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Challenging times ahead for charities

Australians have always been seen as nation of generous people. According to the World Giving Index, based on the three criteria of helping a stranger, donating money and volunteering time, Australia is the 7th most generous nation, with an overall score of 55%, the USA was first with 61%.

“Being charitable, is considered to be at the heart of being Australian. It’s all part of our ethos of a fair go, mateship and lending a helping hand,” said Committee for Perth CEO, Marion Fulker.

“When it comes to Perth people and their generosity, between 2007 and 2012 the average amount of money donated by an individual to charities rose by 16.5% to \$556 a year and the average taxpayer donation increased by 27.1% to \$206.

“This ranked Perth as the third most generous metropolitan area in Australia, in terms of the average amount given per person and fourth in terms of per taxpayer donations. These figures might have been higher if there hadn’t been a sharp increase in the cost of living in Perth and the global financial crisis during the same period.

The latest FACTBase research released by the Committee for Perth found that the five most generous areas in Perth were the western suburbs of Peppermint Grove, Cottesloe, Mosman Park, Claremont and Nedlands.

“While such high levels of generosity from people living in Perth’s wealthiest suburbs could be to reduce their overall tax bill, it is very encouraging to see them donating the most,” added Mrs Fulker.

But the warning sign for charities is that between 2007 and 2012, while the median percentage of Perth taxpayers donating to a charity rose by only 2.37%, the median percentage of taxable income given to charities fell by almost 12%.

In Mosman Park, Claremont and Nedlands the proportion of taxable income donated to charities fell by 39.17%, 12.07% and 8.62% respectively.

“That trend was reflected across the board, with people living in 33 out of 40 areas, or more than 82%, of Perth’s local areas donating less of their taxable income to charity. As well as Mosman Park, the other big falls in donations were from people living in Perth, Joondalup south, Armadale and Mundaring.”

“When it comes to the most generous, more than 43% of people living in Serpentine-Jarrahdale donated to charities. The lowest level of donations came from people living in Perth inner at 23.2%.”

The report found that the challenge facing charities is to be more innovative in their fundraising, especially if they rely on government funding to help deliver services.

“Successful fundraising for some charities might rely on making strong personal connections with the community. We’re already seeing a push within the university sector to launch philanthropic campaigns similar to those in America. The University of Western Australia has recently started using crowdsourcing to fund research, encourage people to take part in research or be citizen scientists,” Mrs Fulker added.

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