

Media Release

Perpetual reveals NFP sector exposed to critical digital data risks

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- NFPs underprepared for data management challenges
- 1 in 3 surveyed agree mismanagement of data major concern
- More than half of NFP board members unaware of the status of organisation's data governance plan
- 43% of NFP board members agree protecting data is more important than using it; only 7% of employees agree
- Data is a currency in its own right according to Perpetual's Caitriona Fay

Not-For-Profit (NFP) organisations in Australia comprehensively believe clever use of data would give them a significant competitive advantage, but do not feel confident about their management of digital data, according to a new survey conducted by Perpetual.

Perpetual recently surveyed a group of 40 key NFP board members, employees, and service providers to analyse the impact a digital and data driven society is having on Australia's non-for-profit enterprises.

The survey reveals NFPs are generally under prepared for the challenges data management poses, with one in three participants agreeing mismanagement of data is a major concern for their business. However, over half of all board members we spoke to were unaware of the steps taken by their organisation toward implementing a data governance plan.

Perpetual's National Manager of Philanthropy and Non-Profit Services, Caitriona Fay, commented:

"NFPs are exposed to a particularly unique risk when it comes to data. Even if intentions are good, any misuse or accidental sharing of data by an NFP organisation may have stronger negative implications for that organisation than it would for many profit-driven businesses, and may even erode trust across the NFP sector.

"This was partly why we undertook a three-year partnership with Stanford PACS, we needed the expertise to comprehend these risks, educate our clients and develop strategies to protect them in an evolving digital world."

Perpetual and The Stanford Center on Philanthropy and Civil Society (Stanford PACS) have been asking questions about the implications of poor data management for the past three years. They have been collaborating on a range of initiatives designed to support NFPs and this annual survey was undertaken to assist with the program.

Another key finding was 43 per cent of board members agree protecting data is a more important focus than using it to their advantage, while only seven per cent of employees agreed.

Ms Fay added, "Board members are more aware of the risks associated with data management. They are more concerned with how poorly managed data can negatively impact their brand than what effectively managed data can do to enhance it. However, employees are more interested in how the use of data and digital platforms can empower their organisations.

"There is an exciting opportunity to work with NFPs to bridge these perspectives and design the future now for how all participants of a civil society will operate in a digital world.

“We should consider data as a currency in its own right. The NFP and philanthropy sectors need to inspire donors to think differently about giving in order to survive in an increasingly digital technology-centric society.

“For example, asking for donated data as opposed to cash can be an effective method to gaining insights that no amount of money could ever buy. Donors may be willing to provide genetic data, for instance, to advance research and health outcomes for their communities. What we’re learning through our workshops though is those donors need to feel confident with who is accessing the data and how it will be managed.”

The survey also showed social media platforms are now a key tool for attracting donors. Forty-three per cent of NFPs have a social media strategy and 78 per cent of NFPS use social media activities to drive awareness of an organisation’s activities.

Interestingly, employees are more likely to claim social media is critical for advocacy than board members, although all participants recognised the importance of a social media presence.

Ms Fay concluded, “We need a shift toward a philanthropic culture where it is aspirational to invest in the mundane technical infrastructure necessary to ensure the ethical use and protection of data. Those funding requests might not be sexy but they are critical to ensuring the health of our community sector.”

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