

Philanthropy in Australia and Aotearoa 2020-2023

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In 2020, when my colleague and I published our piece (Godfrey and Williamson, 2020) on the impact of recessions on philanthropy the world was facing Covid-19. A recession seemed inevitable. We wanted to investigate whether previous global recessions led to a diminution of philanthropy. Unfortunately, there was scant data from other than the USA on recessions prior to the GFC of 2008-2010.

Thanks to the actions of governments in most of the world, recession was averted. That does not mean there were no disruptions to economies during the pandemic; far from it. Nor has the threat of recession entirely faded, though other economic and political conditions than Covid-19 now contribute to the threat.

It seems appropriate then to look at what has happened within philanthropy in the four years. We said that reductions in philanthropic revenue during recessions tend neither to be large nor sustained: “It seems that the emotional and social values that inspire generosity are not dimmed by economic concerns” (Godfrey & Williamson; p. 26). This conclusion appears true for Australia and Aotearoa New Zealand through the non-recessionary, though economically disrupted the years from 2020-2023.

During the GFC individual giving declined in Australia though the amount given by High-net-worth individuals (HNWIs) increased. The Australian data for individuals for the years 2020-2023 show a more interesting pattern. There was a pre-Covid spike in response to the early 2020 bushfires; in the remainder of that year individual giving decreased (McGregor-Lowndes et al., 2022). In 2021, total individual giving increased though the number claiming tax deductions on gifts declined (McGregor-Lowndes et al., 2023). A survey suggests individual giving, however, declined in 2022 (McNair Yellow Squares, 2023), though this has yet to be confirmed by official tax data. Nonetheless, giving by HNWIs, and giving by wealthy individuals through Private Ancillary Funds continued to increase throughout 2020-2023 (McGregor-Lowndes et al., 2023, McLeod, 2023).

We found no data on individual giving by individuals in Aotearoa during recessions. Fortunately, Inland Revenue New Zealand now publishes data on the number and value of tax credits claimed for giving to charities. This shows a reduction in the number of individuals giving in 2020 from a 2019 peak yet the total value of gifts grew over each of 2020, 2021 and 2022 (Inland Revenue Te Tari Take, 2022).

Grant giving by Australian grantmakers dropped during the GFC 2008-2010. Grants, however, grew four percent in 2020, then five percent in 2021 (ACNC, 2022, ACNC, 2023). No GFC data

exists for Aotearoa. However, for 2020-2021, half of grantmakers reported increased giving, while 21% maintained previous levels (Philanthropy New Zealand, 2021). A survey mid 2023 reported 80% of grantmakers predicted they would maintain or increase their pre-existing funding levels (Philanthropy New Zealand, 2023).

While corporate giving in Australia slackened during the GFC, McLeod (2023) reports increased Australian corporate community investment during 2020-2021. There were no figures for the GFC period in Aotearoa. New Zealand Treasury, however, now publishes data on tax expenditures which reveal company charitable giving decreased each tax year from 2019-2023 (New Zealand Treasury, 2023).

Our earlier findings concerning no diminution of philanthropy during recessions, excepting corporates, seems to have held for 2020-2023 in Australia and Aotearoa. Happily, there is more useful data available than for previous recessions. However, Aotearoa continues to lag significantly behind other countries in collection, analysis and publication of giving data.

Economic and social factors at national and global levels undoubtedly affect giving, but these affects are not well studied or recognised. The assumption of steady growth in government reports such as by the Australian Productivity Commission (2023) ignore the challenges that charities and nonprofits face in downturns.

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