



**Australian Government**  
**Department of Family and  
Community Services**



**THE PRIME MINISTER'S  
COMMUNITY  
BUSINESS  
PARTNERSHIP**

## **Giving Australia: Research on Philanthropy in Australia**

### **Summary of Preliminary Qualitative Findings**

*February 2005*

*The 'Giving Australia' project is an initiative of the Prime Minister's Community Business Partnership, and is being coordinated by the Australian Council of Social Service (ACOSS) in collaboration with the Centre for Australian Community Organisations and Management (CACOM) at the University of Technology, Sydney, the Centre of Philanthropy and Nonprofit Studies (CPNS) at the Queensland University of Technology, Roy Morgan Research (RMR), McNair Ingenuity Research and the Fundraising Institute of Australia (FIA). This paper has been prepared by the QUT Centre of Philanthropy and Nonprofit Studies*



**Centre of Philanthropy and Nonprofit Studies**

## 1.0 Introduction

The research agenda of *Giving Australia* will be important to philanthropic development in Australia for many years to come. Such development should be evidence based. Not only will this research build on the snap-shots on philanthropy provided by the two seminal ABS surveys in this field, it will also provide a collation of resources and development activity and assess important tax reform initiatives. Unlike those earlier efforts, this project integrates both quantitative and qualitative research methods.

*Giving Australia* is a collaboration specifically formed to meet the challenges posed by this important research. It brings together a depth of research expertise and a breadth of networks across the non-profit and business sectors and their respective stakeholder groups.

The Australian Government Department of Family and Community Services, on behalf of the Prime Minister's Community Business Partnership, has commissioned this research.

The key research questions for this project are:

- how much are individuals and business giving to community organisations?
- how do current levels of giving compare with estimates from earlier ABS surveys?
- how do individuals and business give (for example, partnerships/community projects, sponsorship, donation of money, donation of goods/services, volunteering)?
- how are individuals and business approached to give (that is, how they are asked)?
- what are the attitudes of individuals and businesses to giving?
- what are individuals' and business motivations for giving?
- what is the effectiveness of the various methods used by community organisations to raise support?
- what is the level of foundation support for the community sector (including family foundations)?
- what is the level of awareness of the various tax incentives introduced since March 1999 to encourage giving?
- how effective have the tax incentives been in motivating potential donors?
- what programs/resources exist to build the capacity of the community sector in relation to its development and fundraising activities? What is the uptake of these programs?
- what is the capacity of the range of community organisations to increase their resources through fundraising and development activities and volunteer programs?

This program of research involves several key research efforts, including:

- **Individual Giving Survey.** This will be a national household survey, with a 20 minute telephone interview of 6,100 respondents representative of the Australian population and will question individuals on giving and volunteering. It will be comparable with the 1997 ABS Survey of Giving.
- **Business Community Involvement Survey.** This will be a national survey of 3,000 businesses across Australia and will collect data on donations, sponsorship and community projects that have been undertaken by businesses during 2003-2004. It will be comparable with a survey undertaken by the ABS in 2001.
- **Survey of Nonprofits and Fundraisers.** This survey will be undertaken to assess the fundraising and development capacity of nonprofit organisations in Australia, the resources and supports available and their uptake.
- **Focus Groups, In-depth Interviews and Expert Panels.** As part of this research 30 focus group discussions and 24 in-depth interviews will be held across a range of businesses, nonprofit organisations, and individual donors. Towards the end of the project, panels of experts in philanthropy will be convened to contribute towards analysis of research findings.
- **Review of Literature and Re-analysis of Existing Data.** A review of Australian and overseas literature on philanthropy will be undertaken as part of this project. Key existing survey data sources will also be reviewed, and in some cases, re-analysed.

In addition, a Reference Group comprising leaders from across the nonprofit and business sectors provides input to this work.

*Giving Australia* is led by the **Australian Council of Social Service (ACOSS)**, which is the peak body of the non-profit community service and welfare sector.

The two leading centres for philanthropy research in Australia are intrinsic to this collaboration:

- The **Queensland University of Technology Centre of Philanthropy and Nonprofit Studies (CPNS)** will conduct qualitative research to inform the design of the quantitative research and to probe questions best answered via face-to-face and in-depth methods. In particular, this will embrace individual, family and business attitudes to and motivations for giving and volunteering. It will also explore the impact and awareness of taxation policy initiatives from 1999. Barriers, opportunities and priorities for nonprofit capacity building will also be spotlighted. Professor Myles McGregor-Lowndes is the Director of the Centre, and has extensive experience regarding legal and taxation issues for non-profit community organisations.
- The **University of Technology, Sydney, Centre for Australian Community Organisations and Management (CACOM)** will oversight the design of the

individual/household questionnaire, analyse findings and prepare the final reports for the Individual Giving Survey and the Survey of Nonprofits and Fundraisers. Professor Mark Lyons is a leading Australian researcher and is part of CACOM's team for this work.

The *Giving Australia* collaboration also includes two of Australia's leading market research companies:

- **Roy Morgan Research (RMR)** will conduct survey work for the Individual Giving Survey. It brings to this collaboration an established capacity for the conduct of large survey-based quantitative research, underpinned by high recognition as Australia's best known and longest established market research and public opinion polling company.
- Ian McNair, of **McNair Ingenuity Research Pty Ltd**, is a corporate philanthropist with a long standing interest in philanthropic research and in working for and with the Australian business sector. McNair Ingenuity Research will be responsible for the conduct of the Business Community Involvement Survey.

The **Fundraising Institute of Australia (FIA)** – Australia's professional association of fundraisers and development professionals, will lead a survey of nonprofit organisations and fundraisers as part of this project. Together with ACOSS, CACOM and CPNS, this provides the project with long experience in nonprofit capacity building including through provision of tertiary level courses and workshops.

Readers of this paper may also be interested to download a copy of *Summary of Key Data* which provides an overview of existing quantitative data on philanthropy in Australia <sup>1</sup>.

This paper has been prepared by Dr Wendy Scaife and Dr Kym Madden, *Giving Australia* researchers from the QUT Centre of Philanthropy and Nonprofit Studies.

The aim of making this paper available is to update researchers, practitioners in the field and others with an interest in this project and its qualitative findings in particular.

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<sup>1</sup> Available from either <http://coss.net.au/news/upload/Giving%20Australia%20Early%20Data%20Summary.pdf> or [http://www.partnerships.gov.au/pdf/summary\\_paper.pdf](http://www.partnerships.gov.au/pdf/summary_paper.pdf).

## **2.0 Summary of Qualitative Research Activity**

This paper summarises findings from the conduct of both focus group discussions and in-depth interviews between August and December 2004. This represents approximately fifty per cent of the total number of groups and interviews to be conducted through this project. The sections below outline the scope and nature of these activities.

### **2.1 Focus groups**

This paper summarises focus groups the nature of which are as follows:

- Eighteen groups have been completed to date;
- The geographical spread of these groups has been as follows: three conducted in Sydney, three in Melbourne, six in Brisbane, one in Perth, two in Bendigo and three in regional centres (Toowoomba and the Gold Coast);
- The sectoral distribution has been as follows: eight focus group conducted with individual donors (including two with high net worth/high income individuals), six with businesspeople<sup>2</sup>, and four focus groups with private or community foundations or nonprofit organisations;

### **2.2 In-depth interviews**

Interview subjects were chosen either because of their broad or substantial experience in a particular field or because they represent a point of view not likely to be captured in the focus groups.

The following in-depth interviews have been undertaken:

- Ten in-depth interviews have been completed to date<sup>3</sup>;
- The geographical distribution of these interviews were as follows: one each in Brisbane and Dubbo/Bega; two each in Sydney and Perth, four in Bendigo;
- The sectors from which interviewees were drawn include: an individual philanthropist, a national engineering and construction company, a State-based mining company, six small/medium enterprise businesspeople in a regional centre, a fast-growing community bank, a regionally-based community foundation, an Australia-wide foundation promoting rural interests, a State President of the Fundraising Institute and a fundraiser for a

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<sup>2</sup> A focus group among small business people was planned but for these busy people it proved impossible to find a suitable day and time for them to all meet together. As interest in having input into this work was high among these people, individual in-depth interviews were held.

<sup>3</sup> This number does not include the small business interview referred to in Note 2 above.

community service organisation, a cross-state social entrepreneur, and a regionally-based community fundraiser.

### **3.0 Preliminary Findings**

Preliminary findings are summarised below for key sectors of business, individual givers and the nonprofit sector.

These findings are preliminary, reflecting patterns seeming to emerge to date. Of course a fuller report upon completion of further qualitative work may lead to a confirmation or adjustment to these findings.

#### **3.1 Business**

Participants represented views across a range of business and professional sectors including engineering and town planning, law, IT, insurance, tourism and leisure services, food, clothing, other retail, other manufacturing, construction, mining, biotechnology. Several of the large businesses gave through corporate foundations; the remainder of the participants gave through corporate giving and pro-bono programs.

For the purpose of this research, the terms 'small small-medium enterprises (SMEs), 'large SMEs' and 'major or large businesses' are defined as, respectively, generally fewer than five but up to 20 employees (that is, full time equivalent staff), businesses with between 20 and 500 employees, and those with over 500 employees.

The findings to date confirm much of what is understood about business giving but having independent research is a most valuable test of assumptions, as well as providing context and insight into attitudes and behaviour. In addition there are also some findings that highlight unexpected problems and opportunities in understanding business giving in Australia.

The key preliminary findings from qualitative research among business are:

- **Businesses do expect they will support the community.** There is a strong expectation by both regional and metropolitan participants that businesses would support community organisations to the extent that they could. 'You are expected to support the community.'
- **Businesses 'inundated' with requests for help.** The overwhelming sense by businesses that, while they were interested genuinely in helping community organisations, they were being inundated with written requests and telephone calls, and they were having trouble managing these. This was one of the strongest themes to emerge across the discussions, giving strength to calls for 'best practice' guidelines for corporate giving and for fewer 'cold calls' by nonprofits.
- **Business support often lacks infrastructure and 'vision'.** Those struggling most with the dilemma of continuing requests and limited capacity to respond were larger SMEs (mid-size businesses). Like smaller organisations,

many (but not all) of these lacked a vision for their community involvement. Few had policies or infrastructure to manage the process but, like major ones, they received many requests from many directions. They were working on an 'ad hoc' basis and 'looking for a more strategic approach'.

- **Priorities and motivations vary.** Business approaches to giving were very individualistic: there were few reference points for small and mid-size businesses, in particular. 'We do what is reasonable.' There was wide variability in the extent to which business supports charities, the motivation for doing so, and the extent to which they had policies in place, although business participants canvassed to date were quite uniform in their stated interest in making a contribution.
- **Nonprofits should be more transparent and accountable.** Businesses wanted nonprofits to be more accountable and transparent for funds received: there had been an erosion of trust held by business (especially large SMEs) that money given would be used for its stated purpose. The question was 'Will it get through?' Many participants also believed that this loss of confidence affected the broader community and pulled back the amount people were willing to donate.
- **Understanding that nonprofits need to cover infrastructure costs.** On reflection of the issue, there was no objection to funding nonprofit infrastructure as long as it was clear 'up front' how the money would be spent and a compelling case was made. 'As business people, we understand the need for infrastructure.'
- **Nonprofits should give relevant feedback.** Many businesses wanted to know their contributions made a difference yet they reported little feedback from nonprofits. Businesses varied in what type and how much contact they wanted: nonprofits need to ask. For larger organisations, it was a proactive attitude of 'how can we improve things?' For smaller ones, it was 'let's do our bit ...to the extent we can.'
- **Volunteering significant.** There is a lot of personal volunteering by CEOs, owners, partners and directors of businesses, mainly on charitable or nonprofit boards. Those in regional areas tend to be active in service organisations. While these activities were not 'top of mind' and tended to be overlooked by them, for participants when asked about giving, they were substantial and generally encouraged by business.
- **Larger businesses interested in employee volunteering.** There is interest in staff volunteering by large businesses, with a range of HR benefits seen to accrue for the companies involved. These large businesses are aware of problems in making it work by nonprofits, however, and they are interested in finding sustainable models for such engagement. Such businesses tend to be city-based: there was less interest in it by regional businesses.
- **Tax incentives supported but awareness is low, costs an issue.** There was widespread support for tax incentives generally but little awareness of recent

specific tax changes. Moreover, there was resistance to workplace giving programs by many businesses, of various sizes, because they saw these as just another layer of costly and time-consuming administration in their organisation (which was highly unappealing).

- **Workplace giving part of a whole business strategy.** Those large organisations that supported workplace giving were motivated by the expectation of improved staff relations and staff involvement in the company's community relations program. In successfully implementing it, these large organisations believed it was important to empower staff in decision-making and to roll out a program at a branch grass-roots level.
- **Regional business like local causes.** Overall, the main theme to emerge for regional businesses was the importance of 'the local' to them. As might be expected, there was a far stronger sense of, and importance attached to, belonging to a particular community and of supporting this community by those in regional towns than in metropolitan areas.

### 3.2 Individual Givers

The findings summarised below are for 'average' income and giving by individual donors in Melbourne, Toowoomba, Brisbane and Bendigo. The key preliminary findings are:

- **Early life experience important for giving.** Early experiences in giving, especially in the family and at school are important in shaping one's adult giving behaviour. Family experiences seem critical for the *modelling* it provides and the school experiences for the extent to which giving is a *positive experience* for the individual.
- **Giving reflects and reinforces life values.** Many participants raised the importance of parents seeking to teach their children *life values* through giving activities. The flip side to this is the concern by many that family breakdowns, poverty and the necessity for mobile lifestyles means children are not being taught to give to their community, among other things.
- **Trust is important and may be declining.** *Trust* in the charity or nonprofit for potential donors was highlighted as being important: trust that the money is going where charities say it is and trust that money will not be wasted on what is considered unnecessary expenses. There appears to have been a substantial erosion of confidence by everyday people about nonprofit organisations. They are less sure and they want more surety.
- **'Giving stress': requests for giving cannot always be met.** Givers are feeling *overwhelmed* with the number of organisations asking for their money and they feel bad that they cannot support them all. They are looking for ways to manage the stress they feel in the face of so many worthwhile causes.
- **Givers don't like aggressive marketing.** Givers are feeling *intruded* upon by nonprofits: they all detest what they perceive to be aggressive and pushy

attempts to get donations. Telemarketing is the number one enemy – they hate unsolicited calls by organisations for causes with which they have no affinity. It is the manner of ‘paid’ callers that appears to be most off-putting.

- **Givers prefer giving to the ‘needy’ and ‘innocent’.** There is a tendency towards supporting community welfare organisations especially if people are seen to be relatively innocent ‘victims’ such as children, animals etc. Individuals perceive school fundraising to be greatly increasing, channelling money and volunteer time away from serious community need in the welfare area. They strongly dislike being asked to give money to private schools; this applies both to parents of children attending these schools, who do not see why constant fundraising is needed, given the fees and also to others in the community, who would rather be giving to more needy causes.
- **Feedback for giving and volunteering rare but is reinforcing.** In giving, individuals wanted to know their donation had made a difference. They often did not know if it had. Feedback appeared to be a strong reinforcer, although it was rare. Also, volunteer recognition and seeing their contribution made a difference was also highly important. This, too, appeared to vary enormously across nonprofits.
- **Spontaneous and convenient giving preferred over planned giving.** Givers want to give ‘from the heart’ when touched by a story or experience: planned giving removes their capacity to respond. They also seem to like workplace opportunities for giving time or money for the convenience of it, and the social interaction it affords. Many were not aware of formal workplace giving schemes through payroll deductions.
- **Want to do more; don’t seek tax breaks.** Overall, people feel constrained in how much they can give and do not perceive their donations as being very substantial. They generally do not claim a tax deduction on their donations for this reason and also because tax savings is not a motivator for them, and they see collecting receipts as time-consuming and trivial. They ‘do what they can’ but often feel guilty. Participants believe that they do give a lot of time to community activities in the raising of their children. They did not want tax incentives dropped because they saw these as important to giving by wealthy individuals and businesses.
- **Benefits of giving and volunteering should be shared.** Participants would like to see the benefits for volunteers, especially poorer Australians who may give a lot of their time because they do not have money to give. They also mooted some alternative financial benefit for donors who do not have a large enough income to claim donations eg pensioners.
- **People in regional communities want to give locally.** The main differences for regional participants (vs. metropolitan ones) revolve around the importance of what is ‘local’ such as people connecting to local nonprofits, addressing the needs in the local area and feeling part of the local community.

- **High worth/income givers value privacy and tax incentives.** A key difference for high net worth donors, compared with others appears to be the fear of being inundated with requests, the need for privacy, and the belief that everyone has something to give. A campaign promoting the joy of giving so others would share the ‘responsibility’ was seen as a good idea. Awareness of government tax incentives for giving is quite high, and while they do not know the details of these (leaving that to their advisers), they feel these are very attractive, especially Prescribed Private Funds.

### 3.3 Nonprofits

Thus far the project has collected a smaller amount of data from nonprofit CEOs, fundraisers, and development officers, consultants and non-corporate foundations in metropolitan and regional areas. Locations from which field work has been undertaken include Sydney, Perth, Bendigo and Brisbane.

The key preliminary findings are:

- **Nonprofits need to strengthen the whole organisation, not just finances.** The belief that strengthening their capacity is about strengthening the whole organisation not just the finances;
- **Complying with funding provider, government and other requirements is a drain.** That compliance is extremely time-consuming and frustrating for nonprofits as it is getting in the way of building capacity;
- **Volunteers are an asset but need to be engaged by nonprofits.** There is a need to better engage with volunteers as they are a real asset for the organisation;
- **Nongovernment sources of funding need development.** There is a need to develop funding sources separate to government funding;
- **Donors (and governments) are reluctant to fund infrastructure.** There is a genuine struggle for sustainability and the reluctance of donors/government to fund infrastructure is perceived as a major obstacle.