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Major gifts at a tipping point?

Questions may be swirling concerning the state of the economy but the generous are digging deeper than ever. Conor McCarthy and Charlotte Grimshaw delve into this spike in major giving.

2013 has been a fantastic year for major giving in Australia. At the time of writing, there have been 18 \$1 million-plus gifts made in Australia this year so far: just over one per fortnight on average.

In February, Andrew and Nicola Forrest became the first Australians to join the Giving Pledge, promising – along with the world’s richest – to give away at least half their wealth which *BRW*’s latest estimate puts at around \$3.66 billion. And the record for Australia’s biggest individual gift was broken... twice. First was Graham and Louise Tuckwell’s \$50 million gift to the Australian National University, then Clive Berghofer’s pledge of \$50.1 million to the Queensland Institute of Medical Research.

This bumper year is part of a broader trend. Major giving has been an increasingly substantial part of the Australian philanthropic landscape for some years now. A couple of years back at Fundraising Research & Consulting, we collated a list on our website of donors who had given \$1 million-plus. The updated version now lists over 200 names including seven whose giving totals over \$100 million.

A look at the tax figures supports this sense that major giving is important in Australian philanthropy. The Australian Centre for Philanthropy and Nonprofit Studies at Queensland University of Technology has published several working papers analysing the tax deductions claimed by individuals against their philanthropic giving.

In 2009-10, only 3,760 had total giving of over \$25,000 for the year. But that small group gave \$481 million: almost a quarter of all individual giving that year. The previous year, 3,690 taxpayers claimed a deduction for giving \$25,000 or more. Their giving totalled \$562 million: just over a quarter of all individual giving.

Some of these gifts will have gone to Private Ancillary Funds (PAFs), so there may be a lag in some funds making a direct impact. But the general picture painted by tax data is that of the 80-20 Pareto principle: a small number of Australian donors are making a considerable impact through major giving.

So why is major giving gaining new prominence in Australian philanthropy? We suggest five reasons:

1. **A continued rise in wealth:** ten years ago, \$85 million would get you on the *BRW* Rich 200. The price of entry today is \$235 million. There’s also been huge growth in upper-

middle-class wealth. Capgemini now estimate some 208,000 Australians have wealth exceeding \$1 million (excluding their residence and consumables).

2. **PAFs:** the creation of over 1,000 PAFs over the past decade, managing over \$2 billion in funds, has created a pipeline for major giving.
3. **An increased culture of asking:** several Australian institutions have initiated major campaigns – the Universities of Sydney and Melbourne each launched campaigns this year seeking hundreds of millions of dollars. And many organisations across Australia’s nonprofit sector are building or growing their capacity in major gift fundraising as they seek to realise their potential in this area.
4. **Donors going public:** a 2011 report on major giving in Australia suggested that one encouragement would be if people felt more comfortable speaking about their giving and more role models stepped up. Some are still giving anonymously, but most are recognising that publicity prompts others to give.
5. **Repeat major giving:** many very large gifts this year were repeat gifts – often to the same institution (repeat givers marked by asterisk below).

There’s still a lot of unrealised potential, considering the gap between the number of major donors (around 4,000 people giving at the \$25,000 plus level) and the number of Australian millionaires (over 200,000). And Australia’s biggest philanthropic donor is still Irish-American Chuck Feeney though the Forrest family’s giving pledge means this will certainly change. Australian major giving looks to have come of age, but there’s considerable room for it to go much further yet.

Charlotte Grimshaw and Conor McCarthy

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Major gifts in 2013

Andrew and Nicola Forrest joined the Giving Pledge, gave \$1m to Salvation Army, and then gave \$65m to higher education in Western Australia via UWA

James Packer pledged to give \$60m to a range of arts organisations

Clive Berghofer gave \$50.1m to QIMR

Graham and Louise Tuckwell gave \$50m for scholarships at ANU

Harold and Bevelly Mitchell gave \$12.5m to Victoria University

Christopher Chen gave \$10.5m to fund a chair at the University of Queensland

Gretel Ainsworth gave \$10m to NeuRA

Greg Poche gave \$10m to UWA for indigenous health

Sean Howard gave \$10m to the Save Sight Institute at the University of Sydney

Allan and Maria Myers gave \$10m to the University of Melbourne

The Myer Foundation, the Ian Potter Foundation, and Martyn and Louise Myer gave \$10m to the University of Melbourne

The Ian Potter Foundation gave \$10m to fund the Ian Potter Concert Hall at Monash University

Terry Snow gave \$8m to Canberra Grammar School

An anonymous donor gave \$5m to maths and science education in schools at University of Sydney

Len Ainsworth gave \$5m to Sydney Children's Hospital

Pamela Galli gave \$5m for the Lorenzo and Pamela Galli Chair in Developmental Medicine at the Royal Children's Hospital and the University of Melbourne

The Gates Foundation gave \$4m to the University of Queensland

Jack and Sharon Cowin gave \$3m to Bond University

Chris Wallin's QCoal gave \$3m to Royal Flying Doctors Queensland

John Higgins gave \$2.3 million to establish the Gerry Higgins Chair in Positive Psychology at the University of Melbourne

Jim Buckee gave \$2m to fund a research position in radio astronomy at UWA

The Ian Potter Foundation gave \$1.2m to Australian Wildlife Conservancy

Sir Michael Hintze gave \$1m to the University of Sydney and another \$1m to UNSW

Jeff Underhill gave \$1m+ to Capalaba Lions Club

Geoff and Moira Churack gave \$1m to University of Notre Dame and Murdoch University

Betty Amsden gave \$1m to the Victorian Arts Centre

Dick Smith gave \$1m to Australian Lions Foundation

Anne Kantor gave \$1m to Plan Australia

Sotiria Liangis gave \$1m to Canberra Hospital Foundation