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# Where is giving going?

## Giving Trends and opportunities

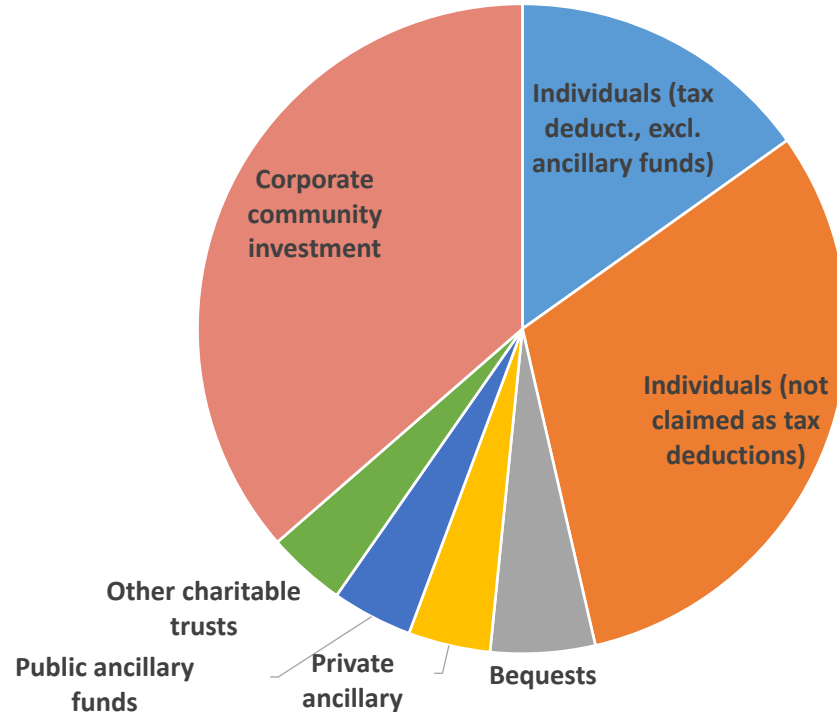
John McLeod, Senior Research Consultant

October 2024

## The shape of financial support

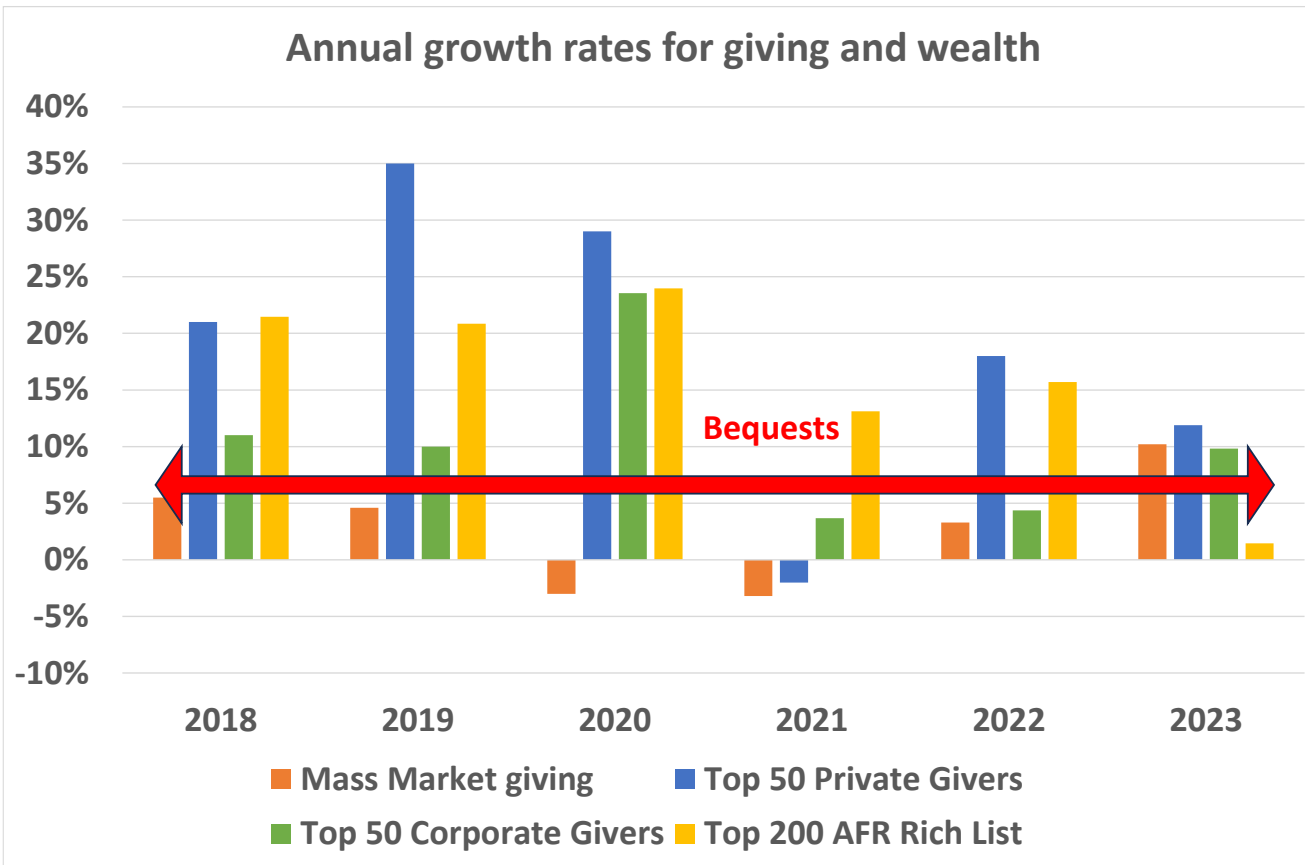
- Giving comes from a wide range of donors
- Motivations and causes are different
- Growth rates are also expected to vary considerably

Contributions to Australian philanthropy

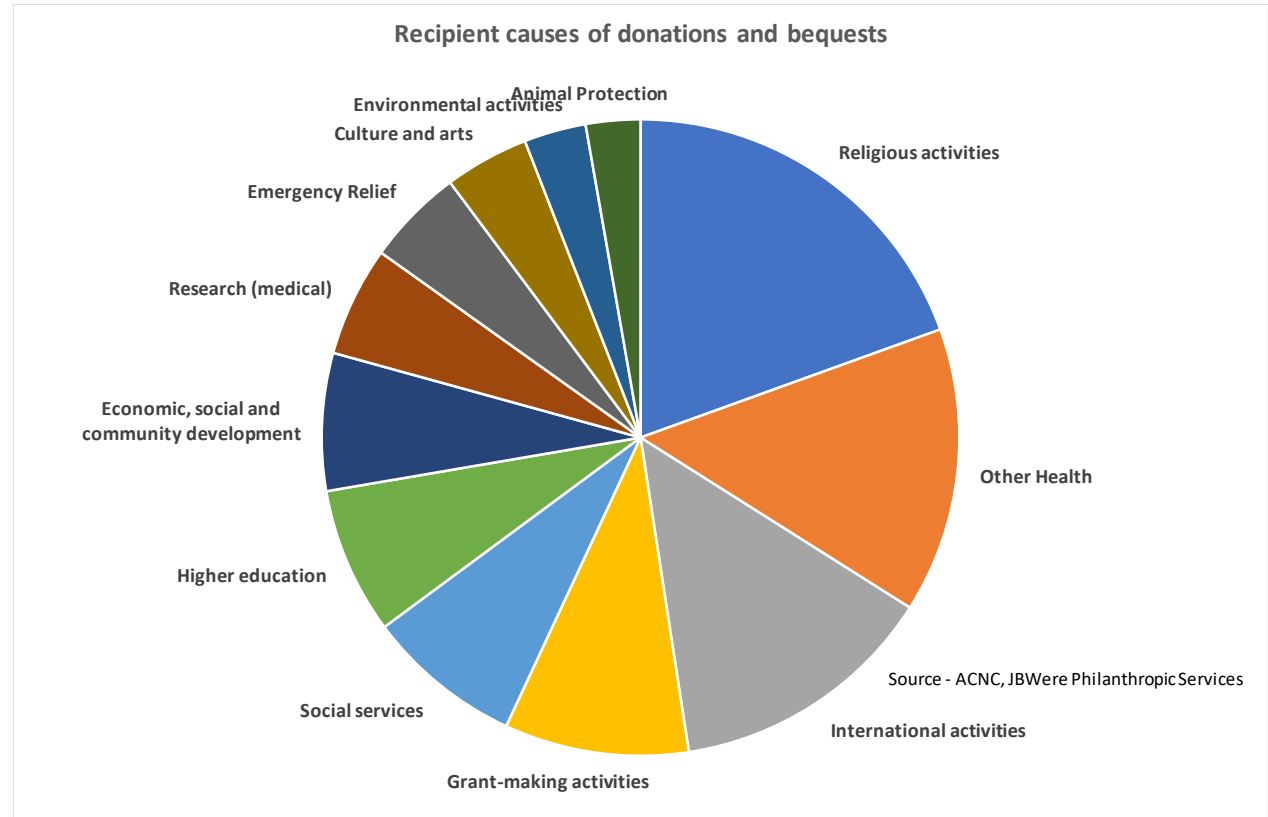


## HNW giving and wealth have grown fastest in 5 of the past 6 years

- There are stark differences in growth rates between each donor segment
- This faster growth in HNW and corporate is likely to continue
- Bequest giving will grow fast in coming years
- Mass market giving is the slowest and most expensive



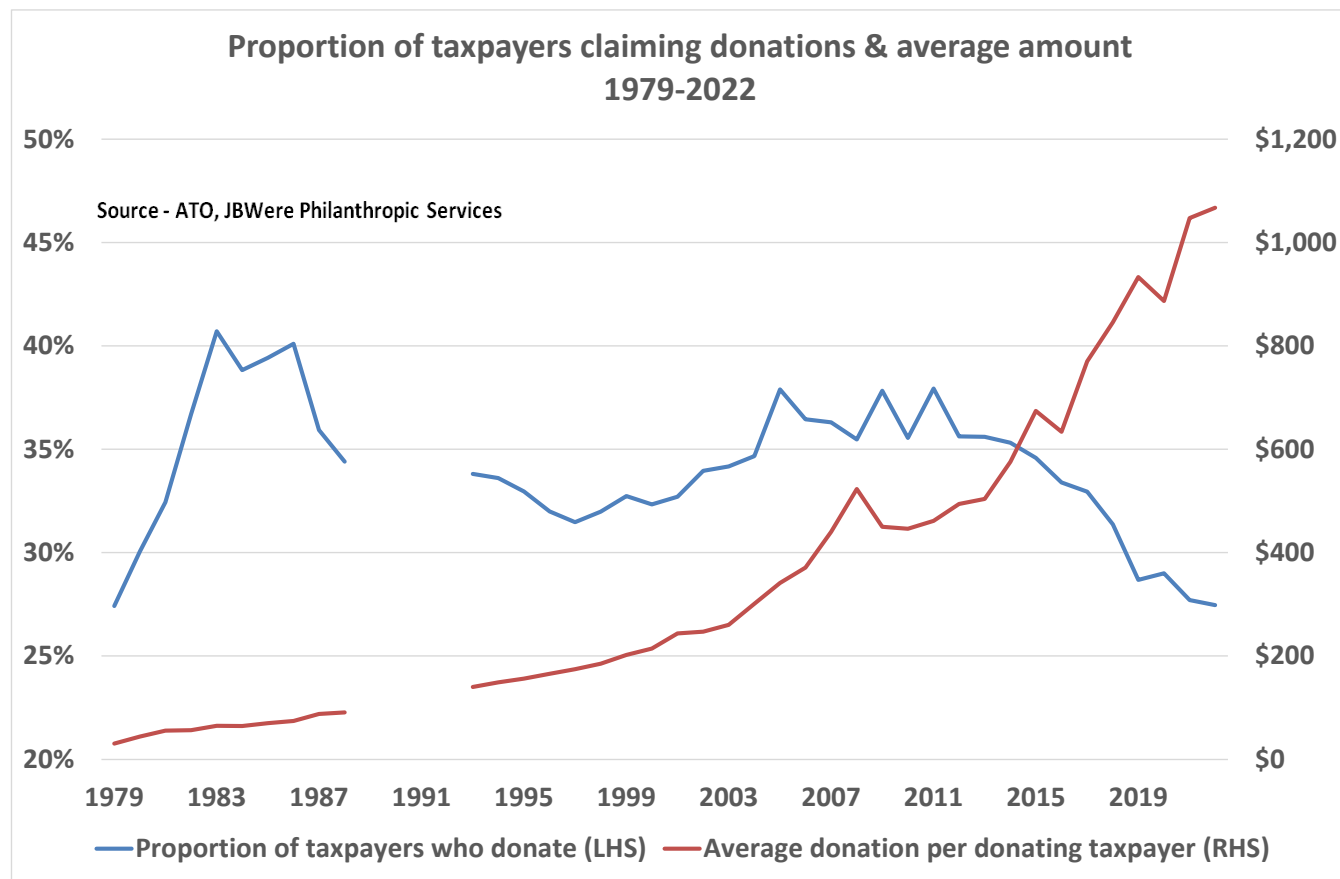
- **For the recipients of support, similar to many other countries, religion is the largest.**
- **We have higher shares for international aid but lower for Universities.**
- **The fastest growing has been grant making**





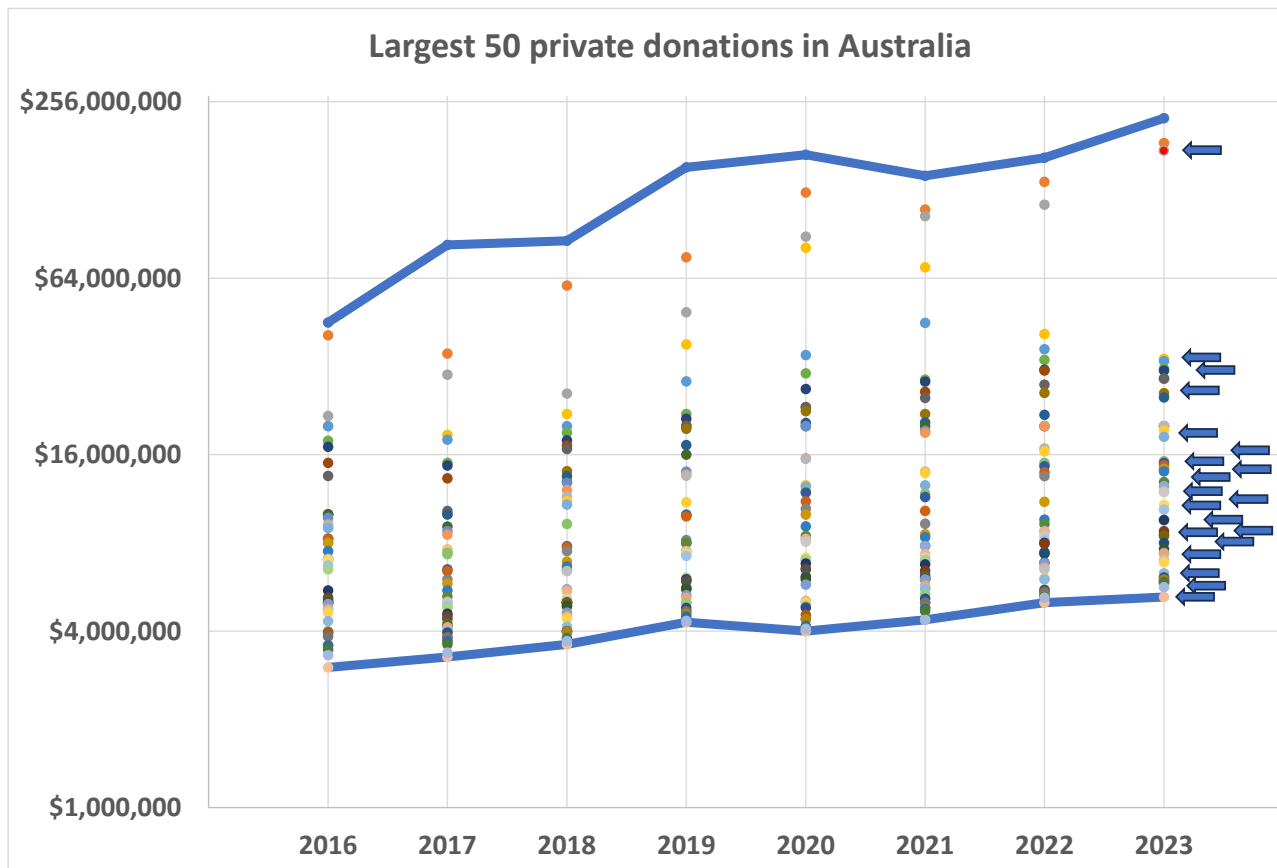
## Fewer but more generous donors

- The long term trend is of a falling proportion of taxpayers claiming a deduction for donations.
- However, the average claimed has risen fast.
- Volunteering has strong parallels



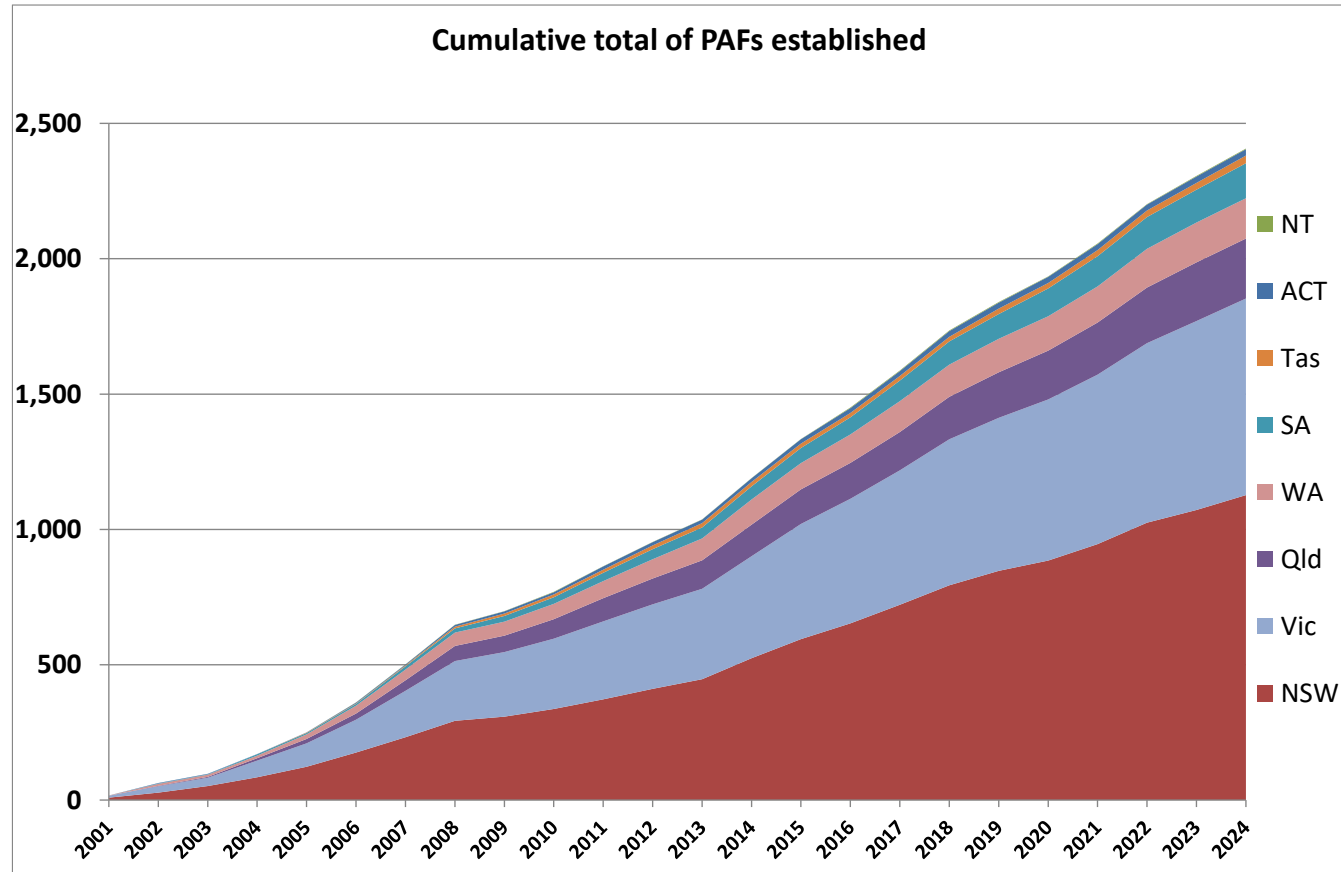
## Strong growth in very large scale giving

- **Visibility and growth are two main features of large value giving in Australia in the last decade.**
- **Among the top 50 there were 20 coming from now passed founders**



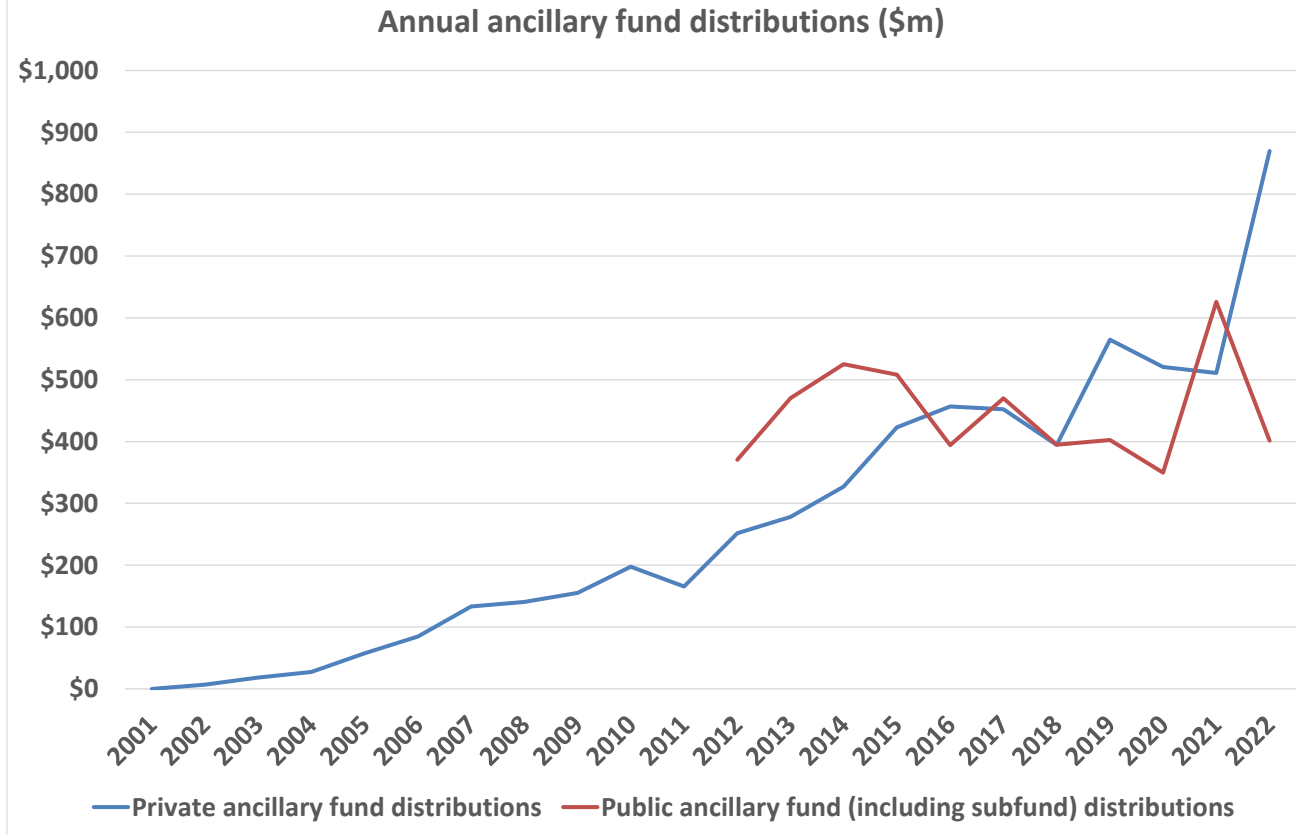
## Private Ancillary Funds (PAFs) are still rising

- It's now over 20 years since PAFs commenced in 2001.
- There are currently around 2,300 distributing over \$800m pa.
- There should be 50,000. It is still early days. We need to promote them even more.



## Distributions from ancillary funds are growing

- The growth in distributions from both private and public ancillary funds is set to grow further
- Part of the intergenerational wealth transfer is likely to be donated to family funds already established





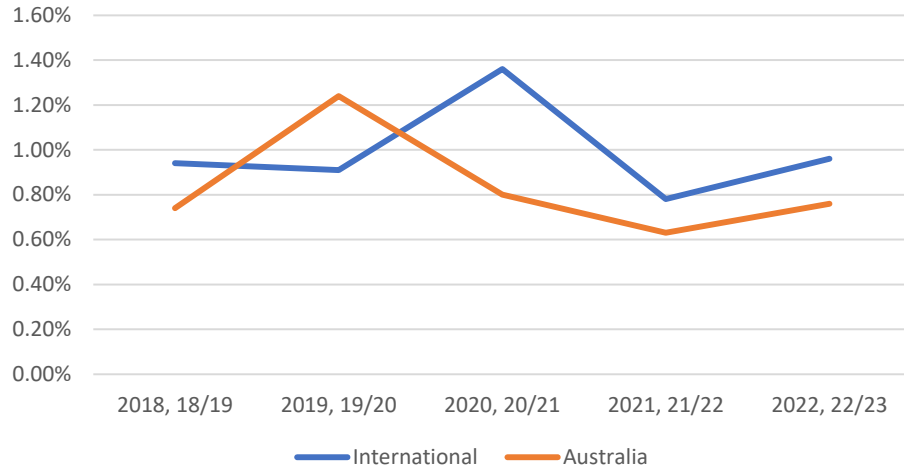
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## Timeline in the growth and evolution of corporate community investment

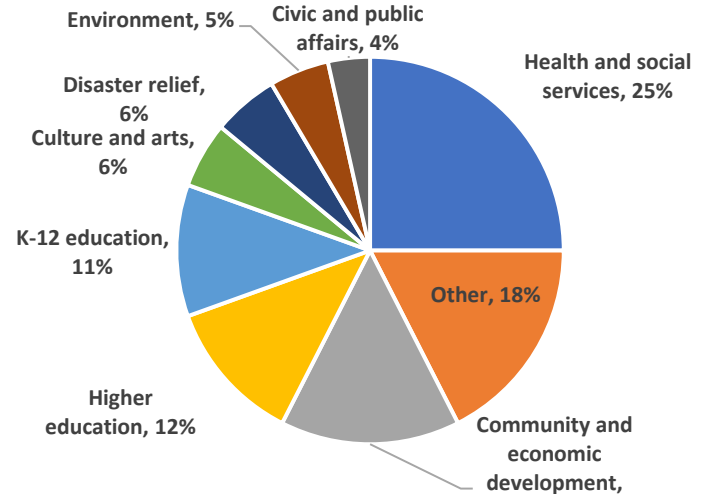


# Corporates giving in Australia compared to overseas

### Community investment % of pre-tax profit



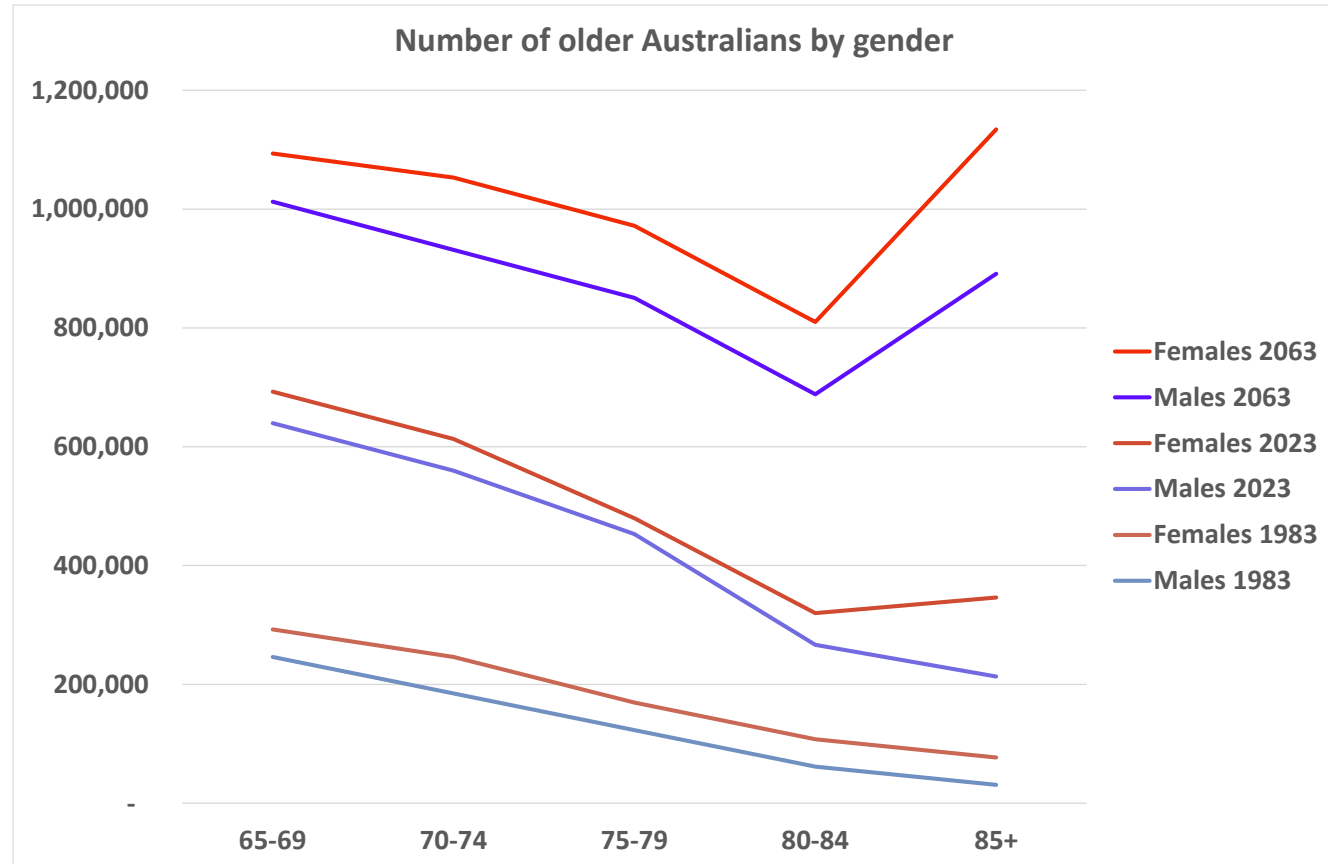
### International Cause areas



- Australia does well but is a little below levels of International corporate giving
- Causes are similar, although environment is larger here

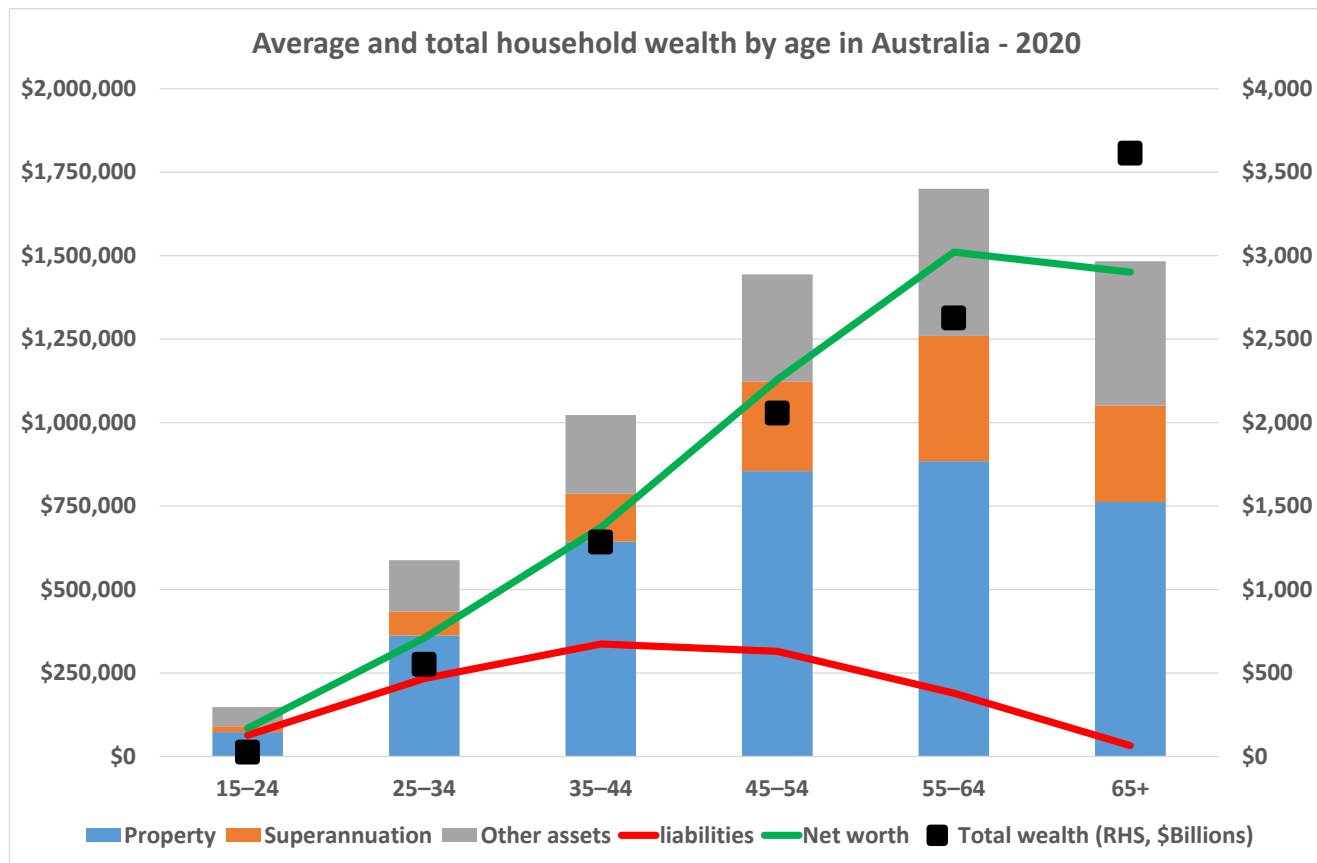
## Females outlive, inherit and control more often

- **Life expectancy is 4 years higher for females widening the gap over time**
- **The oldest daughter is 50% more likely to control family inheritance than the oldest son**



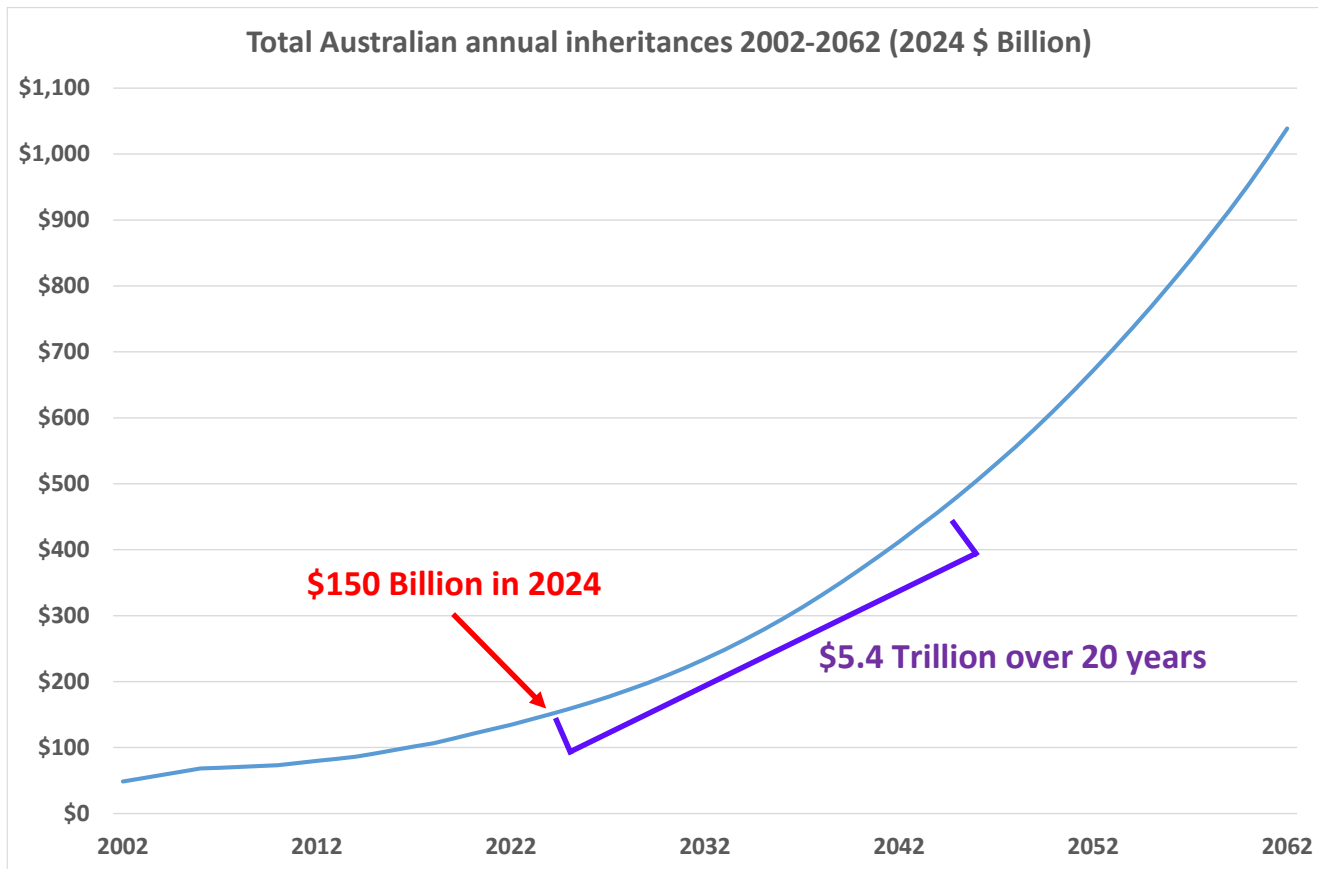
Asset values are rising, particularly as we age

- **Australia ranked #4 in average wealth (and #2 in median) globally in 2022**
- **Real return on housing has been 4.4% pa since 1970 and superannuation 3.3% pa since 1997 while earnings only rose 1.3%**
- **We have used real asset growth of 3.5% going forward**



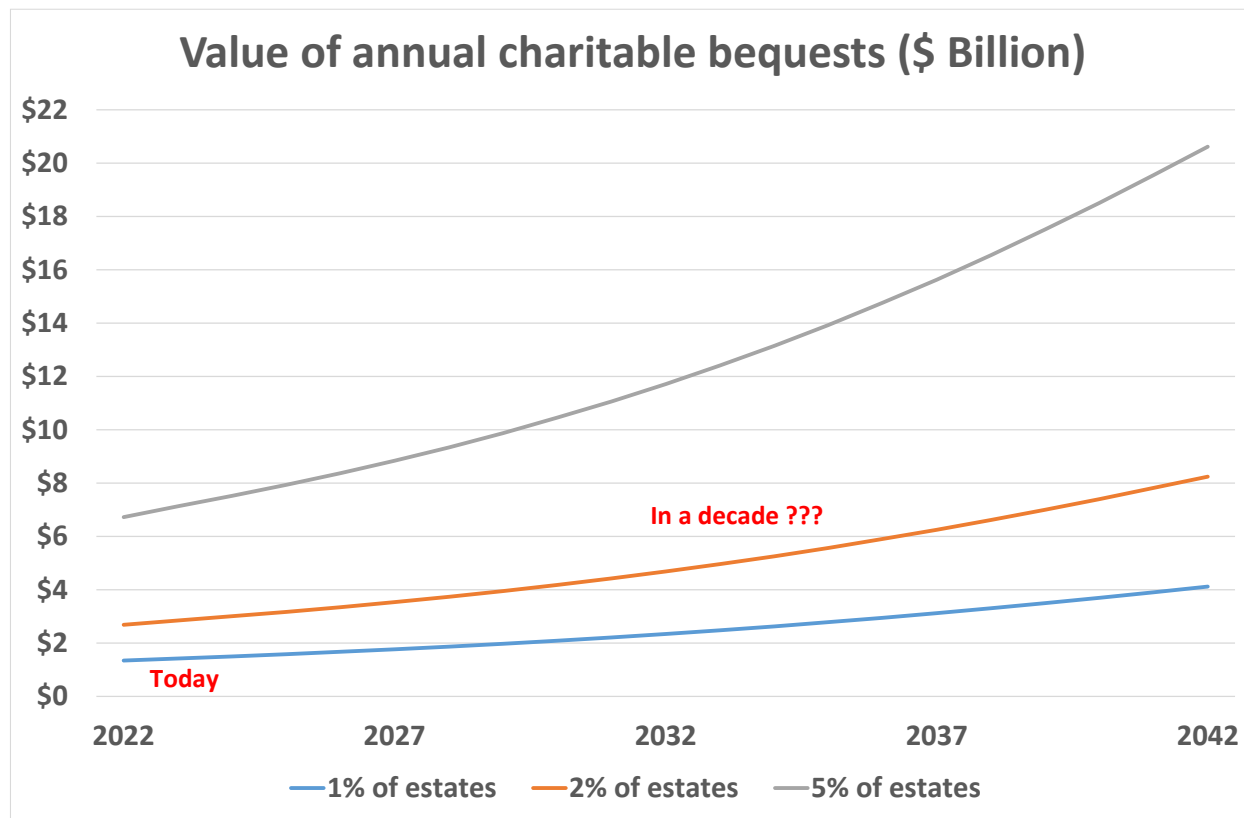
## The value of inheritances is expected to rise fast

- The rising value of inheritances is compounded by increasing death numbers and growing asset values
- An estimated \$150 B will transfer in 2024 rising to over \$1 T by 2062
- A total of \$5.4 Trillion is expected to transfer over the next 20 years

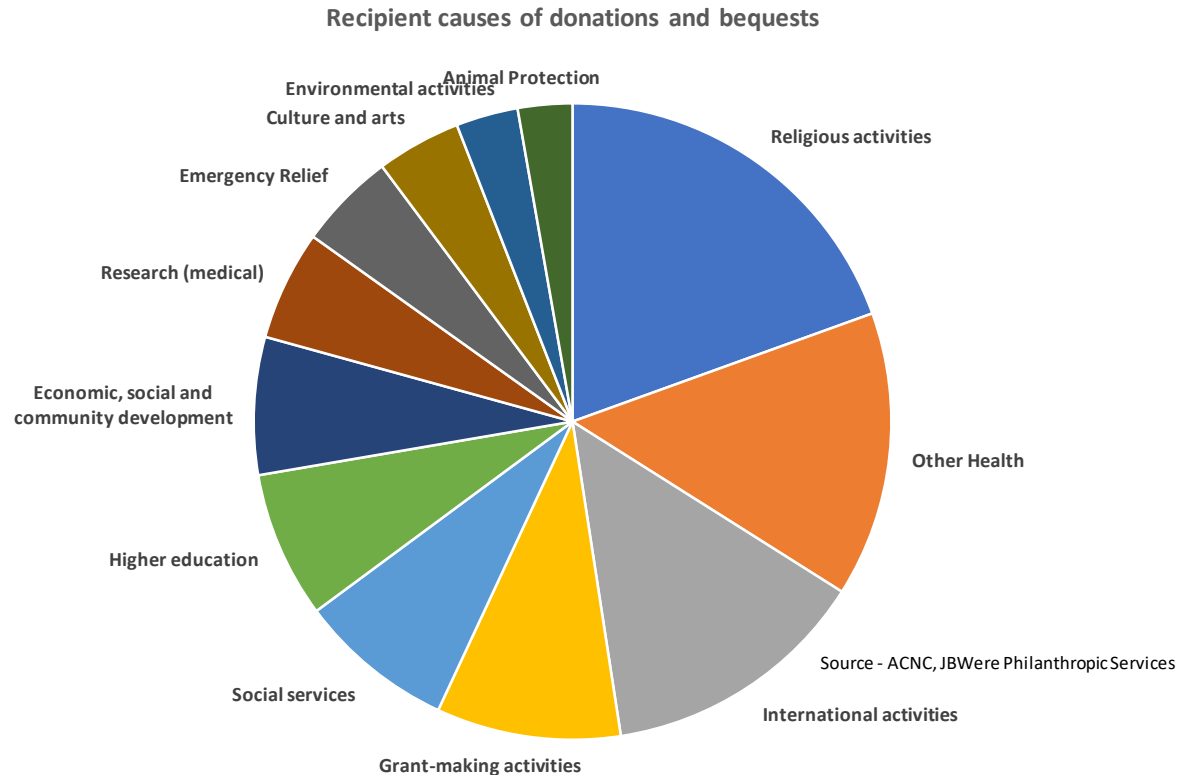




- We can't waste this opportunity
- Increase and broaden the discussion around what charitable bequests can mean for donors in creating a legacy and passing on values



- **Health is the 2<sup>nd</sup> largest cause area**
- **However, many health groups haven't considered philanthropy as a source of income**



Beyond

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## Important information

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