

What motivates philanthropists?

Giving Australia 2016 tells us making a difference, personal values and relationships motivate givers.

Table 1: Factors motivating giving behaviour

Motivating factor	Percentage
Belief that giving can make a difference	92.9%
Desire to give back to the community	77.7%
Sense of personal satisfaction from giving	77.7%
Philosophical beliefs	74.1%
Desire to set an example	74.1%
Personal involvement with an organisation (e.g. board membership)	55.6%
Desire to continue supporting the same cause or organisation	51.9%

Many philanthropists also found giving ‘personally fulfilling’ or were motivated to give ‘to encourage giving by others’.

Family and values are important. Consideration of whether family needs are sufficiently provided for play a role. Many philanthropists use a structured giving vehicle (fund or trust) to:

- ❖ pass on family values and culture
- ❖ role model philanthropic behaviour, and
- ❖ involve children directly in giving.

What influences giving decisions?

The factors influencing giving decisions are both personal and practical. Philanthropists tend to apply common criteria to giving decisions such as:

- ❖ where can the greatest impact be made?
- ❖ is the focus area already well covered? and
- ❖ will the donation contribute to sustainable outcomes?

Table 2: Factors influencing giving decisions

Influencing factor	Percentage
Alignment of cause with my passions	96.2%
The charity has sound governance	92.3%
Perceived competence of charity	92%
Grant will provide for the disadvantaged	74.1%
Grant will provide ‘bang for buck’	65.4%

Table 3: Top five beneficiaries of trust/foundation giving

Issue/area	Percentage
Social services	63.7%
Education and research	62.7%
Health	52.9%
Culture and recreation	33.3%
Development and housing	25.5%

Selecting a charity

Philanthropists consider whether charities are expert and experienced, have capability to deliver impact and are already active in their communities. Most philanthropists aim to avoid creating funding dependency for the beneficiary.

How an organisation operates can also be an important factor for some. Philanthropists from business backgrounds tend to prefer organisations that are entrepreneurial or businesslike in their approach. Evidence of innovative practice can also be important.

Charitable status (Tax Concessional Charity endorsement by the Australian Taxation Office) and Deductible Gift Recipient status are important, but not critical to many donors.

Table 4: Status requirements for trust/foundation grant recipients

Status	Yes	No	Flexible
Charitable (TCC) status	51.7%	25.3%	23.0%
Deductible Gift Recipient (DGR item1) status	66.7%	13.7%	19.6%

How does giving change over time?

Foundations and philanthropists tend to choose a giving strategy and then stick to it. Nearly three quarters (72.5 % of survey respondents) reported their giving priorities have not changed significantly over the past ten years. However, just over half (53.9%) indicated that their processes have changed significantly. Common changes include:

- ❖ moving to online grant applications
- ❖ requesting expressions of interest from applicants prior to the submission of a full application
- ❖ taking a more proactive approach in seeking out organisations aligned to grant-making priorities
- ❖ greater due diligence and research into organisational capacity, and
- ❖ using online technologies to assist review and decision making.

How can charities build relationships with donors?

Many philanthropists indicated they value opportunities to meet the relevant people, build personal connections and see the impact that can be achieved by organisations.

Direct contact was also reported to help philanthropists establish a sense of credibility and trust in the charitable organisation they are considering supporting.

Direct contact can also provide value to the charitable organisation. Philanthropists said they were commonly able to contribute their skills and knowledge to building the organisation's capacity in areas that need development.

How can more giving be encouraged?

Factors found to encourage more giving include:

- ❖ educational experience and exposure to giving and its impact
- ❖ support and encouragement for giving
- ❖ celebrating giving, and
- ❖ pathways that make giving easier e.g. new technology platforms, community foundations and giving circles.

Giving Australia 2016 report series

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For more information:

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