

NAB Charitable Giving Index - July 2012

Despite a softening domestic economy, flat employment growth and persistent consumer cautiousness, charitable giving is growing.

- During the first seven months of 2012, the NAB Charitable Giving Index increased by 4.7% y/y, exceeding inflation and up slightly from 4.6% y/y in the same period of 2011.
- Giving to Other charities (16.1%) experienced the fastest growth in January-July 2012, followed by Medical Research & Services (13.9%), Cancer (8.3%) and Health & Disability (8%). Humanitarian Services (-2%) charities were the only category to record lower donations.
- Humanitarian Services accounted for the lion's share of giving in the year to July with 32% of total donations. Animals & Environment and Cancer had the smallest share at 7% and 8% respectively.
- Average annual donation size per donor increased 0.7% to \$292 in the year to July 2012. Humanitarian services have the largest average donation size (\$354), much higher than Medical Research & Services (\$207) the second biggest recipient. Average giving was lowest for Cancer (\$115) and Health & Disability (\$119).
- By postcode, average charity spend per person in dollar terms was highest in Middle Park (3206) Victoria (\$334). This was also 21% higher than Vale Park (5081) SA (\$276), the second highest. NSW features most prominently in the top 10 suburbs for average giving nationally, with 6 of the top 10 postcodes located there.
- As a proportion of mean taxable income, however, residents from Lakes Entrance (3909) Victoria were the highest donors, giving 0.34% of their income to charity. On average, the top 10 postcodes from ACT (0.21%) donated most income to charity, while Queensland (0.16%), NSW (0.14%) and WA (0.13%) donated the least.

Key Charitable Giving Statistics

	Index (3mma, nsa)			% change y/y (3mma)		
	May-12	Jun-12	Jul-12	May-12	Jun-12	Jul-12
NAB Charitable Giving Index	117.8	125.9	124.5	4.3	5.2	4.0
- Animals & Environment	103.3	114.4	112.4	2.8	2.8	0.5
- Cancer	237.3	198.6	204.3	11.6	-1.2	0.8
- Community Service & Children/Family	162.1	198.4	187.2	1.1	4.8	3.2
- Health & Disability	170.3	171.1	167.4	9.4	5.5	3.5
- Humanitarian Services	80.4	88.0	87.2	-3.5	1.6	-1.3
- Medical Research & Services	118.0	128.3	133.4	12.8	11.4	14.8
- Other	144.0	143.9	142.8	12.2	14.0	12.7

All data is non-seasonally-adjusted (nsa). Data is produced by Quantum and includes donations via credit card, direct debit, BPAY and EFTPOS. Direct transfers into charity bank accounts are not captured (e.g. bequests and cheque donations may not be captured). Nearly 600 charity brands are included in this analysis.

Charity Categories

Categories	Examples of Charities Included
Animals & Environment	RSPCA; Greenpeace; The Wilderness Society
Cancer	Cancer Council Donations; Movember Group; National Breast Cancer Foundation
Community Service & Children/Family	The Salvation Army; St Vincent de Paul; The Smith Family
Health & Disability	Diabetes Australia; Vision Australia; Kidney Health Australia
Humanitarian Services	World Vision; Oxfam; Red Cross
Medical Research & Services	Medecins Sans Frontiers; MS Society; Mater Foundation
Other*	Boystown - Lottery; Surf Life Saving; Everyday Hero

*Other includes charity aggregators, charity lotteries and other charities that do not fit into any of the categories above

For more information contact:

Alan Oster, Chief Economist
(03) 8634 2927 0414 444 652

Analysis

The NAB Charitable Giving Index - which is based on total donations by month relative to a baseline of January 2010 total donations - declined to 104.2 points in July 2012, from 144.7 points in June 2012. This decrease was in line with observed seasonal trends*. In 3-month trend terms, the index fell to 124.5 points, from 125.9 points in June.

Charitable giving is very seasonal with two peak periods identified. June is the main period for charitable giving as donors take advantage of tax concessions as the financial year ends.

The Index also exhibits seasonal activity in November, which reflects the success of campaigns such as "Movember", the Bonus Season and stronger motivation for giving ahead of the Christmas period.

The distribution of donations across charity categories was broadly unchanged over the year to July 2012. Around 32% of all donations were directed to Humanitarian Services, down slightly from 34% in the 12 months to July 2011.

The second biggest recipients were Community Service & Children/Family charities with 15% of total donations (down from 16% one year earlier). In contrast, Other charities increased their market share to 14%, from 13% in January-July 2011.

The share of donations to Medical Research & Services (12%) and Health & Disability (11%) charities were unchanged.

Cancer charities received 8% of donations, but this is compared to broader category groups. Animals & Environment had the smallest share with 7%.

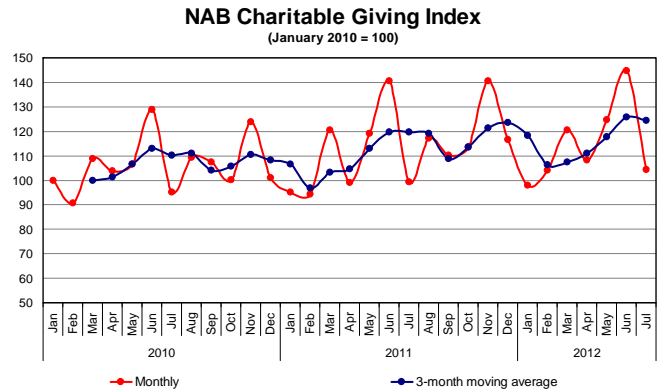
In terms of growth, the NAB Charitable Giving Index fell -28% m/m in July. This follows the observed pattern of large falls in the first month of the new financial year.

In year-on-year terms, the Index rose 5% in July, up from 2.9% y/y in June and 4.2% y/y in July 2011. However, the growth rate in July 2012 was below the series monthly average increase of 6.2% y/y since January 2011.

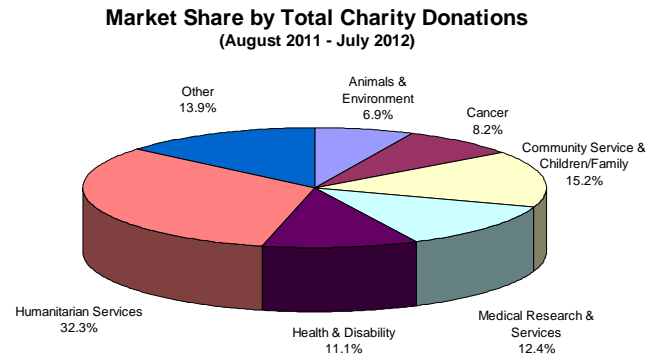
In 3-month average terms, the Giving Index increased by 4% y/y in July, down from 5.2% in June and 8.6% y/y in July 2011.

Growth so far in 2012 is tracking slightly stronger than in the same period last year. In January-July 2012, the Index rose 4.7% (4.6% in January-July 2011), despite a softening domestic economy.

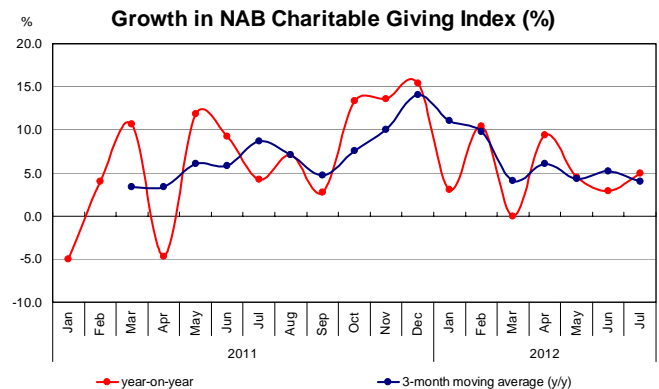
June and November are the peak months for charitable giving



Humanitarian Services account for around one-third of all donations

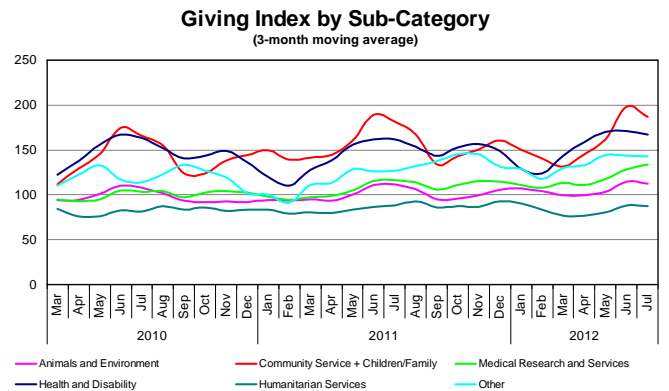
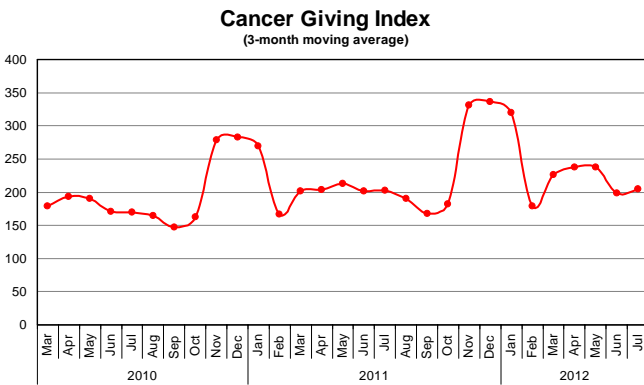
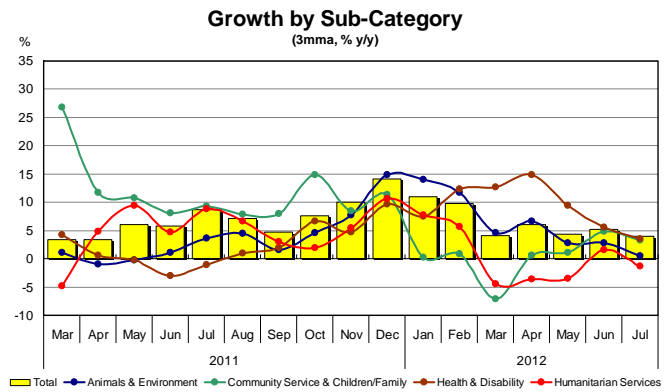
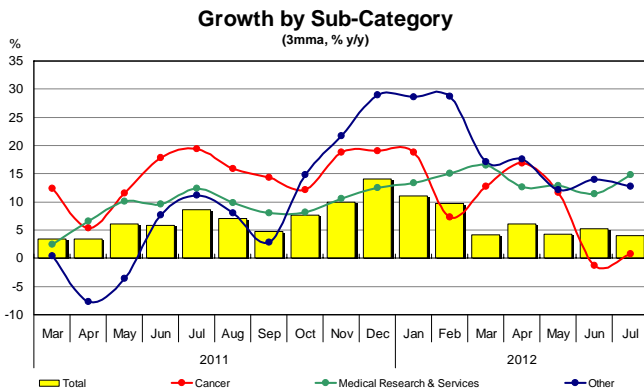


Charitable giving increased by 4% y/y in 3-month average terms in July 2012 and by 4.7% in the first 7 months of 2012



*An adjustment process will be undertaken with sufficient data availability.

Overall giving masks very divergent trends in the charity sub-categories. Medical Research & Services and Other charities were the fastest growing sub-sectors in the 3-months to July. Humanitarian Services and Animals & Environment the slowest.



Giving to Medical Research & Services charities experienced the fastest growth in the 3 months to July, rising 14.8% y/y (11.4% y/y in the 3 months to June and 12.3% y/y in same period of 2011). Giving to Other charities also rose 12.7% y/y in July, from 14% y/y in June but up from 11.2% y/y in July 2011.

Health & Disability giving slowed to 3.5% y/y in July, from 5.5% y/y in June, but reversed a -1% y/y slide in July 2011. Giving to Community Service & Children/Family charities also slowed to 3.2% y/y in July, from 4.8% y/y in June and 9.3% y/y in July 2011. Giving to both these charity sub-categories tends to be highly seasonal, with large index spikes noted in June.

Donations to Animals & Environment charities showed a marginal rise of 0.5% y/y in July 2012, down from 2.8% y/y in June and below the 3.6% y/y increase seen in the same period last year. Giving to Humanitarian Services charities fell -1.3% y/y in July after rising by 1.6% y/y in June and 8.8% y/y in July 2011 to be the weakest sub-category for giving growth. It is however noted that both indices exhibit the lowest variance around the mean indicating that giving to Animals & Environment and Humanitarian Services charities are also the least volatile among the charity sub-categories (see chart above).

Giving to Cancer charities grew by 0.8% y/y in the 3 months to July 2012, reversing a -1.2% y/y fall in June, but well down on the 19.5% y/y increase in giving in the 3 months to July 2011. However, as can be clearly seen in the chart above, giving to Cancer charities is the most volatile of all the sub-categories, with especially strong growth recorded towards the end of the year.

In the first 7 months of 2012, average giving to Other charities grew 16.1% (1.3% one year earlier). Medical Research & Services grew 13.9% (6.9% one year earlier). Giving to Cancer rose 8.3% (down from 14.9%), while Health & Disability giving increased by 8%, after falling -0.6% in the same period last year. Animals & Environment rose 3.5%, with Community Service & Children/Family up 0.1%. In contrast, giving to Humanitarian Services contracted by -2%, after rising 1.6% last year.

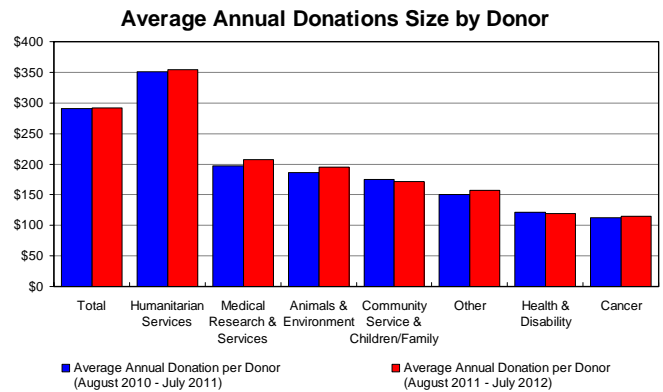
The average annual donation size for all charities was \$292 per donor in the year to July 2012, a marginal increase from \$290 one year earlier.

Humanitarian Services have the largest average donation size of \$354, or 71% higher than for Medical Research & Services (\$207), the second biggest recipient.

Average donation size was smallest for Cancer (\$115) and Health & Disability (\$119) charities at around one-third the average donation size for Humanitarian Services and 60% of average donation size for Animals & Environment.

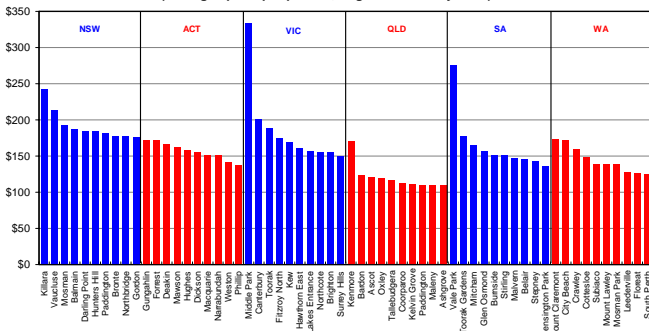
In terms of growth, average giving over the year to July was fastest for Medical Research & Services (5.1%), Animals & Environment (5%) and Other (4.5%) and weakest for Health & Disability (-2%) and Community Service & Children/Family (-1.6%).

Humanitarian Services have the largest average donation size. Cancer and Health & Disability charities have the smallest.

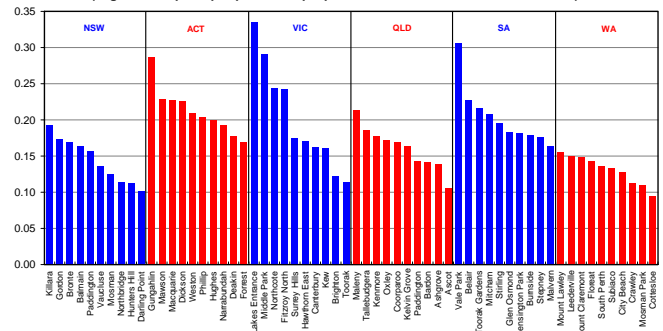


In dollar terms, average donations per person by postcode are highest in Middle Park (3206) Victoria. Lakes Entrance (3909) Victoria donates the biggest proportion of income.

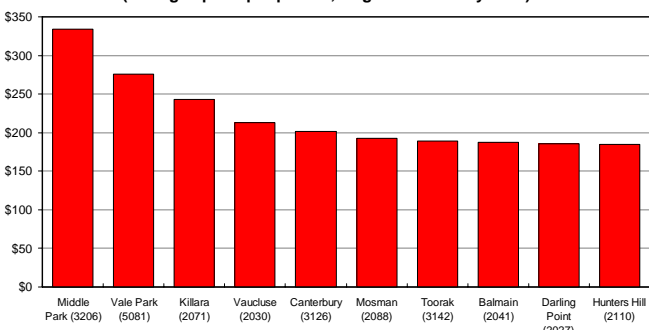
Top 10 Postcodes for Charitable Giving by State
(average spend per person, August 2011 - July 2011)



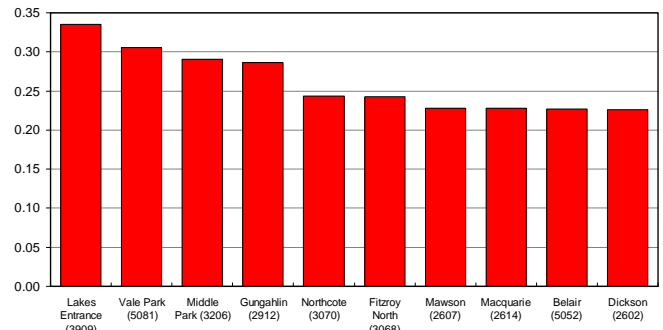
Top 10 Postcodes for Charitable Giving by State
(avg annual spend per person as proportion of 2009-10 mean taxable income)



Top 10 National Postcodes for Charitable Giving
(average spend per person, August 2011 - July 2012)



Top 10 Postcodes for Charitable Giving
(avg annual spend per person as a proportion of 2009-10 mean taxable income)



Average charitable giving in the top 10 state postcodes was \$161 in the year to July 2012. By individual postcode, charity spend per person was highest in Middle Park (3206) Victoria, with an average give of \$334 per person. This was around 21% higher than the second best postcode of Vale Park (5081) in SA, which had an average spend of \$276, and 76% higher than the 10th ranked postcode of Hunters Hill (2110) NSW with an average charity spend of \$185.

In dollar terms, NSW features prominently in the top 10 postcodes for giving, with 6 of the top 10 postcodes located in that state. Average giving from the 10 highest postcodes in NSW was also the highest in the country at \$192 per person in the year to July 2012, ahead of the Victorian top 10 average of \$185 and SA (\$165). Residents from the top 10 postcodes in Queensland (\$121) and WA (\$145) on average donated smaller amounts than the other states.

However, a different picture of giving emerges when we overlay 2009-10 Australian Taxation Office mean taxable income data over the top 10 state postcodes to identify those postcodes that donate the biggest proportion of their annual income to charity.

Using this measure, residents from Lakes Entrance (3909) Victoria were the highest donors, giving on average 0.34% of their mean 2009-10 taxable income to charity.

Vale Park (5081) SA and Middle Park (3206) Victoria are the only two postcodes represented in the top 10 postcodes for giving in both dollar amounts and as a proportion of mean taxable income.

NSW fares much worse on this measure with no postcodes represented in the national top 10 and only one represented in the top 20 (Killara 2071), despite NSW having 9 suburbs in the top 20 postcodes nationally for mean taxable income.

On average, the top 10 postcodes from the ACT donated 0.21% of their mean 2009-10 taxable income to charity in the year to July 2012, marginally ahead of SA (0.20%) and Victoria (0.20%), but significantly higher than the average donated in Queensland (0.16%), NSW (0.14%) and WA (0.13%).

Global Markets Research

Peter Jolly
Global Head of Research
+61 2 9237 1406

Australia

Economics

Rob Henderson
Chief Economist, Markets
+61 2 9237 1836

Spiros Papadopoulos
Senior Economist
+61 3 8641 0978

David de Garis
Senior Economist
+61 3 8641 3045

FX Strategy

Ray Attrill
Global Co-Head of FX Strategy
+61 2 9237 1848

Emma Lawson
Senior Currency Strategist
+61 2 9237 8154

Interest Rate Strategy

Skye Masters
Head of Interest Rate Strategy
+61 2 9295 1196

Rodrigo Catril
Interest Rate Strategist
+61 2 9293 7109

Credit Research

Michael Bush
Head of Credit Research
+61 3 8641 0575

Ken Hanton
Senior Credit Analyst
+61 2 9237 1405

Equities

Peter Cashmore
Senior Real Estate Equity Analyst
+61 2 9237 8156

Jenny Khamphet
Senior Real Estate Equity Analyst
+61 2 9237 9538

New Zealand

Stephen Toplis
Head of Research, NZ
+64 4 474 6905

Craig Ebert
Senior Economist
+64 4 474 6799

Doug Steel
Markets Economist
+64 4 474 6923

Mike Jones
Currency Strategist
+64 4 924 7652

Kymerly Martin
Strategist
+64 4 924 7654

UK/Europe

Nick Parsons
Head of Research, UK/Europe,
and Global Co-Head of FX Strategy
+ 44 207 710 2993

Gavin Friend
Markets Strategist
+44 207 710 2155

Tom Vosa
Head of Market Economics
+44 207 710 1573

Simon Ballard
Senior Credit Strategist
+44 207 710 2917

Derek Allassani
Research Production Manager
+44 207 710 1532

Group Economics

Alan Oster
Group Chief Economist
+61 3 8634 2927

Tom Taylor
Head of Economics, International
+61 3 8634 1883

Rob Brooker
Head of Australian Economics
+61 3 8634 1663

Alexandra Knight
Economist – Australia
+(61 3) 9208 8035

Michael Creed
Economist – Agribusiness
+(61 3) 8634 3470

Dean Pearson
Head of Industry Analysis
+(61 3) 8634 2331

Robert De lure
Senior Economist – Property
+(61 3) 8634 4611

Brien McDonald
Economist – Industry Analysis
+(61 3) 8634 3837

Gerard Burg
Economist – Industry Analysis
+(61 3) 8634 2778

John Sharma
Economist – Sovereign Risk
+(61 3) 8634 4514

James Glenn
Economist – Asia
+(61 3) 9208 8129

Tony Kelly
Economist – International
+(61 3) 9208 5049

Important Notice

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances. NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it.

Please click [here](#) to view our disclaimers and terms of use.