



NAB Charitable Giving Index

Indepth report – February 2014

Chart 1: NAB Charitable Giving Index

(January 2010 = 100, annual average)

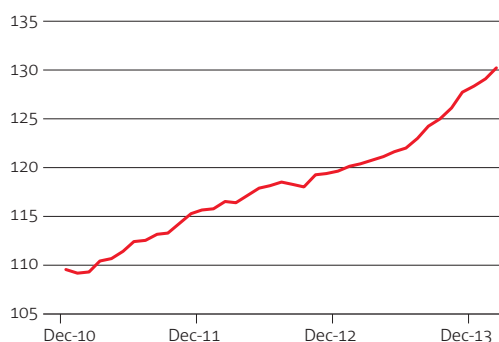


Chart 2: Growth in NAB Charitable Giving Index (percentage change year-on-year)

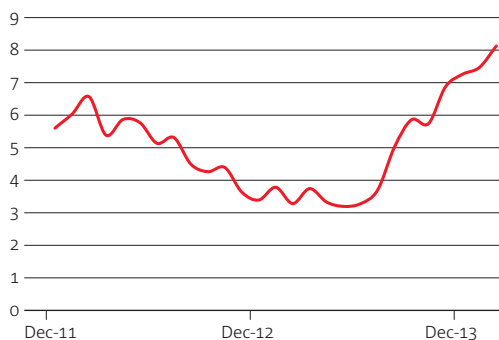


Table 1. Charity Categories

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	Médecins Sans Frontières; Heart Research Institute; 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.

■ Welcome to the fourth edition of the NAB Charitable Giving Index.

Giving to charity manifests itself in many ways. Donations are made by young and old people and directed to many different causes. It may range from giving loose change to non-cash methods such as direct debits and cards. The NAB Charitable Giving Index attempts to break down some of this complexity by analysing credit card, debit card, direct debit, BPAY and EFTPOS donations to provide a snapshot of giving across the country.

The generosity of Australians should be applauded. We are giving more to charity in spite of below trend economic growth, rising joblessness and elevated anxiety around the cost of living. Indeed, charitable giving grew by more than 8% in the year to February 2014, a substantial improvement on the 3.3% rate of growth seen in the previous year. Overall, charitable giving has grown by almost 19% since December 2010.

Donations grew faster across most age groups (but especially among older donors) and in both metropolitan and regional areas, with the average annual donation per donor typically also increasing with age.

The average annual donation size for all charities increased by \$13 over the past year to \$315 per donor, with average annual donations higher in all charity sub-sectors.

Humanitarian Services charities continue dominate the market, attracting around 33% of all donations.

The data also highlights very divergent giving patterns by postcode when compared in both dollar terms and as a share of incomes. Donors from higher income postcodes typically donate the most in dollar terms but do not donate the most relative to their incomes. Once again, the ACT stands out as most generous.

I hope that the insights provided in this report help you to gain better understanding of some of the key developments in charitable giving over the past year.

– Alan Oster, Group Chief Economist, NAB

■ The not-for-profit sector plays a vital role in helping to shape opportunities for our communities in Australia and overseas. In producing the NAB Charitable Giving Index we hope to support these efforts by providing invaluable insights to help the community sector succeed and prosper. Not only does the Index help our community partners and not for profit customers understand their own audiences and identify potential opportunities, it also allows them to focus on their core activities. It is encouraging to see charitable giving in Australia continue to grow and thrive. We are committed to continuing our support of this vital sector and will release another NAB Charitable Giving Index in six months.

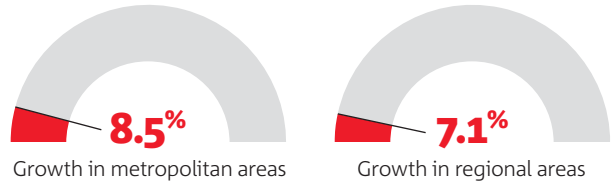
– Paula Benson, General Manager – Corporate Responsibility, NAB

At a glance

Growth in charitable giving % change (annual)

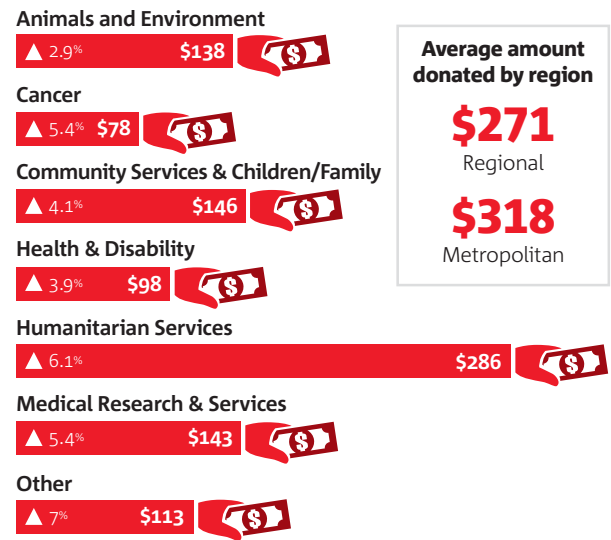


Growth by location (February 2014 yoy)



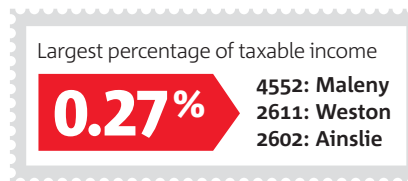
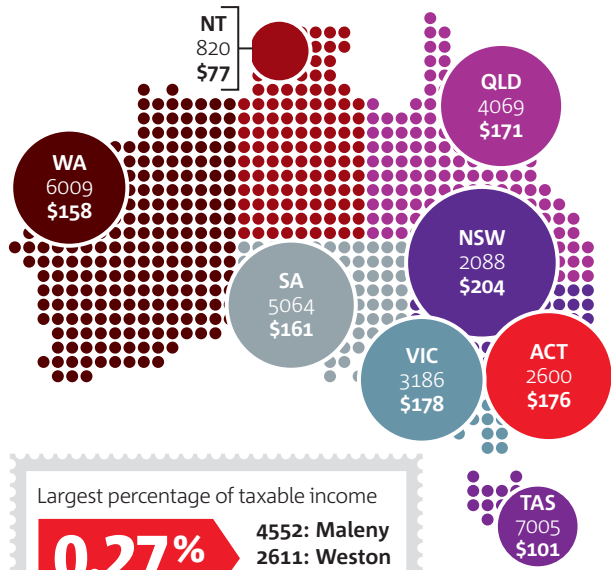
Amount donated to each category

Average donated per donor, Mar 2013 - Feb 2014



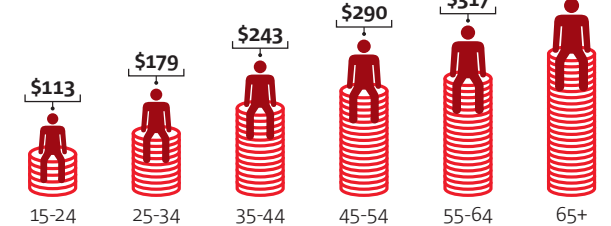
Top postcodes for charitable giving by state

Average donated per person, Jan 2013 - Feb 2014



Average annual donation by age

12 months to Feb 2014



Market share of total charity donations (%)

■ Mar 2013 - Feb 2014 ■ Mar 2012 - Feb 2013

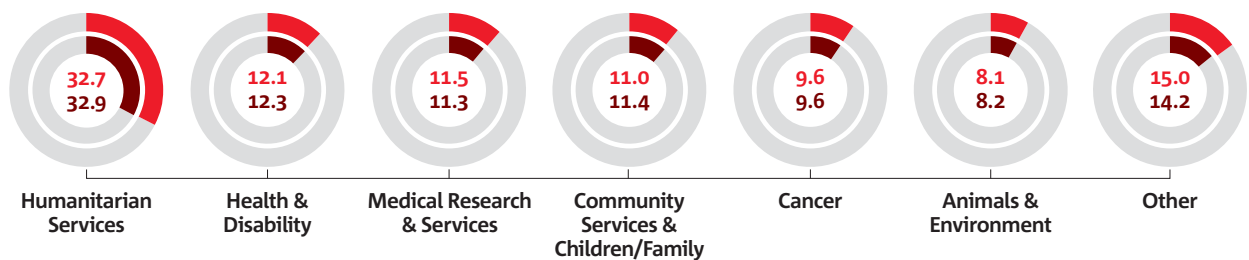


Table 2. Key Charitable Giving Statistics

	Index (annual average)			% change (annual)		
	Feb-2013	Jan-2014	Feb-2014	Feb-2013	Jan-2014	Feb-2014
NAB Charitable Giving Index	120.3	129.0	130.1	3.3	7.5	8.1
Animals & Environment	112.9	119.6	120.3	6.8	6.2	6.5
Cancer	253.9	272.6	257.7	7.6	7.6	8.6
Community Services & Children/Family	165.1	171.2	171.9	1.3	3.4	4.1
Health & Disability	180.6	187.8	192.3	10.7	5.5	6.5
Humanitarian Services	85.3	91.1	91.4	-5.0	6.5	7.2
Medical Research & Services	122.0	132.9	134.1	9.9	10.0	9.9
Other	136.0	154.6	155.5	10.2	13.6	14.3

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.

Australians are giving more to charity in spite of below trend economic growth, rising joblessness and elevated anxiety around the cost of living.

The NAB Charitable Giving Index reached a high of 130.1 points (annual average terms) in February 2014, up from 129.0 points in the previous month and 120.3 points in the same period last year.

In terms of growth, charitable giving increased by 8.1% in February, representing a substantial improvement on the 3.3% rate of growth seen February 2013. Overall, charitable giving has grown by almost 19% since December 2010.

The February Charitable Giving Report contains data enhancements which have resulted in some revisions to previously published data (see changes to the data on page 9 for further details). Overall, the aggregated data captures just over 70% of tax deductible donations reported through the Australian Tax Office in 2010/11.

Donations growth accelerated across most age groups over the past year, especially among older donors.

In the 65+ group, donations increased by 10.8% in the year to February 2014 or more than double the rate seen one year earlier (chart 3). In the 55-64 age group, donations also increased by 10.6%, compared to a 3% rise in the year to February 2013.

Big improvements were also noted in the 45-54 age group (6.8% from 2.8% one year earlier), the 35-44 age group (5.9% from 1.5%) and the 25-34 age group (5.4% from 2.8%). In the 15-24 group, giving was up a healthy 6.2% (although down from 10% a year earlier).

Chart 3: Growth in Charitable Giving Index by age group (percentage change year-on-year)

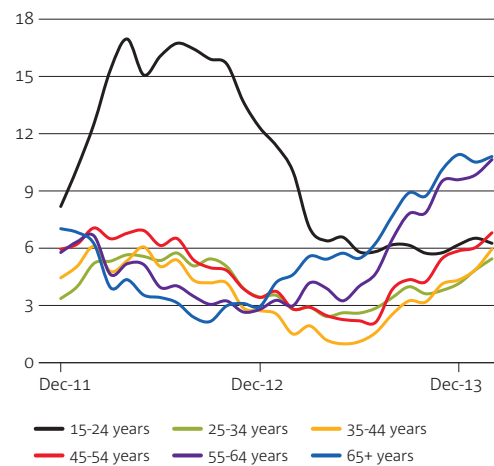


Chart 4: Growth in market share by metro/regional (percentage change year-on-year)

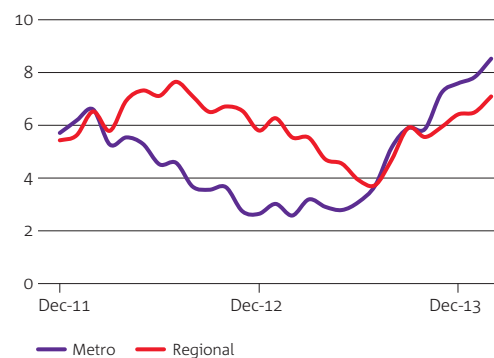
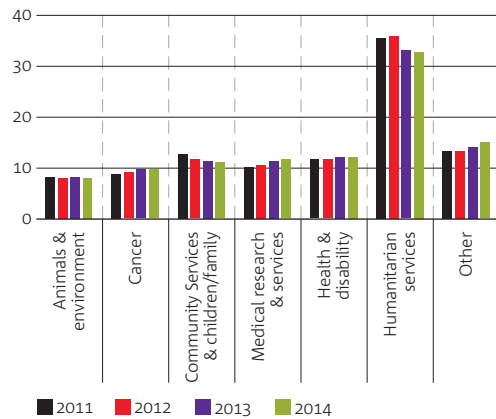


Chart 5: Market share of total charity donations (12 months to February)



In terms of location, charitable giving grew faster in both metropolitan and regional areas (chart 4). Donations in metropolitan areas grew 8.5% in February, while giving from regional areas increased by 7.1%. Donations growth from metropolitan areas has been outpacing that from regional areas since mid-2013, reversing the trend seen since early-2012.

Humanitarian Services charities continue to attract the biggest share of donations

Humanitarian Services attracted 32.7% of all donations in February 2014. However, market share has fallen from a high of around 36% in 2012 (chart 5).

There has also been a decline in the share of giving to Community Services & Children/Family charities. Market share stood at 11% in February 2014, down from 12.6% in the year to February 2011.

In contrast, the share of donations to Other and Medical Research & Services charities has grown fastest, reaching 15% and 11.5% respectively in February 2014.

The share of giving has also risen for Cancer charities (9.6%), but was broadly unchanged for Animals & Environment (8.1%) and Health & Disability (12.1%).

Humanitarian Services charities also attracted the biggest share of total donations from all age groups in the year to February 2014, ranging from 37.1% in the 15-24 year-old age group to 25.6% in the 65+ age group (chart 6).

Donations to Other charities accounted for the next biggest share of giving in all groups except for those aged 15-24.

Instead, younger donors allocated a much bigger share of their giving to Animals & Environment charities. In the year to February 2014, donors aged 15-24 gave 13.2% of their total donations to this cause, while those aged 55-64 and 65+ gave the least (7.6%).

Those aged 65+ gave a bigger share to Health & Disability (17.2%), Medical Research & Services (14.3%) and Community Services & Children/Family charities (13.3%).

By region, those living in metropolitan areas gave a bigger share of their total charity spend to Humanitarian Services (33.1%), Community Services & Children/Family (11.8%) and Animals & Environment charities (8.3%) than those living in regional areas (chart 7).

In contrast, those living in regional areas allocated a bigger share of their total donations to Other (16.4%), Medical Research & Services (13.7%), Health & Disability (12.6%) and Cancer charities (10%).

Chart 6: Market Share of total charity donations by age band (12 months to February)

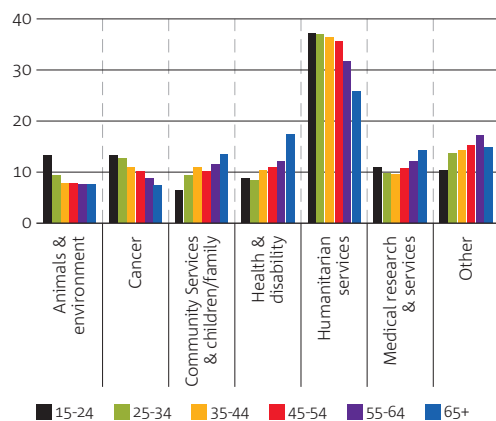
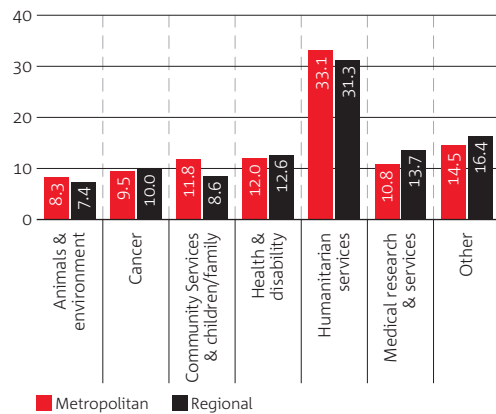


Chart 7: Market share of total charity donations by metro/regional (% 12 months to February 2014)



Other charities experienced fastest growth in giving over the past year

Other charities (14.3%) experienced the fastest growth in giving in the year to February 2014 (chart 8). Above average growth was also reported for Medical Research & Services (9.9%) and Cancer (8.6%) charities.

Giving to Humanitarian Services charities grew by 7.2% in February 2014, reversing a long period of decline through late-2010 and much of 2013. This is likely to have reflected higher incidences of disasters in 2013, such as Typhoon Haiyan in the Philippines and the deepening refugee crisis in Syria.

Community Services & Children/Family (4.1%) charities were the slowest growing sector in February 2014, although this was an improvement on the 1.3% growth rate seen in the year to February 2013.

In contrast, giving to Health & Disability charities slowed to 6.5% from 10.7% in the year to February 2013.

There is considerable volatility among the charity sub-categories suggesting opportunities and risks for “churn” by market share.

Charts 9A and 9B show annualised rates of charitable giving growth across all charity categories by age band in the 12 months to February 2014 compared to the 12 months to February 2013.

What is most apparent is that there is considerable volatility among the charity sub-categories. This suggests there are risks and opportunities for “churn” by category.

That said, the fastest rate of growth across all charity segments continues to be recorded in the Health & Disability sector, where giving by 15-24 year olds increased by almost 34% in the year to February 2014, up from 32% in February 2013.

Also notable was the resumption of positive growth in giving to Humanitarian Services charities in all age groups, especially in the 65+ (14.9%) and 55-64 (10.5%) age groups, and the pullback in giving to Community Services & Children/Family charities in all age groups between 15-34.

Chart 8: Growth by Category

(percentage change year-on-year)

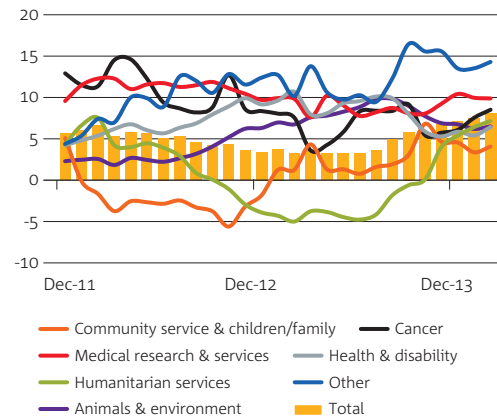


Chart 9A: Growth by category by age

(annual percentage change)

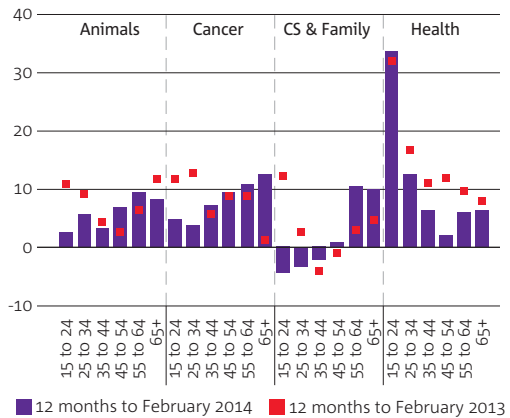


Chart 9B: Growth by category by age

(annual percentage change)

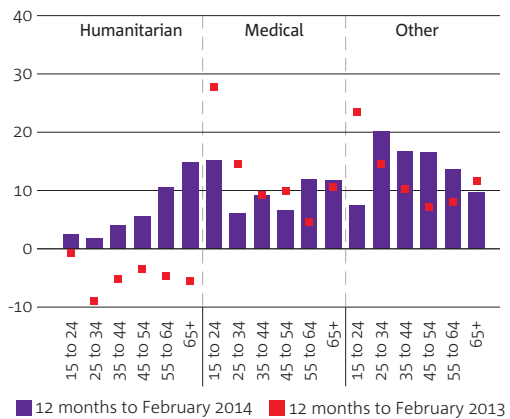
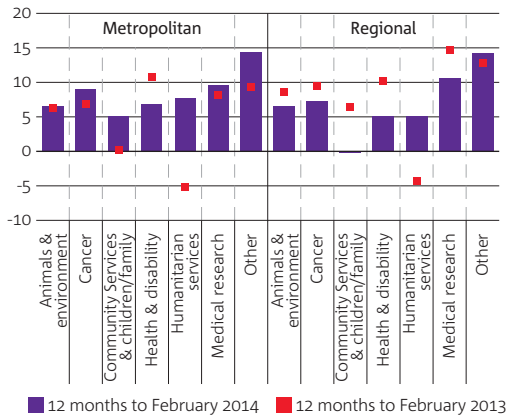


Chart 10: Growth by category by metro/regional (annual percentage change)



The metropolitan/regional split also shows some volatility between charity sub-categories.

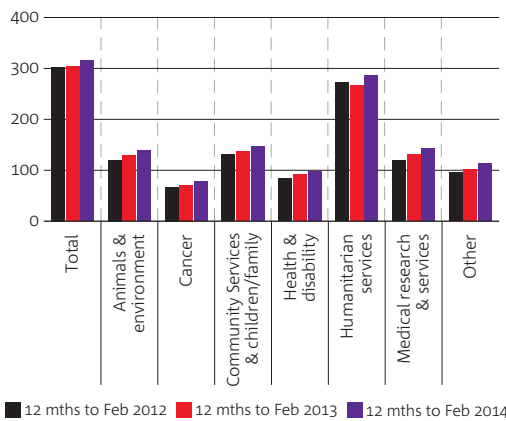
In the year to February 2014, donations growth was fastest to Other charities in both metropolitan (14.4%) and regional (14.2%) areas (chart 10).

There was also a notable turnaround in giving to Humanitarian Services charities in both metropolitan and regional areas.

Giving to Animals & Environment (6.6%), Cancer (9%), Community Services & Children/Family (5.1%), Medical Research & Services (9.7%) also accelerated in metropolitan areas, but giving to Health & Disability (6.9%) charities slowed.

In contrast, slower growth in giving was noted for Animals & Environment (6.5%), Cancer (7.3%), Community Services & Children/Family (-0.1%), Health & Disability (5.1%) Medical Research & Services (10.6%) charities in regional areas.

Chart 11: Average annual donation per donor (\$A)



Humanitarian Services charities enjoy the biggest average annual donation size

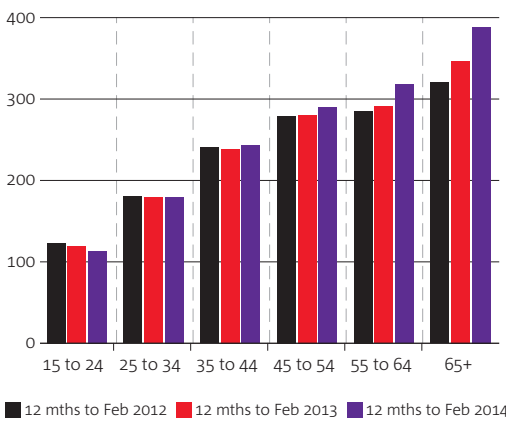
The average annual donation size for all charities increased to \$315 per donor in the 12 months to February 2014, up \$13 from \$302 in the 12 months to February 2012 and 2013 (chart 11).

Humanitarian Services charities enjoy the biggest average annual donation size at \$286, or \$20 higher than in 12 months to February 2013.

Average annual donation size to Humanitarian Services charities was \$140 higher than for Community Service & Children/Family charities (\$146 per donor) and \$143 higher than for Medical Research & Services charities (\$143 per donor), the next biggest recipients.

Cancer (\$78 per donor) and Health & Disability (\$98 per donor) had the smallest average annual donation size per donor. In both instances, however, average annual donation size increased by \$7 relative to the previous year.

Chart 12: Average annual donation per donor by age band (\$A)



Total average annual donation size per donor increases with age.

In the year to February 2014, the average annual donation in the 15-24 age group was \$113, compared with \$388 in the 65+ group (chart 12). It is also notable that donation size has risen most in the 55-64 and 65+ age groups over the past year, but has fallen in the 15-24 group.

This relationship makes sense. Younger people typically have much lower disposable income than older people and face more uncertain employment prospects, with youth unemployment clearly rising since our last update.

In contrast, older donors tend to be more financially secure and more likely to recognise the relationship between giving and their overall wellbeing. In addition, older households tend to allocate less of their spending to durable goods than younger households, maybe because they have already accumulated such goods over their lifetime.

Younger households spend more on discretionary services (e.g. travel, hotels, restaurants), but older households tend to spend less on goods and more on services including charity. This augers well for the charitable sector, particularly as the population ages.

By region, the overall average annual donation size per donor in metropolitan areas (\$318) was bigger than in regional areas (\$271) (chart 13). This trend is possibly explained by higher average incomes in metropolitan areas when compared to regional areas of Australia.

Donations also increase with age in all sectors.

In the year to February 2014, the average annual donation for those aged 65+ was 1.6 times bigger than that from 15-24 year olds for Animals & Environment, 1.9 times for Cancer, 2.6 times for Community Services & Children/Family, 2.4 times for Health & Disability, 2.5 times for Humanitarian Services, 1.7 times for Medical Research & Services and 3.4 times for Other (charts 14A and 14B).

By regional split, the data also shows that annual donation size was bigger for metropolitan donors in all sectors bar Medical Research & Services and Other charities (charts 15A and 15B). The biggest difference was in Community Services & Children Family, where the average metropolitan annual donation was 34% bigger than from regional areas. However, average annual give to Other charities was almost 10% bigger in regional areas.

Chart 13: Average annual donation per donor by region (\$A)

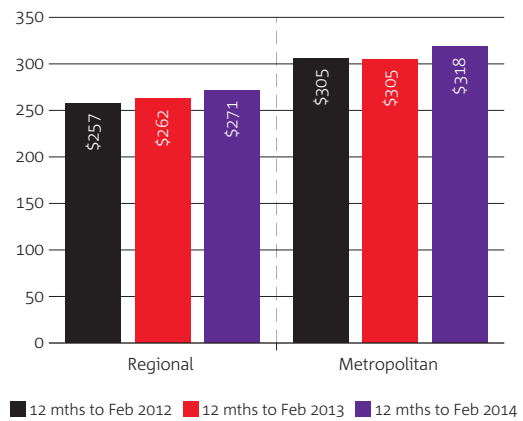


Chart 14A: Average annual donation per donor by age (\$A)

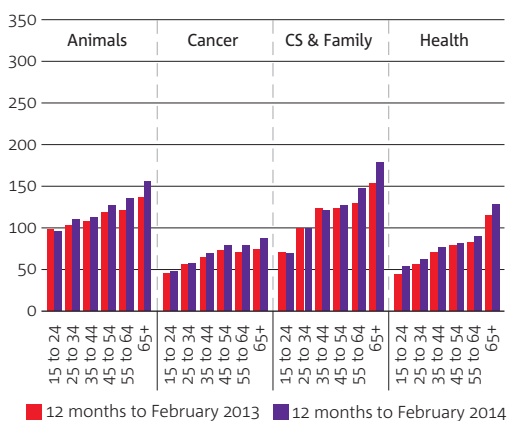


Chart 14B: Average annual donation per donor by age (\$A)

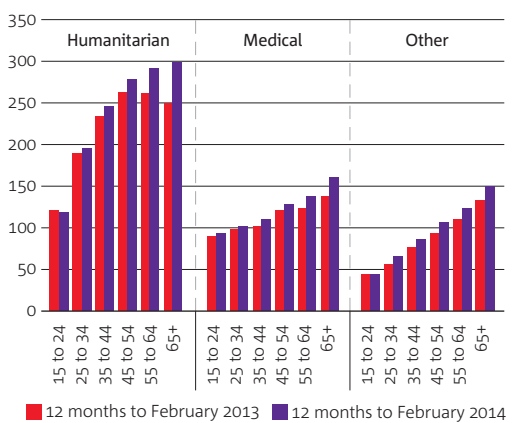


Chart 15A: Average annual donation/donor: metropolitan (\$A)

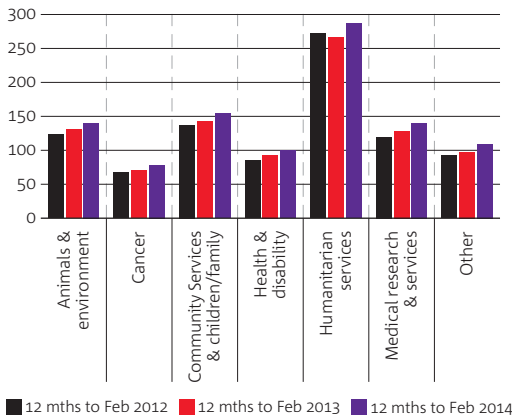


Chart 15B: Average annual donation/donor: regional (\$A)

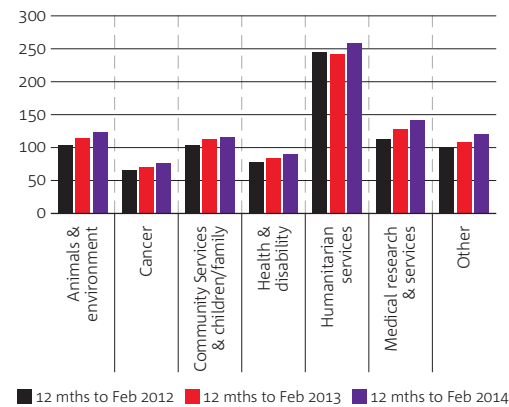
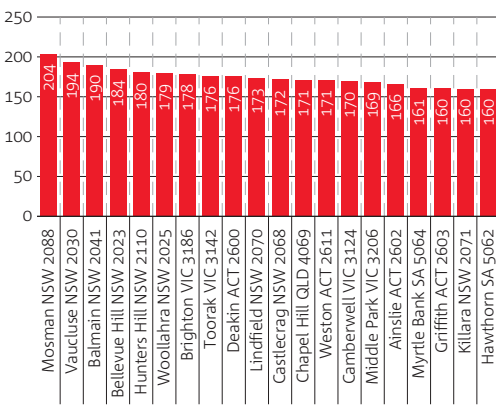


Chart 16: Top 20 postcodes for charitable giving: Australia (average spend per person, A\$, 12 months to February 2014)



*Excluding postcode with fewer than 5,000 residents.

There are very divergent giving patterns by postcode when compared in both dollar terms and as a share of income.

Average charitable giving across all Australian postcodes totalled \$66 per person in February 2014. Average giving was highest in Mosman NSW (2088) at \$204 per person, or around three times the national average. Average spending across the top 20 Australian postcodes was \$175 per person (refer to appendix 1 for individual state data) (chart 16).

The data points to a strong relationship between average incomes and average dollar giving. According to Australian Taxation Office (ATO) data, average taxable income in the top 20 postcodes was around \$107,000 in 2010/11 – more than twice the Australian average. Average taxable income for the highest postcode of Mosman NSW (2088) was \$145,900, or three times the national average income (around \$53,000).

Donors from higher income postcodes typically donate the most in dollar terms but do not donate the most relative to their incomes. Average income in the top 20 postcodes for giving by income was just over \$59,000, around half of that in the top 20 postcodes for dollar giving. On this measure, Maleny QLD (4552), Weston ACT (2611) and Ainslie ACT (2602) lead the way for generosity, donating 0.27% of their annual incomes to charity.

The gulf is even more apparent when comparing the most generous postcodes for giving by income against the most generous in dollar terms (chart 17). Residents in Maleny QLD (4552) earned on average \$38,800, or just over one-quarter of that earned by residents in Mosman NSW (2088), yet they donated nearly twice as much of their annual incomes to charity.

“Donors from higher income postcodes typically donate the most in dollar terms but do not donate the most relative to their incomes.”

Tony Davis, Quantum

The ACT remains the most generous for giving in both dollar and income terms

In terms of average dollar giving per state/territory, the ACT was most generous, with an average annual donation of \$121 per person in the year to February 2014, or around \$55 higher than the national average (chart 18).

In contrast, average dollar giving was lowest in TAS (\$52). We suspect this may have partly reflected the under-performance of the state economy, with much higher rates of unemployment and relatively subdued income growth.

The ACT was also the standout for charitable giving on an income basis. On average, residents living in the ACT donated 0.20% of their annual incomes to charity, significantly above the national average of 0.13%.

Donations from QLD and VIC were also slightly ahead of the national average (chart 19). In NSW, SA and the NT, average giving by income share was broadly in line with the national average. In contrast WA and TAS under-performed. ■



About Quantum and NAB

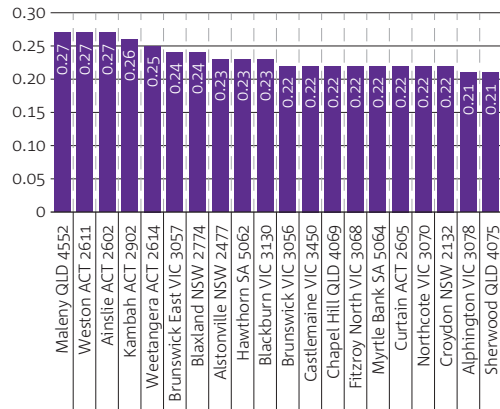
Quantium is an Australian data, analytics and technology firm who has worked with NAB for more than 6 years. Quantum’s work with NAB, involves the use of encrypted and de-identified data to distil interesting trends in the shopping habits of different customer groups. The resulting analysis is used by NAB in defining customer and service strategies, as well as to provide services to a number of other companies through Quantum’s Market Blueprint service. www.quantium.com.au.

Changes to the data

As part of Quantum’s ongoing improvements to Market Blueprint, we are constantly cleansing our data, and improving our approaches and methodologies. As the priority for the NAB Charitable Giving Index is on the accuracy of movements and trends in the Australian donation landscape, we occasionally need to implement changes that require the recalculation of the level of historical results to bring the analysis to the most up to date basis.

Since the last release, improvements to the data have included the identification of new charities as well as changes to the classification of existing charities to improve the recognition of donations to them. There have also been enhancements to our methodology for allocating online donations to the charities.

Chart 17: Top 20 postcodes for charitable giving: Australia (as % of income)



*Excluding postcode with fewer than 5,000 residents.

Chart 18: Average donation per person by state (12 months to February 2014)

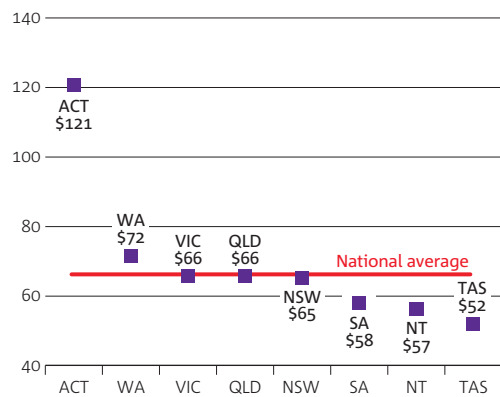
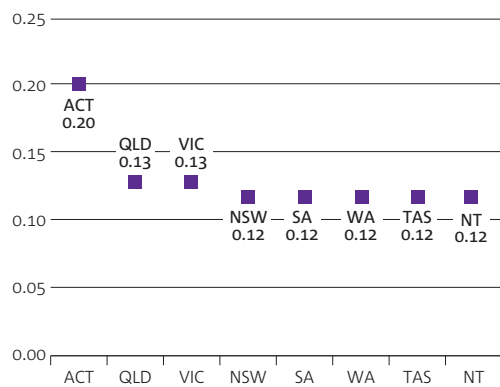


Chart 19: State vs national average by postcode (charitable giving as % of income, 12 months to February 2014)



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Chart 20: Top 20 postcodes for charitable giving: NSW (average spend per person, \$A, 12 months to February 2014)

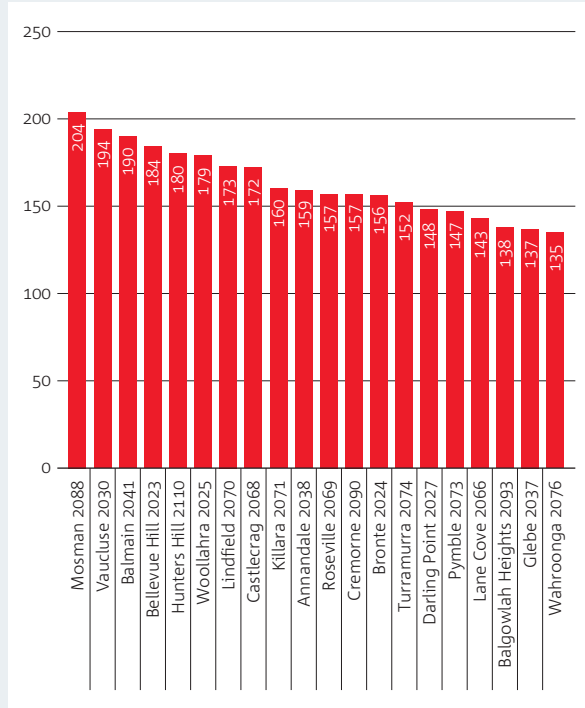


Chart 22: Top 20 postcodes for charitable giving: VIC (average spend per person, \$A, 12 months to February 2014)

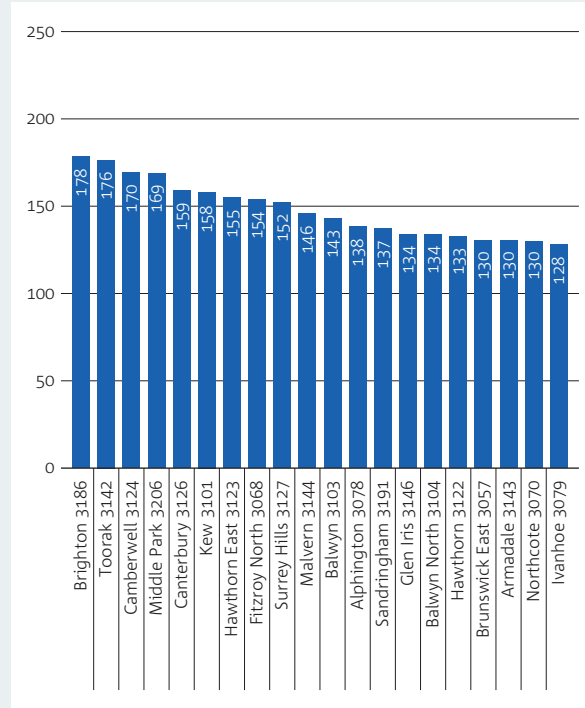


Chart 21: Top 20 postcodes for charitable giving: NSW (as a % of income)

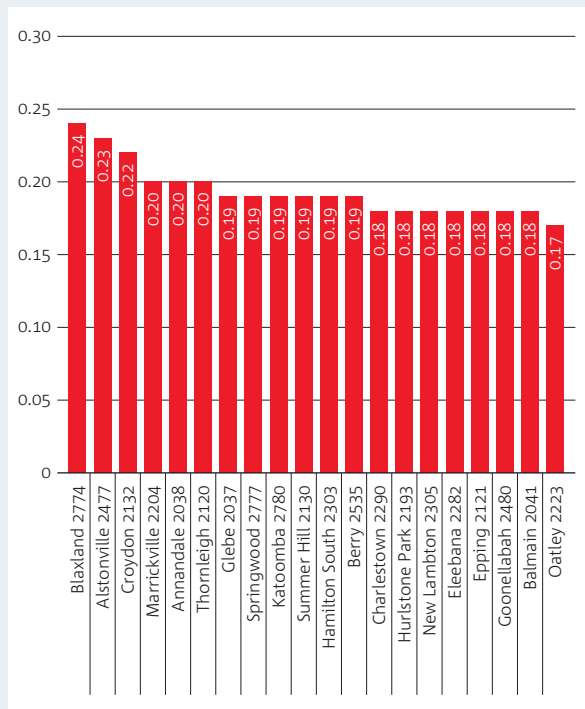


Chart 23: Top 20 postcodes for charitable giving: VIC (as a % of income)

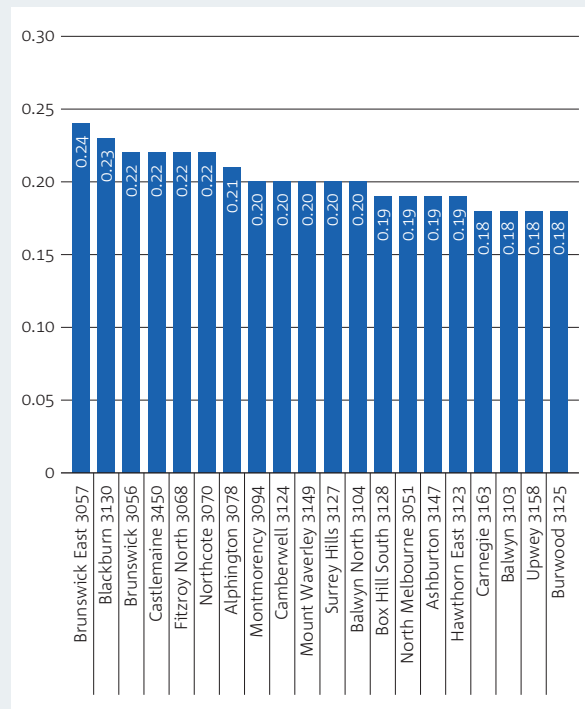


Chart 28: Top 20 postcodes for charitable giving: WA (average spend per person, \$A, 12 months to February 2014)

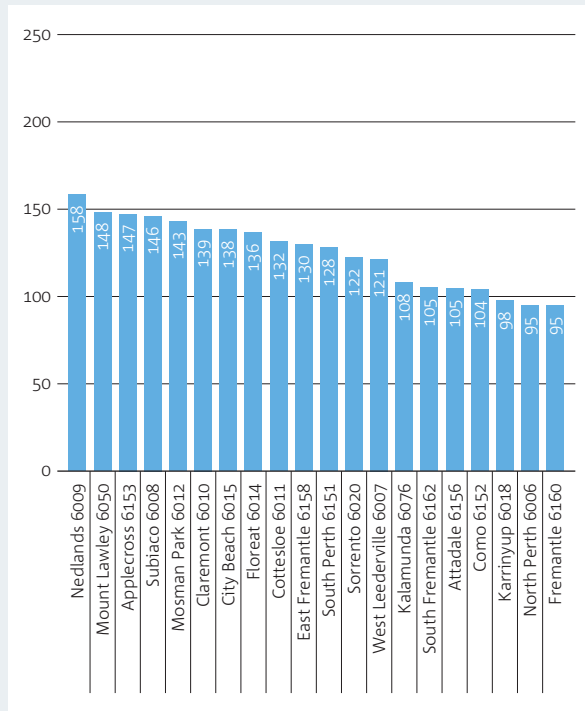


Chart 30: Top 20 postcodes for charitable giving: TAS (average spend per person, \$A, 12 months to February 2014)

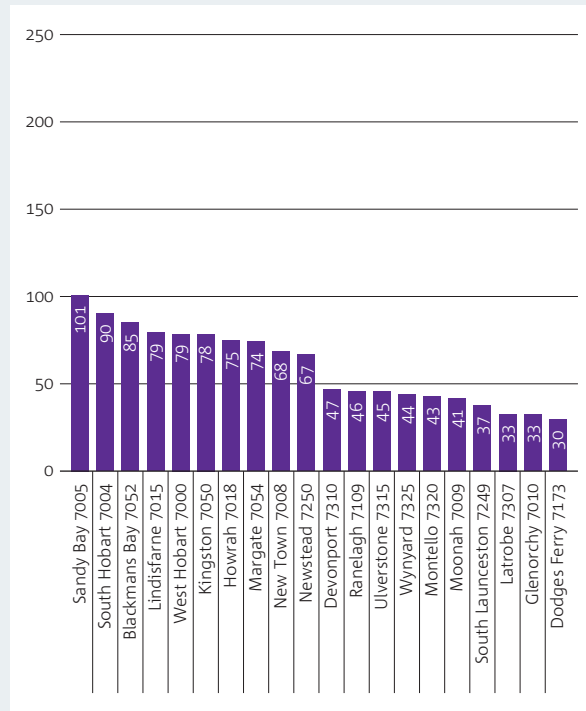


Chart 29: Top 20 postcodes for charitable giving: WA (as a % of income)

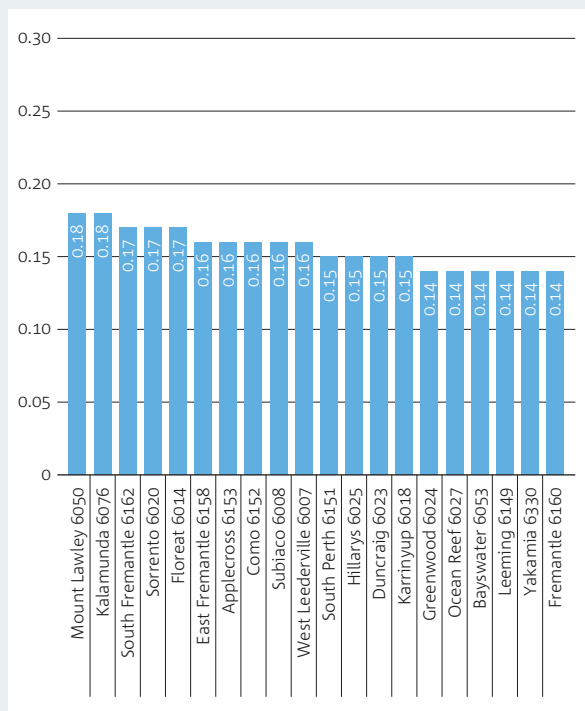
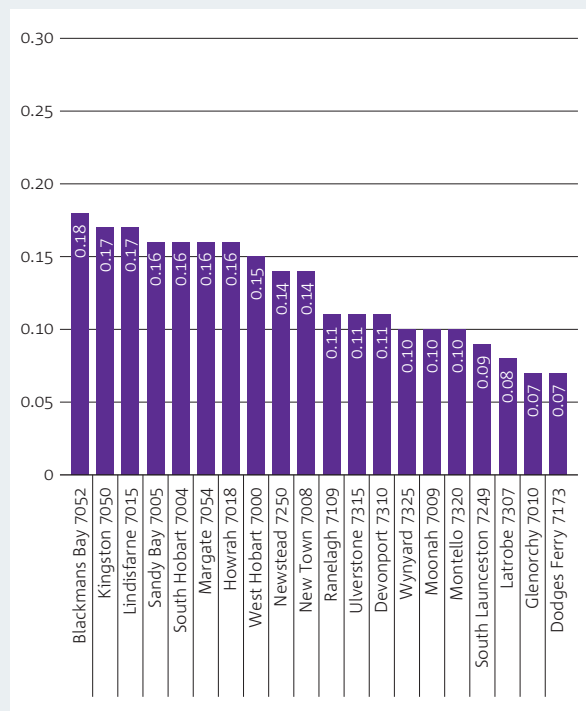


Chart 31: Top 20 postcodes for charitable giving: TAS (as a % of income)



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Chart 32: Top 20 postcodes for charitable giving: ACT (average spend per person, \$A, 12 months to February 2014)

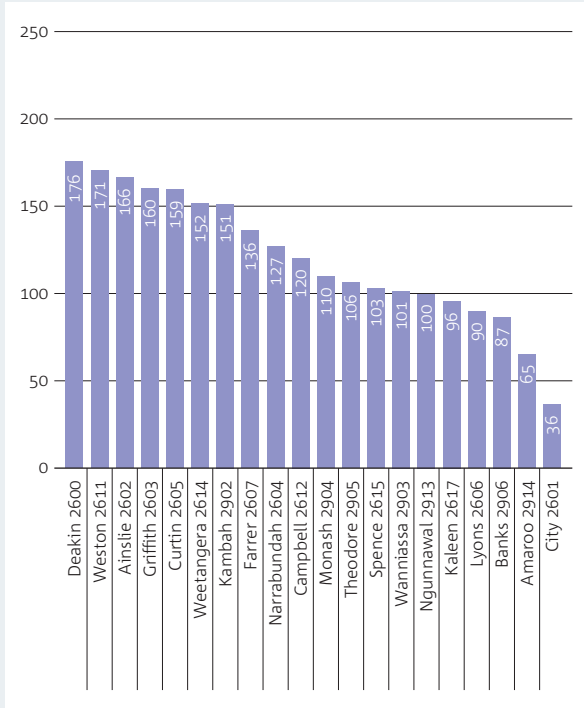


Chart 34: Top 20 postcodes for charitable giving: NT (average spend per person, \$A, 12 months to February 2014)

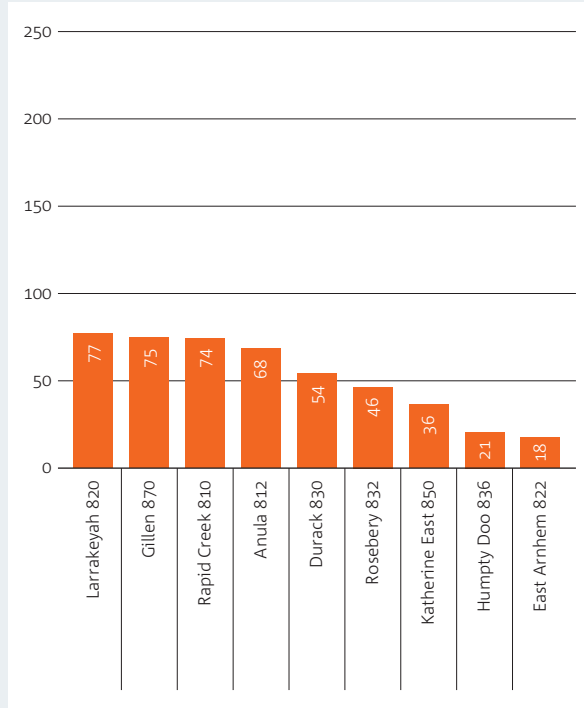


Chart 33: Top 20 postcodes for charitable giving: ACT (as a % of income)

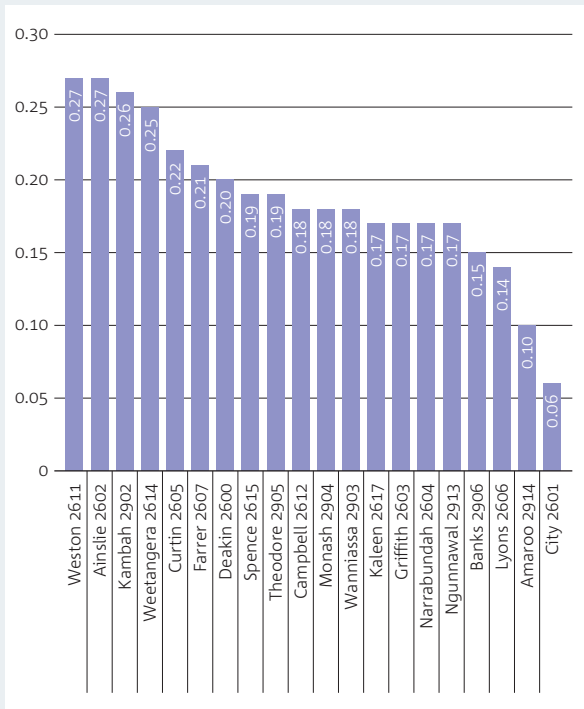


Chart 35: Top 20 postcodes for charitable giving: NT (as a % of income)

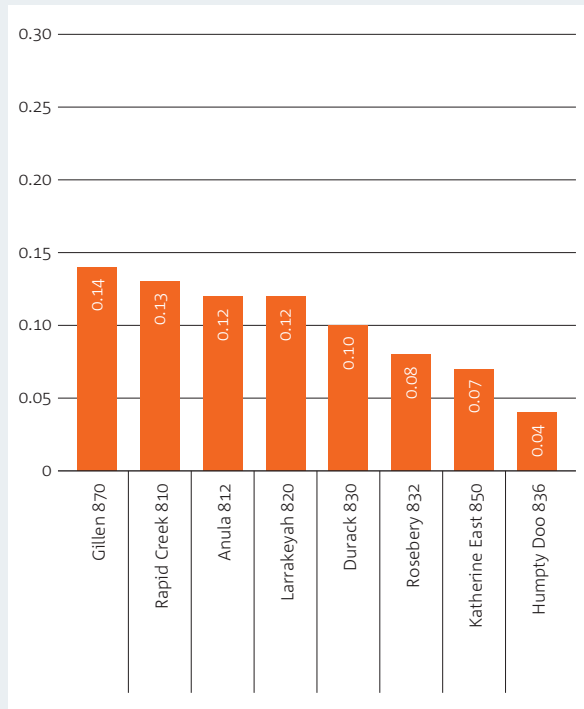


Chart 24: Top 20 postcodes for charitable giving: QLD (average spend per person, \$A, 12 months to February 2014)

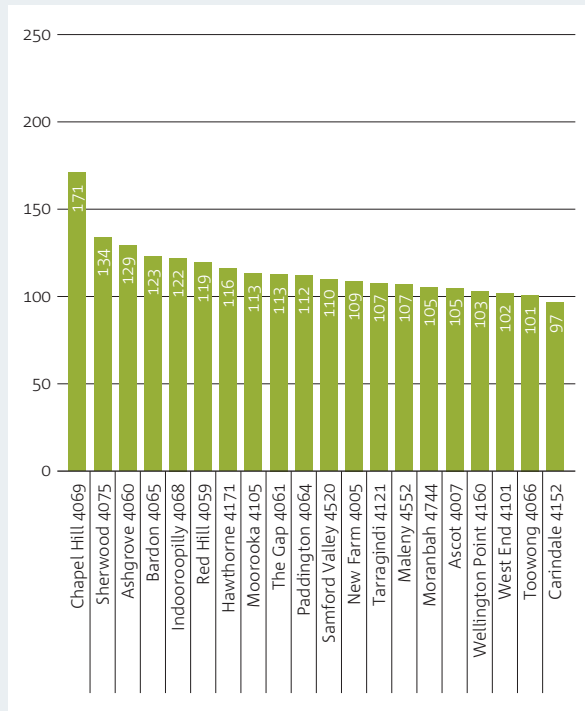


Chart 26: Top 20 postcodes for charitable giving: SA (average spend per person, \$A, 12 months to February 2014)

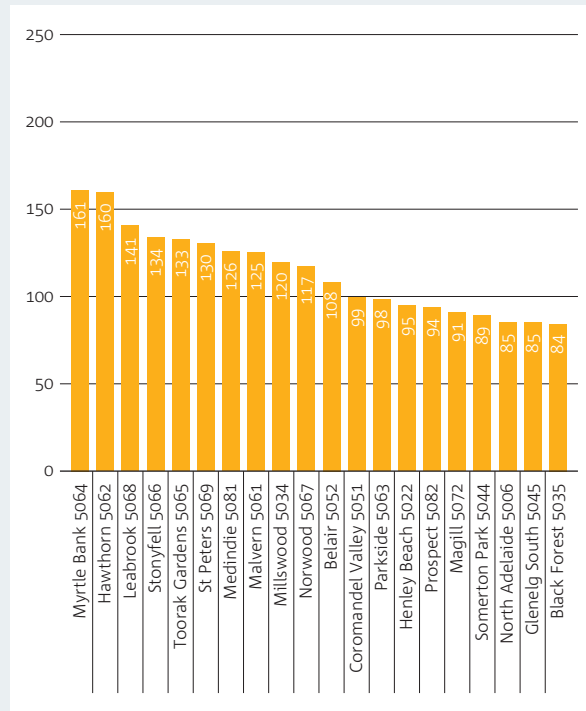


Chart 25: Top 20 postcodes for charitable giving: QLD (as a % of income)

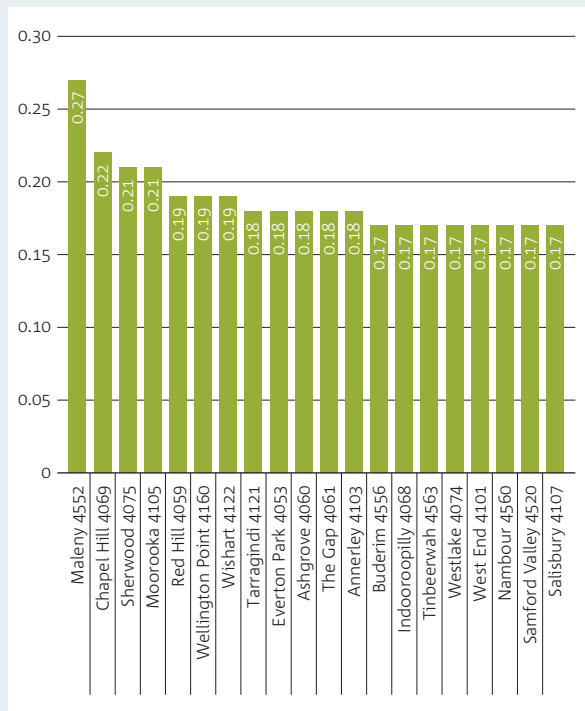
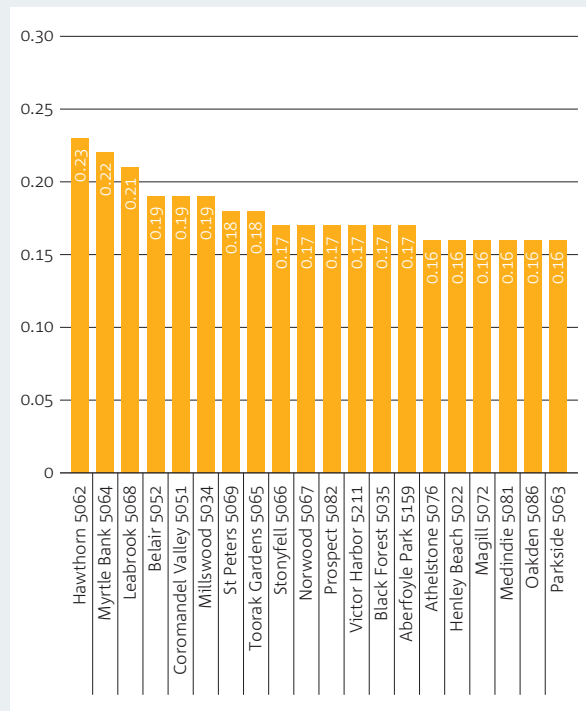


Chart 27: Top 20 postcodes for charitable giving: SA (as a % of income)





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