 75%
- 26% to 50%
- Less than 50%

**Which (if any) other methods/means of giving do you use, other than through your fund or sub-fund? (select all that apply)**

- As an individual I give directly and personally to issues and organisations beyond my fund or sub-fund
- I participate in collective giving (e.g. giving circles and structures such as Impact100, The Funding Network, Melbourne Women's Fund)
- Other (please specify).....

**What factors influence you to participate in collective giving? (select all that apply)**

- I was asked to participate
- I have the capacity to do so
- I want to meet like-minded people
- I enjoy the process of giving with others
- I want to have exposure to new causes and organisations
- I see collective giving as a professional networking opportunity
- I think it is important to encourage giving in our community
- I like to contribute to issues in my local area and/or community of identify
- Other (please specify).....



**What factors influenced you to adopt a structured approach to your giving (i.e. through a fund or sub-fund)? (select all that apply)**

- A desire to be more strategic in my giving
- A desire to make a bigger difference
- Implementation of a structure to help me be organised in my giving
- An enhanced sense of financial security
- A single tipping point/ trigger event (e.g. a life stage crisis, an inheritance or other windfall)
- Part of a financial planning process with a view to sustained giving
- A lack of confidence in charitable organisations
- More time available to me to work on my giving
- Desire to involve my family in giving
- Not having any children
- Response to a sense of growing need
- To create a structure in perpetuity
- Recommendation of a professional adviser (e.g. solicitor, accountant, financial planner)
- Recommendation of family
- Recommendation of friends or colleagues
- Inspired by role models/stories of what others were achieving
- To protect my privacy by giving through a structured entity
- Other (please specify).....

**Thinking about choosing a cause, organisation or charity to give to, please rate the extent to which you agree with the following statements. (select from the following ratings: Not applicable; Strongly disagree; Disagree; Neither agree nor disagree; Agree; Strongly agree)**

- Alignment of the issue or cause with my/the donor's personal tastes, preferences and passions
- A personal or professional connection with the issue or cause (e.g. family history; specific medical experience)
- The perceived competence of the recipient organisation/charity in achieving its mission
- The ability to have personal impact (and not be crowded out by other donors/government funding)
- A history with the recipient organisation / charity
- The urgency of the need
- The grant will provide benefit to the disadvantaged
- The grant will be expended in my local community
- The funded initiative will have a high probability of success
- The grant will generate maximum impact for the money provided ('bang for buck')
- The recipient organisation has sound governance
- Uniqueness of the opportunity at a point in time
- Public acknowledgment
- The perceived efficiency with which the organisation/charity use their money



Please rate the extent to which you agree with the following statement: “The charitable giving that I do is personally fulfilling”. (select from the following ratings: Not applicable; Strongly disagree; Disagree; Neither agree nor disagree; Agree; Strongly agree)

Have you included one or more charitable bequests in your Will? (select one)

- Yes
- No
- I do not have a Will

What are the main reasons you have chosen at this time not to leave a charitable bequest in your Will? (select all that apply)

- I am doing my giving while living
- I am considering directing some of my estate to my fund or sub-fund as a bequest
- I am considering directing some of my estate to charitable purposes other than my fund or sub-fund
- Other (please specify).....

Please provide a brief explanation as to your reasons for considering the approaches specified above.

.....

Where have you directed charitable bequest/s through your Will? (select all appropriate)

- I have directed some of my estate to my fund or sub-fund
- I have directed all of my estate to my fund or sub-fund
- I have directed some of my estate to charitable purposes other than my fund or sub-fund
- Other (please specify).....


Please provide a brief explanation as to your reasons for considering the approaches selected above.

.....

Which of the following would you describe as significant influences over your decision to leave a charitable bequest (select all that apply)

- My family is provided for to the extent I think necessary
- I have no family to provide for
- People important to me would be pleased at my leaving a charitable bequest
- I am interested in leaving a legacy
- I do not wish to direct all of my wealth to family members
- I responded to a request
- Other (please specify).....





## Technology and transparency

Does the Fund have a web presence (e.g. website; web page)?

- Yes
- No

Which of the following purposes/information does the Fund's web presence serve? (select all that apply)

- Promotion/brand recognition
- History of the Fund
- Details of Board members/trustees
- Details of staff
- Information on grants made/grantees
- Grantmaking approach/target areas
- Grantmaking criteria
- Portal for grant applications
- Provision of publications and other resources (related to the issue or cause)
- Sharing of news
- Case studies
- Fundraising
- Provision of suggested wording for a bequest
- Recruitment of volunteers
- Other (please specify).....

Does the Fund use grantmaking software?

- Yes
- No

What type of system do you use? (select all that apply)

- MicroEdge GIFTS
- SmartyGrants
- Other (please specify).....

Does the Fund use social media?

- Yes
- No

Which of the following social media are used by the Fund? (select all that apply)

- Facebook
- LinkedIn
- Google+
- Instagram
- Pinterest
- Snapchat

- Twitter
- Other (please specify).....

Please describe briefly in what ways the use of social media by the Fund has changed over recent years.

.....

## Performance measurement and evaluation

Thinking about assessment and evaluation, please rate the extent to which you personally agree with each of the following statements. (select from the following ratings: Not applicable; Strongly disagree; Disagree; Neither agree nor disagree; Agree; Strongly agree)


- Assessment and evaluation of grant outcomes are critical to the operations of the Fund
- Reporting results and outcomes achieved through grants made by the Fund are critical to the potential for repeat support of the funded organisation
- Formal evaluation methods result in critical insights for the Fund
- Where evaluation is required of grantees, the Fund provides sufficient funds to support the conduct of that evaluation
- There is an inherent tension between grantmaking that is based on assessment and grantmaking that takes risks on innovative ideas
- The Fund is active in collaborating with other funders working in the same issues/areas
- The Fund is active in engaging with other funders on coordinating measurement systems, application and/or acquittal processes

**Has the Fund conducted an evaluation of its own effectiveness?**

- Yes, internal evaluation
- Yes, evaluation conducted by person or organisation external to the Fund
- No
- Don't know

**For what reasons was Fund evaluation undertaken? (select all that apply)**

- Advance learning in the field
- Communicate Fund performance externally
- Demonstrate accountability for use of resources
- Fulfil Board requirements
- Learn from experience and improve
- Appointment of a new Chair or CEO
- In response to a request from an external body (e.g. a regulator)
- In response to regulatory change
- Understand the impact of the Fund
- Other (please specify).....



Thinking about transparency, please rate the extent to which you agree with the following statements. (select from the following ratings: Not applicable; Strongly disagree; Disagree; Neither agree nor disagree; Agree; Strongly agree)

- The Fund has a commitment to making its finances transparent
- The Fund has a commitment to making its operations transparent
- The Fund published a report on its grantmaking
- The Fund publishes a detailed Annual Report
- Where published, the Fund's Annual Report is publicly accessible
- Protecting the personal privacy of Board members/trustees of the Fund is particularly important
- Greater sharing of data from philanthropic trusts and foundations will contribute to the effectiveness of the sector

Is your Fund a member of a philanthropy sector body?

- Yes
- No

Which body/bodies is your Fund a member of? (select all that apply)

- Australian Community Philanthropy
- Australian Environmental Grantmakers Network
- Australian Institute of Grant Making
- Australian Women Donors Network
- Jewish Funders Network
- Philanthropy Australia
- Other (please specify).....

## Volunteering

On what basis are the Board members/trustees of the Fund remunerated for their time and services?

- Not remunerated – time and services provided on a voluntary basis
- Reimbursed for expenses incurred
- Honorarium
- Other (please specify).....

Other than Board members/trustees, does the Fund engage volunteers?

- Yes
- No



**How many full-time equivalent (FTE) volunteers does your Fund have?**

- Less than 1 FTE volunteer
- 1 to 5 FTE volunteers
- 6 to 10 FTE volunteers
- 11 to 20 FTE volunteers
- More than 20 FTE volunteers

**Please respond to each of the following statements (select from: yes; no; not sure)**

- The Fund uses its web presence to attract volunteers
- The Fund uses its web presence to communicate with volunteers
- The Fund uses social media to attract volunteers
- The Fund uses social media to communicate with volunteers
- Over the past 5 years (or the period the Fund has been operating if less than 5 years) the number of volunteers directly engaged by the Fund has increased

**For what functions does the Fund engage volunteers (other than Board members or Trustees) and to what extent has this changed over the past 5 years (or the period the Fund has been operating if less than 5 years)? (select from: Never used volunteers; Now use more volunteers; Now use less volunteers; No change)**

- Research and evaluation
- Bookkeeping
- Tax
- Investment management
- IT
- Social media
- Administration
- Marketing
- Public relations/communication
- Fundraising
- Other function

**What, if any other functions does the Fund use volunteers for?**

.....

**Over the last 12 months have you volunteered, beyond the time and expertise contribution you make to your fund or sub-fund?**

- Yes
- No



**In what ways do you volunteer outside the Fund? (select all that apply)**

- I serve as a Board member on one or more charitable or nonprofit organisations
- I provide services or advice to one or more charitable or nonprofit organisations
- Other (please specify).....

**Please rate the extent to which you agree with the following statement: “The volunteering that I do is personally fulfilling”. (select from the following ratings: Not applicable; Strongly disagree; Disagree; Neither agree nor disagree; Agree; Strongly agree)**

**What do you see as the three most important issues for the philanthropic sector in the future?**

.....

.....

.....



## 9.2 Appendix 2: About the authors

### 9.2.1 The Australian Centre for Philanthropy and Nonprofit Studies, QUT

The Australian Centre for Philanthropy and Nonprofit Studies is a specialist research and teaching unit within the QUT Business School in Brisbane, Australia.

It seeks to promote the understanding of philanthropy and nonprofit issues by drawing upon academics from many disciplines and working closely with nonprofit practitioners, intermediaries and government departments. The mission of the Centre is ‘to bring to the community the benefits of teaching, research, technology and service relevant to the philanthropic and nonprofit communities’, with a theme of ‘for the common good.’

A list of the Centre’s publications is available from <https://www.qut.edu.au/business/about/research-centres/australian-centre-for-philanthropy-and-nonprofit-studies> and free digital downloads are available via QUT ePrints at <http://eprints.qut.edu.au/>.

### 9.2.2 The Centre for Social Impact, Swinburne University of Technology

CSI Swinburne, as part of the CSI network, works towards a stronger society for all, through engaged research and scholarship. CSI Swinburne’s areas of research focus are: social investment and philanthropy, social enterprise, social innovation and measuring and communicating social impacts. Our multidisciplinary team includes experts in public policy, sociology, history, organisational studies, management, public health, evaluation and impact measurement and information systems. Our researchers have particular expertise in: social enterprise, foundations and bequests, social investment, diversity issues pertaining to philanthropy and giving and volunteering.

Established in April 2014, CSI Swinburne builds on the foundations of the Asia-Pacific Centre for Social Investment and Philanthropy, with extensive networks with philanthropy and nonprofit organisations, both locally and internationally. For more information about CSI Swinburne, please visit <http://www.swinburne.edu.au/research/social-impact/>.

CSI Swinburne is part of the CSI national network, which is a collaboration of three universities: the University of New South Wales, Swinburne University of Technology and The University of Western Australia. For more information about the CSI national network, please visit <http://www.csi.edu.au/>.

A photograph showing four people (two women and two men) in a meeting, looking at a document together. The image is overlaid with a semi-transparent red filter.

### 9.2.3 The Centre for Corporate Public Affairs

*Public affairs is the management function responsible for interpreting the future political, social and regulatory environment of an organisation, continuously integrating these assessments into the strategic planning process, and undertaking and supporting consequent organisational action.*

The Centre for Corporate Public Affairs was established in 1990 in response to demand from corporate and public affairs professionals for a support organisation for their activities.

The Centre now has more than 100 members from the ranks of corporate Australia, industry associations and government business enterprises. The Centre aims to provide mutual exchange within the profession's leadership, excellent professional development programs and information resources that allow senior public affairs practitioners, senior executives and line managers to:

- better interpret their social, political and economic environment
- contribute significantly to the way their organisation relates to its internal/external stakeholders, and
- strengthen the role of corporate affairs staff as key advisers to management.

These aims are achieved by providing:

- professional development and training
- research and information resources
- international affiliations, and
- peer group dialogue and mutual learning.

For further information about the Centre please visit <http://www.accpa.com.au>.



For more information:

Centre for Social Impact Swinburne  
[csiswin@swin.edu.au](mailto:csiswin@swin.edu.au)

The Australian Centre for Philanthropy and Nonprofit Studies  
QUT  
[acpns@qut.edu.au](mailto:acpns@qut.edu.au)

The Centre for Corporate Public Affairs  
[info@accpa.com.au](mailto:info@accpa.com.au)

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The Australian Centre for Philanthropy  
and Nonprofit Studies



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