NAB Charitable Giving Index

Indepth report – 12 months to February 2015

Chart 1: Growth in NAB Charitable Giving Index (percentage change, year-on-year)

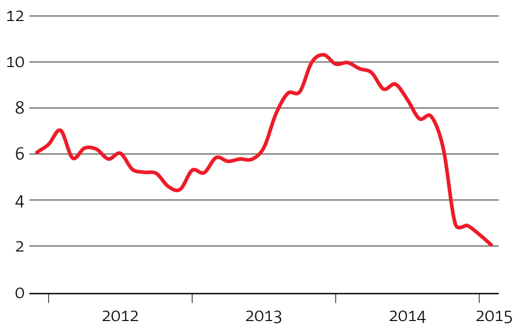
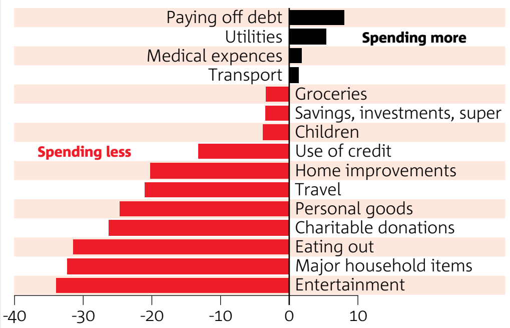


Chart 2: Overall changes in spending behaviour (net balance)



Source: NAB Consumer Anxiety Report Q1 2015

Table 1. Charity categories

Categories	Examples of charities included
Animals & Environment	RSPCA; WWF Australia; Australian Conservation Foundation
Cancer	Cancer Council Donations; The Movember Group; Peter MacCullum Cancer Centre
Community Service & Children/Family	The Salvation Army; St Vincent de Paul; The Smith Family; Brotherhood of St Laurence
Health & Disability	Diabetes Australia; Fred Hollows Foundation; Vision Australia; Guide Dogs Australia
Humanitarian Services	World Vision; Oxfam; Red Cross
Medical Research & Services	Heart Research Institute; Royal Flying Doctor Service
Charitable Lotteries*	Boystown Lottery; Mater Prize Home; RSL Art Union
Other**	Everyday Hero, Go Fundraise, mycause.com.au

*Charitable Lotteries has been extracted from the "Other" charities and will now feature as a standalone category. **Other includes charity aggregators and other charities that do not fit into any of the categories above.

Giving to charity grew by just 2% over the year to February 2015, down from 10% at the same time last year. Growth slowed in most age groups (except 65+), in all regions and there was significant divergence in the rate of charitable giving growth across charity categories (Chart 1).

The slowdown in giving mirrors some key findings from our Consumer Anxiety Reports which shows that Australians are responding to heightened stress by cutting back spending on "non essentials", including charitable donations (Chart 2). Slower growth in charitable donations has also occurred against a backdrop of below trend economic growth and rising unemployment.

Despite these challenges, the average donation size for all charities increased by $2 over the past year to $336 per donor, with nearly all charity sectors experiencing an increase in average donation size.

For this update, we have undertaken a review of charity categorisations (Table 1) to improve how charities are represented in the publication. This has resulted in some changes, with around 50% of the "Other" category re-allocated to a new "Charitable Lotteries" category. Despite this change, Humanitarian Services charities continue to attract by far the biggest (albeit declining) share of all charity donations (35%).

Finally, we continue to see a very strong relationship between average dollar giving and average incomes with the affluent suburbs of Middle Park (3206), Bellevue Hill (2023) and Hunters Hill (2110) leading the country for generosity. Relative to incomes, however, the suburbs of Castlemaine (3450), Sturt (5047) and Fitzroy North (3068) lead the way for charity.

- Alan Oster, Group Chief Economist, NAB

The NAB Charitable Giving Index provides a clear window into people's contribution to charities – playing an important role in helping the not-for-profit sector realise the giving potential in Australia.

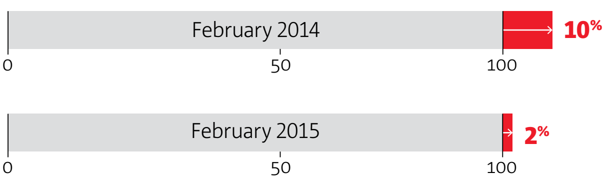
The Index is also a powerful indicator of how people are giving to their charities. Mobile apps and web-based charities are changing the landscape and revolutionising the way people donate. With more seamless channels for donation, and a much stronger desire to give digitally, it's important for charities to understand this shift in behaviour.

We're committed to continuing to support the not-for-profit sector play a vital role in helping our communities prosper and this includes providing real insights into giving trends. I look forward to sharing further insights in our next release, due in six months.

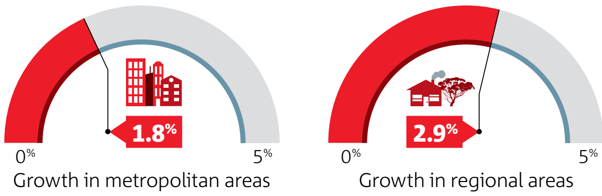
- Rebecca Kotow, Head of Community Engagement, NAB

At a glance

Growth in charitable giving % change (annual)



Growth by location (February yoy)



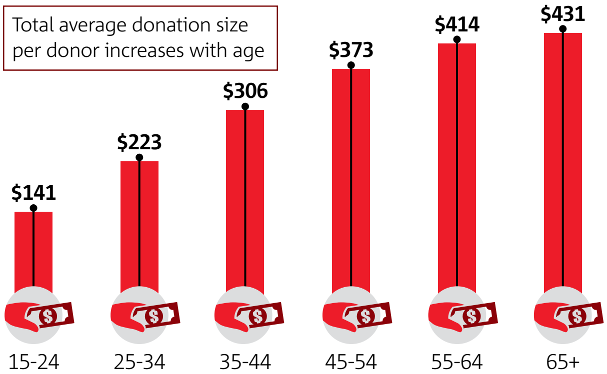
Average annual donation size

$336

Average annual donation per donor for all charities in the year to February 2015

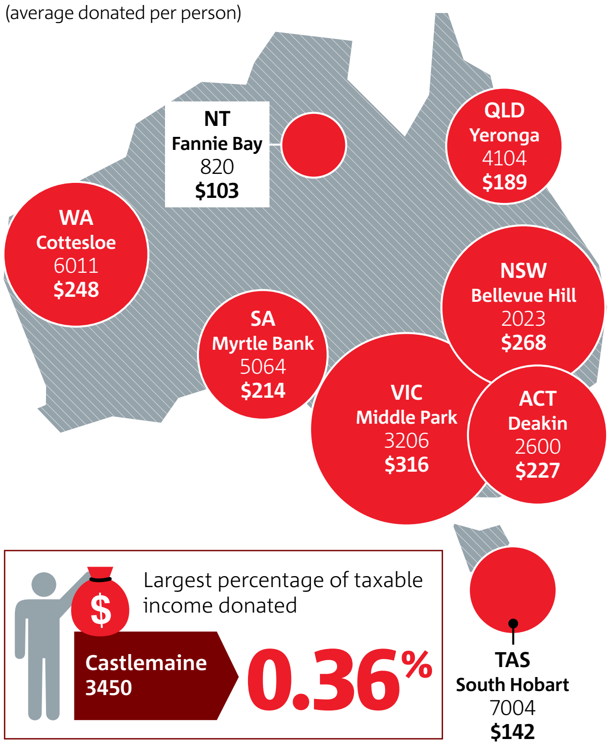
$2 over the past year

Average annual donation per donor by age

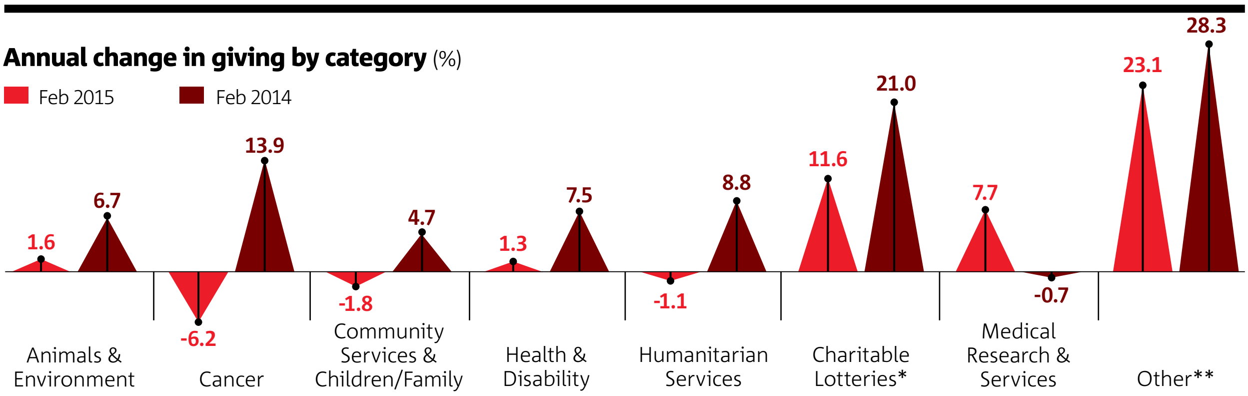


Top postcodes for charitable giving by state

(average donated per person)



Annual change in giving by category (%)



*Charitable Lotteries has been extracted from the "Other" charities and will now feature as a standalone category.
**Other includes charity aggregators and other charities that do not fit into any of the categories above.

Table 2. Key Charitable Giving Statistics

	Index (annual average)			% change (annual)		
	Feb-14	Jan-15	Feb-15	Feb-14	Jan-15	Feb-15
NAB Charitable Giving Index	**136.3**	**138.8**	**139.1**	**10.0**	**2.5**	**2.0**
Animals & Environment	120.9	123.0	122.9	6.7	2.2	1.6
Cancer	291.0	273.1	273.0	13.9	-4.9	-6.2
Community Services & Children/Family	175.8	173.3	172.7	4.7	-1.0	-1.8
Health & Disability	205.2	206.3	207.9	7.5	2.9	1.3
Humanitarian Services	92.8	91.7	91.8	8.8	-1.2	-1.1
Charitable Lotteries	136.5	151.4	152.3	21.0	12.0	11.6
Medical Research & Services	175.2	187.8	188.7	-0.7	7.1	7.7
Other	458.4	561.8	564.1	28.3	23.4	23.1

All data is non-seasonally-adjusted (nsa). Data is produced by Quantium 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.

Growth in charitable giving has slowed sharply as consumers allocate less of their household spending to "non essentials", including charitable donations.

Giving to charity grew by just 2% over the year to February 2015, down from 10% at the same time last year (Table 2). This slowdown mirrors recent findings from NAB's Consumer Anxiety Report which shows Australian consumers are responding to heightened anxiety by cutting back their spending on "non essentials", including charitable donations (Chart 2).

Slower growth in charitable donations during this period has also occurred against a backdrop of below trend economic growth and rising unemployment, with the number of unemployed persons growing by almost 52,000 over the year to February 2015.

Charitable giving is slowing across all age groups (bar 65+) and in all regions.

Growth in charitable giving is trending down across most age groups, except those aged 65+ (Chart 3).

The biggest slowdown was in the 45-54 age group, where growth slowed to 0.4% (8.9% one year earlier). Interestingly, NAB research also shows that middle-aged Australians are reporting the highest levels of consumer anxiety, especially in relation to their cost of living, which may help to explain the pull back in charitable giving over the past year.

Growth was however weakest in the 25 to 34 age group (-0.4%) and grew by just 0.8% among 15-24 year olds. During the year under review, younger Australians have faced growing employment challenges, with youth unemployment climbing to 13.7% from 12.5% a year earlier (more than double the national average). In response, NAB research reveals one area where younger Australians have also cut back is on charitable donations as growing concern over their job security underpins heightened consumer anxiety.

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

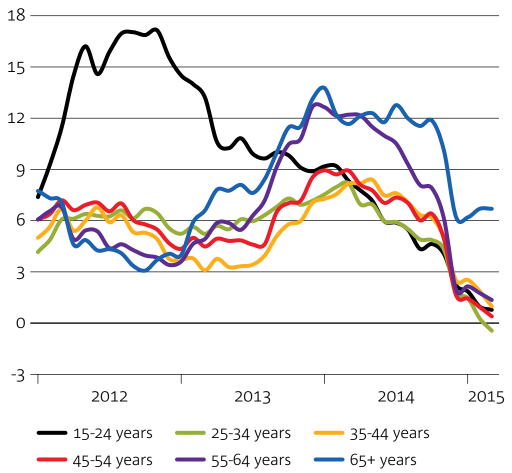


Chart 4: Growth in Charitable Giving Index by region (percentage change, year-on-year)

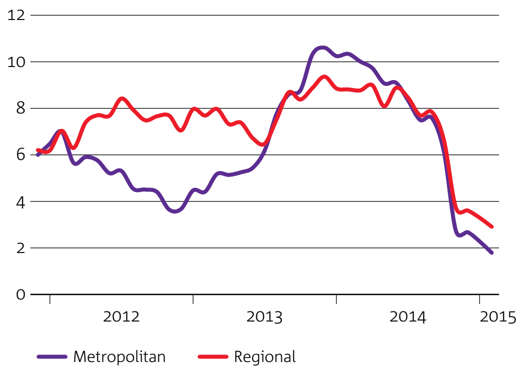


Chart 5: Market share of total charity donations (12 months to February)

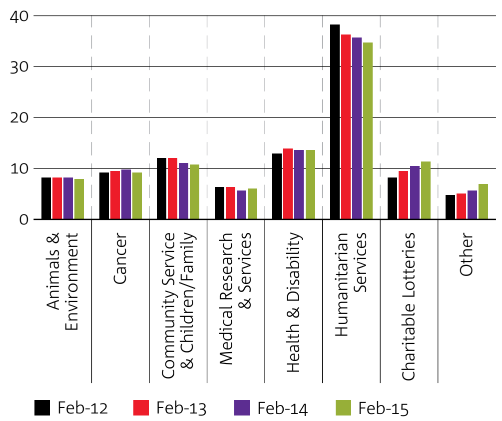


Chart 6: Market share of total charity donations by age band (12 months to February 2015)

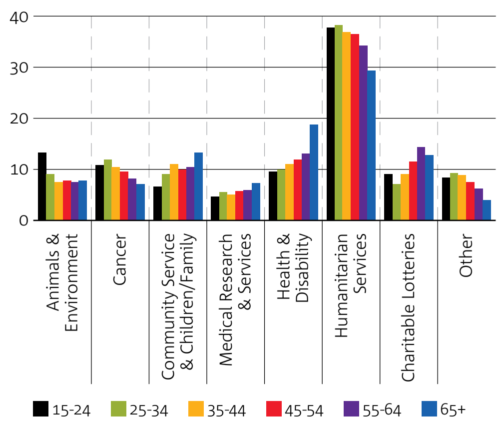
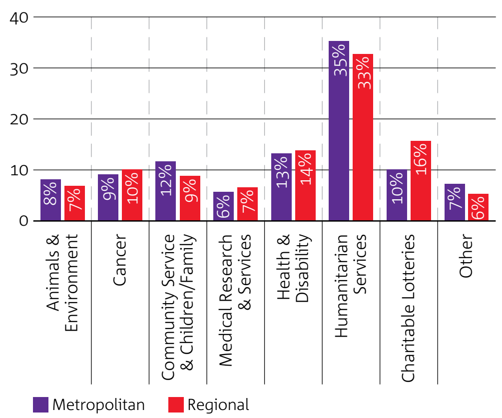


Chart 7: Market share of total charity donations by metro/regional
(12 months to February 2015)



In contrast, giving by those aged 65+ began turning up in late-2014 and grew by 6.7% over the year to February 2015 but was still down from almost 12% at the same time last year.

Similarly, in terms of location charitable giving growth has slowed in both metropolitan and regional locations (Chart 4). However, charitable giving in regional areas (2.9%) continues to outpace that in metropolitan areas (1.8%), which is also consistent with overall consumer spending patterns in Australia.

Humanitarian Services charities continue to attract the biggest (albeit falling), market share of all donations.

For this update, NAB has undertaken a thorough review of charity categorisations to improve how charities are represented in the publication, this has resulted in some changes.

The biggest impact of this re-classification is in the “Other” charity category. Approximately 50% of this category has been re-allocated to a new category for “Charitable Lotteries”. For the remaining categories and at an overall level, the impact of re-classification has been small.

Despite this re-classification, Humanitarian Services charities continue to attract by far the biggest (albeit declining) share of all charity donations (35%) (Chart 5).

Health & Disability charities received the next biggest share (13%), with Charitable Lotteries (11%) and Community Service & Children/Family (11%) charities the next biggest.

In contrast, Medical Research & Services (6%) and “Other” charities receive the smallest market shares, followed by Animals & Environment (8%) and Cancer (9%).

“The Humanitarian Services category makes up more than one third of all charity donations, but the share of the market has been declining while Charitable Lotteries and Other are gaining share.”

Tony Davis, Quantium

Humanitarian Services charities enjoy the biggest share of donations across all age groups and regions.

Humanitarian Services dominate market share of charitable giving in all age groups ranging from 29% (65+) to 38% (25 to 34 year olds) (Chart 6). In contrast, Medical Research & Services charities received the lowest share of donations from all age groups, except the over 65s, who allocated the smallest share of their total donations to “Other” charities.

Interestingly, younger Australians (aged between 15 to 34) tended to allocate a bigger share of their total giving to Humanitarian Services, Animal & Environment and Cancer charities, whereas older Australians gave more to Health & Disability, Community Service & Children/ Family charities (especially over 65s) and to Charitable Lotteries (55 to 64 year olds).

Humanitarian Services also account for the lion’s share of giving in both metropolitan and regional areas, capturing 35% and 33% of the charity market respectively (Chart 7). Within regional locations, Charitable Lotteries had the second highest market share at 16%, followed by Health & Disability (14%), Cancer (10%), Community Services (9%) and Animals & Environment (7%).

In metropolitan areas, Health & Disability (13%) enjoyed the second biggest market share, followed by Community Services & Children/Family (12%), Charitable Lotteries (10%), Cancer (9%) and Animals & Environment (8%). Medical Research & Services charities had the smallest market share (6%).

Charitable giving to “Other” charities is growing exceptionally quickly but giving to Cancer, Community Service & Children/ Family and Humanitarian Services charities is contracting.

We are seeing some significant divergence in the rate of charitable giving growth across charity categories (Chart 8).

“Other” charities are experiencing the fastest rate of growth (23.1%), and has been outperforming all other segments of the charity sector since late 2013. Solid growth was also seen in Charitable Lotteries (11.6%).

An upturn in giving to Medical Research & Services that began in late-2014 is also continuing, with growth rising to 7.7% over the year to February 2015.

In contrast, giving to Cancer fell 6.2%, well below the 13.9% increase seen over the year to February 2014. Giving to Community Service & Children/Family (-1.8%) and Humanitarian Services (-1.1%) is also contracting.

Chart 8: Growth in NAB Charitable Giving Index by category (percentage change, year-on-year)

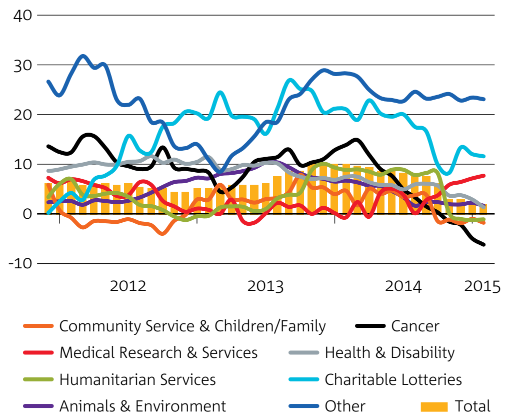


Chart 9A: Growth by category by age
(year to February)

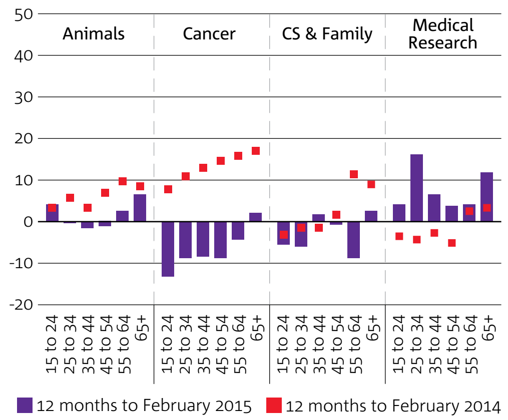


Chart 9B: Growth by category by age
(year to February)

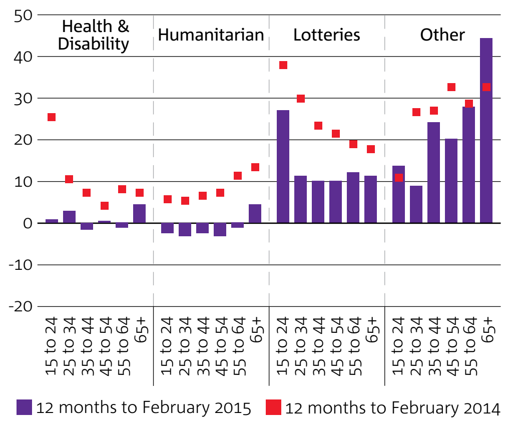


Chart 10A: Growth by category by region – metropolitan (year to February)

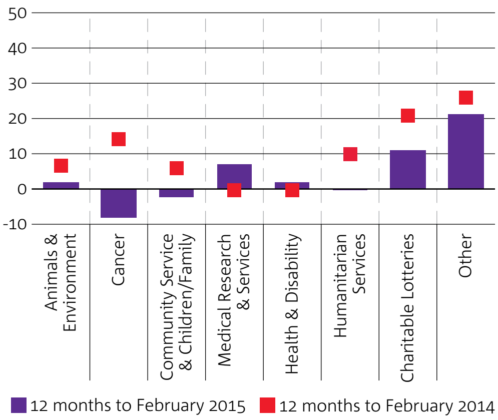


Chart 10B: Growth by category by region – regional (year to February)

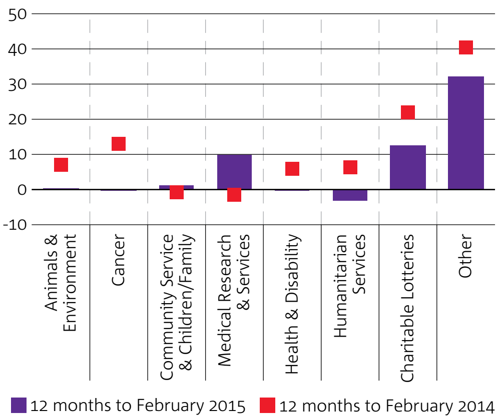
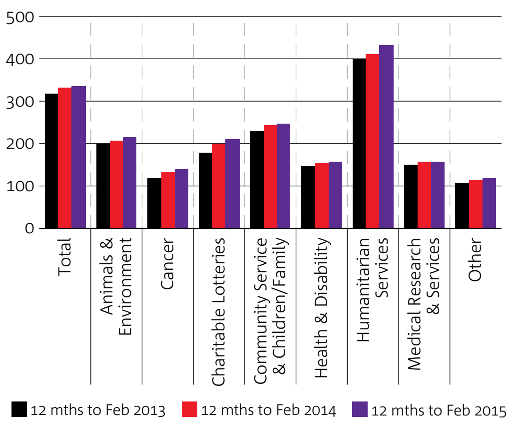


Chart 11: Average annual donation per donor ($A)



Medical Research & Services was the only charity category to experience faster growth across all age groups.

Medical Research & Services were the only charity category to experience faster growth across all age groups (especially in the 25-34 and 65+ age groups) (Chart 9A and 9B). In contrast, giving slowed across all age groups in Cancer, Humanitarian Services, Health & Disability and Charitable Lotteries (although giving in this group is still growing at double-digit rates across all age groups).

Interestingly, older Australians aged 65+ (a demographic that also consistently reports among lowest levels of consumer anxiety) were the only group to report positive growth in giving across all charity categories.

Medical Research & Services was the only charity category to experience faster growth in both metro and regional areas.

Growth in giving to Medical Research & Services charities was faster than in the previous year in both metropolitan and regional areas (Chart 10A and 10B).

Growth also accelerated in metropolitan areas for Health & Disability and for Community Service & Children/Family charities in regional areas.

All other charities experienced slower (or negative) growth in both metropolitan and regional areas. Particularly large falls were seen in giving to Cancer (especially in metropolitan areas where giving slowed from 14.2% over the year to February 2014 to -8.2% in the year to February 2015).

Average annual donations are greatest for Humanitarian Services and smallest for "Other", Cancer and Medical Research charities.

Over the year to February 2015, the average annual charity donation per donor increased marginally to $336, from $334 in February 2014 (Chart 11).

All categories experienced an increase in average donation size, except Medical Research & Services charities where the average donation fell from $158 to $156.

Humanitarian Services continue to receive the biggest average annual donation, growing 4.4% to $431. Community Services & Children/Family ($247), Animals & Environment ($213) and Charitable Lotteries ($212) were the next biggest.

The average donation to "Other" charities increased by over 5% to $119 but along with Cancer ($138) and Medical Research ($156), receives the smallest annual donation.

As part of Quantium's regular review process, there has also been a re-alignment in how average annual donations per donor are calculated. As a result, there have been some upward revisions to average annual donations per donor relative to previous reports. Note that this only impacts the average annual donation metric, while other metrics (indices, market share and donations by postcode) are unchanged.

Average donation size is strongly correlated to donor age and is typically higher in metropolitan areas.

Total average donation size per donor increases with age (Chart 12). In the year to February 2015, the average donation in the 15-24 age group was $141, compared with $431 in the 65+ group.

It was also notable that average annual donation size fell in all age groups between 15 to 54 years of age, but increased for all donors over 55 and most notably for those 65+.

We have touched on previously that consumer stress and rising unemployment (especially among the young) may be having some impact on chartable given trends by age – notwithstanding the fact that young people typically have much lower disposable incomes than older people.

In contrast, MLC Wealth Sentiment Surveys show that older donors tend to be more financially secure, while NAB Wellbeing Surveys suggest that older Australians are more likely to recognise the relationship between giving and their overall wellbeing.

By region, the average annual donation size increased slightly in both regional and metropolitan areas (Chart 13). However, average donation size remains higher in metropolitan areas ($345) than in regional areas ($308), which can possibly be explained by higher average incomes in metropolitan areas when compared to regional areas of Australia.

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

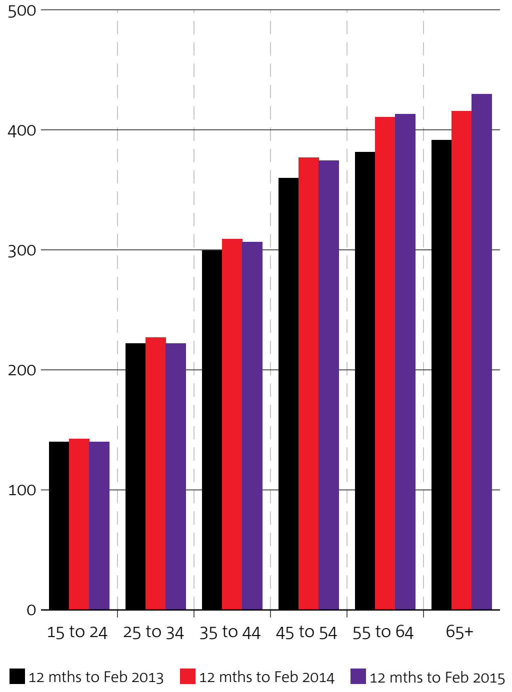


Chart 13: Average annual donation per donor by region ($A)

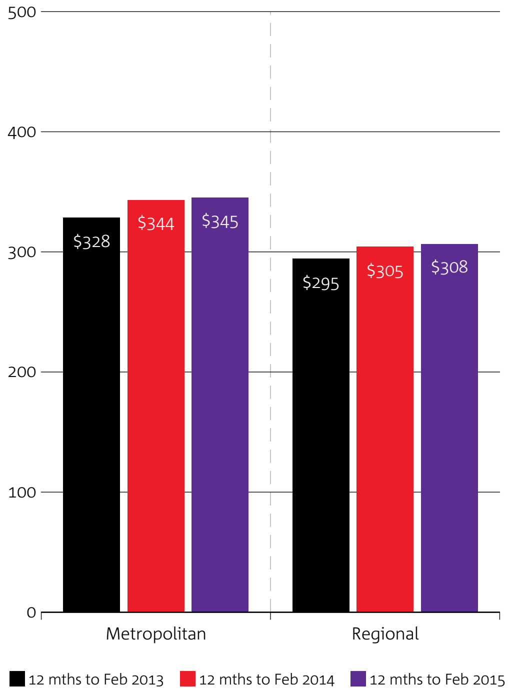


Chart 14A: Average annual donation per donor by age ($A)

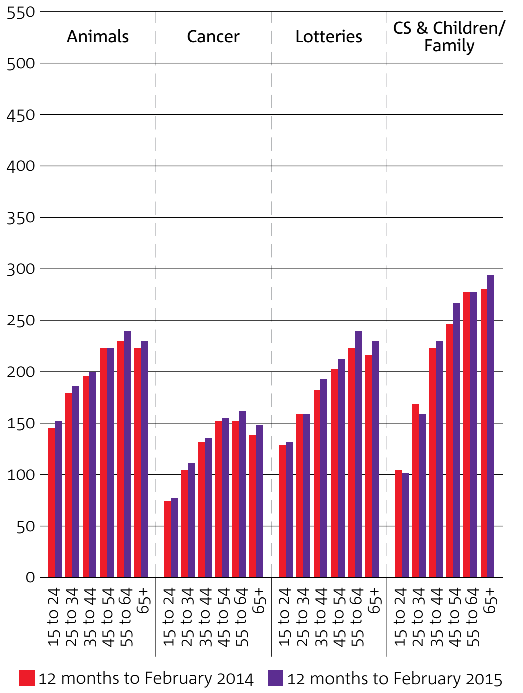
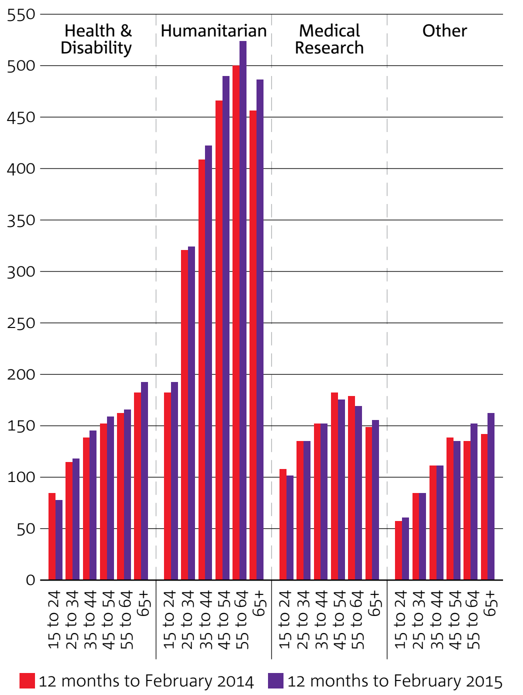


Chart 14B: Average annual donation per donor by age ($A)



Australians over the age of 55 typically donate more to all charities, while the youngest Australians donate the least.

Australian's aged 55 to 64 are the biggest donors to Animals & Environment ($241), Cancer ($162), Charitable Lotteries ($239) and Humanitarian Services ($521) charities (Chart 14A and 14B). Those aged 65+ are the biggest donors to Community Service & Children/Family ($297), Health & Disability ($193) and "Other" ($163) charities, while the 45-54 age group are the biggest donors to Medical Research & Services ($174).

It is notable that average annual donations increased in all age groups for Animals & Environment, Cancer, Charitable Lotteries and Humanitarian Services charities.

In contrast, average donations to Community Service & Children/Family fell in the 15 to 24, 25 to 34 and 55 to 64 age groups. It also declined in the 15 to 24 age group in Health & Disability charities, the 15 to 24, 35 to 34, 45 to 54 and 55 to 64 age groups in Medical Research & Services and in the 45 to 54 age group in "Other" charities.

Average donation size increases in all charity sectors in both metropolitan and regional areas except for Medical Research & Services charities.

The average annual donation per donor increased in all charity categories in both metropolitan and regional areas, except Medical Research & Services charities (Chart 15A and 15B).

On average, Humanitarian Services charities continue to attract the largest donation in both metropolitan ($438) and regional ($407) locations, with average donations to Humanitarian Services also growing 4.4% and 4.3% respectively.

Average donations in metropolitan areas were higher for Animals & Environment ($219), Community Service & Children/Family ($260), Health & Disability ($164), Medical Research & Services ($158) and "Other" ($121) charities than in regional areas.

In contrast, the average donation to Cancer ($139) and Charitable Lotteries ($219) was bigger in regional areas.

In growth terms, the biggest increase in donation size was seen in regional donations to "Other" charities which grew 8.3% (but off a smaller base) and Charitable Lotteries (6.1%). In metropolitan areas, the biggest growth also occurred in Charitable Lotteries (5%) and "Other" (4.5%) charities, but fell most for Medical Research & Services (-1.9%).

Charitable Giving by Postcode

The average donation across all Australian postcodes was $88 per person. Middle Park (3206) in Victoria led the way, with an average donation of $316. As a share of income, Castlemaine (3450) also in Victoria was the most generous, donating 0.36%.

The average donation per person across all Australian postcodes was $88 over the year to February 2015.

Among the top 20 suburbs for charitable giving nationally, the average donation was $226 per person (refer to Chart 16 to 33 for the top 20 postcodes in Australia and each state).

Middle Park (3206) in Victoria was the most generous suburb, donating on average $316 per person, or more than 3½ times the national average and around 18% more than in the next most generous suburb of Bellevue Hill NSW (2023) at $268, 20% more than third placed Hunters Hill NSW (2110) at $263 and almost 60% higher than the 20th highest suburb of Hawthorn East Victoria (3123) at $198.

We continue to see a very strong relationship between average dollar giving and average incomes. The average income in the top 20 postcodes was around $107,000, according to data from the Australian Tax Office or more than twice the national average.

Although donors from high income postcodes tend to donate more in dollar terms, they do not donate the most relative to their incomes.

Among the top 20 suburbs for charitable giving nationally as a percentage of their incomes, the average donation was 0.30% per person (compared with an average donation of 0.22% in the top 20 postcodes for dollar giving). Moreover, the average income in this group was just $59,000, around half the average of the top 20 suburbs for dollar giving.

By this measure, Castlemaine (3450) in Victoria was the most generous, donating 0.36% of their annual incomes to charity, followed by Sturt SA (5047) with 0.35%, Fitzroy North Victoria (3068) with 0.32%, Coolangatta QLD (4225) with 0.31%, Maleny QLD (4552) with 0.31%, Croydon NSW (2132) with 0.31% and Hamilton South NSW (2303) with 0.31%.

Middle Park (3206) Victoria, Fitzroy North (3068) Victoria and Myrtle Bank (5064) South Australia are the only suburbs to feature in the top 20 postcodes for charitable giving by dollar amount and as a percentage of their income.

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

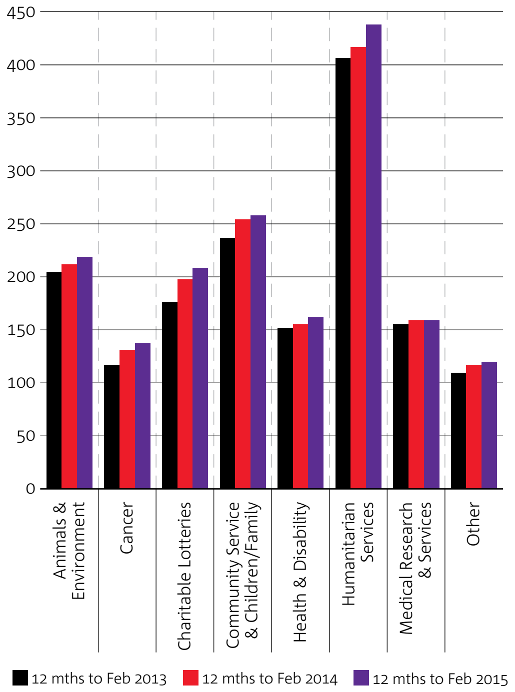


Chart 15B: Average annual donation per donor: regional ($A)

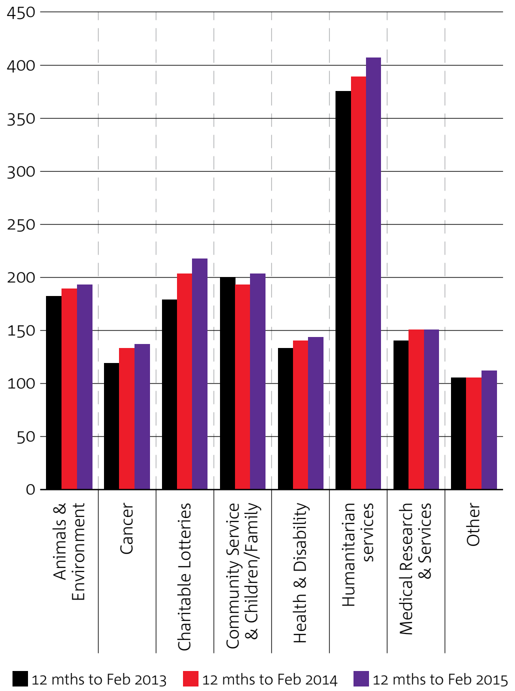
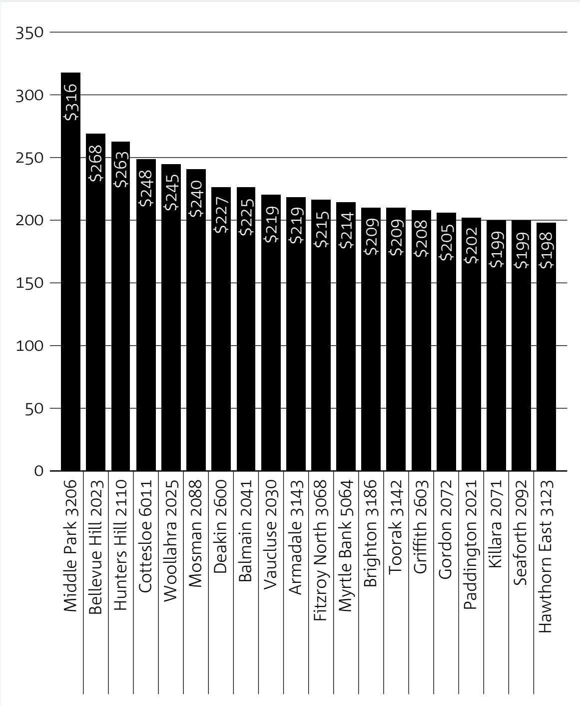


Chart 16: Top 20 postcodes for charitable giving: Australia (average spend per person, $A, 12 months to February 2015)



*excluding postcodes with fewer than 5,000 residents

Chart 18: Top 20 postcodes for charitable giving: NSW (average spend per person, $A, 12 months to February 2015)

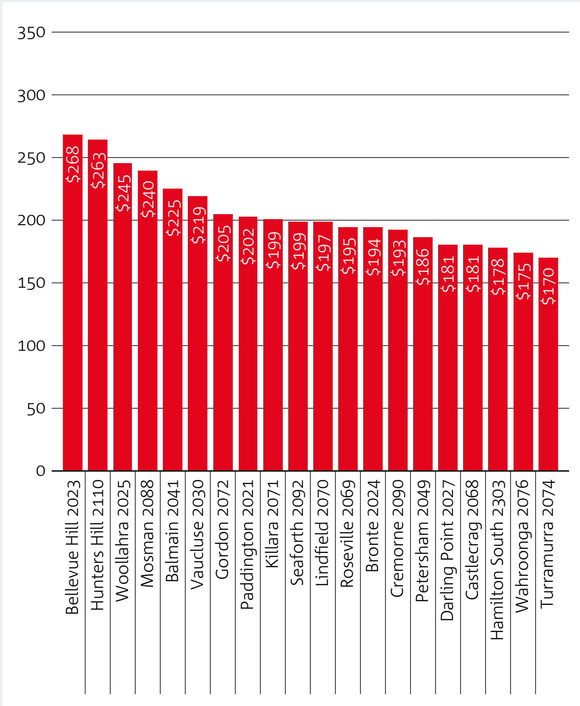


Chart 17: Top 20 postcodes for charitable giving: Australia (as a % of income, 12 months to February 2015)

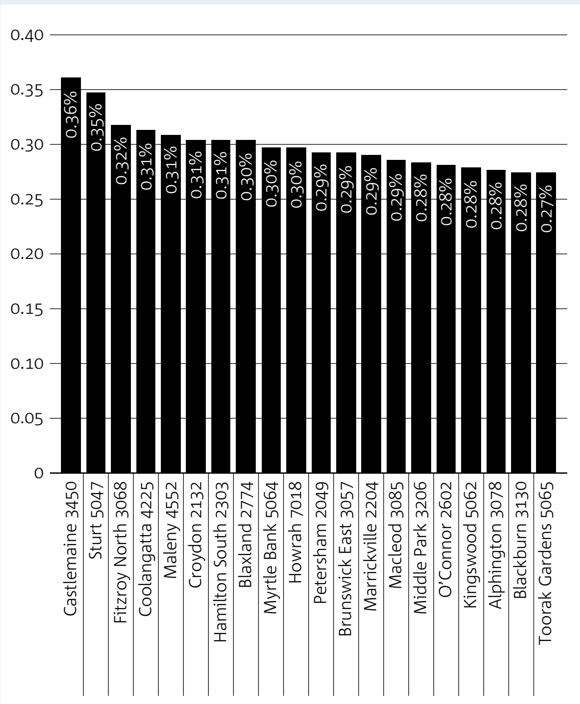


Chart 19: Top 20 postcodes for charitable giving: NSW (as a % of income, 12 months to February 2015)

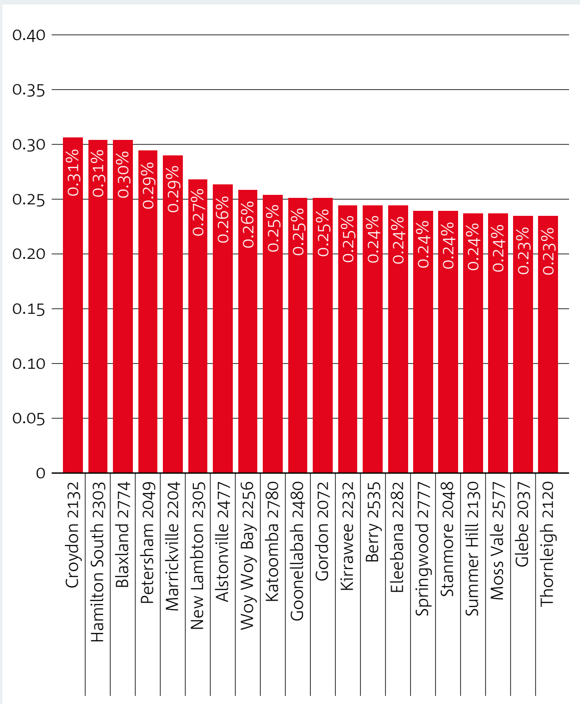


Chart 20: Top 20 postcodes for charitable giving: Victoria (average spend per person, $A, 12 months to February 2015)

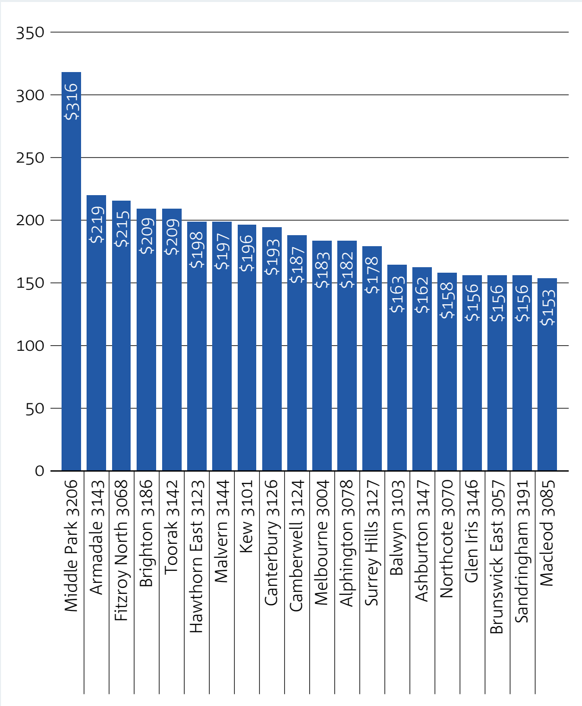


Chart 22: Top 20 postcodes for charitable giving: Queensland (average spend per person, $A, 12 months to February 20

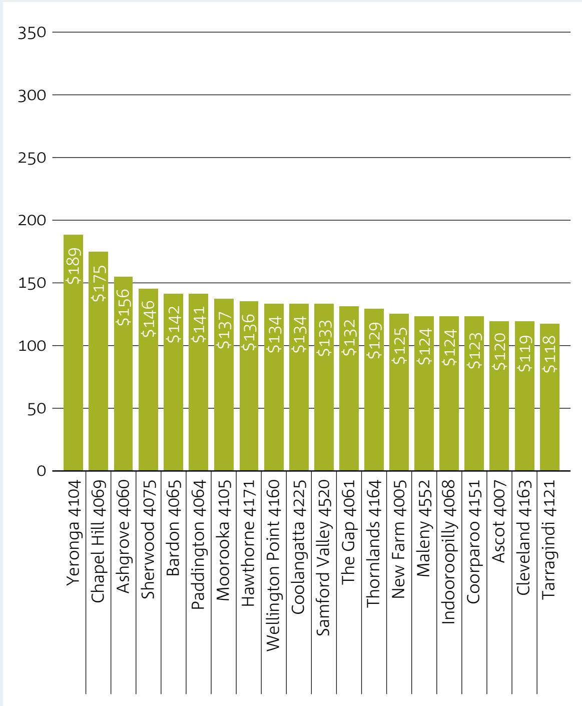


Chart 21: Top 20 postcodes for charitable giving: Victoria (as a % of income, 12 months to February 2015)

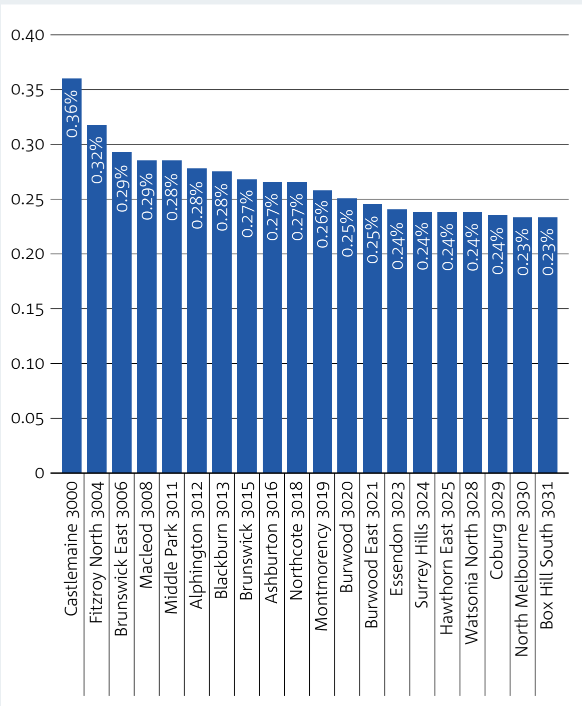


Chart 23: Top 20 postcodes for charitable giving: Queensland (as a % of income, 12 months to February 2015)

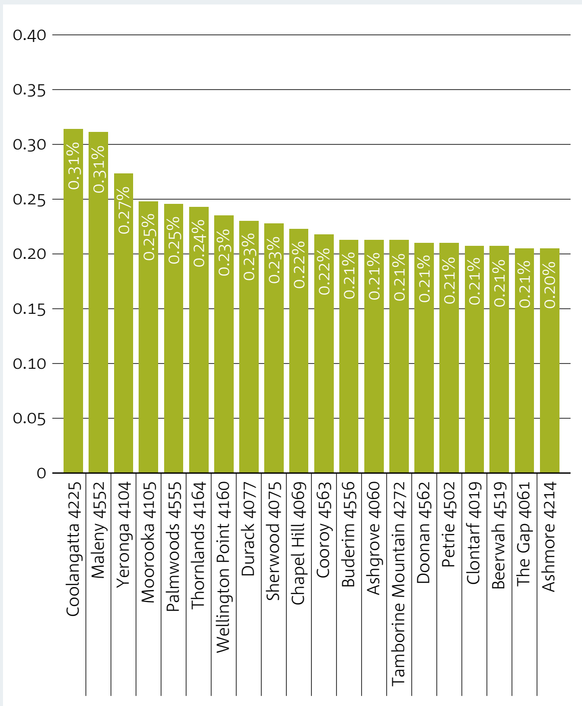


Chart 24: Top 20 postcodes for charitable giving: SA
(average spend per person, $A, 12 months to February 2015)

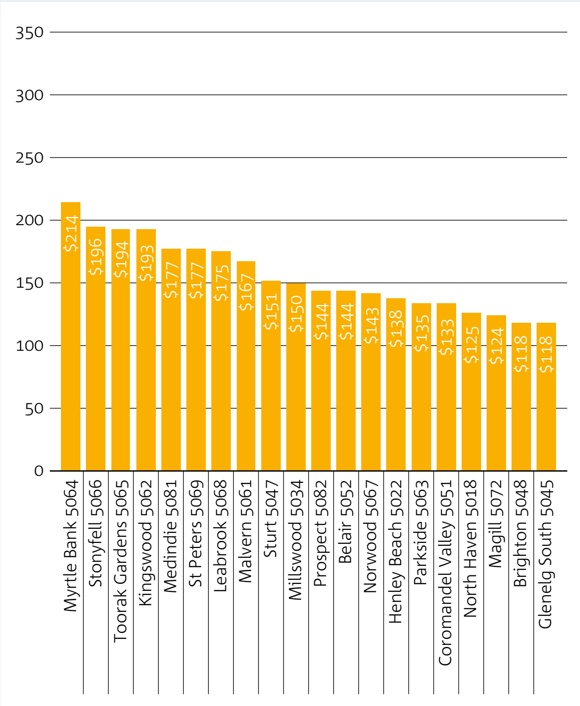


Chart 26: Top 20 postcodes for charitable giving: WA (average spend per person, $A, 12 months to February 2015)

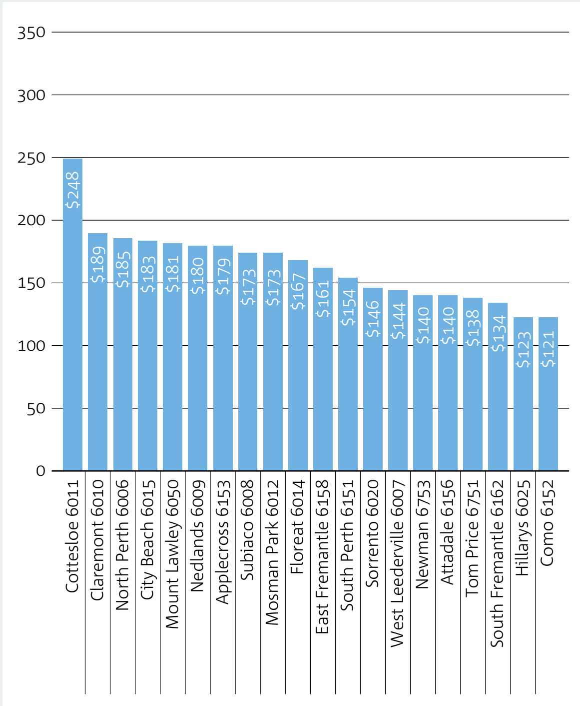


Chart 25: Top 20 postcodes for charitable giving: SA
(as a % of income, 12 months to February 2015)

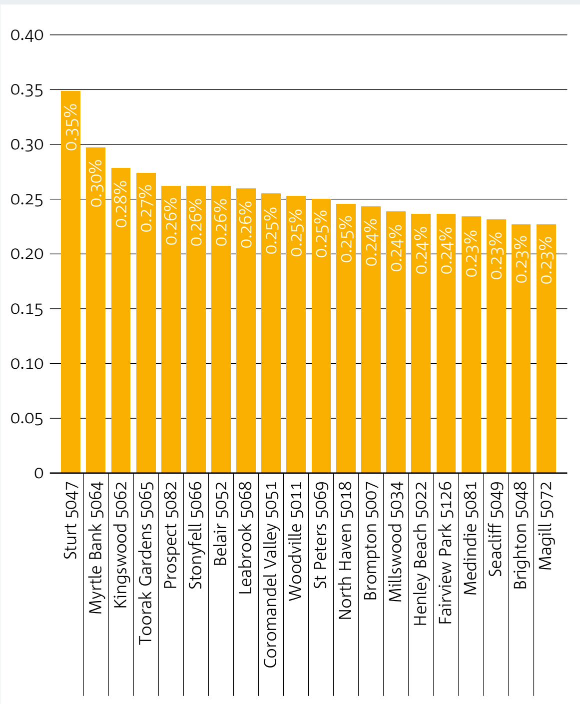


Chart 27: Top 20 postcodes for charitable giving: WA (as a % of income, 12 months to February 2015)

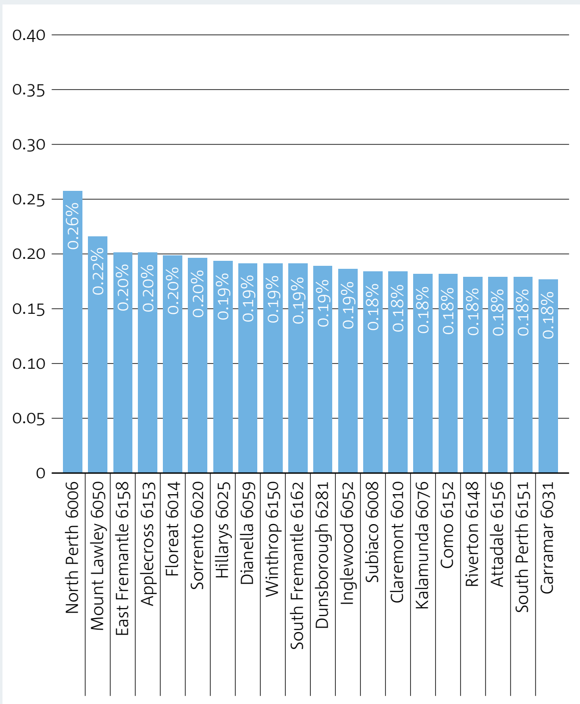


Chart 28: Top 20 postcodes for charitable giving: Tasmania (average spend per person, $A, 12 months to February 2015)

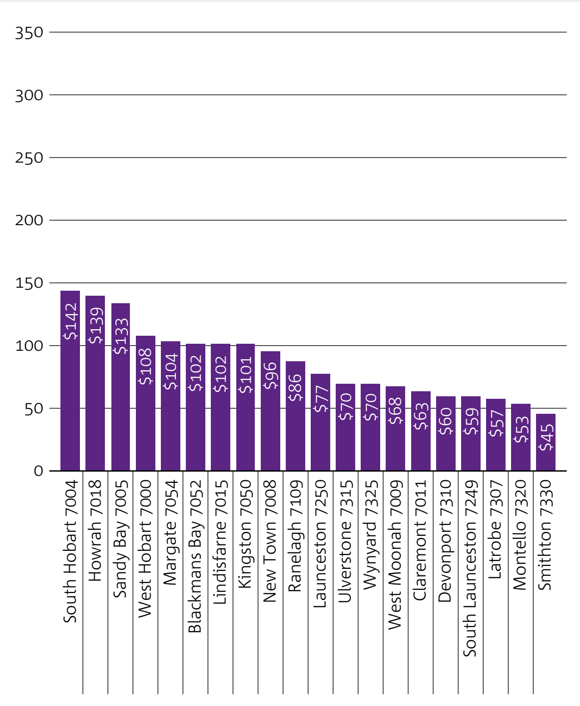


Chart 29: Top 20 postcodes for charitable giving: Tasmania (as a % of income, 12 months to February 2015)

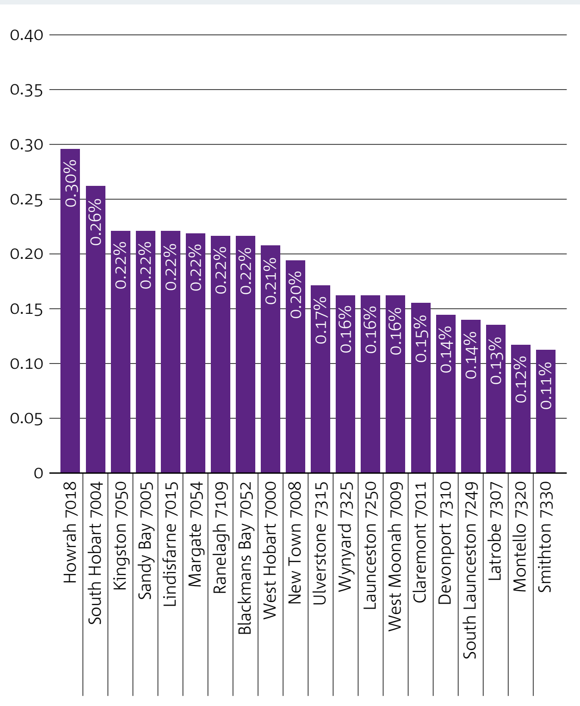


Chart 30: Top 20 postcodes for charitable giving: ACT (average spend per person, $A, 12 months to February 2015)

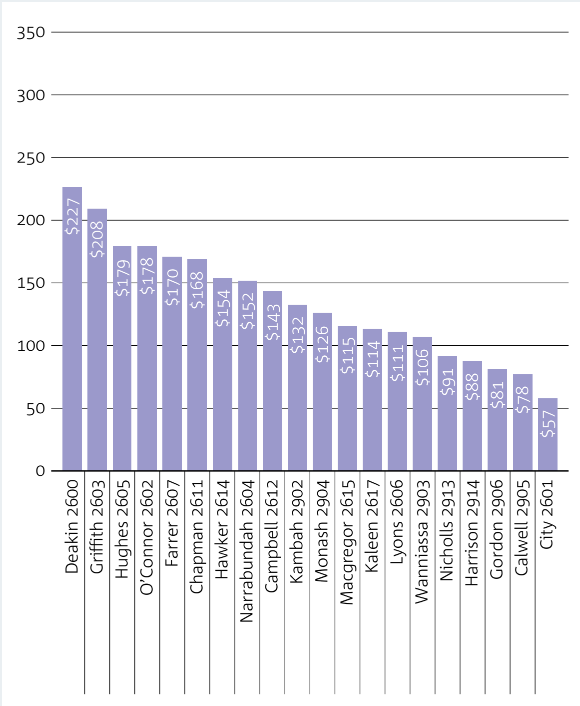


Chart 31: Top 20 postcodes for charitable giving: ACT (as a % of income, 12 months to February 2015)

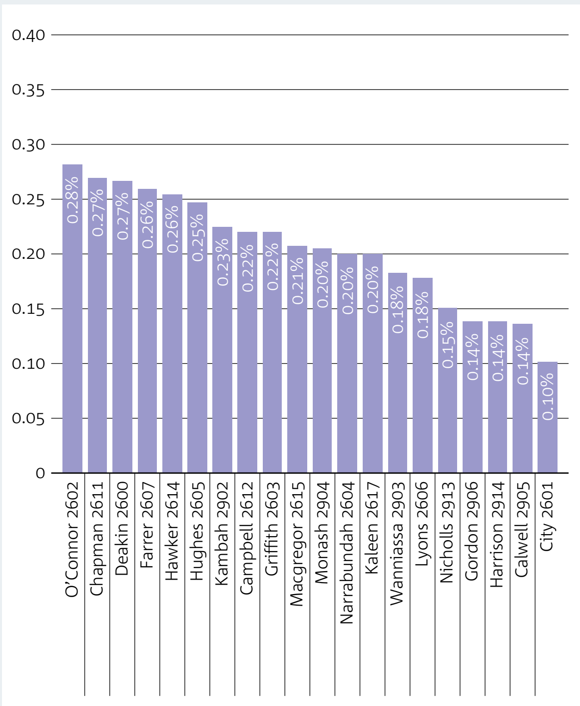


Chart 32: Top 9 postcodes for charitable giving: NT (average spend per person, $A, 12 months to February 2015)

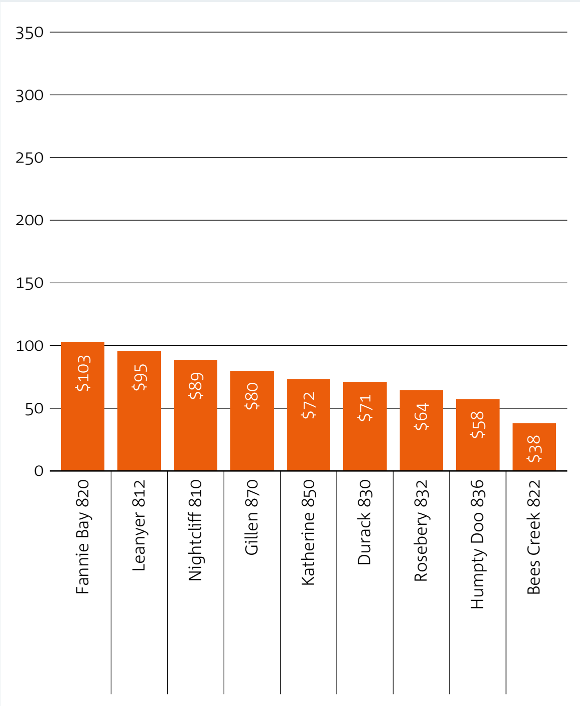
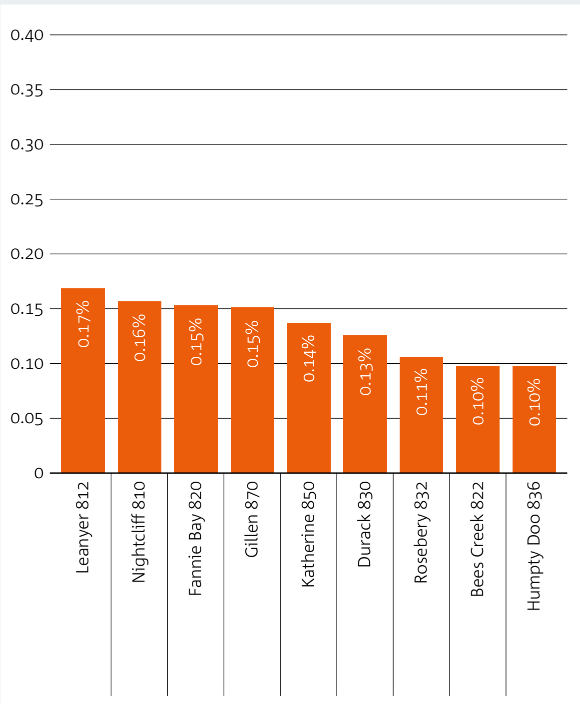


Chart 33: Top 9 postcodes for charitable giving: NT (as a % of income, 12 months to February 2015)



About Quantium

Quantium is Australia's leading data analytics and marketing strategy firm. Quantium has worked with NAB for more than 6 years, assessing de-identified transaction data to derive insights, trends and shopping habits of different customer groups. The resulting analysis forms Market Blueprint and is used by NAB and other businesses to drive innovation and business performance through customer, distribution and marketing strategies. *www.quantium.com.au*

Changes to the data

Quantium implements ongoing data improvements to Market Blueprint to better capture donation spend in their analysis. As the priority for the NAB Charitable Giving Index is to provide an accurate representation of the Australian donation landscape, Quantium is required to recalculate historical results at each release using the revised data.

For this update, NAB and Quantium have undertaken a thorough review of individual charity categorisations with the aim of improving how charities are represented in the publication. The main impact of this re-classification is the separation of charitable lotteries from "Other" into a standalone category. Medical Research has also been affected due to the reclassification of two major charities - Mater Prize Home (moved to Charitable Lotteries) and Fred Hollows Foundation (moved to Health & Disability). At an overall level and for the remaining categories, the impact of re-classification has been small.

Further to this, data improvements have been made to individual charities as at every release. At this release, improvements in data associated with Australian Red Cross have been made. Humanitarian Services and the overall index have been affected in particular.

As part of Quantium's regular review process, there has also been a re-alignment in how average annual donations per donor are calculated. As a result, there have been some upward revisions to average annual donations per donor relative to previous reports. Note that this only impacts the average annual donation metric, while other metrics (indices, market share and donations by postcode) are unchanged.

Important notice.

more give, less take

To discuss this report in more detail, please speak with your NAB Relationship Manager, email community@nab.com.au, or contact:

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