

FIRSTUNITY

PHILANTHROPIC SERVICES

Philanthropy in a recession: is it discretionary?

Sydney Community Foundation

Monday February 2nd 2009

Fiona Archer, Director, Philanthropic Services

PHILANTHROPY: - THE NEW BLACK!

\$11 BILLION A YEAR IN GOODS, MONEY AND SERVICES

- *Giving Australia* report identified a growing proportion or rate of giving and increasing generosity in giving.
- In 2005, \$7.7 billion was donated by individuals and \$3.3 billion by 67% of all Australian businesses.
- In 2006/7 Prescribed Private Foundations donated over \$120 million to registered charities
- As at June 2008 there were 700 PPF's in Australia (up from 600 in 2007) with assets of approx. \$1.2 billion
- Tax deductions for donations have risen at +20%pa for the last 3 years



Giving may be discretionary but it is not optional!

What has happened to giving in the USA since 1966:

1. Between 1966 and 2006 in non-recession years, giving rose by 4.3%pa inflation adjusted
2. In each of the 5 recessions in this period, giving fell over 1.3%pa inflation adjusted
3. The worst was 1973-75 when it fell by 5% in a year and 9% over 3 years.
4. If a recession lasts more than 8 months it is estimated that giving will fall by 2.7% per year – US in a recession for at least 13 months already

When the going gets tough, the tough keep giving

The Community Needs You!

- now more than ever our donations are appreciated and vital

A moment of brightness in a gloomy year

- Take the emphasis away from negative returns to something that makes your clients feel good

How much does your client really need?

- In a good portfolio your income should not have fallen by more than 10% so can your client lift the % and still live comfortably?

Give it to Wayne Swan or your favourite charity – No brainer!

- A 100% tax deduction makes it an essential part of your tax planning