



Community Colleges Conference

The What and the How of Philanthropy

July 2017

WHAT WE'LL COVER TODAY

- About Philanthropy Australia
- Setting the Scene (what is philanthropy and how does it fit in the broader NFP and funding context?)
- Top line trends in philanthropic practice
- Engaging with philanthropy

ABOUT PHILANTHROPY AUSTRALIA

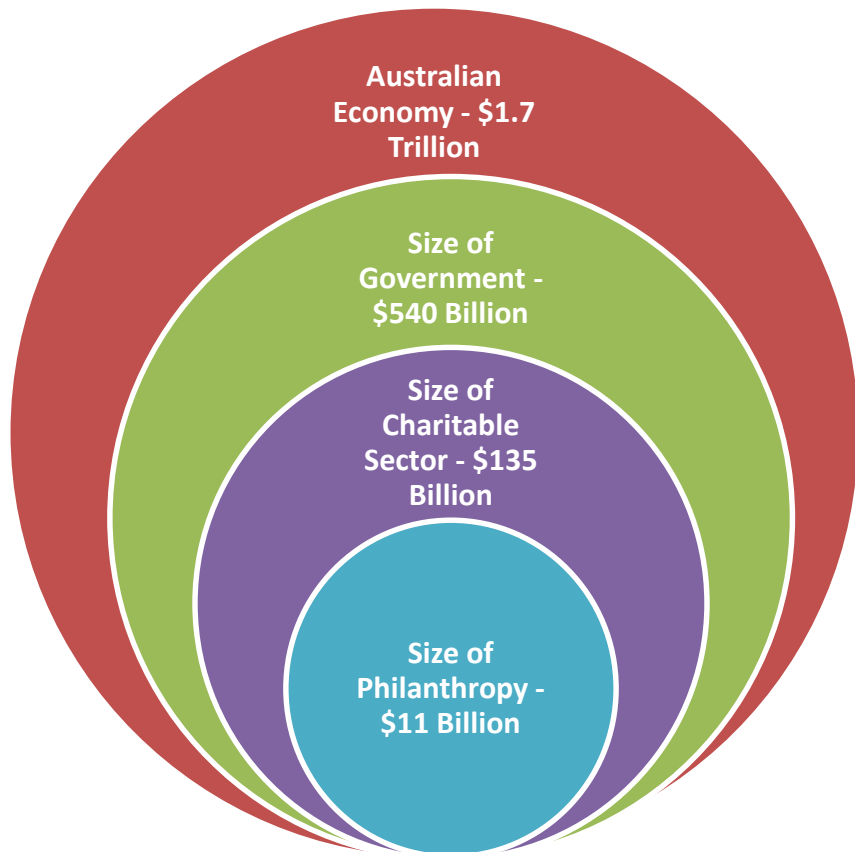
A Membership organisation and peak body comprising a growing movement of people and organisations who believe in the importance of giving and are committed to leveraging their wealth and influence to create positive social and community change.

Philanthropy: The planned and structured giving of time, information, goods and services, voice and influence, as well as money, to improve the wellbeing of humanity and the community.

ABOUT PHILANTHROPY AUSTRALIA, Cont.



SETTING THE SCENE



- Philanthropy is tiny compared to government (diagram doesn't reflect relativities!)
- It has funds + wants to achieve social and environmental change
- Can't compel anyone to do anything
- Government has much more funds + wants to enhance national wellbeing
- It can also use legislation and regulation
- Philanthropy can achieve (large scale) impact, but much harder to achieve systems change without involving government

PHILANTHROPY AS SOCIAL RISK CAPITAL

Philanthropy can
take the **risks** that
others **cannot**
or **will not**.

Dr. Judith Rodin
President, The Rockefeller Foundation



TWO ANALOGIES FOR THE ROLE OF PHILANTHROPY

- ***Philanthropy is like acupuncture:*** we only have a handful of tiny needles – the question is where to insert them in order to trigger some larger systemic change
- ***Philanthropy is like a tugboat:*** we have the two big ships sailing into a harbour, these are the public and private sectors – philanthropy's task is to use its resources to help guide those ships safely to the port and help them avoid running aground



Stephen Heintz,
President of the
Rockefeller Brothers
Fund

NFP – TERMS

- **Not for Profit (NFP)** – an organisation whose primary objective is something other than the generation of profit, and which does not distribute any profit to the organisation's members. A not-for-profit organisation may have a 'profit' - or surplus - left over after operating costs, but whereas a for-profit business would distribute that profit to its owners, shareholders or members, a not-for-profit must use the surplus to further the purpose of the organisation and its activities.
- **Charity** – A not-for-profit entity that exists for the public benefit and has a charitable purpose. Charitable purposes are specified as: relief of poverty, advancement of education, advancement of religion, health promotion, provision of child care services and other purposes beneficial to the community
- **Deductible Gift Recipient (DGR)** - A deductible gift recipient (DGR) is a fund or organisation that can receive tax deductible gifts. The deduction is claimed by the person or organisation that makes the gift. There are a limited number of categories or types of DGRs. There are requirements set by the ATO to be endorsed as a DGR.

NFP – SOURCES OF FUNDING

Fundraising:

Donors
Regular Donors
Large Donors
Endowments
Bequests

Philanthropic Grants:

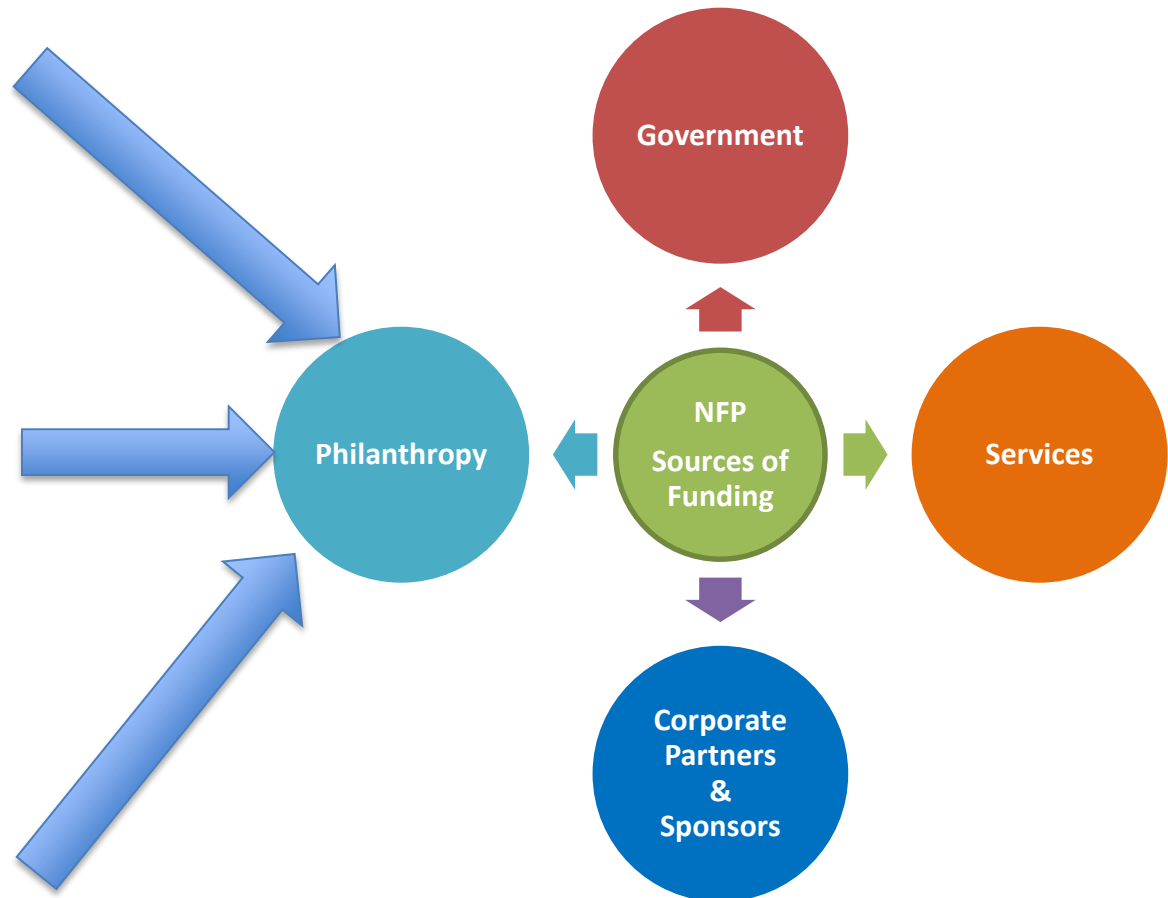
Trusts & Foundations
Corporate Foundations
Private Ancillary Funds (PAFs)
Public Ancillary Funds (PuAFs) including subfunds
Corporate Foundations
High Net Worth Individuals

Impact Investing:

Above & other third parties

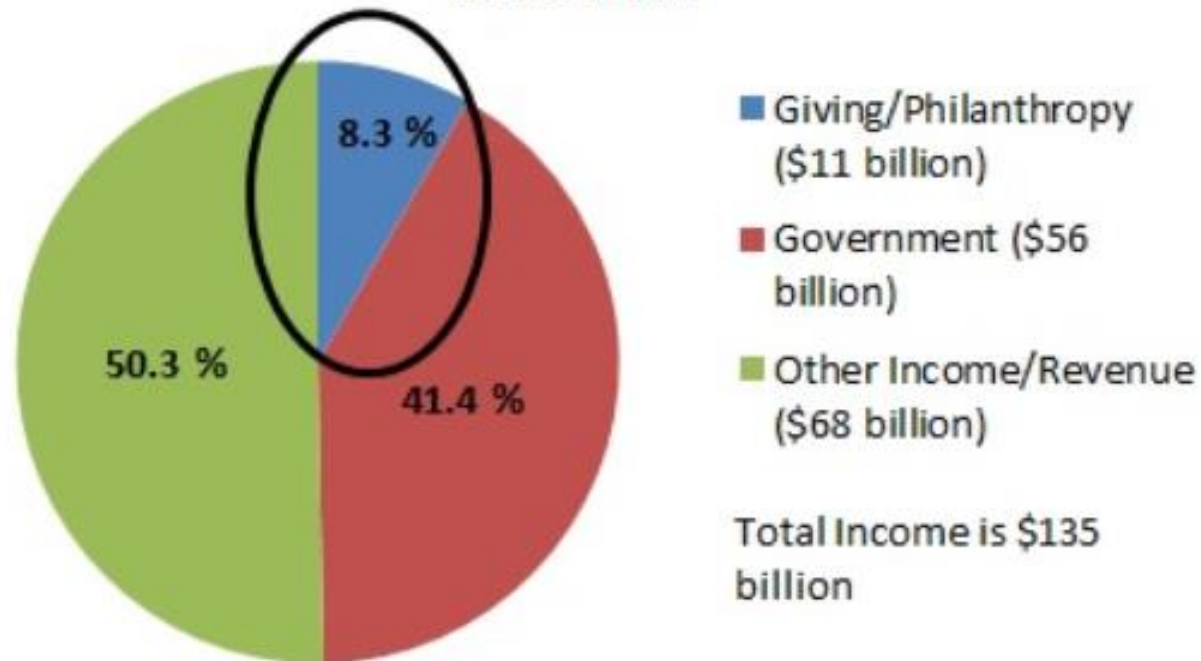
Volunteers:

Skilled base
Operational & services

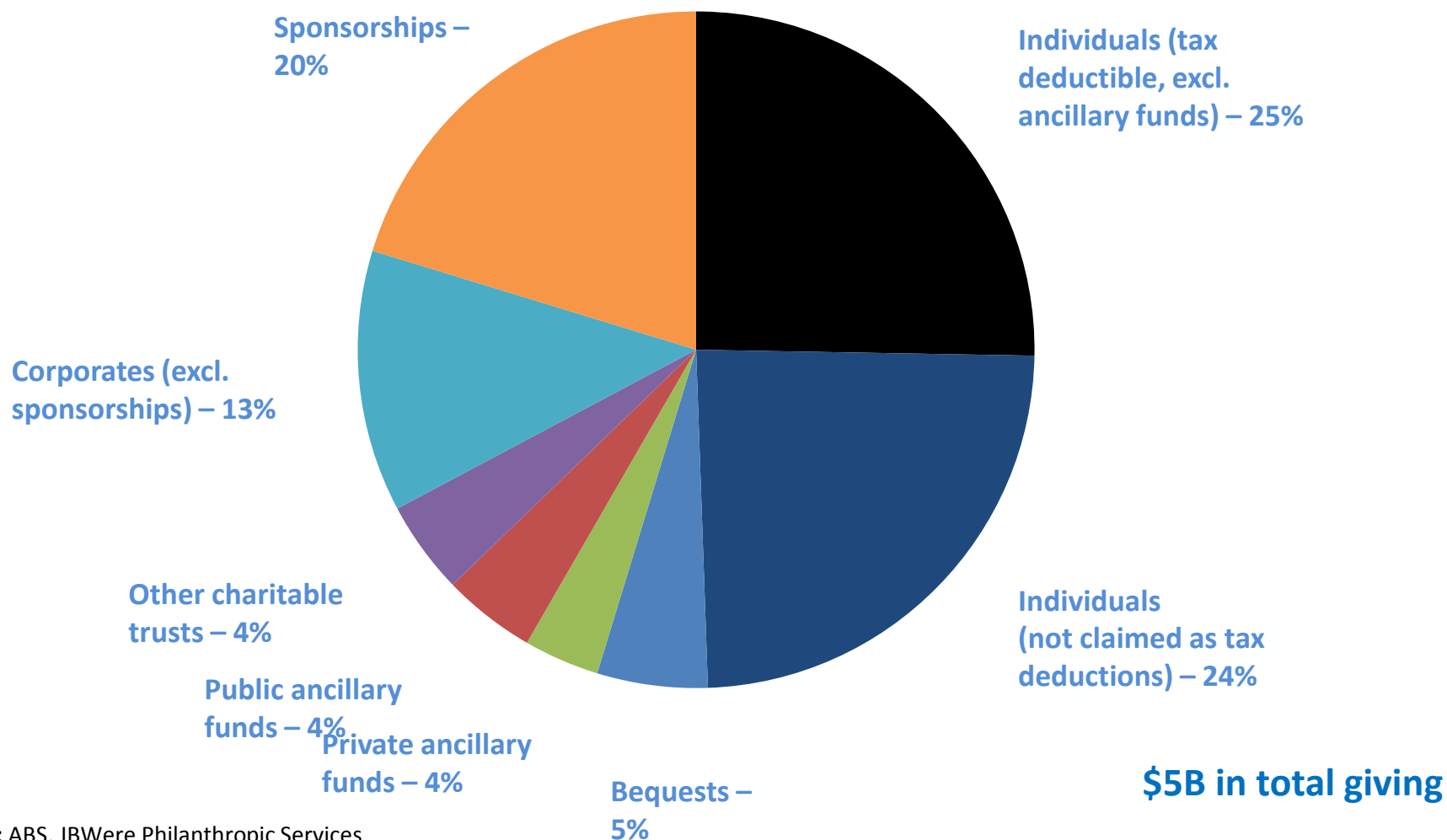


NFP – SOURCES OF FUNDING, Cont.

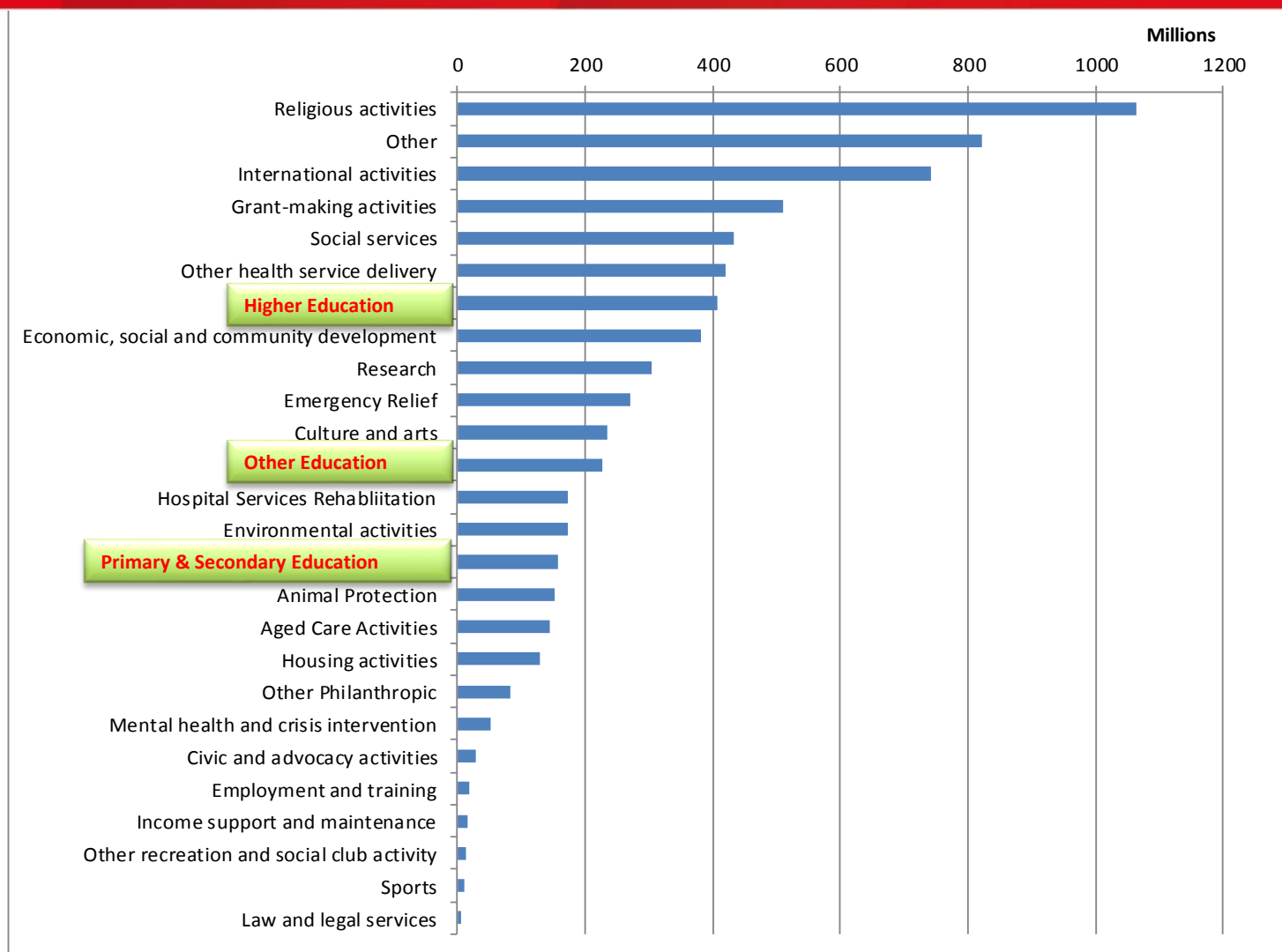
How Do Australian Charities Fund their Activities?



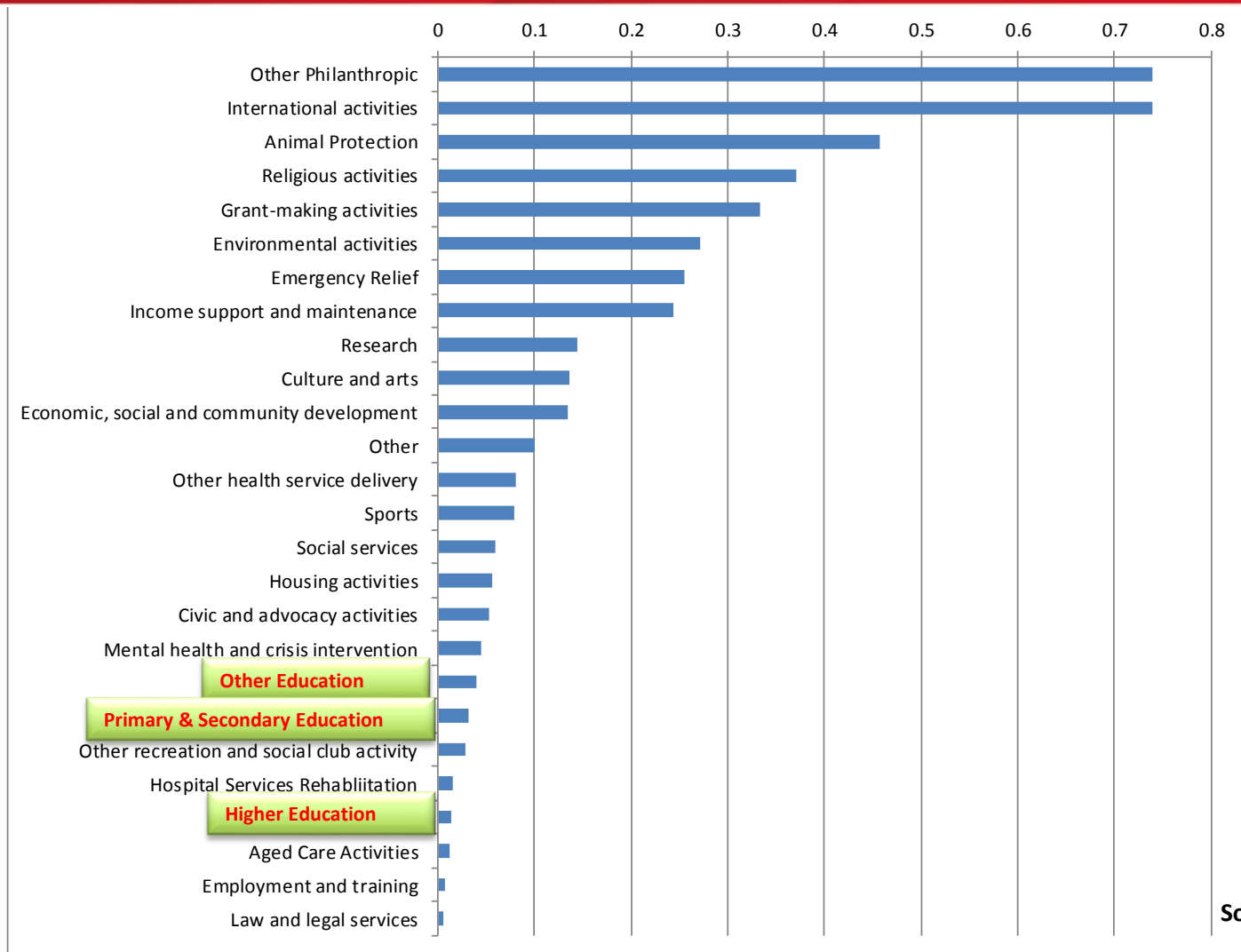
'FOR PURPOSE' GIVING IN AUSTRALIA



NFPs: WHERE DONATIONS/BEQUESTS LAND (\$MS)

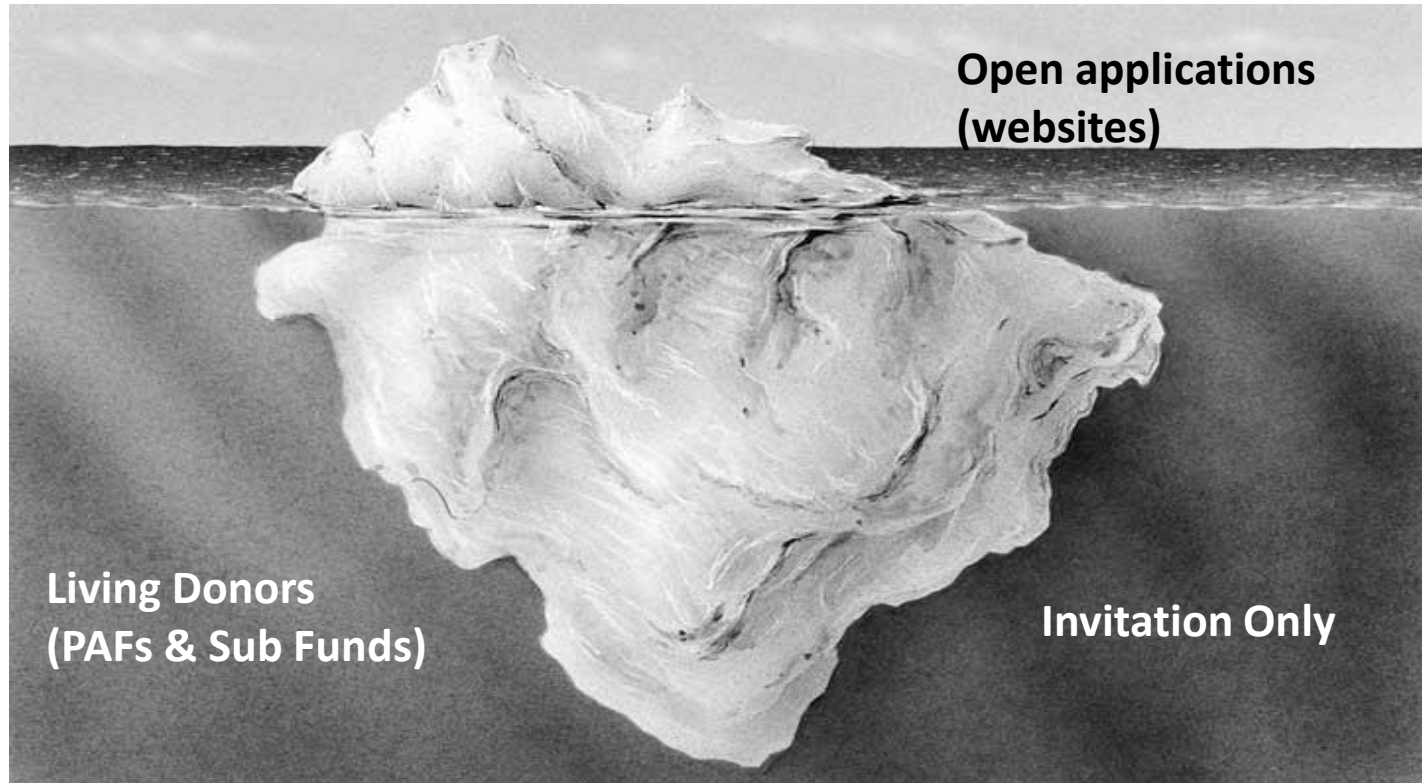


DONATIONS/BEQUESTS: HOW IMPORTANT TO NFPS (% OF TOTAL INCOME)?



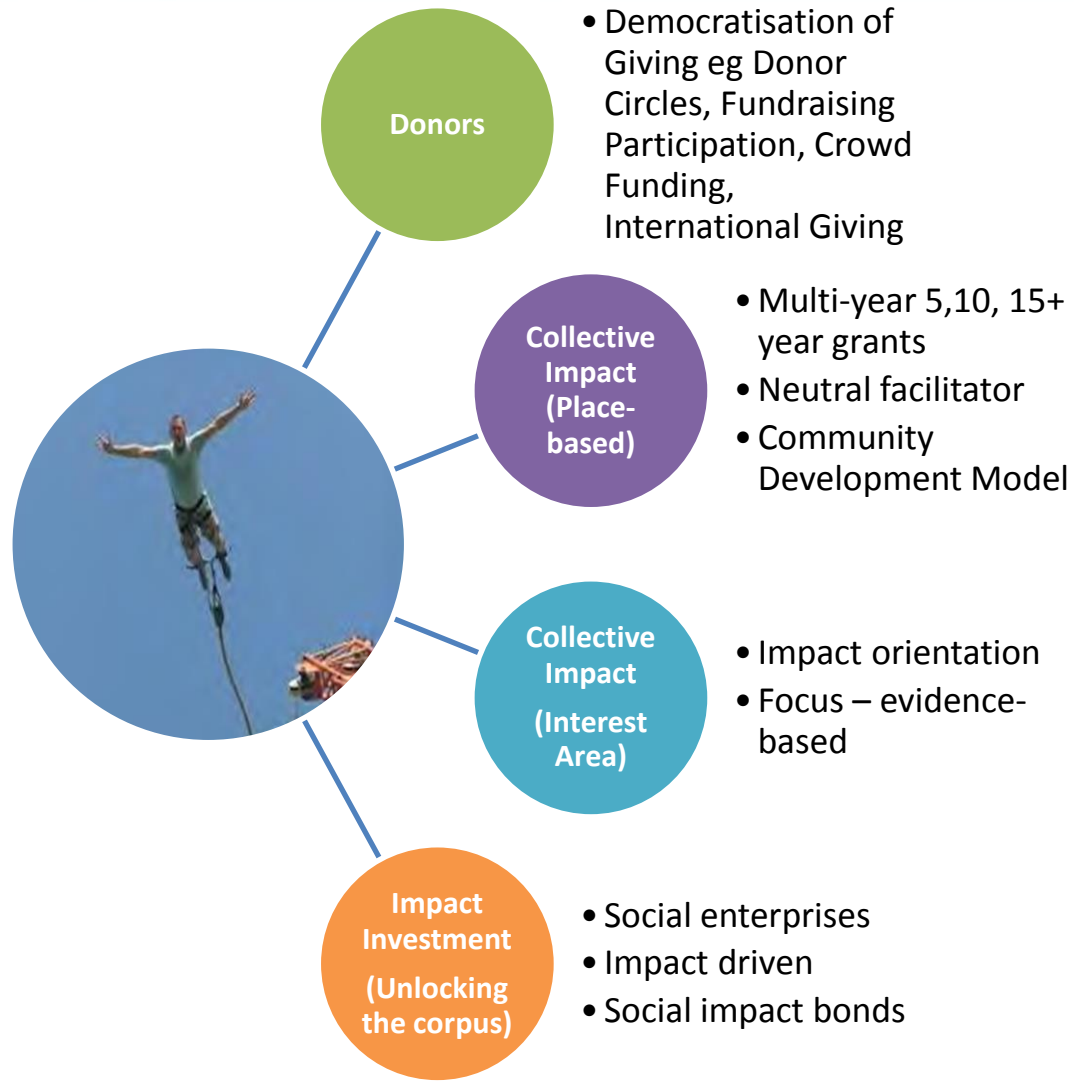
Source: JBWere

PHILANTHROPIC LANDSCAPE



Over 5,000 philanthropic organisations distributing more than \$500M per year

MAJOR PHILANTHROPIC TRENDS



PHILANTHROPIC CONTINUUM



ENGAGING WITH PHILANTHROPY



ENGAGING WITH PHILANTHROPY – TOP 6

1. **Ask questions** – rather than ‘sell’ your organisation or your next project eg ask for their trends in granting, what has been funded previously that may be similar to your organisation/ask, what is the process for selection, do they know other trusts that may fund in your area of interest
2. **Float 2-3 very brief concepts** and gauge their reaction
3. **Invite trusts/foundations** to launches, site visit & knowledge sharing – allow minimum of 2-3 months lead-in time
4. **Offer presentations or visiting speakers** that have a sector-wide interest (non-sell environment) – allow minimum of 2-3 months lead-in time
5. **Leverage** – your organisation’s contacts with trusts/foundations, CEOs, Board Members etc and seek introductions and host briefings and meetings etc
6. **Website** – easy and quick to find the information they need

COMPELLING APPLICATIONS – TOP 8

1. **Tell a clear story** – will it ‘fix’ a gap or a problem or ‘make a difference’ – ‘Elevator Pitch’
2. **Is the Ask unique?** - and not replicable by similar organisations, other geographic locations and not been done before ie are you re-creating the wheel?
3. **Are you the ‘right’ organisation** to lead this project and have the ‘right partners’? eg size, scale, staff, experience, financial sustainability and appropriate organisational governance
4. **Is the Ask appropriate for philanthropy:** eg an ask that cannot be funded by other sources eg Government, sponsorship, own funds, from your own donors etc

COMPELLING APPLICATIONS – TOP 8, Cont.

5. **Does your organisation and the Ask ‘match’ the trust/foundation?** - via published guidelines, style of grants, granting strategies, size of grant, previous grants awarded and after discussion with philanthropic staff
6. **Is it similar to other proposals** – both past and present – has it been done before and if so have any learnings been transferred? ie are you re-creating the wheel?
7. **How will learnings be disseminated** beyond your organisation?
8. **Draft your ask** and seek an independent third party for comment

YOUR WEBSITE – IN 90 SECONDS!

Can a potential funder find the following in 90 seconds:

1. What your organisation does? (Evidence base, theory of change, etc)
2. What impact does your organisation make?
3. How can I support/donate to your organisation?
4. Who is on your Board and their experience?
5. A copy of your latest Annual Report (inc Financials) & Strategic Plan
6. A list of your supporters and partners
7. Your publications and research activities
8. Is your website up-to-date?
9. A contact name to email and/or phone?

DISCUSSION