

Individual Giving in South Africa: A Roundtable Discussion

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Background and Introduction

Throughout their emergence from a fractured past to a contemporary and democratic society, the people of South Africa give to social causes they feel aligned to. According to the first in the *State of Social Giving Series* in 2005, a collaboration between the Centre for Civil Society at the University of KwaZulu Natal, the Southern African Grantmakers Association and the National Development Agency, 93% of South Africans donated either time or money to the tune of approximately R12 billion. The previous year, Adam Habib's 2004 study *A Nation of Givers* revealed that 54% of South Africans collectively gave over R11 billion a year.

According to *The Giving Report*, a survey conducted by BoE Private Clients on the giving practices of high net worth (HNW) individuals in South Africa 93.5% of HNW South Africans donated money, goods or time to social causes in 2010. 53.1% of these individuals gave between R1 and R25,000 with 20% giving between R25,000 and R50,000.

“The capacity of philanthropy to serve as the engine room of social change is critical, with philanthropists not answerable to the market or to voters, but having the capacity to take risk with new concepts, cutting edge ideas and social change”

Shelagh Gastrow, Inyathelo - the South African Institute for Advancement

According to World Giving Index published by the Charities Aid Foundation in 2011, South Africa is ranked 76th among nations of givers. However, countries with lower GDPs than South Africa such as Sierra Leone, Guinea, Kenya, Angola and Malawi all score higher as a country of givers, suggesting that within South Africa there is potential to improve giving, particularly among the middle class.

It is within this context that GIBS in partnership with the Mott Foundation convened a roundtable discussion on individual giving with an overall intention to:

- ❖ Discuss what is currently known about the practices of giving;
- ❖ Unpack the catalysts for giving; and
- ❖ Devise a collaboration or coordination mechanism among the group to drive the culture of giving forward

The meeting was officially opened by Vuyiswa Sidzumo, Regional Director of the Mott Foundation Southern Africa who challenged participants to view individual giving as part of active citizenry. Connecting the action of giving with a vibrant democracy constitutes a social obligation towards a better future. In the context of the global economic crisis and reductions in development assistance, philanthropy or local giving is a viable and alternative way to address some of society's social ills and inequalities. Although South Africans continue to give of their resources and time to various causes, many within the sector suspect that individual giving has not nearly been tapped into fully.



Anecdotal evidence suggests that the Black middle class aspire to give for social causes but are unsure about how to do this, remain distrustful of the vehicles of funding and are often not engaged in a convincing manner. It is also possible that the term philanthropy is alienating and does not resonate with a large portion of the population. It is therefore critical that the concept and action of giving connects with those outside of the non-profit sector. While individual giving is important to sustain initiatives where tangibles (such as soup kitchens and school fees) are evident, communicating the importance of giving to intangibles, such as advocacy processes is equally important.

Meeting expectations

Participants came to meeting wanting to know:

How.....	Why....	If.....
to grow a culture of giving and produce quality data and information about giving	have non-profits stopped asking individuals for donations	individual giving for now or long term
to build on the existing culture of giving and get people to give to agency and intangibles	do some people not give and how we can address these obstacles	individual giving is stunting development
to inculcate a culture of giving among the youth		
to make non-profits more accountability		we understand the full spectrum of giving, volunteerism and why people give
to best harness the power of giving	people give and what they give in order to understand the mindset of the giver	
to make giving more creative and get all of South Africa involved		
to connect people to causes and non-profits and get organisations to embrace this		
to find innovative and cost effective ways to communicate with the public		
to maximise BBBEE with small businesses owned by individuals looking for tax benefits		
to get corporate to understand, embrace giving in the workplace and encourage staff giving		

Facilitator, Colleen Magner, encouraged participants to be aware of the manner in which they talk and listen (or fail to), being mindful of the strong and often natural urge to express strong opinions in lieu of truly listening to another participant. Rather than simply downloading information in order to debate with other participants, the meeting agreed to *dialogue*, which ultimately required participants to suspend their own judgement and assumptions in order to understand another's participants perspective. In this way, delegates could give attention to the stories, trends and even degrees of discomfort they experience, as they aim to see the bigger picture.



What do we currently know about individual giving?

Colleen Du Toit from **Charities Aid Foundation (CAF)** Southern Africa shared information and her insights into the giving sector. There is still a dearth of information on giving in South Africa with much of the information fairly dated. According to the most recent World Giving Index South Africa ranks 108 out of 153 countries in regards to giving. Other sources have suggested that 93% of South Africans engage in some type of giving. The Cape-Town based Inyathelo convenes a private philanthropy circle while the Board of Executives (BoE) manages the donations of high net worth individuals. According to CAF Southern Africa a significant amount of individual giving is done through payroll giving and volunteering although there is currently no concrete data on this. CAF in partnership with the Mott Foundation Southern Africa has contracted Social Surveys to conduct research in this area.

Individual giving remains important in South Africa due to high levels of inequality and high rates of unemployment, particularly when taking into account dwindling international development injections. There is a need for a systematic response to poverty alleviation within a conducive policy environment. While certain pieces of legislation such as the Broad Based Black Economic Empowerment (BBBEE) was designed to create opportunities for previously disadvantaged groups, it has instead created a powerful middle-class and is often used as a bargaining tool for corporates rather than an instrument for addressing social change. Civil society continues to play an integral part of social development in South Africa, often supplementing government assistance and response, particularly at community level. The work of civil society builds social capital and social cohesion as seen in the role it played in the aftermath of the Marikana killings and the Limpopo book crisis.

However, within the giving sector organisations often work in silos. There is a greater need for collaboration and the establishment of think tanks to conduct research on trends within the sector and develop innovative ideas to respond to the current crisis.



Bev Russell from **Social Surveys**, a research organisation based in Johannesburg indicated the organisation is currently conducting a national study to measure and quantify giving in South Africa. Part of the research collates and analyses previous studies on formal giving. The research will begin in Gauteng and Limpopo where large portions of the provincial populations will be sampled.

Among other issues, the research aims to better understand how much people give as well as the catalysts and motivations for giving and volunteering. This is intended to present a clearer and more holistic view of community philanthropy. The research is cognisant that terms such as “charity” and “cause” may not elicit all the information required. Communities may not view giving as a donation or charity but as a necessary contribution to a family or community. Therefore respondents will be able to ascribe their own values to their giving. The research will use the household as the unit of analysis and is aiming to reduce giving to a measurable item. Patterns of giving (including remittances to rural areas) will be analysed in an effort to understand if and how poverty is alleviated through this practice. Volunteerism and the giving of time will also be included in the research.

Faith-based organisations and individual giving

Hoosen Essof, director of the **S.A. National Zakah Fund** shared his experience of giving within a faith-based organisation. Currently individual donations (tithes) account for approximately 70% of the organisation’s income. Individual giving is significant in the Muslim community with over R1billion being donated every year. This amount includes donations within as well as outside of mosques. In addition, it is

Some surprises about individual giving:

- **The continued relevance of traditional forms of fund-raising**
- **The psychology of giving: people who are givers have less anxiety**
- **Spontaneous givers: the challenge remains to convert spontaneous givers to sustained givers**
- **It is relatively easy to rally resources around a social or emotion cause such as the rhino issue. Good marketing and branding is a must in such circumstances**
- **Many individual givers may not want to be known**
- **Giving of time is equally important as giving money**
- **Some individuals who started giving to an organisation decades ago may have never increased their donation. This is positive but should be built on**
- **Young people are givers but need assistance to establish a more effective way to channel their giving**

likely the true depth of giving by members of the Muslim community (particularly to friends and family) will never be known because open declarations are not encouraged. Very little funding flows from the Middle East and a greater proportion flows out of the country rather than in.

The S.A. National Zakah Fund works in close proximity and therefore close competition with other NGOs. It experiences standard organisational challenges in regards to resources, impact, evidence etc. Despite this however, the last 4 years has seen an increase in income with a total income of R70m, R65m and previous R60m in 2011, 2010 and 2009 respectively. However, the organisation is not allowed to save or invest money and therefore all donations must be collected and spent. Despite abandoning large scale communication this year such as their newsletter, donations continued to pour in from the Muslim community.

Is philanthropy transformative? Does it collude with forces that entrench inequality? When we give are we giving for social change or are we supporting the status quo?

Giving under threat: NPO Survey 2012

After evaluating their relevance and comparative advantage in the non-profit sector, and critically reviewing developments in the information technology environment, **Greater Good South Africa** recently decided to re-focus their efforts to advocacy, an area in which they have particular strengths. The organisation now partners with GivenGain, another online facility that facilitates philanthropic interests and boasts greater technological capacity to management of online donations.

With approximately 10,000 job losses in the non-profit sector over the last few years Greater Good currently seeks to engage with government on the critical issue of unemployment. The organisation recently conducted an online survey to quantify job losses in the country. By October 17th 2012, 692 organisations had responded. The results were as follows:

- ❖ 91 indicated they had experienced very little job losses; 226 said they had experienced up to 50%; 120 organisations up to 80% and over 50 organisations had experienced 80% job losses.
- ❖ When asked about their sustainability and ability to cover service related expenses for the future 85 organisations indicated they had no future funding, 142 organisations indicated they had enough to cover one month of expense, while 177 organisation could cover expenses for up to 6 months and only 88 organisations able to cover expenses for more than 6months.
- ❖ 485 organisations (the majority within the youth and children’s sector) reported to have experienced significant funding cuts, primarily from the National Lottery, Corporate Social Investment (CSI) and individuals.

Some opportunities for advocacy on the issue of unemployment and job losses include:

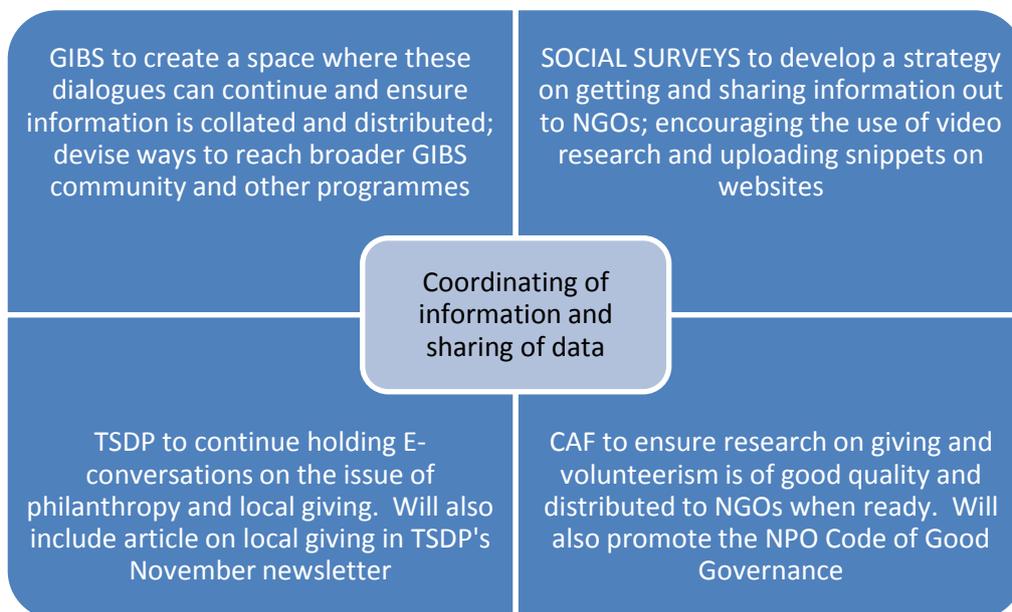
- Proposed changes to the Lottery Act; the new legislation has been gazetted and offers the public an opportunity to give input
- The new proposed BBBEE codes in which businesses will not receive points for collaboration with the non-profit or welfare sector. This can have a potentially devastating impact on the sector. BBBEE clients should be encouraged to give input
- Great Good is hosting a conference on 8th November 2012 in Cape Town to discuss the above issues, the role players, the role of non-profits and the next steps

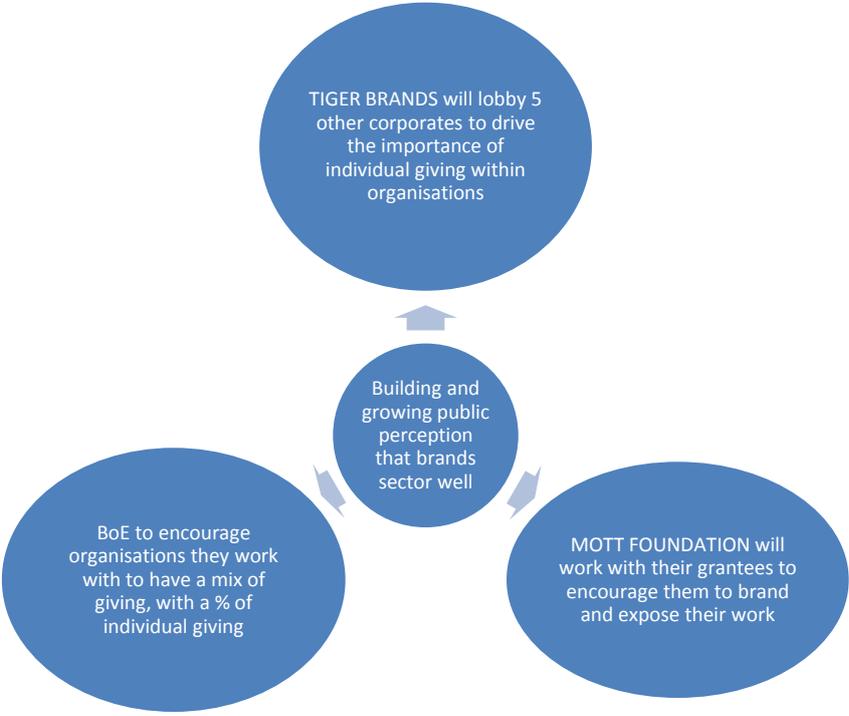
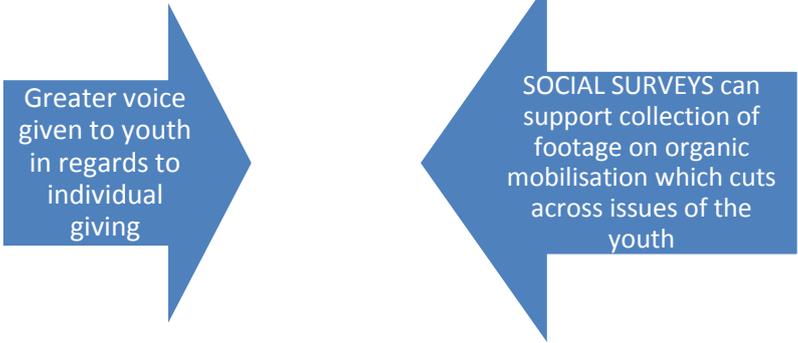
Going forward: possible ideas to explore together

The meeting discussed a number of activities participants could implement individually, organisationally and possibly collectively. They fell into the following five themes:

- Coordination of information and sharing of data
- Greater voice giving to youth in regards to individual giving
- Building and growing public perception that brands sector well
- Working with organic movements and mobilising those in our inner circle
- Creating a more enabling environment; lobbying, accountability and more engagement with government and corporates

Participants indicated areas in which they could contribute to a change in one or more of the five themes.







Working with organic movements and mobilising those in our inner circle



Conclusion

The meeting's deliberations proved to be fruitful and insightful whereby concrete ideas on individual and possibly collaborations interventions were presented. With this meeting the beginning of a long dialogue on individual giving, GIBS, in conversation with the Mott Foundation and the Technical Support and Dialogue Platform, will discuss how to, and who will, take the process forward.

Some key closing messages included:

- ✓ It is important to improve on initiatives already underway while being open to innovative disruptors
- ✓ Organisations often face challenges at board level to move away from dependence on major donors and invest in the capacity to drive individual giving. Convincing an organisation to have a more equal balance of funding and multiple income streams requires some creativity
- ✓ A long term view is required when looking at individual giving as many individuals who feel passionate to a particular cause, upon their deaths, leave their savings to an organisation as part of their legacy

Meeting Agenda and Participant List

AGENDA

Time	Session
<i>8:00 – 8:30</i>	<i>Registration, Tea and Coffee</i>
<i>8:30 – 8:40</i>	Opening remarks
<i>8:40 – 9:15</i>	Introductions and overview
<i>9:15 – 9:30</i>	Agenda for the day
<i>9:30 – 10:00</i>	What do we currently know about individual giving?
<i>10:00 – 10:20</i>	<i>Tea/Coffee</i>
<i>10:20 – 11:00</i>	Group work
<i>11:00 – 11:30</i>	Feedback and clustering
<i>11:30 – 12:00</i>	Discussion on priority areas
<i>12:00 – 12:30</i>	Next steps + Closing
<i>12:30 – 1:30</i>	<i>Lunch</i>

PARTICIPANTS

Ann Bown	Charisma Consulting
Lynette Brady	Direct Marketing Solutions
Penelope Bryce	Cotlands
Dawie Crous	The Giving Organisation
Thierry Delvigne-Jean	UNICEF
Colleen du Toit	Charities Aid Foundation
Hoosen Essof	S.A. National Zakah Fund
Bridget Evans	Greater Capital
Lynne Fišer	BOE
Neville Gabriel	Southern African Trust
Kelvin Glen	Tiger Brands
Brenda Goldswain	Tinassiti
Marisol Gutierrez	UNICEF
Lisa Julien	TSDP
Kerryn Krige	GIBS
Judy Maharaj	TSDP
Francois Peenz	Childhood Cancer Foundation
Colleen Magner	Reos Partners
Bev Russell	Social Surveys
Vuyiswa Sidzumo	C.S. Mott Foundation
Amy Tekié	GIBS
Susan Wilkinson	University of Cape Town