

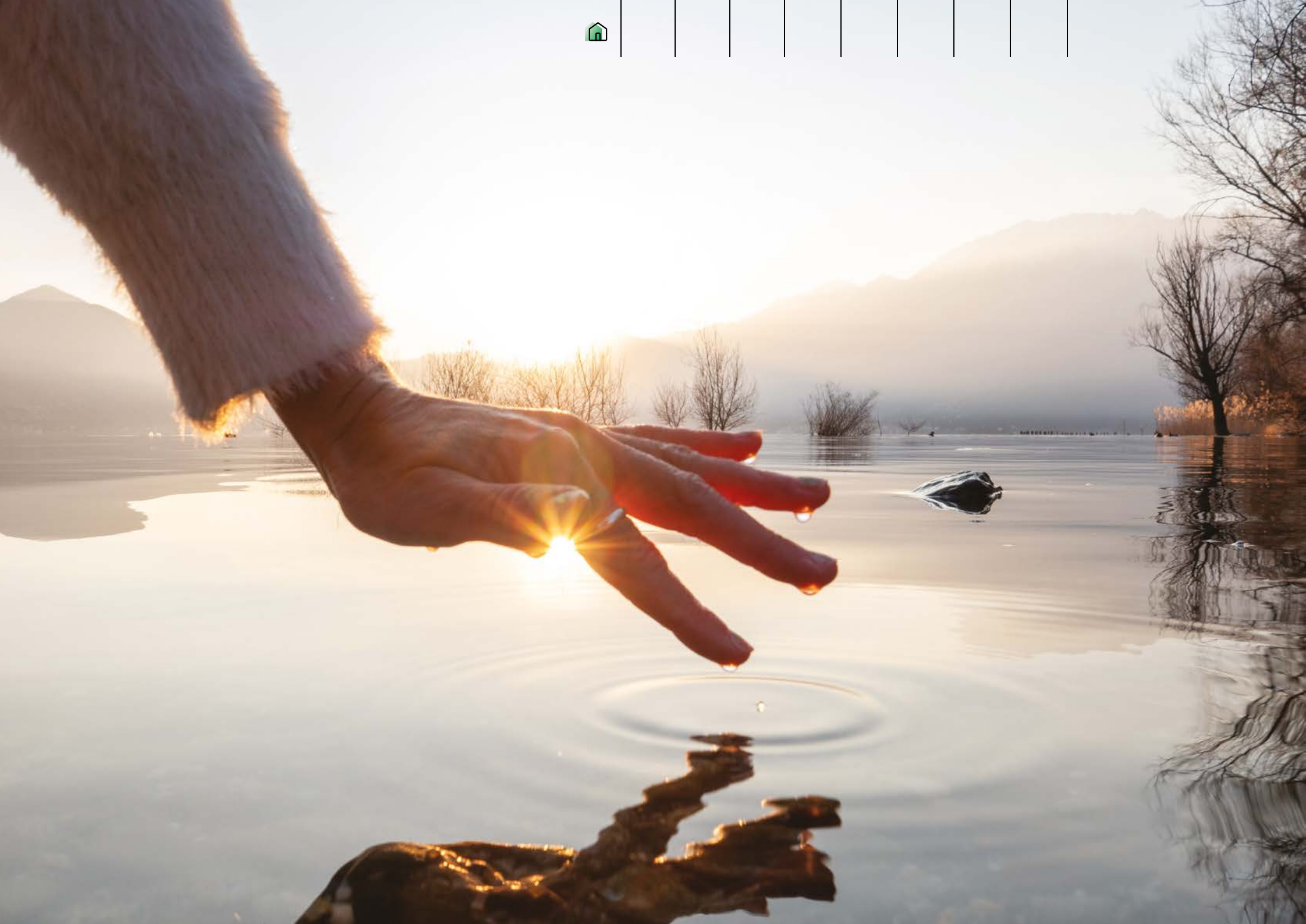


# The Giving Report

A survey on the giving practices of  
high-net-worth individuals in South Africa

5th Edition

**NEDBANK**  
PRIVATE WEALTH





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# Highlights

**83%** of high-net-worth individuals (HNWIs) gave money, time, or goods in 2021.

## Transformation of givers

1/2

Women

1/4

Black

1/3

Giving for less than five years



## Value given

In 2021, South African HNWIs donated roughly:



**R4,2 billion in cash;**



**R2,6 billion in goods and services; and**



**3,2 million hours of their time.**

The proportion of givers who volunteered decreased from 56% in 2018 to 43% in 2021, likely related to the Covid-19 pandemic.

The value of cash donations decreased, with most givers contributing less than R10 000 in 2021.





## Top reasons for giving

-  Care about the cause
-  Want to make a difference
-  Want to support a need I have been made aware of

Only 4% of givers were motivated by the Covid-19 pandemic.



### Impact of Covid-19

Most HNW givers did not change their giving practices in response to the pandemic; and one-third increased their focus on immediate needs.



### Identifying organisations

HNW givers relied more on personal networks to identify recipients, and less on religious organisations. Donors increasingly made decisions about their contributions alone. When they did consult others, it was most often a spouse or partner.

## Beneficiaries

66%



of HNW givers supported social and community development causes, including orphans and vulnerable children and the elderly.

25%



of HNW givers supported religious institutions or causes – down from 41% in 2018.

18%



of HNW givers supported causes related to Covid-19, predominantly food security.

## NPOs



Non-profit organisations (NPOs) were the most supported beneficiary type. Most HNW givers do not want to support political parties.

## Post-donation expectations

More than

1/2

of all givers do not expect any feedback or acknowledgement after donating.



## Giving more in the future

Most givers would consider increasing their donations in 2022, particularly if their personal financial situation improved or in response to need or a cause with merit.



# Foreword

In the 12 years since we first launched *The Giving Report* – a first of its kind at the time – this critical research has gone from strength to strength as a trusted source of information and insight into the giving behaviours and practices of high-net-worth individuals (HNWIs) across the country. Based on the overwhelmingly positive response that every edition of the report has received, we have continued to invest in this important research. Today, we are pleased that it is considered a vital contributor towards strengthening philanthropy and encouraging giving across the country.

We are proud to present this fifth edition of *The Giving Report*, which builds on over a decade of in-depth research and incorporates the invaluable feedback and suggestions of diverse stakeholders in the philanthropy sector.

It is encouraging to note that, despite the economic challenges presented by the pandemic, the spirit of giving is still alive and well among HNWIs in South Africa. The percentage of survey respondents who reported philanthropic activities in 2021 was 83% – the same as it was in 2018 before Covid-19 changed everyone's financial reality.

Among the most significant changes identified in this latest report is the trend of continued transformation in the population of HNWIs in the country, and those actively involved in philanthropy. In a pleasing positive shift, more than half of all givers were female – for the first time since the research started in 2010. Another important factor is that affluent black South Africans now make up more than a quarter of the givers in this market. It is a welcome development to observe how the composition of this cohort moves closer towards a reflection of the country, and to consider the possibilities of how a new generation of philanthropists will shape the sector in the future.

Despite contractions in the amounts of cash and non-cash donations and volunteer hours as South Africa continues to recover from the pandemic, the findings point to a sustainable outlook, supported by the fact that a quarter of the givers surveyed indicated that they would consider giving even more if their earnings increased. This, coupled with the observation that 19% of non-givers surveyed said that they would be more likely to start giving if the economy improved, augurs well for philanthropy if South Africa is able to return to a position of growth going forward.

**Foreword**  
(continued)

A slightly less positive outcome of the research is the notable decrease in the average cash value of giving between 2018 and 2021. More than half of the givers who participated in the survey gave in the lowest-value contribution category – a considerably higher proportion than the 39% reported in 2018. Of course, this decline in giving value is understandable, given the severe economic impacts of Covid-19 and the numerous other social and natural disasters that have beset the country in the past year.

Covid-19 has also had an impact on the support provided to the various philanthropic sectors, with most of these experiencing a decline in giving value, as average giving to the social and community development sector increased, and 6% of funding was redirected towards pandemic-related causes.

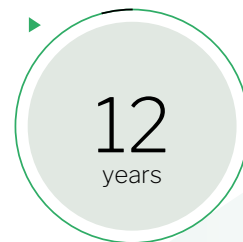
The hope is that, as the financial health of households and businesses recovers to pre-pandemic levels and the immediate social impacts of Covid-19 ease, this will prompt a return to higher-value giving across all philanthropic sectors.

Thank you to everyone involved in the production of this edition and to the HNWI's who gave their time to participate in the survey. We hope that the findings of this *Giving Report* will help to inspire more individuals, families and businesses to give, so that, together, we can continue to build a better and more inclusive South Africa for all its people.

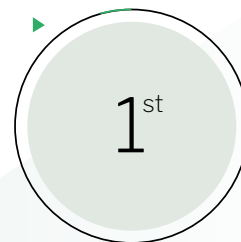
Kind regards

**Marilize Lansdell**  
Managing Executive:  
Wealth Management South Africa

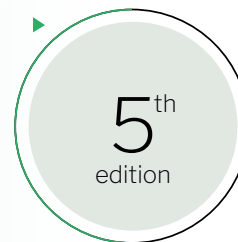
**Marilize  
Lansdell**



since first  
edition



of its kind  
in Africa



since 2010



## Introduction

This *Giving Report* marks the fifth edition of unique perspectives and research gathered on private philanthropy in South Africa. It is the only publication that derives insights from primary field research on the giving behaviour of South Africa's high-net-worth individuals (HNWIs). The research findings are presented in this report alongside opinion pieces from thought leaders in the sector.

Following a short description of the sample, the report presents the giving behaviour of HNWIs in 2021, that of HNWIs who do not give, as well as popular causes and motivations for giving, post-donation behaviour and structures typically used. The results of this edition also highlight the impact of the Covid-19 pandemic on the South African philanthropic sector.

The previous editions of *The Giving Report* profile giving behaviour in 2010, 2012, 2015 and 2018. Nedbank Private Wealth now has a substantial database of information on the behaviour of HNW givers over a 12-year period from which to extract insights, trends and shifts in giving behaviours.

We hope that this report will enrich conversations around giving to extend and deepen its impact on society.



## Introduction

(continued)

## Methodology

The methodology has remained consistent with that in previous years. For this *Giving Report* a total of 409 interviews were conducted with HNWI's around the country by Genex, a professional research company. Most interviews were conducted telephonically between April and June 2022 and respondents were asked about their giving in 2021. Trialogue, a responsible business consultancy, conducted the analysis and assisted with the compilation of the report.

As in previous years, a group of experts was convened to provide input into the research process and feedback on the report. The individuals who made up the panel were the following:

**Hein Klee, Head of International and Acting Head, Philanthropy**  
Nedbank Private Wealth

**Michellene Moonsamy, Head Client Enablement**  
Wealth Management South Africa

**Faith Mabaso, Marketing Manager**  
Wealth Management South Africa

**Sandra V Ngwenya, Philanthropy Consultant**  
Nedbank Private Wealth

**Bhekinkosi Moyo, Director**  
Centre on African Philanthropy & Social Investment (CAPSI)

**Louise Driver, Executive Director**  
Independent Philanthropy Association of South Africa (IPASA)

The survey consisted of over 70 questions intended to build an understanding of the nature of HNWI giving in the country. Respondents were asked about the quantum of their giving in 2021 and the form that this took – whether cash, goods or products or time volunteered. Topics such as the selection of beneficiaries, the decision-making around whom to give to, post-donation expectations and structures used for giving were explored. This year's survey also examined the effect of the Covid-19 pandemic on giving practices. Most questions remained the same as in previous surveys to enable the valid tracking of changes and trends in giving over time.

### Qualifying as an HNWI



The definition of 'HNWI' remains unchanged from previous samples.



To qualify as an HNWI one must earn at least

**R1,5 million per annum**

or

**own investable assets**

**of over R5 million, excluding the primary residence.**

The views expressed in the opinion pieces are those of the authors and not of Nedbank Private Wealth.





## Opinion

# Effective disaster responses: lessons from the pandemic

*Best practices developed to combat the consequences of Covid-19 should inform future philanthropy, writes SANDRA V NGWENA.*

Many stories have been and will be told about Covid-19. Questions have been asked and others are still to come. However, as philanthropists, our core questions in some ways remain the same as in 'normal', pre-pandemic times:

- Did we respond quickly enough?
- Did we ask the right questions?
- Did we address the right need?
- Did we use best practice?
- Did we get the best value for money?

The answers also remain the same: it depends. But we can all agree that the pandemic forced us to step out of our own boxes in ways that many would not have thought possible prior to March 2020.

We learnt that it's possible to be **responsive to circumstances without breaking the mission**. In a world of finite resources and competing priorities, it is important that philanthropy is guided by a clear mission and strategy – but this can also lead to rigidity in approach. Pre-Covid-19 disaster responses were often funded through dedicated discretionary resource pools, established for that purpose, and disbursed in response to ad hoc requests. Suddenly, when confronted with the unprecedented challenges of the pandemic, these structures and formations mattered less. Every sector was impacted and required support, from animal welfare organisations to educational causes and gender-based violence prevention.



## Introduction (continued)

The philanthropists who were able to pivot and respond most effectively were the ones able to rapidly assess the effects on the sectors in which they were working, strengthen partnerships and collaboration with known stakeholders, and maintain or adapt their support accordingly. The Nedbank Private Wealth foundations opted to do this by providing unrestricted operating grants to their existing grantees, to help them survive in 2020.

We also learnt that **partnership will always be the gold standard**. Funders are often quick to ask non-governmental organisations (NGOs) to both collaborate with other stakeholders – including government – and to seek other donors. Yet we do not practise this ourselves. On a grand scale, the Solidarity Fund demonstrated what can be achieved when donors from diverse sectors came together with a common objective. Was the model perfect? No, but it showed what was possible.

Many other collaborative examples emerged throughout the country and around the world. Within South Africa and at national level, a rich variety of response strategies was produced through partnerships between the DG Murray Trust and numerous other donors, including the ELMA Philanthropies, the Michael and Susan Dell Foundation, Allan and Gill Gray Philanthropies, the Bill and Melinda Gates Foundation, the Zenex Foundation and the Millennium Trust, among others. Locally and within communities, restaurants, hotels, and other businesses partnered to offer facilities, resources and volunteer hours to stock food banks, soup kitchens and other feeding schemes.

We learnt that **when rapid responses are needed, civil society is our biggest resource**. Civil society organisations witnessed first-hand the devastation brought about by Covid-19. They also often proved to be the most effective partners in identifying need and galvanising community responses. Philanthropists working with NGOs as their guides were often better placed to respond effectively to the pandemic. One example of this is the Social Change Assistance Trust, which coordinated the efforts of rural community-based organisations to distribute food relief in the Eastern Cape.

Finally, we learnt that **we cannot let perfect get in the way of good**. Over the last decade, the philanthropic sector has increasingly focused on impact and strategic investments. While this is not a bad thing, it has created new hurdles for organisations seeking funding – and it is certainly not a working model for disaster response. Have opportunities been missed and mistakes been made in prioritising speed over strategy? Absolutely, but this is not reason enough to shy away from this type of giving. Ultimately, the billions of rands channelled into Covid-19 responses saved families, livelihoods and communities in ways that will never be fully measurable, and that is the big picture.

The most important question that remains is, how will we use the lessons of the past two-and-a-half years to respond even more effectively to the next disaster?

### Sandra V Ngwena



Sandra V Ngwena is a philanthropy consultant providing advisory services to private foundations, corporate foundations, and individual givers. Sandra also provides management services to large-scale donor-led projects. She has worked with clients and projects across Africa, and in Australia, the US and the UK.

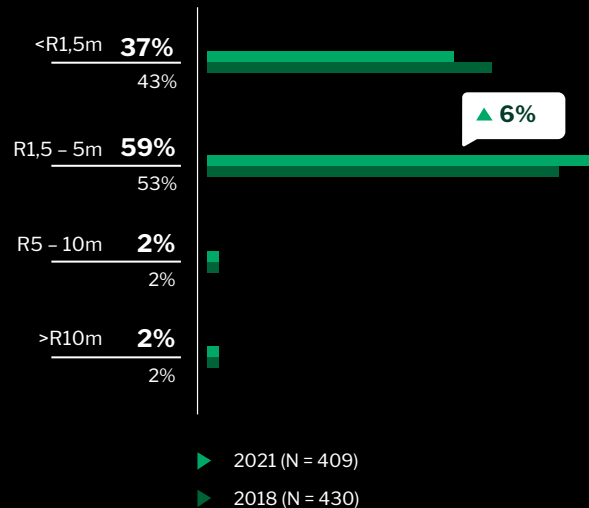


# Profile of survey sample

Of the 409 HNWI's that took part in the survey, more than half (59%) earned between R1,5 million and R5 million annually. Only a small percentage (4%) reported an annual income of more than R5 million in 2021, unchanged from 2018.

## Total income

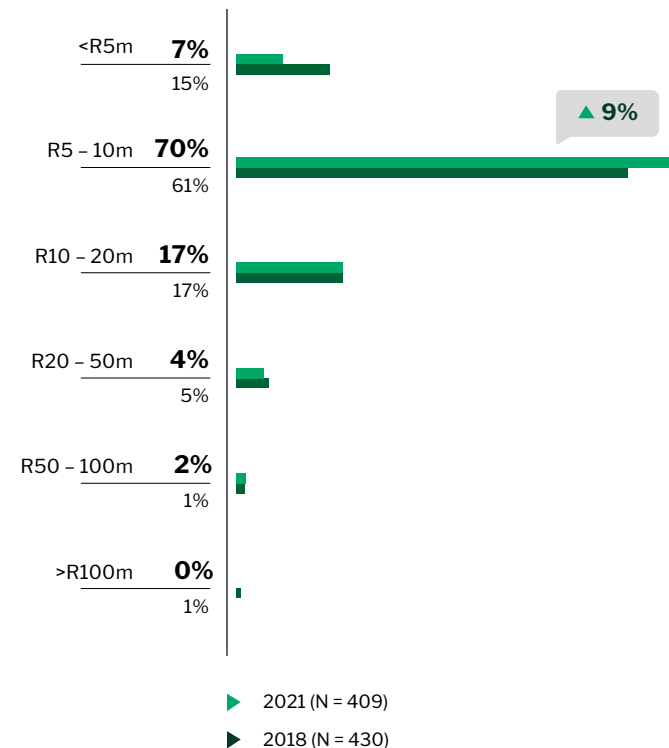
Percentage of respondents



Once again, the greatest proportion of respondents (70%) had a net worth of between R5 million and R10 million.

## Total net worth

Percentage of respondents

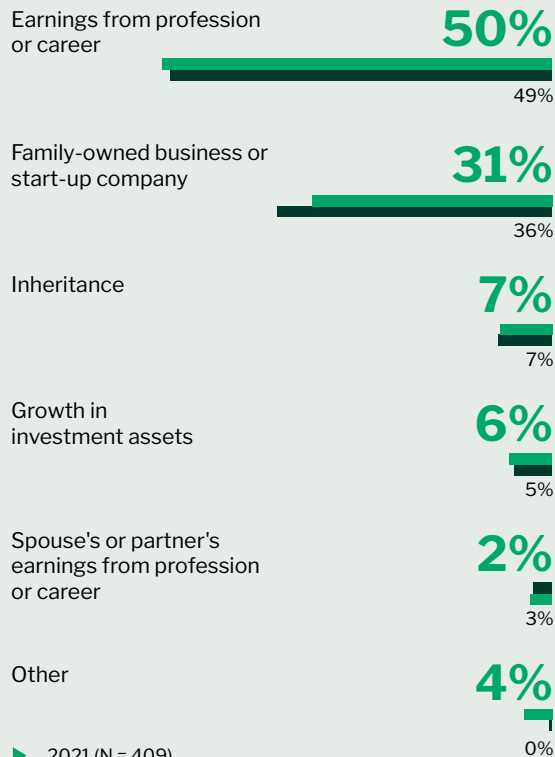


**Profile of survey sample**  
(continued)

Half of all participating HNWI's cited professional success as the main source of their net worth, followed by family-owned businesses or start-up companies (31%). The proportion of employed respondents increased to 39% from just under a third in 2018 (31%), while business owners and self-employed HNWI's declined by 10 percentage points from 64% in 2018 to 54% in 2021.

**Main source of net worth**

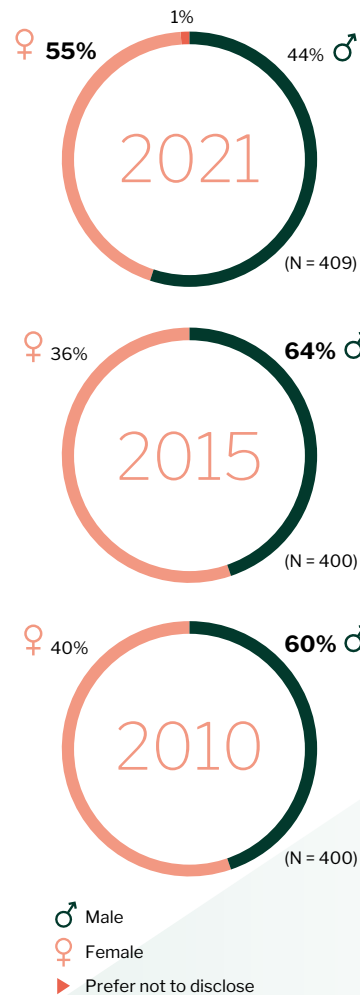
Percentage of respondents



▶ 2021 (N = 409)  
▶ 2018 (N = 430)

**Gender**

Percentage of respondents



♂ Male  
♀ Female  
▶ Prefer not to disclose

The demographics of the sample of HNWI's have changed over the years. For the first time, women made up more than half of the sample (55%), compared with 48% in 2018 and about a third in earlier surveys.

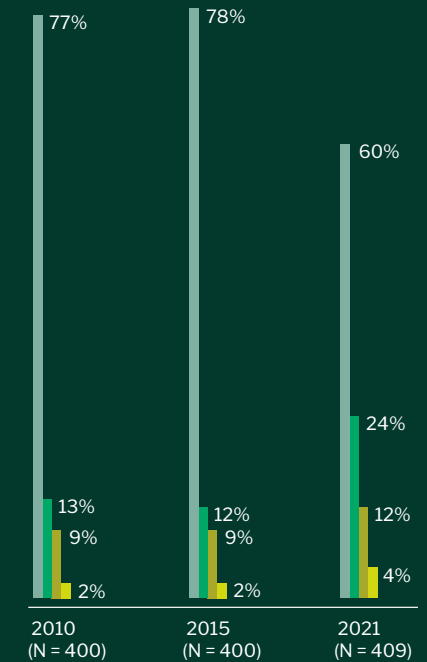
While most participating HNWI's are still white (60%), this proportion has declined from around 80% in the first three surveys. A quarter of respondents (24%) in 2022 were black Africans, up from 13% in 2010.

About half of all respondents (52%) were between 40 and 60 years old, with 30% younger than 40 and 18% older than 60. There was growth in the percentage of respondents aged 36 to 40 years old, from 10% in 2018 to 15% in 2022.

Most respondents (58%) were graduates or held a post-graduate degree. About a third (31%) held a diploma or career-specific qualification, while only 11% did not have any post-school tertiary qualification.

**Race**

Percentage of respondents



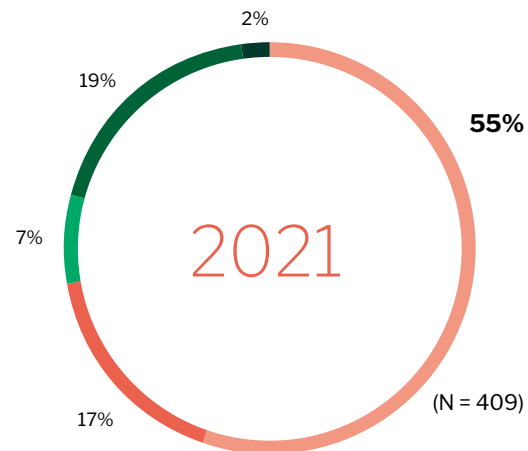
▶ White  
▶ Black African  
▶ Indian/Asian  
▶ Coloured

## Profile of survey sample (continued)

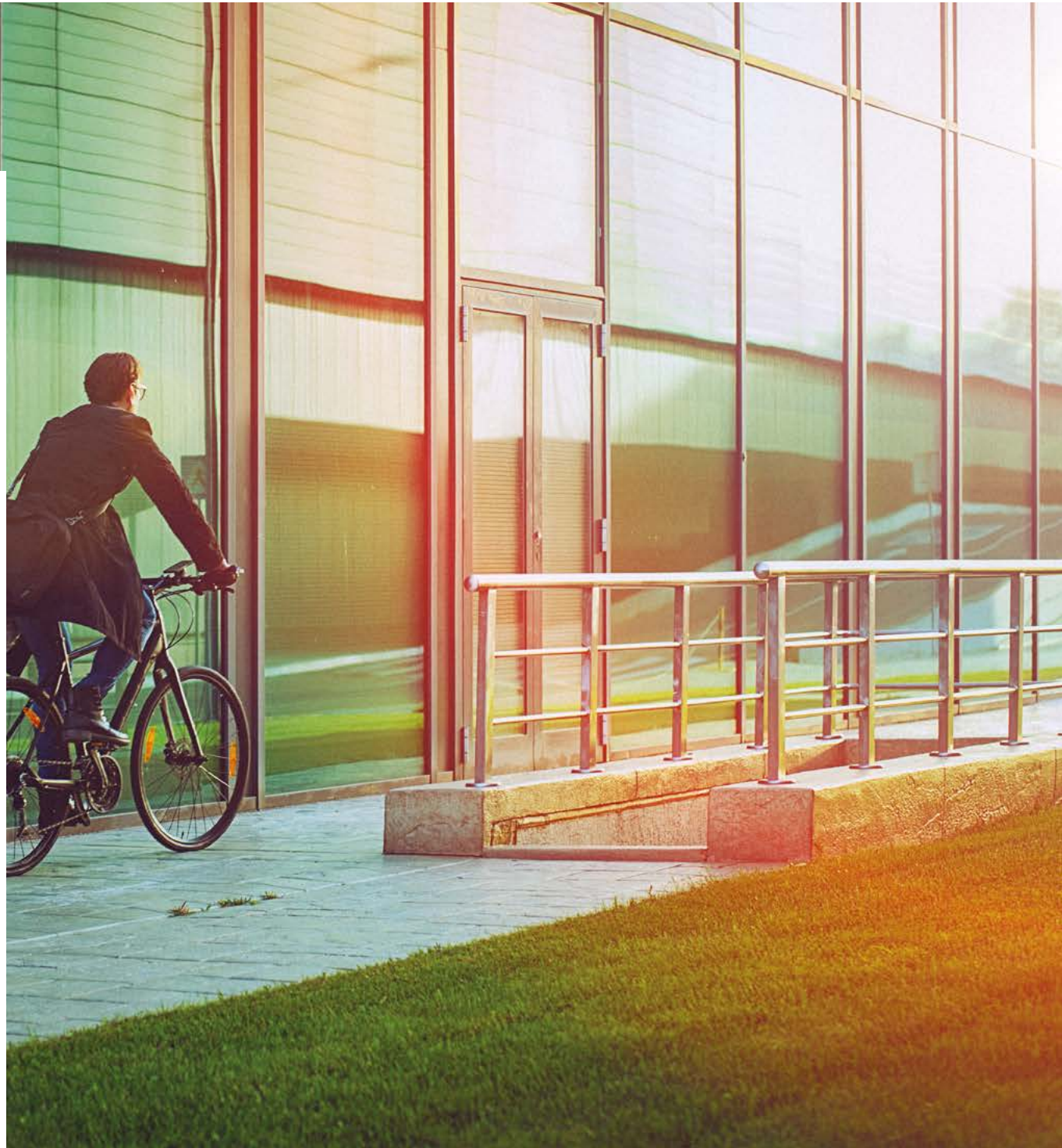
Given the survey's focus on the second year of the Covid-19 pandemic, HNWI's were asked about their personal financial security in 2021. Despite the challenging economic context, over half (55%) felt as secure as they were previously and 24% felt more financially secure. Only about a fifth (21%) were less financially secure than before the pandemic.

## Personal financial security in 2021

Percentage of respondents



- ▶ About the same as before the pandemic
- ▶ More financially secure
- ▶ Much more financially secure
- ▶ Less financially secure
- ▶ Much less financially secure





Profile of survey sample  
(continued)

## Opinion

# The systems work of social change: our ways of work shape our progress

*Solving deep-rooted challenges requires us to think differently about how we achieve change, writes DR FRANÇOIS BONNICI.*

From climate change to poverty, economic inequality and racial injustice, the challenges confronting humanity have never seemed more pressing – or paralysing. This year alone the World Economic Forum added social divisions, livelihood crises and mental health deterioration to the concerns raised in its *Global Risks Report 2022* – even before the outbreak of war in Ukraine.

Enormous resources have been invested in resolving these and other profound collective problems, yet it sometimes seems we are no closer to solutions than a decade or two ago. Are we unable or unwilling to change direction, and where are our imaginative responses?

Inherent to this dilemma is the reality that change doesn't happen easily, nor does it take place through big gestures, sweeping commitments or high-profile events. Rather, real change often results from countless small acts by communities, local organisations, business associations and other formations – all united by a common goal. Evidence shows that while often messy, unglamorous and non-linear, these types of collective action methods can result in real and meaningful results. We refer to this approach as 'systems work' – and it offers the potential to galvanise new change processes to build a more inclusive and sustainable world.

Systems work is generally characterised by three important features, the first of which is **connection** – referring to how people stay together while learning through change.

As described by philanthropy advisor Edgar Villanueva, 'Real, complex relationships are necessary not only for whatever the present entails but also to face challenges in the future. Relationships create resilience; transactions don't'.

We see examples of this among organisations that confront social division, isolation and exclusion, and work to create new collective identities. The growth of this type of cohesion can lead to productive engagement with other social groups, challenges to prevailing rules and norms, and new learning and relationships – triggering wholesale systems change.

This process requires time, trust and often safe physical spaces. One initiative with noteworthy achievements in this regard is RLabs, a non-profit social enterprise established in 2008 in the gang-ridden communities of Cape Town. At-risk youth are brought together outside of the surrounding contested territories and have become a community of highly successful graduates and tech innovators. RLabs has trained over 200 000 individuals, incubated 3 500 businesses and created 90 000 job opportunities in over 23 countries.

The non-profit Mothers2Mothers (m2m) has also forged pathways to a new collective consciousness in sub-Saharan Africa. Challenging stigma and shame, m2m employs 'Mentor Mothers' living with HIV to guide others on their journeys to good health by sharing their stories and 'unfreezing' the prevailing mindset surrounding the disease. The organisational track record of reducing mother-to-child disease transmission among participants has surpassed the United Nations target of 5% consistently, since 2014.

Relationships  
create resilience;  
transactions don't.



The three  
features of  
systems work:  
connection,  
context and  
power.



## Profile of survey sample

(continued)

A second critical feature of systems work is **context**, and how problem-solvers adapt ‘solutions’ to best fit local circumstances.

In their breakaway management book, *The Starfish and the Spider*, Ori Brafman and Rod Beckstrom suggest that knowledge often gathers at the margins, where we are least likely to find traditional ‘experts’. A vital part of systems work is enabling people with daily lived experiences of challenges – such as poverty or illness – to elevate and share their solutions with others.

This has been put into practice by the US-based Family Independence Initiative, which developed the UpTogether platform as a site for families to share information and stories, access resources and track goals. Diverging from traditional social service models, users have reported a 22% average increase in income as well as a 55% reduction in government support over two years. Such connections have also boosted resilience through the Covid-19 pandemic.

A final crucial element of systems change work relates to **power**, and specifically who makes the rules and decision about how we operate.

Power, according to sociologist Stephen Lukes, has many ‘faces’. It is easily spotted in the practices of agenda-setting and decision-making. Ideological power, however, can be deep-seated and harder to detect. Our social norms and values, as well as the behaviours they enforce, are enshrined through latent power structures that often go unnoticed and uncriticised.

Arbind Singh has experienced this first-hand in India and co-founded the organisation Nidan to protect the rights of informal workers and pursue more inclusive laws, policies and decision-making processes using traditional protest methods.

All the initiatives mentioned show how possible it is to reconfigure power and disrupt traditional channels of access, representation, knowledge, and profit. In a reimagined world, former gangsters, manual labourers and families living in poverty become leaders rather than ‘costs’ for society to bear. Urban slums and over-extracted rural areas become places of possibility.

Real change happens where these shifts in perception are palpable and authentic – leaving nothing the same as it was before.

Rather than hopelessness and paralysis, we can choose to learn from and support the groups and organisations that are getting it right, even in small ways. We can foster new practices and ensure the people closest to our big problems have agency and a leading role in solutions. In doing so, we will open up new possibilities as we enter an era that demands radical changes to how we organise our societies and economies.

## Dr François Bonnici



Dr François Bonnici is Director of the Schwab Foundation for Social Entrepreneurship, Head of Social Innovation at the World Economic Forum; and Adjunct Professor at the Bertha Centre for Social Innovation, University of Cape Town Graduate School of Business. Together with Cynthia Rayner, he is co-author of *The Systems Work of Social Change: How to Harness Connection, Context, and Power to Cultivate Deep and Enduring Change* (Oxford University Press, 2021). This article is adapted from one that first appeared in *Forbes* in September 2021. The initiatives and organisations highlighted are awardees of the Schwab Foundation for Social Entrepreneurship.



# Giving behaviour

Despite the pervasive challenges brought on by Covid-19, research for the fifth *Giving Report* confirmed that HNWI's continued supporting social causes they cared about in 2021. Consistent with the previous survey, more than eight in 10 (83%) HNWI's contributed money, goods and/or time over the course of the year.

## Profile of givers

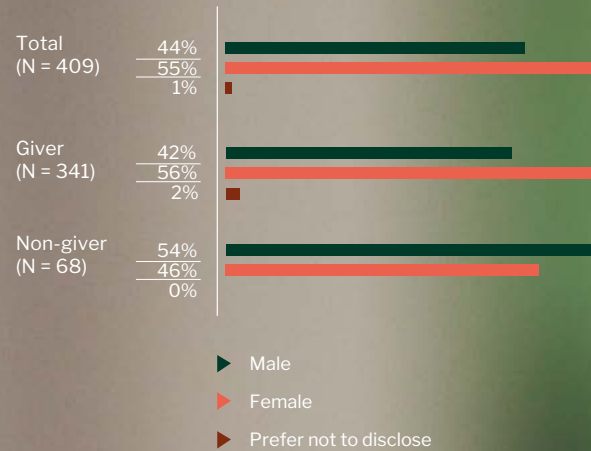
When compared with non-givers and the total sample of HNWI's, givers were predominantly female (56%, compared with 45% of givers in 2018) and included higher proportions of black African philanthropists (26%, compared with 17% of givers in 2018) – reflecting the transformation of the sector a whole.



**83% of HNWI's contributed money, goods and/or time in 2021.**

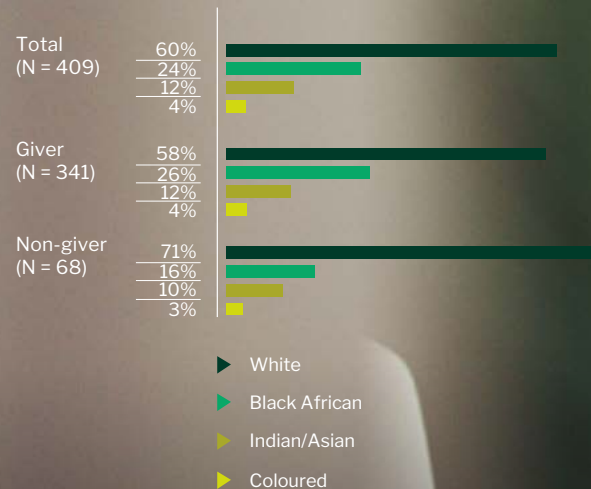
### Giving status by gender

Percentage of respondents



### Giving status by race

Percentage of respondents



**Note:** The observations of giving and non-giving based on race, gender and other characteristics are to be interpreted with care as they do not hold factors such as income or net worth constant.



**Giving behaviour**  
(continued)

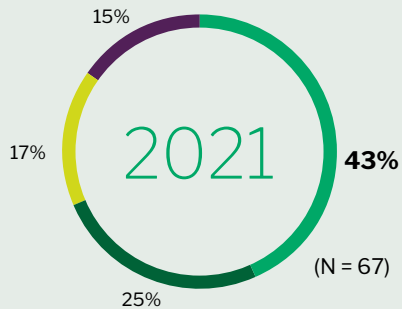
**Non-givers**

As in the previous survey, just under a fifth of sampled HNWI's (17%) did not give cash, goods or time in 2021. This was most often attributed to changes in their personal financial circumstances, resulting from the Covid-19 pandemic or for other reasons. A fifth of non-givers (19%) cited a lack of trust as their reason for non-giving and one in 10 (10%) simply had not thought about it.

More than half of non-givers (58%) had no plans to give in the future, consistent with 2018 findings. A quarter (25%) had never given before but planned to do so and 17% had previously given and planned to do so again.

**Giving history and future plans**

Percentage of non-givers



- ▶ Have never given; do not plan to do so in future
- ▶ Have never given; plan to do so in future
- ▶ Have given; plan to give again
- ▶ Have given; do not plan to give again

About a third of non-givers (30%) responded that nothing would make them shift to giving in the future. Others, however, would consider giving if their disposable income or liquidity of assets increased (21%) or on the basis of changes in the economy (19%).

Analysis of the subsample of non-givers showed the following:

- Most non-givers earned between R1,5 million and R2 million annually (51%, compared with 45% within the total sample).
- Most reported a net worth of between R5 million and R10 million (76%, compared with 70% of the total sample).
- More than half of non-givers were male (54%, compared with 44% of the total sample).
- Non-givers were predominantly white (71%, compared with 60% of the total sample).
- Most were consistent non-givers, with less than a third (32%) having given previously and generally donating R2 500 or less per year.

**Note:** The observations of giving and non-giving based on race, gender and other characteristics are to be interpreted with care as they do not hold factors such as income or net worth constant.

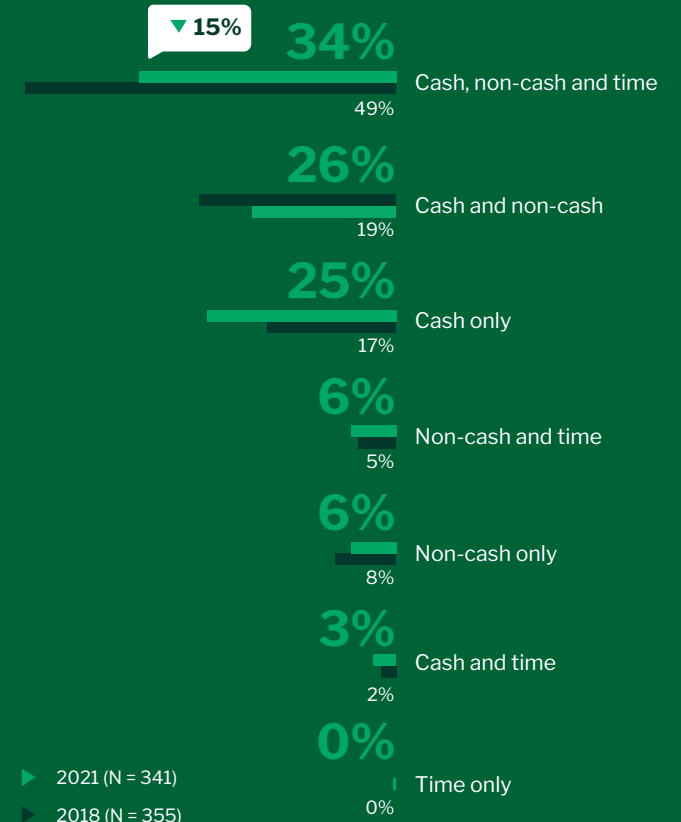
**Amount given**

The Giving Report categorises giving in three ways: cash, non-cash (goods, products or services) and time donations. Survey results confirmed that most givers (69%) continue to give in more than one way. The proportion giving in all three ways, however, declined to about a third (34%) from almost half (49%) in 2018.

Most HNWI givers gave cash in 2021 (88%), almost unchanged from 2018 (87%). The percentage donating goods and services, however, declined from 81% in 2018 to 72% in 2021. Those contributing time also decreased from 56% in 2018 to 43% in 2021.

**Ways of giving**

Percentage of givers



## Giving behaviour (continued)

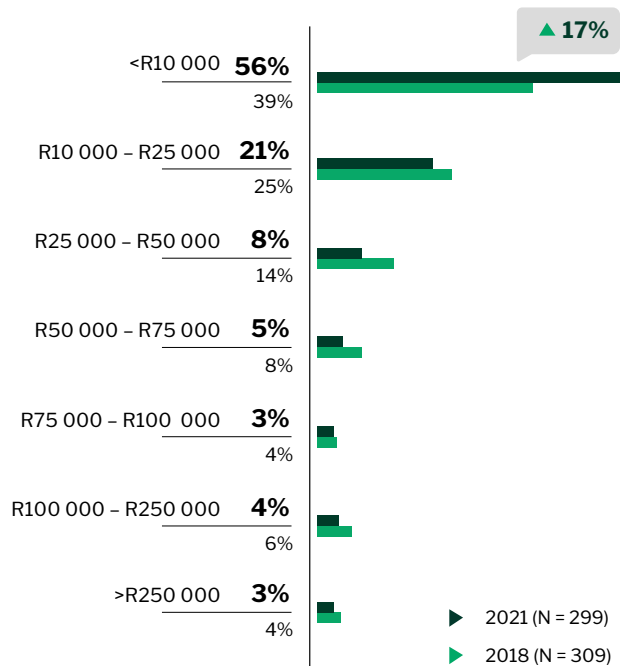
### Cash donations

Although the proportion of HNWI's donating cash remained high, cash giving occurred in smaller quantities. Givers donating less than R10 000 in 2021 increased to 56% (2018: 39%), while the percentage giving more than R50 000 decreased to 15% (2018: 22%).

Despite this, most cash givers (64%) maintained that their cash giving in 2021 remained the same as before the pandemic. About a fifth (18%) reported that they had reduced their cash giving and 13% that their cash giving had increased.

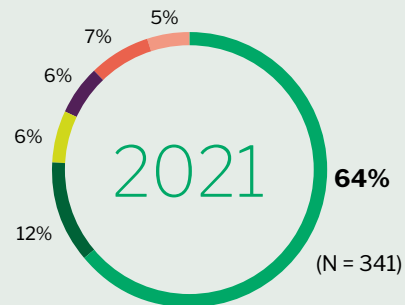
### Value of cash giving

Percentage of cash givers



### Impact of Covid-19 on cash giving

Percentage of cash givers



- ▶ No impact: same as before the pandemic
- ▶ Decreased by less than 10%
- ▶ Decreased by more than 10%
- ▶ Increased by less than 10%
- ▶ Increased by more than 10%
- ▶ Other

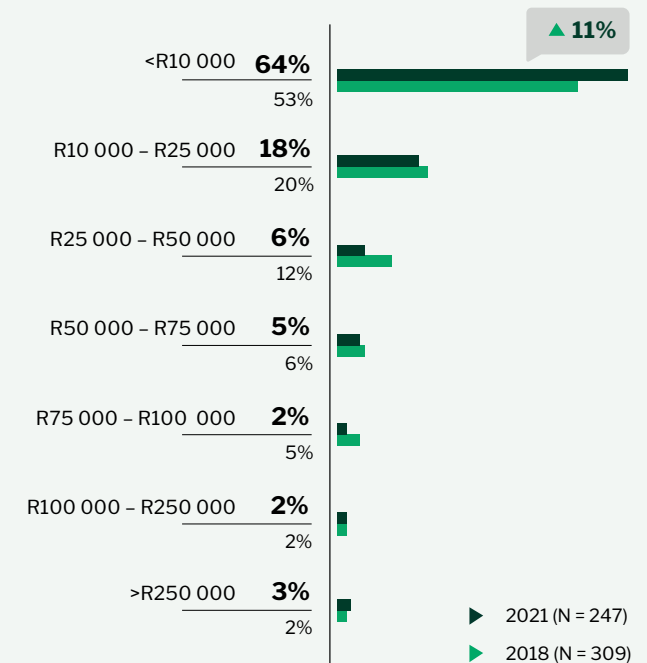


### Non-cash donations

Non-cash givers also gave in smaller quantities in 2021. Although a majority of HNWI givers continued donating non-cash items, the proportion dropped to 72% from 81% in 2018. Nearly two-thirds (64%) donated goods, products or services valued at less than R10 000 in 2021 (2018: 53%). Only 12% contributed more than R50 000 worth of non-cash items (2018: 15%).

### Approximate value of non-cash giving

Percentage of non-cash givers





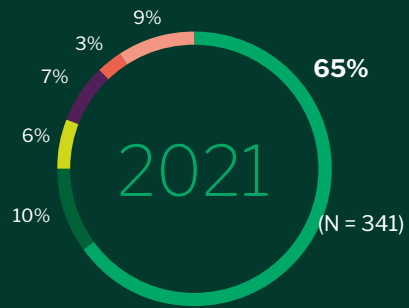
**Giving behaviour**  
(continued)

The most common form of non-cash donations in 2021 remained contributions of essential items, either to non-profit organisations (65%) or directly to individuals (41%). Other, less common donations included time to provide professional (16%) or other types of services (16%).

As with cash givers, most non-cash givers indicated that the amount they contributed had not been affected by Covid-19 and 16% reported that their non-cash giving had in fact increased in 2021.

**Impact of Covid-19 on non-cash giving**

Percentage of non-cash givers



- ▶ No impact: same as before the pandemic
- ▶ Increased by less than 10%
- ▶ Increased by more than 10%
- ▶ Decreased by less than 10%
- ▶ Decreased by more than 10%
- ▶ Other

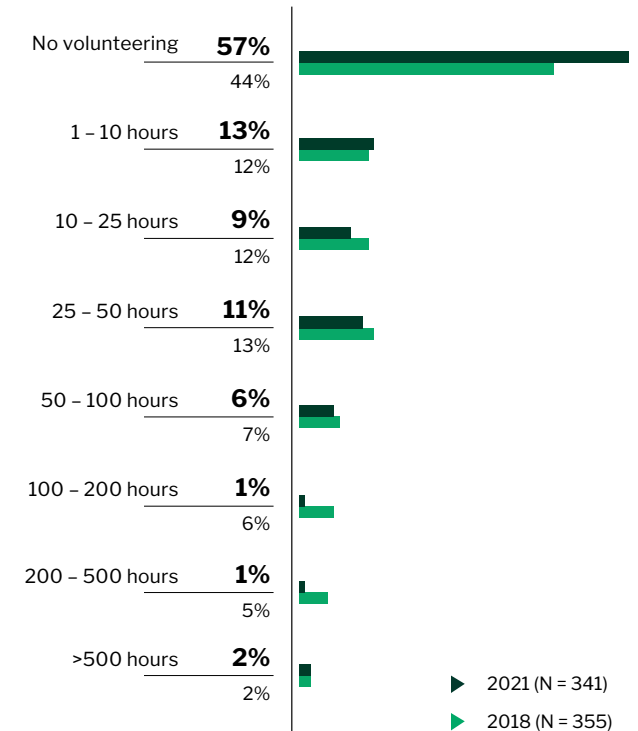


**Volunteering**

Fewer HNWI's gave their time in 2021 than previously, most likely due to the pandemic and resulting lockdowns. Whereas more than half of givers volunteered in 2018, only 43% did so in 2021. Most who volunteered (75%) gave under 50 hours in total throughout the year, an equivalent of less than an hour per week.

**Volunteering**

Percentage of givers



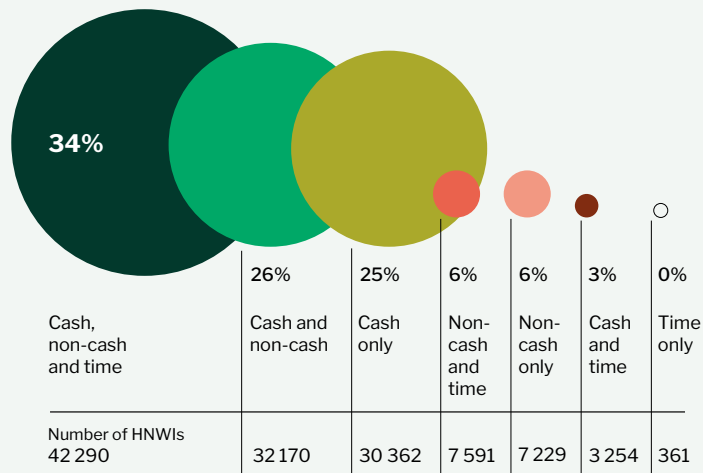


## Giving behaviour (continued)

### Market sizing

The total population of HNWI's in South Africa is estimated to be 147 836, up from 135 700 in 2018.<sup>1</sup> Applying the portion of givers in the sample to the estimated population of HNWI's, it is estimated that roughly 123 257 HNWI's in the country donated cash, goods or time in 2021 (2018: 112 043).

Based on the size of the giving population, it can be estimated that in 2021 HNWI's donated roughly R4,2 billion in cash – representing a decline of around R1,9 billion since 2018 and a return to 2015 levels. Estimates also show declines in the value of donated goods and services to R2,6 billion (2018: R3,1 billion) and to 3,2 million hours of time (2018: 4,3 million hours).<sup>2</sup>



<sup>1</sup> Estimates from Genex based on data sourced from the Bureau of Market Research.

<sup>2</sup> These figures assume the market follows a normal distribution within donation brackets with the mean at the bracket midpoint, and that the sample is representative of the market in terms of the distribution across income brackets.

## Opinion

### Proactive investing can reduce climate change, create opportunities

*Effective planning is needed to ensure that donor funding supports the achievement of both environmental and livelihood goals, writes SALIEM FAKIR.*

The Intergovernmental Panel on Climate Change (IPCC) has identified southern Africa as a climate change hotspot, with temperatures increasing at around twice the rate of global warming overall. South Africa has already experienced the consequences of these rapid changes first-hand: KwaZulu-Natal has experienced numerous extreme weather events, including severe floods and landslides that have destroyed property, displaced residents, and resulted in the loss of hundreds of lives. In the neighbouring Eastern Cape province, dam levels have dropped, and cities are facing a future day zero when taps run dry.

These devastating climate events have coincided with other systemic shocks. Following two years of the Covid-19 pandemic and the outbreak of the Russian-Ukrainian War, inflation is rising while economic growth remains low. Riots in KwaZulu-Natal in 2021 led to billions of rands in damages, as well as disrupted access to food and basic supplies. South Africa's poor remain the most vulnerable to economic downturn and social instability.

Despite the severity of these crises, philanthropic funding targeting climate issues in Africa is low – accounting for only between 2% and 4% of the US\$600 million spent globally every year, according to the ClimateWorks Foundation.



## Giving behaviour (continued)

Taken together, this shortfall and the urgency of need mean that an important gap exists for increased philanthropic engagement on climate change.

The African Climate Foundation (ACF) is a locally based African-led think tank, as well as a re-granter of pooled funding from numerous global endowments. It has worked to both increase the flow of philanthropic funding and strengthen climate change responses across Africa. Its mission and operational approach are developmentally focused and modelled on recognising the links between climate change and economic and social resilience. The foundation wants to see better economic outcomes resulting from climate change grant investments.

The ACF's developmental agenda differentiates it from many others in the sector. South African philanthropies generally focus on traditional development issues such as education, health and food security. While important, the ACF's position is that an intersectional approach to addressing these issues is a more effective means of fostering climate resilience.

With the goal of supporting the philanthropic sector to focus on the climate-development nexus, the ACF and the Independent Philanthropy Association of South Africa (IPASA) co-created and launched the Climate Crisis Toolkit in 2021. It contains a range of carefully curated and accessible resources designed to guide philanthropic organisations towards understanding these linkages and responding more effectively.

One of the first ways in which philanthropic organisations can take action is in the area generally referred to as adaptation or building stronger climate resilience. This can be approached through building capacity to plan for and respond to climate-related events in vulnerable regions and communities. Initiatives supporting proactive planning between residents together with local authorities, businesses, civil society organisations and other non-state actors can be a cost-effective way to reduce climate vulnerability, minimise damage and avoid major disruptions to daily life and economic activities.

Secondly, confronting climate change requires a transition to clean energy. Although the most developed countries also bear the greatest responsibility for reducing emissions, South Africa and other emerging economies on the continent cannot sustain a carbon-intensive development and growth strategy in the future. Instead, future energy investments need to be oriented towards a more decarbonised trajectory and worldview.

Philanthropies should therefore prioritise investments in clean energy initiatives. At the same time, returning to the importance of the climate-development nexus, funders need to look to supporting resilience-building strategies in areas such as agriculture, urban planning and infrastructure.

Further, there is an important opportunity to focus these investments in programmes that also create jobs and improve people's livelihoods. South Africa's commitment to the Just Energy Transition Partnership also means that new employment and skills development initiatives will be required for those currently working in the coal-mining sector – as well as broader consideration of how to increase jobs and growth in sectors such as sustainable agriculture and tourism.

Ultimately, philanthropy needs to function not only as a grant-making process, but also as a process that supports innovation and new opportunities in development, investment and growth paths throughout Africa. While planning around managing the risks associated with climate change, it is also possible to expand the vista for new opportunities.

### Saliem Fakir



Saliem Fakir is Executive Director of the African Climate Foundation. Prior to establishing the African Climate Foundation, Saliem served for 11 years as the Head of the Policy & Futures Unit of WWF South Africa. He was a Senior Lecturer at the Department of Public Administration and Planning and an Associate Director for the Centre for Renewable and Sustainable Energy at Stellenbosch University. For eight years Saliem was the Director of the World Conservation Union, South Africa.

**Giving behaviour**  
(continued)

# Approach to giving

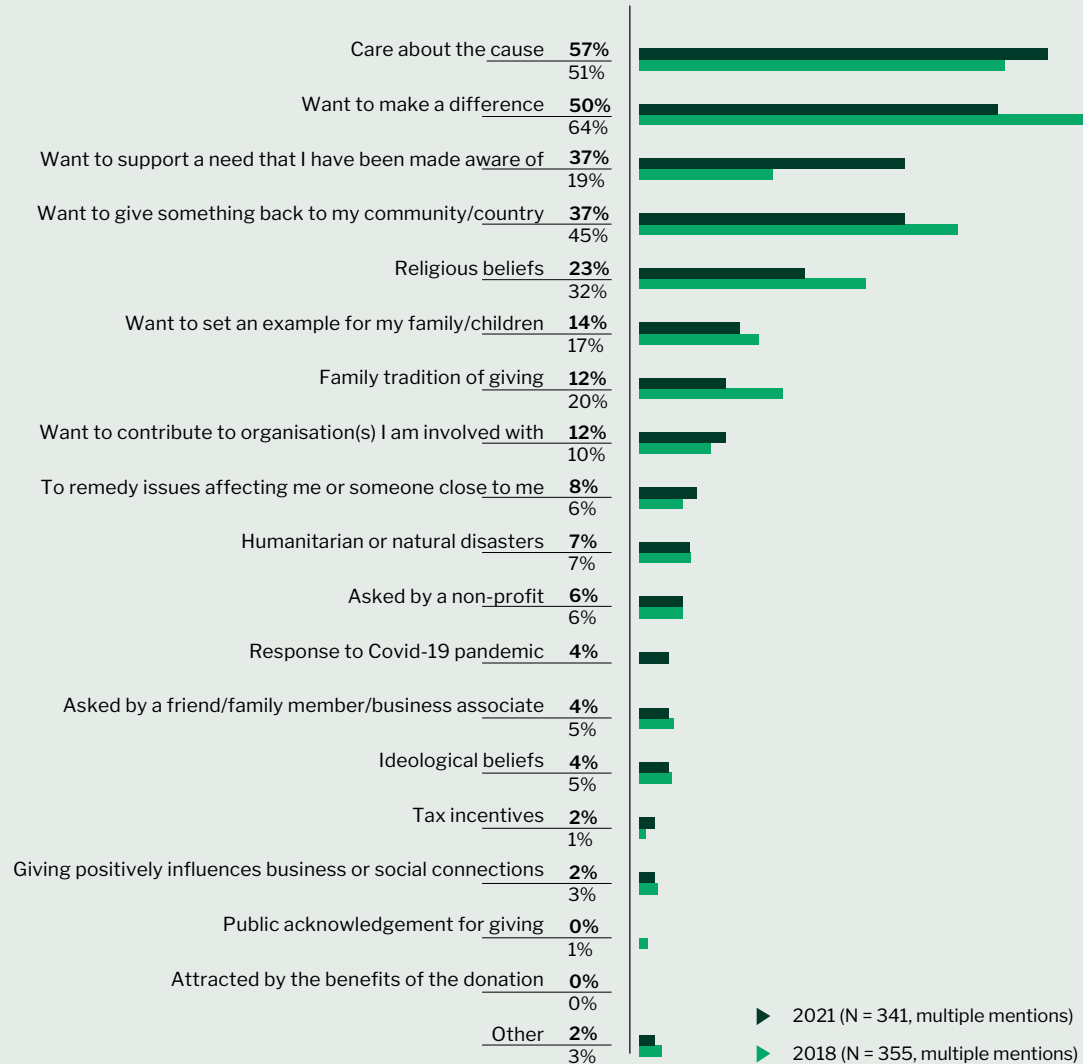
## Motivation for giving

HNWIs continued to give in 2021 because they cared about specific causes, with more than half of givers (57%) citing this as one of three top motivations (2018: 51%). A further 50% mentioned wanting to make a difference (2018: 64%). There was a notable increase in the share of givers wanting to support a need they became aware of, from 19% in 2018 to 37% in 2021.

There were, however, declines in the percentages of givers who were motivated by wanting to give something back (2021: 37%; 2018: 45%), religious beliefs (2021: 23%; 2018: 32%), or a family tradition of giving (2021: 12%; 2018: 20%). Perhaps surprisingly, only 4% of givers mentioned being motivated to give in response to the Covid-19 pandemic.

## Motivation to give

Percentage of givers

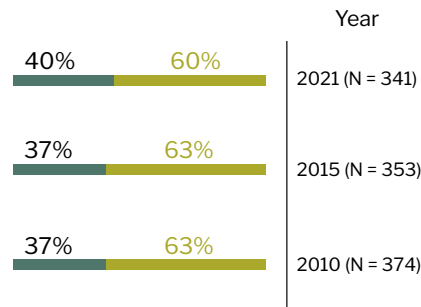


## Giving strategies and budgets

Amid competing needs and priorities, HNWI's planned their giving more carefully than previously. The percentage with a giving strategy increased slightly to 40% (2015: 37%) and those with a specific budget rose to 43% (2015: 33%); the highest percentages since 2010.

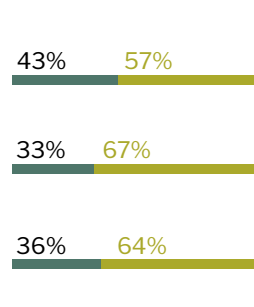
### Strategy

Percentage of givers



### Budget

Percentage of givers



▶ Yes  
▶ No



### What is strategic giving?

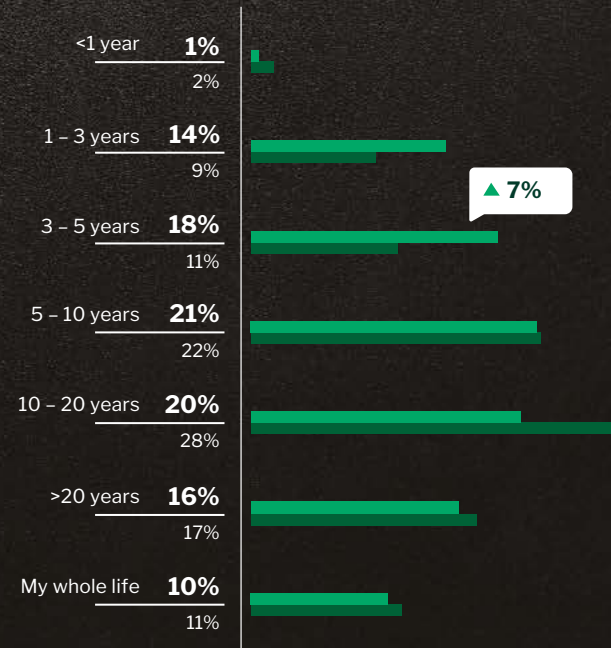
Strategic giving relates to any contribution made through a deliberate and considered plan to make an impact through charitable giving. It does not necessarily mean giving in greater amounts or with greater frequency.

## Duration of giving

Survey results confirm the trend of transformation in the pool of HNWI givers, including newer entrants with a shorter history of giving. In 2021 a third of givers (33%) had been giving for less than five years (2018: 22%). These newer givers tended to be female (67%, compared with 56% of all givers); black African (38%, compared with 26% of all givers); and under the age of 40 years (53%, compared with 30% of all givers).

### Years of giving

Percentage of givers



▶ 2021 (N = 341)  
▶ 2018 (N = 355)





## Giving behaviour (continued)

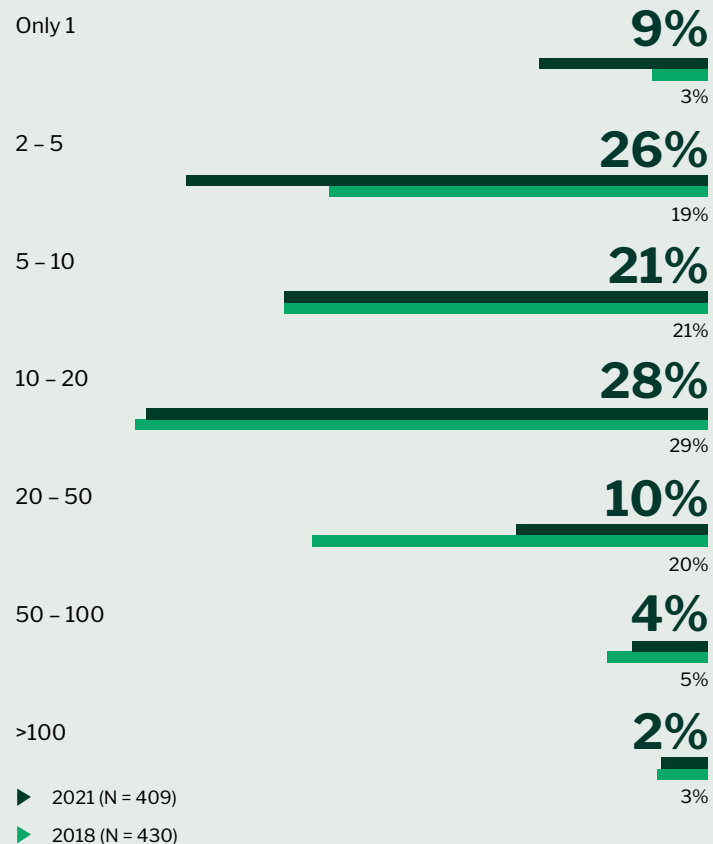
### Frequency of giving

In addition to the reduced amount of giving, survey results also show a decline in the frequency of giving. In 2021 over a third of givers (35%) donated on five or fewer occasions (2018: 22%). While 28% of givers in 2018 contributed 20 or more times over the course of the year, this dropped to 16% in 2021.

Frequent cash givers who donated at least 20 times in 2021 most often contributed in the ranges of R10 000 to R25 000 (20%) or R10 000 to R25 000 (15%), while 13% contributed R250 000 or more.

### Number of contributions

Percentage of givers



### Covid-19 and giving practices

Despite substantial declines in the amounts of cash, non-cash and volunteer hours contributed in 2021, HNWI's retained many of their previous giving practices. More than six in 10 givers (62%) claimed that they did not change their giving practices at all despite the pandemic context, while almost a third (31%) increased their focus on responding to immediate needs. Less than a tenth increased their consultation with recipients (7%), gave more unrestricted funding (6%), assumed more risk (4%) or collaborated more with other funders (4%).

This differed considerably from the results of Trialogue's 2021 *Business in Society* corporate survey, in which more than half of companies indicated that Covid-19 had impacted the magnitude of their funding (55%) and increased both collaboration (55%) and consultation between funders and recipients (51%). Comparable with HNWI givers, only one in 10 corporates gave more unrestricted funds.

### Impact of Covid-19 on giving practices

Percentage of givers



▶ (N = 341, multiple mentions)

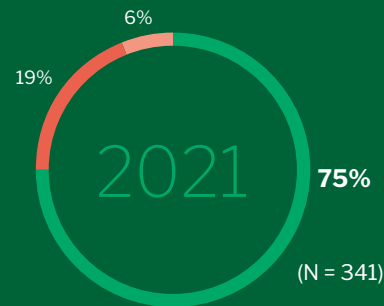


## Giving behaviour (continued)

HNW givers also generally did not shift their philanthropic focus in 2021. Three-quarters (75%) continued to support the same causes they did before the Covid-19 pandemic, while a fifth (19%) continued their support and additionally funded Covid-19-related causes.

## Impact of Covid-19 on giving focus

Percentage of givers



- ▶ No impact: focused on the same causes as before the pandemic
- ▶ Continued to focus on the same causes and additionally funded Covid-19 response
- ▶ Shifted to focus on Covid-19 response

## Selection of beneficiaries and purpose of funding

### Socially focused giving

Social and community development remained the most popular sector and was supported by 66% of HNW givers. The average percentage of giving to this sector increased from 32% in 2018 to 43% in 2021. Within this sector, orphans and vulnerable children and the elderly were the most supported beneficiaries, as was the case in 2018 and 2015.

Results show notable declines in the percentages of HNW givers supporting almost every other sector. Only a quarter donated to religious institutions or causes in 2021 – among the most widely supported sectors in previous surveys (2018: 41%) – and these received only 10% of average contributions (2018: 17%). Within this category, support for general religious institutional expenses declined while contributions to religious institutions' social causes increased.

The share of HNW givers donating to educational causes declined to 22% (2018: 32%) and accounted for 9% of average total giving (2018: 12%). Within this sector, support increased at pre-school level (2021: 35%, 2018: 29%) and decreased to school-based and tertiary or after-school related causes.

Eighteen percent of givers supported causes related to Covid-19, equating to 6% of average total giving. These givers most frequently donated towards food security (71% of givers to the cause and 36% of Covid-19 giving) and general community support (45% of givers and 16% of Covid-19 giving). About a third also gave towards educational and children's activities, such as remote learning resources and platforms (36%), and to causes related to hygiene, water and sanitation (30%).

### Corporate comparison

Patterns and trends of giving in the corporate sector, through corporate social investment (CSI), are considerably different to those observed in private giving. Giving in the corporate sector has remained highly concentrated in the education sector, with 91% of corporates giving to educational causes – although the share of average expenditure declined from 50% in 2020 to 39% in 2021. The social and community development sector is popular among both corporates and HNW givers, and was the second most popular sector for CSI, with 74% of corporates having given to this sector, which attracted 17% of investment allocations.

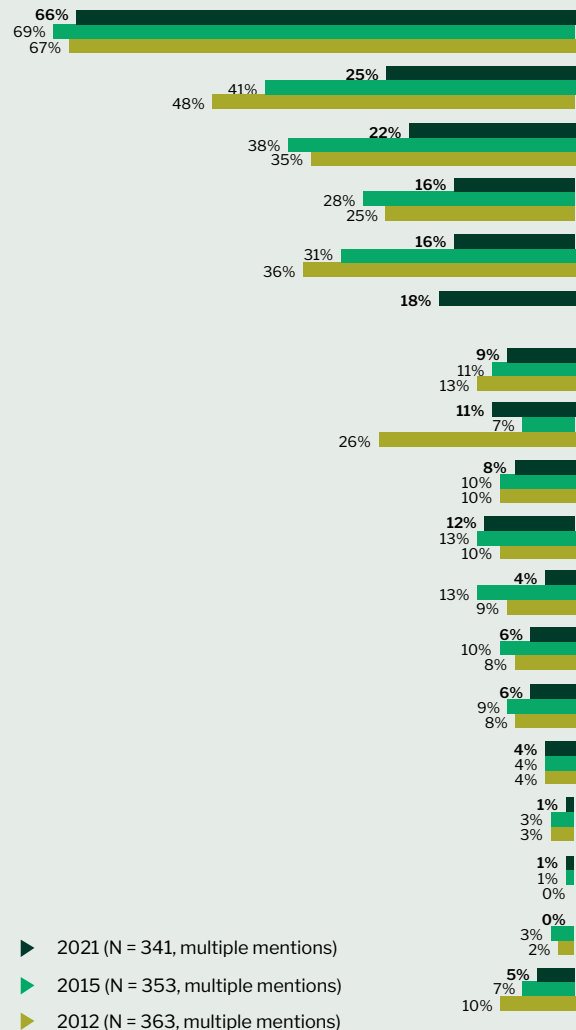


**66%**  
of HNW givers  
contributed to social  
and community  
development causes,  
most commonly  
orphans and  
vulnerable children  
and the elderly.



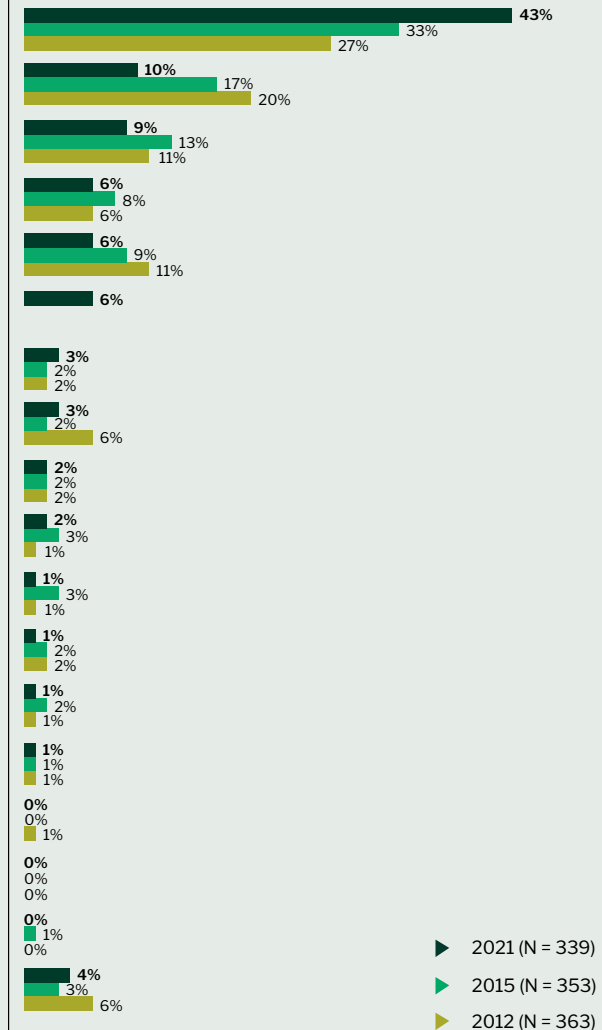
### Giving behaviour (continued)

## Percentage of givers supporting



## Average percentage of total giving

- Social and community development
- Religious institutions or causes
- Education
- Animal welfare
- Health
- Covid-19 response
- Environment
- Food security and agriculture
- Housing and living conditions
- Disaster relief
- Sports
- Entrepreneurship, job creation and small business
- Safety and security
- Social justice
- Arts and culture
- Promotion of democracy and good governance
- Political parties
- Other

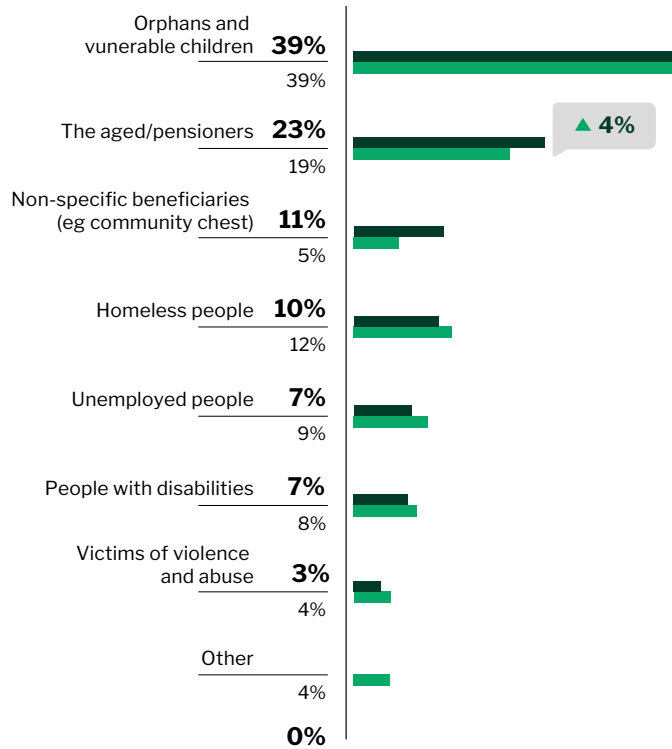


▶ 2021 (N = 339)  
▶ 2015 (N = 353)  
▶ 2012 (N = 363)

**Giving behaviour**  
(continued)

**Social and community development causes**

Average percentage of social and community development giving

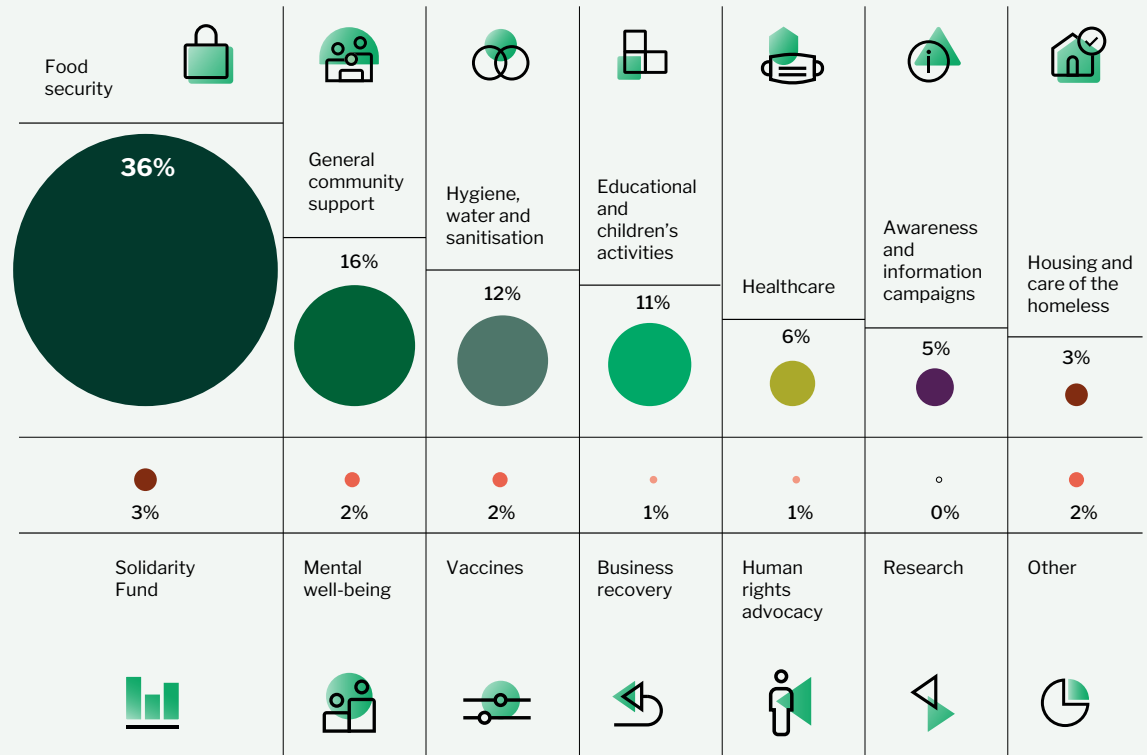


▶ 2021 (N = 226)  
▶ 2018 (N = 235)



**Covid-19-related causes**

Average percentage of Covid-19 giving



2021 (N = 66)



Giving behaviour  
(continued)

## Opinion

# Collective solutions are needed to combat inequality

*The time has come for philanthropists to support the challenging work of structural change, writes UMUNYANA RUGEGE.*

South Africa is in a moment of deep reckoning. It has the unenviable distinction of being the most unequal country in the world, with high levels of poverty, unemployment and inequality. The yawning gap between the poor and the rich is large and ever expanding. This was so even before the devastation of the Covid-19 pandemic. The World Bank estimates that Covid-19 will push more than 124 million people into extreme poverty globally, and the effects will be worse in developing countries such as South Africa.

Covid-19 is not over, and we are yet to understand the full toll of the pandemic, this moment, and what it will mean for the state of our democracy.

It is difficult to capture in words the depths of despair, the indignity and hopelessness experienced in the country. The tinderbox created by the conditions of poverty and inequality became evident in July 2021, when we witnessed an unprecedented civil unrest in Gauteng and KwaZulu-Natal provinces. In its report released in February 2022, the Expert Panel into the July 2021 Unrest found that:

*'a combination of complex, multidimensional, and obscure factors formed the background and led to the outbreak of violence never before seen in our post-apartheid democracy, leading to contestations in the public space, including between senior members of government, over how to characterise it'.*

Over 340 people died in just over a week and R50 billion was lost to an already ailing economy. This, on top of the pandemic and its consequences for employment, livelihoods, health and trust in the state and public institutions, will be felt for a long time to come.





Umunyana Rugege is the Executive Director of SECTION27, a human rights organisation based in South Africa that seeks to achieve substantive equality and social justice. She is a human rights lawyer and has been with SECTION27 since 2010. She has played a leading role in several human rights cases advancing the right to health.

### Giving behaviour (continued)

The unrest started with the burning of trucks along the N3 highway. While these attacks originated with the arrest and imprisonment of former president Jacob Zuma, they quickly morphed into something much wider, leading to loss of life, destruction of property and human rights violations.

Jobs were lost as the violence and looting targeted shopping malls, retailers and even small businesses. There were other impacts too. Shopping centres are important sites for accessing services, collecting social grants, and picking up critical medication. An estimated 59 pickup points operated by the Department of Health in Gauteng were forced to close, affecting 90 000 public healthcare users, according to the Treatment Action Campaign.

The expert panel identified a range of multiple crises and challenges facing the country that formed the backdrop to the violence. These included weak state institutions, high unemployment among youth in particular, extreme poverty and deep inequality, poor spatial planning, and the frustrations linked to pandemic-related restrictions, adding to the feelings of despair among the population. These issues and analyses are not new; in fact civil society has been raising the red flag for a long time.

Government and the private sector stepped in to support businesses that had been affected by the unrest. State-owned insurer Sasria estimated the total value of related claims at R27 billion. The recovery of small, medium and micro enterprises (SMMEs) as well as women-led, rural and township businesses was supported through a variety of sources, including a joint pledge of R450 million from the National Empowerment Fund and the Solidarity Fund.

The economic devastation wrought on communities also created an urgent humanitarian crisis.

In response, government came together with NGOs, citizen groups and others to find ways to distribute food, clothing, blankets and other necessities.

Philanthropic organisations also assumed an important role in ensuring that essential goods and resources reached those affected by the unrest. Foundations funded community-based groups and worked with the Department of Social Development to deliver necessities. Although originally established in response to Covid-19, the Solidarity Fund created a Humanitarian Crisis Relief Fund that provided emergency food relief, delivered chronic medication, and supported small-business recovery. A total of R489 million was raised, which included R89 million in corporate funding and R100 million in public donations. As such, the Solidarity Fund has emerged as an important experiment and model for bringing together government, the private sector and individual people around a shared vision of helping those most in need during a time of crisis.

Despite the strength of this collective humanitarian response, it remains that we all have a role to play in addressing the systemic issues that create conditions for deepening poverty, inequality and the potential for violence. Civil society has an important role and has used a range of tools and strategies – including research, activism, policy work, advocacy and litigation – to address key issues such as eradicating gender-based violence; land reform; and ensuring access to quality education, housing and healthcare services. Many of these groups also seek to hold those in power to account. This work is critical to our democratic project of creating a more equal and just society. Yet the deep inequalities in these areas appear to worsen with every crisis, compounded by hollowed-out state institutions and increasingly austere economic policies. Making progress will require collective buy-in at the national level and across all sectors.

## Giving behaviour (continued)

Further, as previous *Giving Reports* show, philanthropists and HNWI's donate billions of rands every year in support of a wide range of causes. However, funding earmarked for social justice causes has historically been minimal – in the low single digits of the average proportion given annually.

The July 2021 unrest shows us that this is no longer sustainable. The underlying conditions that led to eight days of violence, death and destruction persist – and are likely to worsen in the current economic climate.

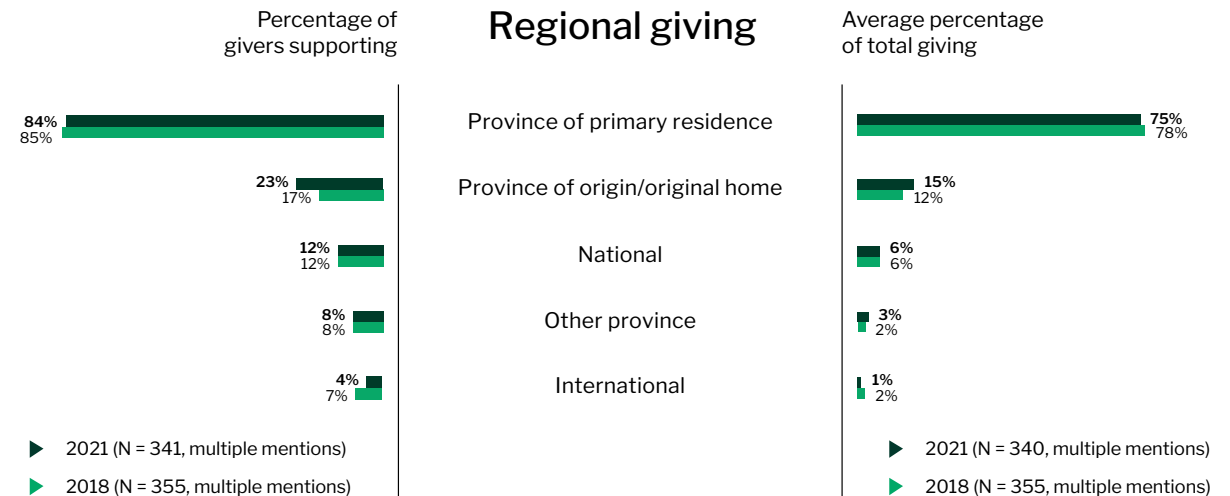
It therefore cannot be business as usual for the philanthropic sector in South Africa. Just as we have seen collective responses to the Covid-19 pandemic and the crisis in Gauteng and KwaZulu-Natal, so we now need bold leadership from the sector to support solutions in the areas of democracy building, spatial planning, addressing land dispossession and salvaging healthcare and other critical systems. This work is inherently political and frequently requires challenging government policy, decision-making structures and private power. Philanthropy cannot be neutral on these matters. Although the sector may have been averse to risk-taking for social change, our entire democracy remains under threat while deep poverty and inequality persist. In this moment of reckoning, philanthropy can step into the breach and support the work of social justice in South Africa.

## Umunyana Rugege



## Regional giving

Donors continued to support mainly causes in their province of primary residence in 2021 (84%), accounting for about 75% of average contributions. The proportion of HNWI givers who mentioned giving in their province of origin increased to 23% from 17% in 2018 and the average percentage of total giving rose slightly from 12% to 15%. Only 4% mentioned giving internationally, making up 1% of average contributions.





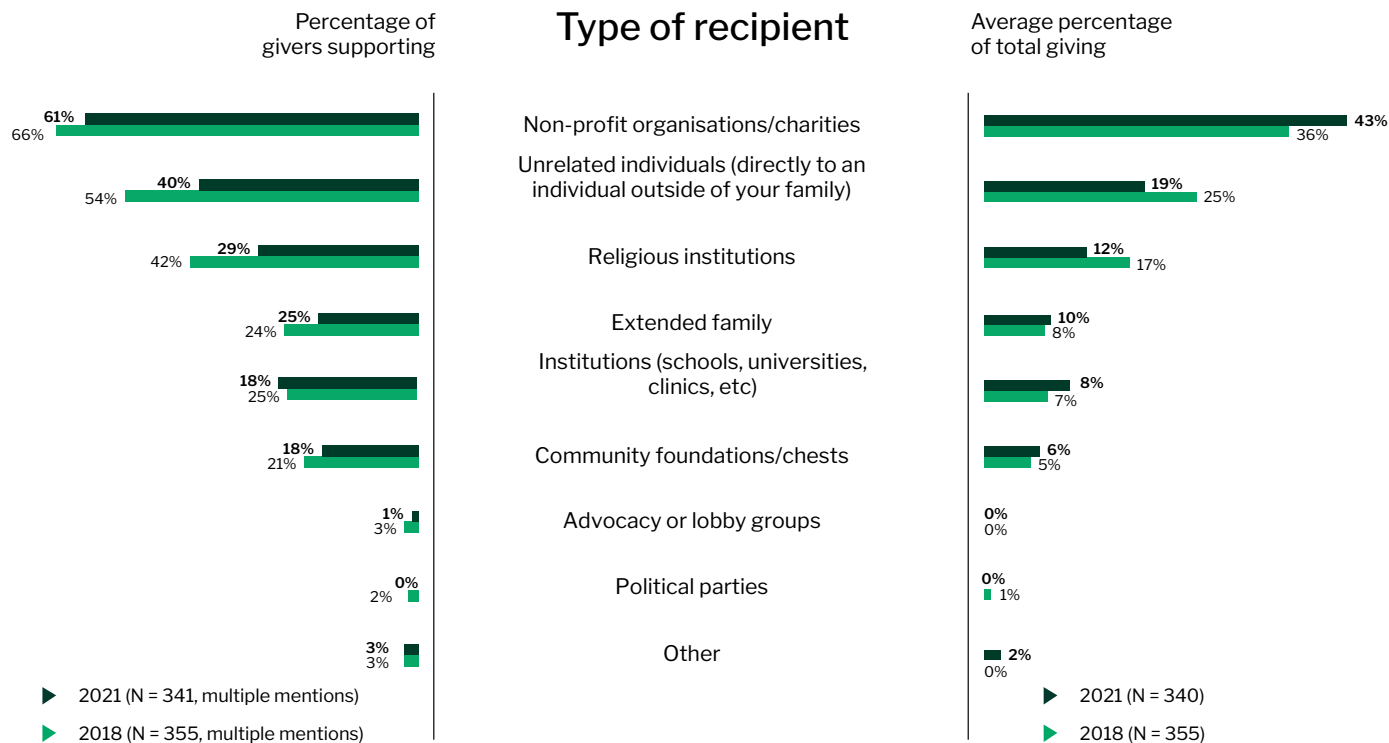
**Giving behaviour**  
(continued)

**Type of recipients**

Six in 10 HNW givers supported non-profit organisations, accounting for 43% of funding in 2021 – up from 36% in 2018. The second-most supported type of beneficiary was unrelated individuals, although there was a decrease in respondents supporting this category of recipient to 40% (2018: 54%). The average contribution to unrelated individuals also declined from 25% in 2018 to 19% in 2021.

Consistent with the sector analysis, religious institutions received considerably less support than previously, with 29% of givers donating to such institutions (2018: 42%) at an average of 12% of total giving (2018: 17%).

As in 2018, most HNW givers (66%) maintained that they would not give to political parties and 9% would not support advocacy or lobby groups. One in 10 givers answered that there were no types of recipient that they would not support.





## Giving behaviour (continued)

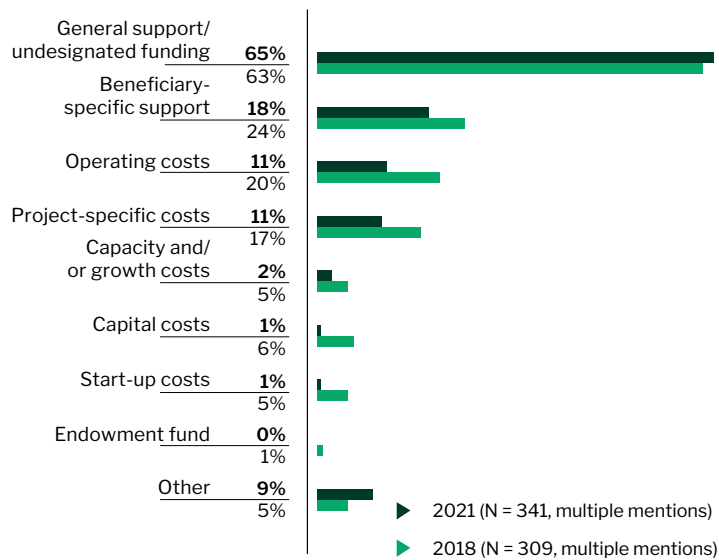
### Unrestricted funding

Most HNW givers gave money as general or undesignated support (65%), consistent with findings from 2018 (63%).

Results also suggest that HNW givers were somewhat less specific on how their funds should not be used, possibly a reflection of the pandemic context. Almost half of givers in 2021 (49%) specified types of support they would not give towards, down from 57% in 2018. Most commonly, HNW givers indicated that they would not give to endowment funds (18%) or capital costs (9%).

### Purpose for which funds were provided

Percentage of givers



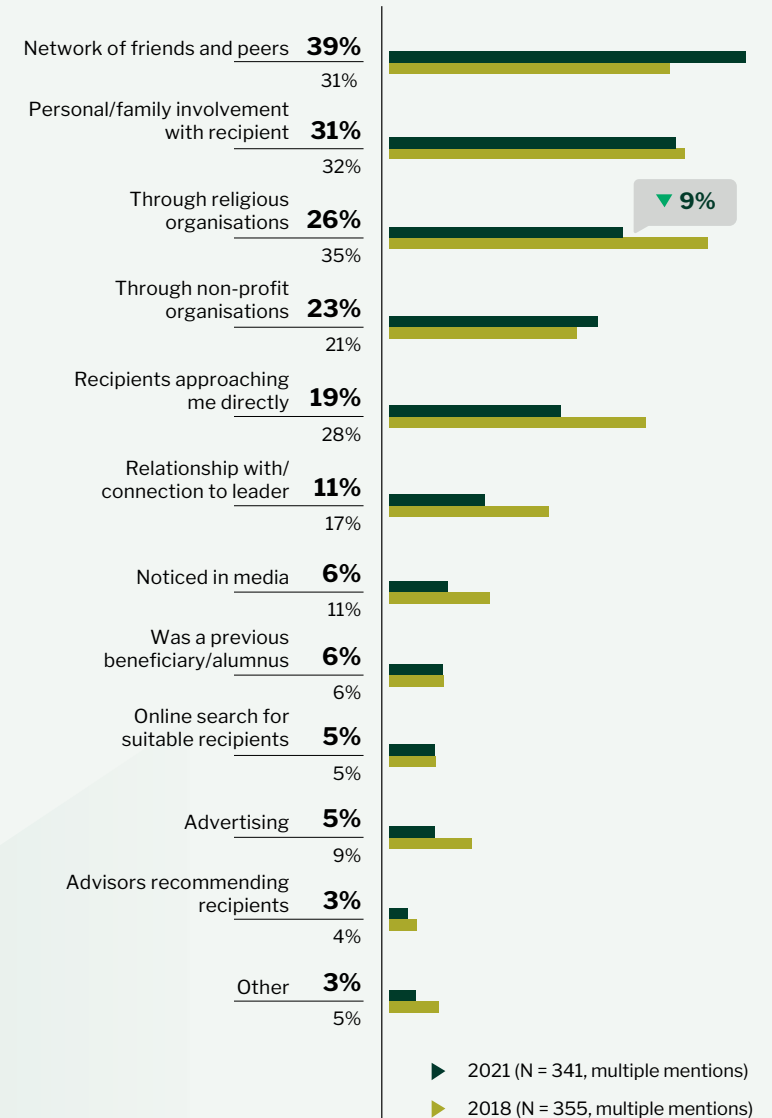
### Identifying organisations

In 2021 HNW givers most commonly used personal networks to identify recipients (39%), up from 31% in 2018. Respondents who identified beneficiaries through religious organisations declined from 35% in 2018 to 26% in 2021.

The proportion of givers identifying recipients by a direct approach from the organisation also declined. Of those who were approached directly by a recipient, most (69%) were approached through telephonic or other personal contact.

### How recipients were identified

Percentage of givers

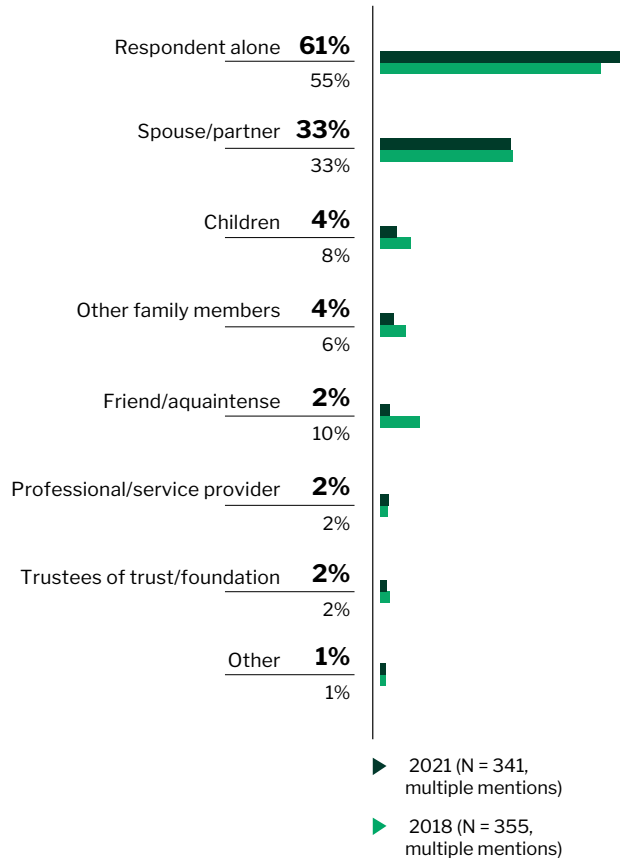




## Giving behaviour (continued)

### Involvement in giving decisions

Percentage of givers



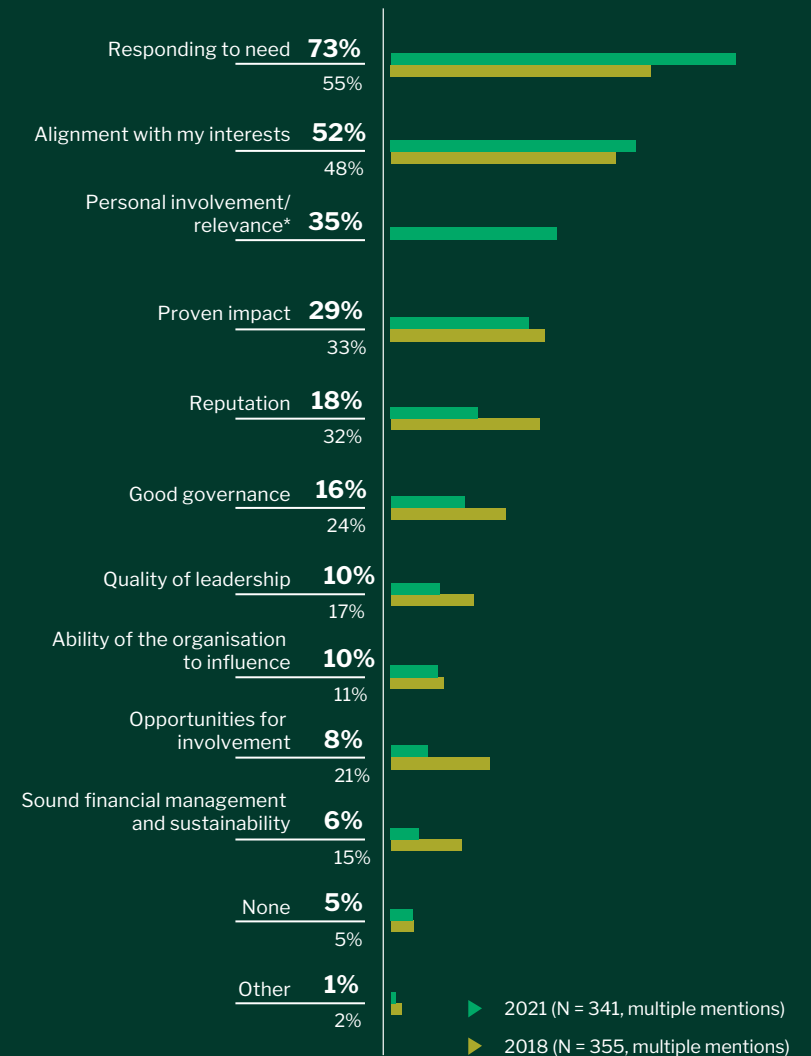
Increasingly, donors are making decisions about which beneficiaries to support without consulting anyone else: 61% of respondents mentioned this practice in 2021, up from 55% in 2018. Of those who did consult others, this was most often a spouse or partner (33% of all givers). Only 2% consulted with a professional or service provider.

### Qualifying criteria

Responding to a need was the most important qualifying criterion when choosing recipients, mentioned by almost three-quarters of givers (73%). More than half (52%) also mentioned alignment with their personal interests, and a third (35%) personal involvement or relevance. Survey results showed notable drops in HNW givers taking into account organisational characteristics such as reputation, good governance, leadership quality and sound financial management. Whereas in 2018 a fifth (21%) included opportunities for involvement as a top-three criterion, only 8% of givers included it in 2021.

### Top three criteria when choosing a recipient

Percentage of givers



\* Personal involvement/relevance was a new category in 2021.



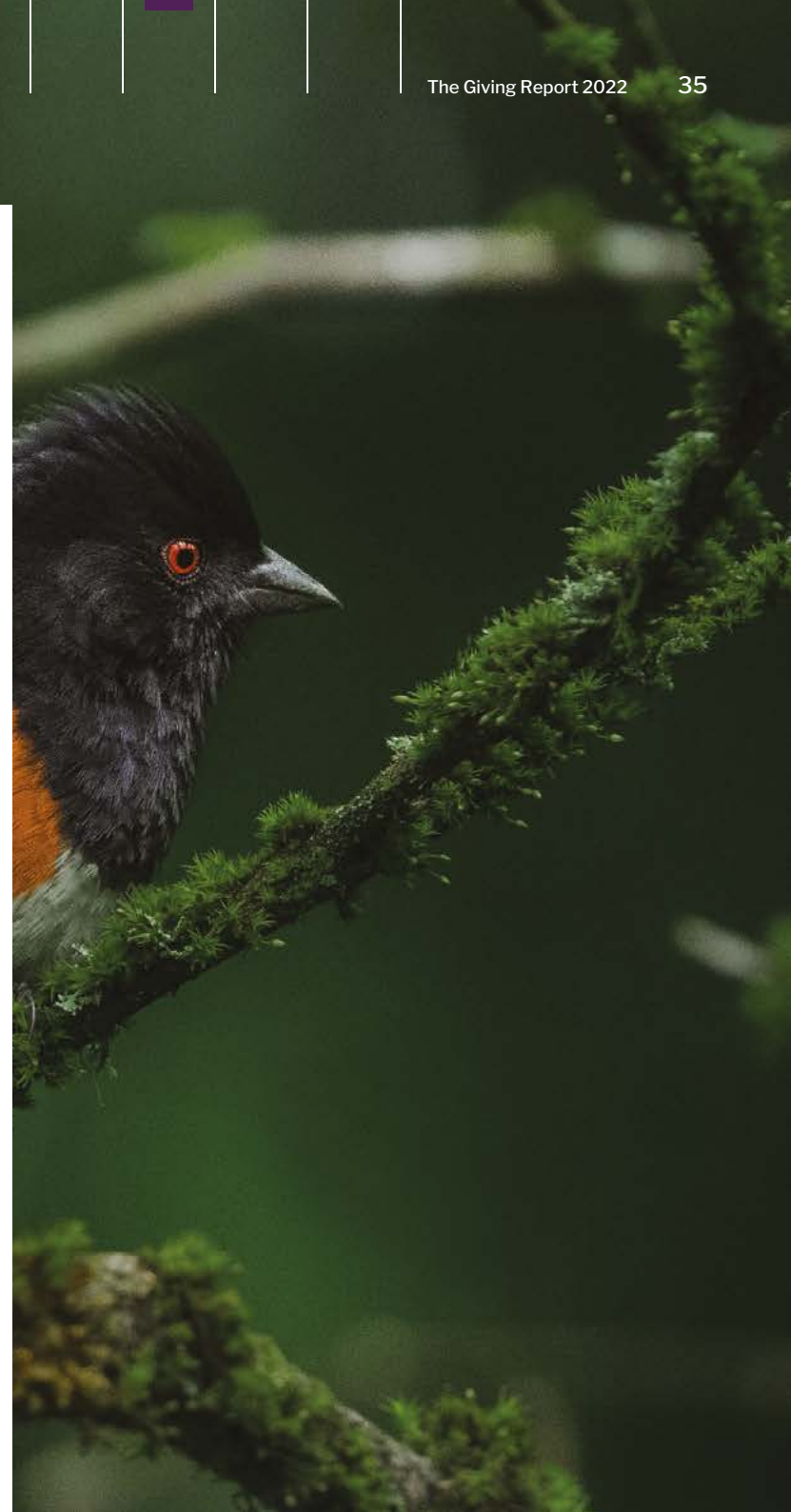
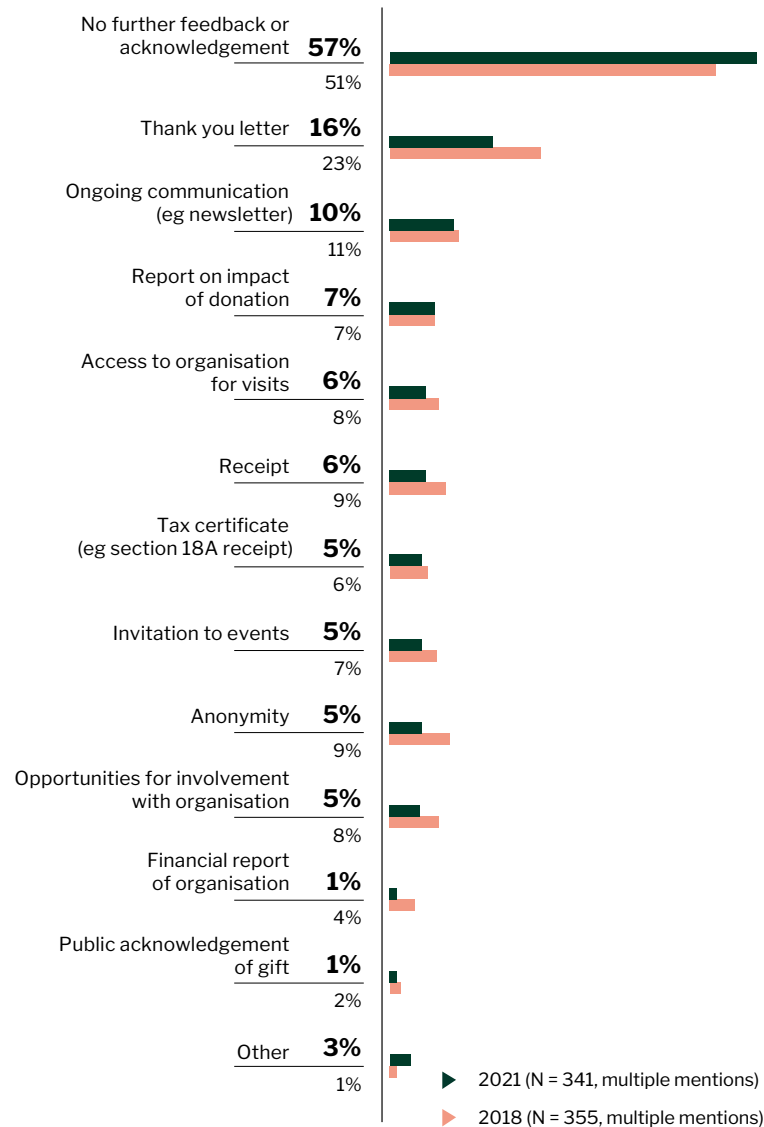
# Post-donation behaviour

## Limited expectations

Consistent with the previous surveys, most givers (57%) expected no acknowledgement or further feedback from beneficiaries after having donated. Forms of anticipated acknowledgement include a thank you letter and ongoing communication.

## Post-donation expectations

Percentage of givers



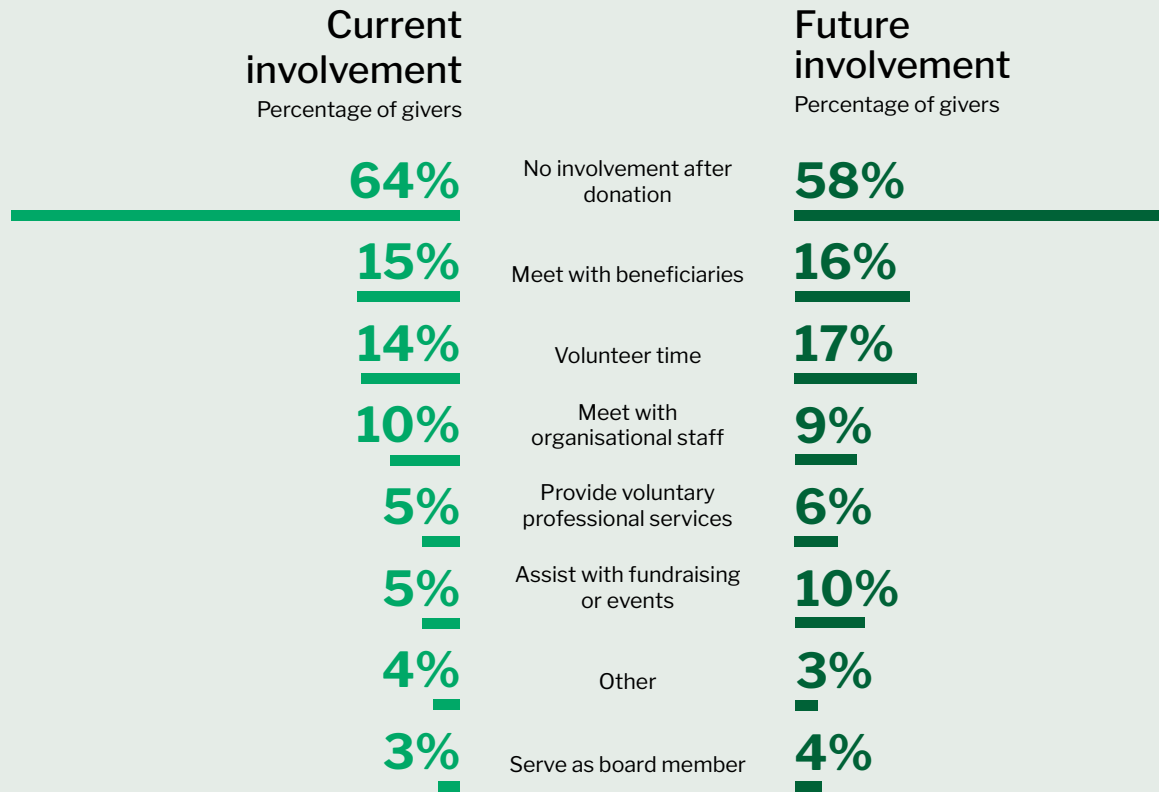


**Post-donation behaviour**  
(continued)

## Personal involvement

In a series of new questions, HNW givers were asked about whether or not they are currently involved with recipients and the extent to which they plan to start or continue this in future. Consistent with low expectations of ongoing contact, almost two-thirds (64%) were not involved at all after having contributed, while 15% mentioned meeting with beneficiaries and 14% volunteering time.

Respondents generally intended to continue in this way, with 58% indicating that they did not anticipate future involvement after having donated.



▶▶ 2021 (N = 341, multiple mentions)

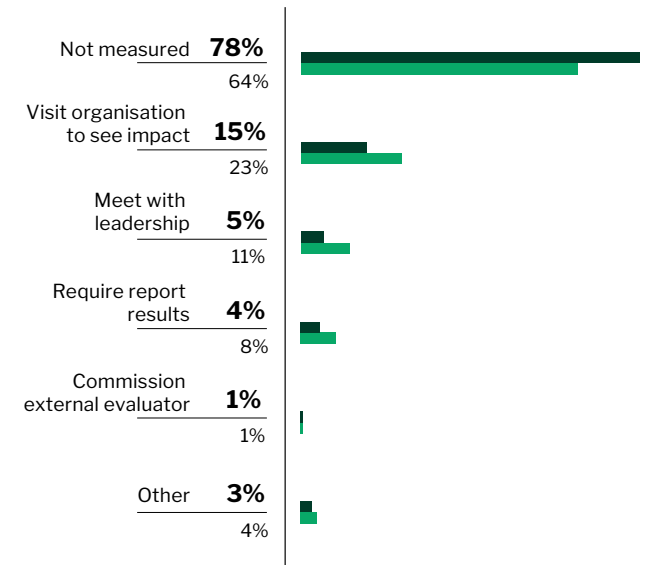
## Measuring results

Nearly eight in 10 givers (78%) did not measure if their giving achieved the desired results, returning to the highest level since 2010. Visiting the organisation was the most prevalent way of measuring results (15%), although this declined from 23% in 2018.

Despite this lack of measurement, most givers (86%) believed their giving in 2021 achieved the impact they intended.

## Measuring results

Percentage of givers



▶ 2021 (N = 341, multiple mentions)

▶ 2018 (N = 355, multiple mentions)

## Post-donation behaviour (continued)

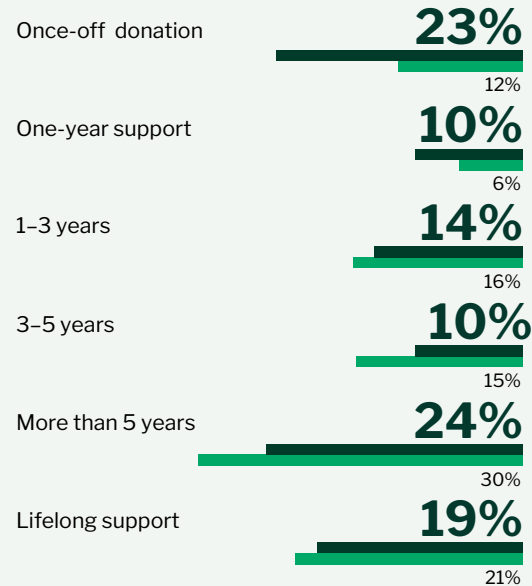
### Duration of funding

Most givers supported recipients on a long-term basis, with 43% providing support for more than five years or on a lifelong basis. However, almost a quarter (23%) made once-off donations, significantly up from 12% in 2018, possibly due to the pandemic.

Most HNW givers (60%) did not take any specific actions when deciding to stop donating or contributing to a specific cause. When such actions were taken, these included providing advance warning (19%) and communicating reasons and timelines (16%).

#### Length of support

Percentage of givers



- ▶ 2021 (N = 341)
- ▶ 2018 (N = 355)

#### Actions taken when deciding to stop donating to a specific cause

Percentage of givers



- ▶ 2021 (N = 341, multiple mentions)





## Opinion

# The value of advice in giving

*The right philanthropic specialist can help donors navigate the challenges of charitable giving, ensuring that their funding achieves the greatest possible impact, writes HEIN KLEE.*

Most donors find joy and satisfaction in giving and want their philanthropic proceeds to be used effectively. But the world of philanthropy is complex and requires expertise that many don't have, especially when they are starting out. On the other hand, knowledgeable and experienced donors may not have the time to develop a giving strategy, and this is where a philanthropic specialist and wealth manager can help.

Many donors rely on philanthropic specialists to navigate the how, what and why of giving, and to improve charitable outcomes. Their support services are diverse, including designing tailored giving strategies aligned with a donor's core values, identifying collaborative partners, finding opportunities and beneficiary organisations as well as evaluating grant impact.

Philanthropic specialists work with giving families to facilitate discussions, identify the interests and roles of each member, and decide on how best to focus individual and shared resources. They also actively collaborate with other experts, including investment advisors, financial planners, tax attorneys and estate planners to determine which assets should be donated, the most appropriate vehicles and how best to integrate charitable giving goals into broader financial plans.

Different scenarios in which a donor may require a philanthropic specialist:

### 1 When philanthropy requires more time and focus

Planning for effective giving can be complex and time consuming. A philanthropic specialist can help busy donors by researching and evaluating non-profit organisations (NPOs) to make informed decisions about where, how much and how long to give. The number and frequency of requests can also be overwhelming. Specialists can help by managing relationships, especially for donors who prefer to remain anonymous. They can also step in to help donors focus on the causes and issues that matter most, and support them in developing a tailored, proactive plan for their giving.

### 2 When a change in finances leaves a donor with more to give

A philanthropic specialist can help individuals who have experienced a financial windfall to clarify their charitable priorities and motivations. Having a well-defined plan allows donors to feel more confident in their decision-making, especially when giving at significant levels.

### 3 When a donor wants in-depth information about a cause

Philanthropic specialists use their expertise to research topics or questions that a donor may have about a cause they are considering supporting. They also look for key funding opportunities and identify high-impact organisations that are working in a particular sector or area.

### 4 When a donor wants to understand charitable impact

A philanthropic specialist can help a donor track the impact of their giving by monitoring and evaluating the grants they have made to non-profits. Following up with non-profit employees and analysing reports provided by organisations will help an advisor determine if a donor's goals are being met. This tracking can also inform discussions about potential adjustments to a giving strategy.



## Post-donation behaviour (continued)

There are several approaches donors can follow to make the most of working with a philanthropic specialist and wealth manager. To maximise time and resources, donors could start by having a clear sense of the nature of their needs and priorities and structure the engagement accordingly.

One option is to engage a philanthropic specialist over the short term – this may be for a single, limited project, such as defining a giving plan or preparing for a family transition that will alter giving roles. In such a case, a specialist can serve as a short-term consultant and provide temporary support as needed.

Some donors require a philanthropic specialist's assistance for an extended time, for example, to support the management and execution of a long-term giving plan that requires consistent assessment and attention. In this case, a long-term engagement with a specialist can be an alternative to hiring supporting employees.

Dedicated givers with ongoing but undefined needs may engage a specialist to provide occasional support and advice. These advisors can serve as a sounding board when working through questions related to specific gifts, family dynamics or other challenges that arise.

The landscape of professional philanthropic specialists is diverse. It includes individual consultants and companies; general advisors and experts; and practices tailored to providing a broad range of more specific targeted services. Donors should select the type of specialist to engage, taking both their immediate and future needs into account.

If a complex giving strategy involves many sectors and multiple vehicles, a donor might prefer a company with a broad range of specialist wealth managers and services. If a donor prefers to work with one expert or has a narrow charitable focus, an individual specialist may be a more suitable option.

There are several ways to identify experienced philanthropic specialists. Reaching out to a respected wealth manager, a local community foundation or a trusted peer can be a great place to start.

### Hein Klee



As Head of International and Acting Head, Philanthropy: Nedbank Private Wealth, **Hein Klee** is a seasoned professional leader within the financial and banking service sector, with 28 years of experience. He has completed RE1, RE3 and RE5 and has an MBA in General Management and a BCom in Economics and Banking. His key expertise includes international investments, asset allocation strategies, investment consulting to boards of trustees, as well as company and NGO balance sheet investment strategies. He joined Nedbank Private Wealth in June 2020.



# Structures for giving

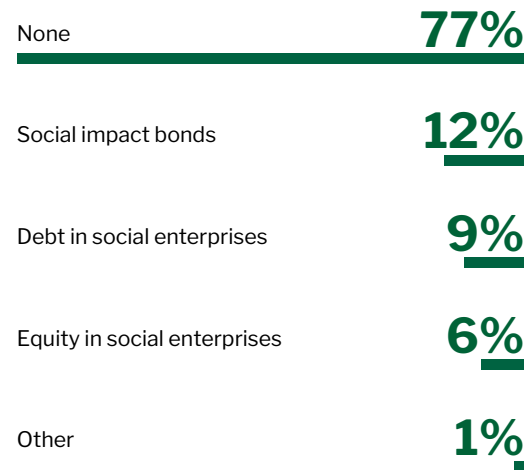
## Use of formal structures uncommon

The use of trusts and foundations remains uncommon among givers. Only 14 survey respondents (4% of givers) reported giving through such structures in 2021, consistent with previous surveys. The most common reasons cited for not using structures were not giving enough to justify using these structures and avoiding administrative burdens. Nine out of 10 givers (92%) had no plans to establish a private trust or foundation.

The majority of respondents (77%) had not used any of the more innovative funding practices available to support recipients, nor did they intend to do so in future. About one in 10 mentioned using social impact bonds (12%) and debt in social enterprises (9%).

## Current or future innovative funding practices

Percentage of givers



► 2021 (N = 341, multiple mentions)





### Structures for giving (continued)

## Implications of the tax regime

In 2021, 83% of givers did not claim tax benefits from donations made (2018: 84%). The main reason provided was that givers did not want to be constrained by tax benefits (46%), followed by the belief that they did not give enough to qualify (27%). Only 2% of givers mentioned tax incentives as among their top three motivations for giving.

## Giving after death

Only 10% of givers in the 2021 sample reported having made provision for giving to social causes in their wills (2018: 12%). Legacy (once-off) donations were the most common means of giving among these respondents.

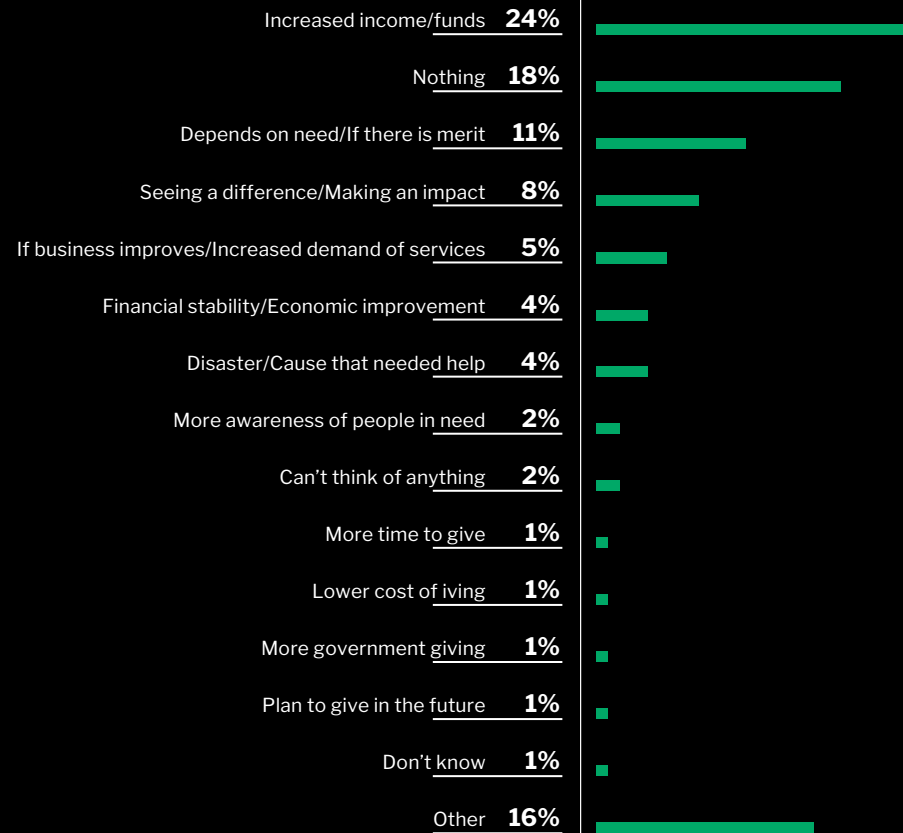
## Future giving

Looking to the future, HNW givers were asked about what would motivate them to give more. The most common responses to this open-ended question related to increased income or available funds (24%). As one respondent explained, 'If I make more money, then I will give more, either cash or goods'.

Just under a fifth (18%) answered that nothing could be done to motivate them to give more. Reasons given included that they were unsure of the future, liked to make up their own minds about donations, were already giving what they could afford, planned to stick to a budget, and were already motivated by compassion or specific issues, among others.

## Motivation to give more in 2022

Percentage of givers



► 2021 (N = 341, multiple mentions)





# Conclusions

As South Africa continues its journey of recovery from the lasting effects of the Covid-19 pandemic, the results of the fifth *Giving Report* present a picture that is at once challenging, thought-provoking and optimistic.

Results show that the country's pool of philanthropic resources contracted significantly since the last survey in 2018, at a time when the scale of need was unprecedented. The estimated value of total cash giving shrunk by R1,9 billion, while non-cash donations fell by half a billion rand and over a million volunteer hours were lost.

However, *The Giving Report* results also confirm a continued commitment to supporting social causes, with 83% of HNWI's giving in 2021, driven in part by a transforming cohort of HNWI's. Women and black South Africans made up a greater relative proportion of givers than ever before. And a third of givers are relatively new entrants to the sector, with less than five years of giving experience.

HNW givers continued to be motivated by their passion for specific causes. Most maintained or expanded their support of the social sector, including for vulnerable children and older people. In choosing to also support responses to the Covid-19 pandemic, however, contributions waned in other areas – including education and religious institutions. Givers who reported being motivated by their religious beliefs dropped from 32% in 2018 to 23% in 2021. Those who supported religious institutions or causes declined to 25% (from 41% in 2018), and the average share of this support fell from 17% in 2018 to 10% in 2021.

Although a relatively small proportion of givers mentioned being motivated to give in response to Covid-19, the pandemic does appear to have affected both contribution amounts and giving practices. Eighteen percent of givers supported causes related to Covid-19, amounting to 6% of average total giving. Almost a third of givers (31%) changed their giving focus to respond to more immediate needs.

In a period of competing priorities, HNW givers appear to be thinking more carefully about how they give, with growing percentages of them using dedicated strategies and budgets. At the same time, expectations of engagement with recipients following contributions remain low. Although close to nine in 10 HNW givers believed their giving achieved the impact they intended, most did not measure these results.

As in previous surveys, there is limited uptake of the tools and structures available to philanthropists, including trusts, tax benefits and legacy contributions. Few participating HNW givers used innovative funding models, such as social impact bonds or debt or equity in a social enterprise.

About a fifth of HNW givers believed they already contribute enough and would not be swayed to give more. Most, however, remained open to increasing their giving with positive turns in the economy, growth in their own wealth or income, or in response to specific needs, among other factors.

These findings suggest a strong foundation for recovery and future growth in the philanthropic sector, and the possibility of returning to – or even exceeding previous levels of giving.



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