

Giving New Zealand Philanthropic Funding 2006

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Prepared for Philanthropy New Zealand by BERL



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- Funding Information Service
- Public Trust
- New Zealand Guardian Trust
- Charities Gaming Association

The project team included:

Adrian Slack, Jason Leung-Wai, David Norman,
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and was overseen by Kel Sanderson.



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Study motivation and background

Despite the size and importance of philanthropy in New Zealand, there was no up-to-date, comprehensive information available on philanthropic giving.

To help Philanthropy New Zealand fill this research gap BERL completed a scoping study in June 2006.

The scoping study:

- Developed a definition of philanthropy suitable to the study objectives.
- Identified the required data, sources and gaps.
- Outlined a research project to measure New Zealanders' financial philanthropy.

The next step was the measurement study: GNZ 2006.



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Study objectives

The primary objective of Giving New Zealand 2006 was to measure annual philanthropic funding in 2005/06.

The study aimed to:

- use a practical and rigorous definition that would be suitable for measuring philanthropic funding using available data.
- allow comparability with other work measuring philanthropic and non-profit sector funding.
- acknowledge important, and sometimes unique, features in a New Zealand context.

A second priority was to examine the recipients of philanthropic funding.



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Key results

BERL estimated total philanthropic funding:

- of \$1.27 billion during 2005/06.
- is likely to lie in the range \$1.24-\$1.46 billion.
- equates to 0.81% of NZ's GDP (i.e. national income).

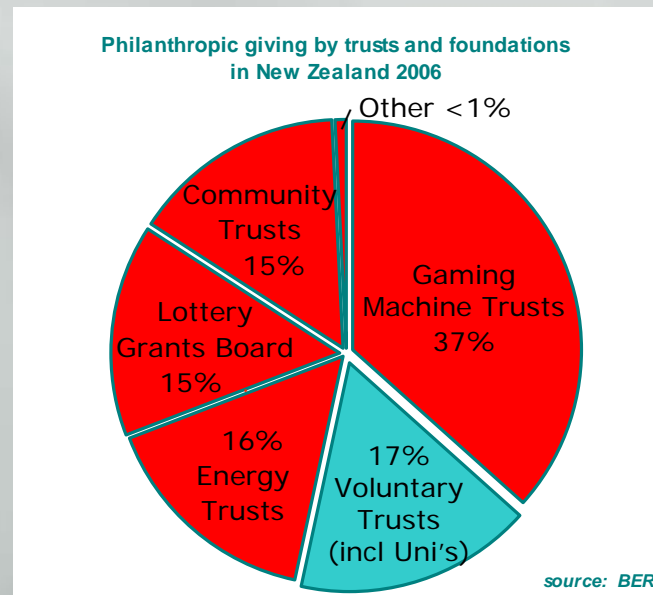


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Key results - trusts

Trusts and foundations funded just under three fifths (58%, \$742M) of total estimated giving.

- Statutory trusts provided five sixths of this funding (\$617M).
- Voluntary trusts contributed one sixth (\$125M).

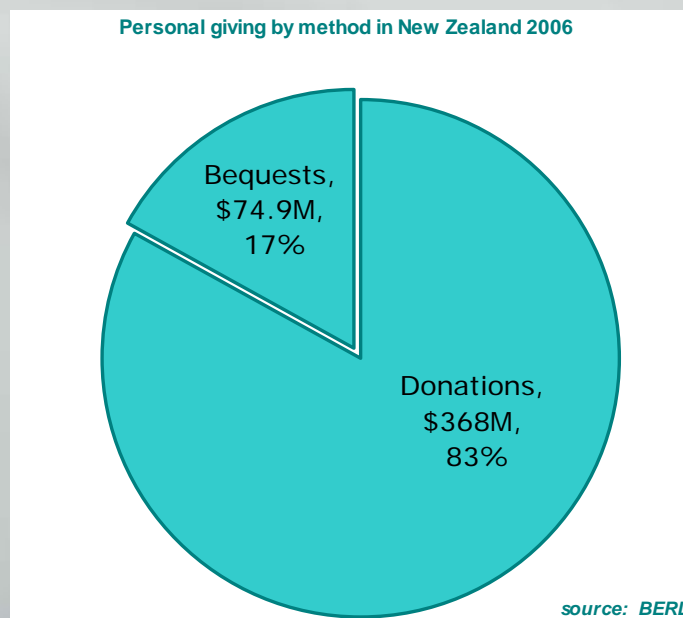


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Key results - individuals

Personal donations and bequests contributed just over a third (35%, \$443M) of total estimated giving.

- \$368M via donations and appeals.
- \$74.9M through charitable bequests.



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Key results - businesses

Businesses accounted for approximately one fourteenth (7%, \$89.2M) of total estimated giving.

- The study suggests businesses gave almost twice this amount again (\$165M) to charitable organisations through sponsorship.

The estimate covers large businesses only, and is likely to be a conservative estimate.

It is likely, however, that small and medium business may fund more through sponsorship and in-kind provision.

If 10% of NZ's 121,000 small and medium businesses were to give \$1,000 each (i.e. excluding sponsorship), this would add approximately \$12M of giving.



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Giving and receiving

We have looked at estimated giving from different sources, which indicated total philanthropic giving of \$1.27B.

Now we will look at where the funding went – the recipients.

This was our second research priority and the results are based on a survey of grant makers.

The survey collected recipient information on \$212M of grants (one sixth of total giving). The limited information means the results are indicative.



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Key results – regional recipients

NB. Based on grant maker survey covering \$212M of grants (one sixth of total giving). Results are indicative only.

- Almost 100% of grants were to NZ recipients (NZ charities may then give to overseas charities).
- 70% of funds go to recipients in specific regions, while 30% supported national organisations.
- The majority of funds (49%) went to Auckland recipients. This reflects the substantial contribution of the ASB Community Trust to the Auckland region.

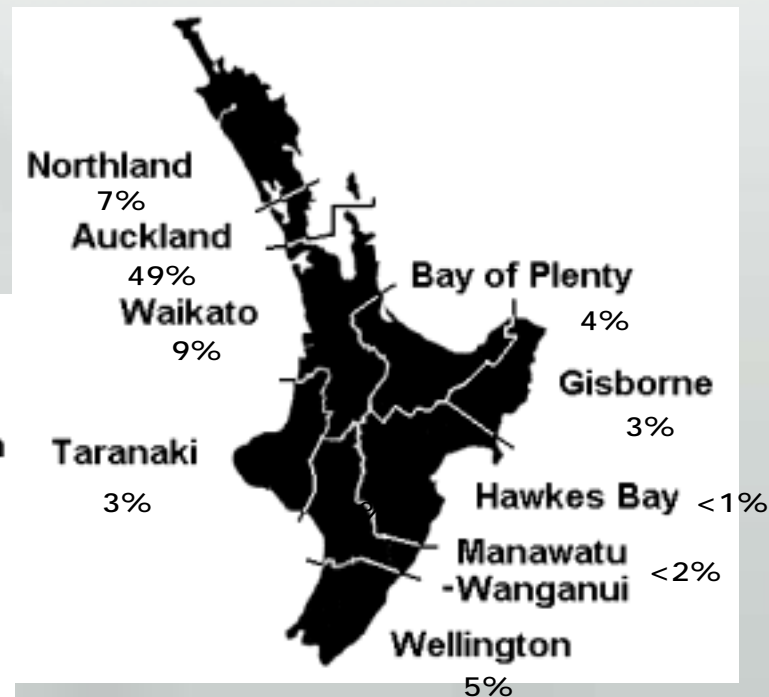
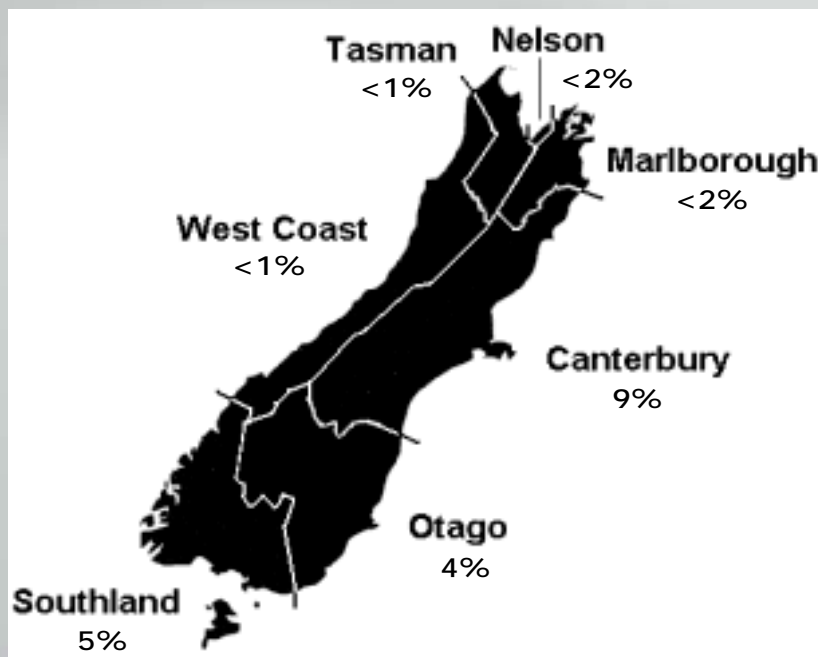
The remainder was spread widely across the remainder of the country.



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Key results – regional recipients

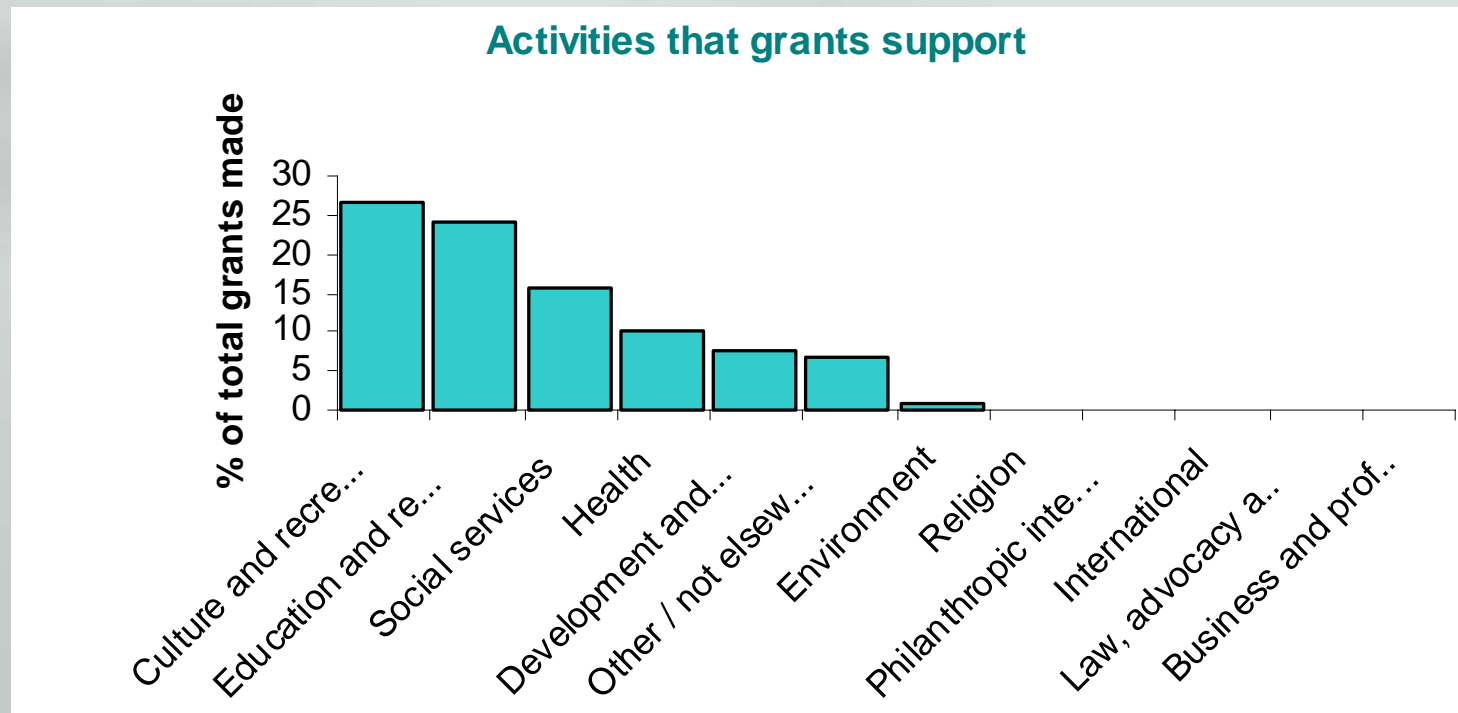
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Key results – activity recipients

NB. Based on grant maker survey covering \$212M of grants (one sixth of total giving). Results are indicative only.



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Defining philanthropy

Three elements are central to the concept of philanthropy used in this study.

1. The source or nature of the resources.
2. The purpose of providing the resources.
3. The type of recipient.

The definition is central to what, and how, BERL measured giving in New Zealand.

Philanthropy is the act of giving financial resources to a cause that is intended to improve general human well-being, and where the giver expects no direct reciprocation or financial gain in return.



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Scope

Philanthropy and payments to the non-profit sector.

Government contributions – central and local government.

Giving by New Zealanders – within NZ and overseas.

Voluntary giving and mandated giving.

- organisations with legal obligations to distribute funds for philanthropic purposes, e.g. gaming machine societies.
- comparability with the international Johns Hopkins Comparative Nonprofit Study (which includes New Zealand).

Sources of philanthropic funding.

- non-profit organisations, individuals and businesses.

Recipients of philanthropic funding.

- countries, regions within New Zealand, and activities.



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Measuring philanthropy

The study aimed to collect and collate data:

- for the most recent financial year available for each source;
- categorised by the source of the philanthropic giving and the types of recipient;
- in constant dollar terms (2006\$), removing inflation effects.

The majority of data used in the study related to financial years ending 31 March 2006 or 30 June 2006.

Less than 5 percent of the data for which only a single source was available related to a year ending in 2004.

Where necessary, data were inflated to 2006 dollar terms using GDP deflators.



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Measuring philanthropy

Source of philanthropic funding

1. Trust- and foundation-based giving

- Voluntary
 - Voluntary trusts
 - Universities, etc
- Statutory
 - Community trusts
 - Energy trusts
 - Licensing trusts
 - Gaming machine societies
 - Lottery Grants Board

2. Personal giving

- Donations
- Bequests

3. Business and corporate giving

Data source

Survey, FIS, TACs

FIS

Surveys

Survey, annual reports

Direct contact, annual reports

Charity Gaming Association

Annual reports

Survey, charity annual reports

MoJ, SNZ, TACs

Survey, annual reports, FIS



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International comparison

International comparison of giving as a % of GDP*



* GDP represents national income
**based on Giving USA study



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Summary

New Zealanders gave \$1.27B or 0.81% of GDP in 2005/06.

Voluntary sources funded 52% (\$657M) of giving and statutory organisations provided 48% (\$617M).

Trusts were the largest source of New Zealand's philanthropic funding (58%, \$742M).

Statutory trusts giving five sixths and voluntary one sixth.

Individuals gave over one third (\$443M) of the funding.

Donations are conservatively estimated at \$368M.

A substantial amount was given through bequests (\$74.9M).

Large businesses gave 7% of total funding (\$89.2M).

But double this amount was provided as sponsorship.

Small and medium businesses may provide a further \$12M.



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