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Media Release

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## Community support reaches \$185 million; inflation, cyber security and staff turnover impacting many NFPs: Perpetual Wealth Management

The increasing impact of inflation on vulnerable communities and the organisations that support them, as well as the ongoing risks associated with cyber security and high levels of staff turnover are three key issues facing Not-For-Profit organisations, a report published by Perpetual Wealth Management has found.

[Perpetual's 2023 Philanthropy Insights Report](#) reflects on some of the key macroeconomic and operational risks facing not-for-profits, as well as breaks down the distributions made by Perpetual's philanthropy clients in the 2023 financial year. Perpetual partnered with individuals, families and trusts to assist in the distribution of over \$185 million into communities, which includes \$129 million in funding from philanthropic trusts, with the remainder being charitable distributions from estates and bequests and Native Title client community-led funding.

Perpetual National Manager - Philanthropy & Non-Profit Services Jane Magor said: "As well as their own fundraising efforts, many NFPs rely on a combination of community giving, government grants and the generous donations of philanthropists to help fund their programs, which enable them to continue providing the many important services they deliver to communities, individuals and families.

"In the current high inflation environment, not only do programs and services cost more to deliver, but fundraising income has become unstable, resulting in an ever-growing gap between budgets required and funding available, highlighting the incredibly important role philanthropy plays in the NFP sector."

The report also highlights that the increased threat of cyber security incidents is particularly serious for many not-for-profits that collect and store potentially sensitive information.

"Smaller organisations with less capacity to invest in digital technology security and governance training protocols are finding this particularly challenging. Many of the philanthropists who we work with recognise the specific value provided by smaller not-for-profit organisations and the need to invest in their internal systems and capability. Over the past three years, funding to small and community organisations has increased, from \$10.7 million to \$13 million," Ms Magor said.

High levels of staff turnover in organisations, particularly in fundraising and philanthropy roles, was also raised as an issue of concern. Sector feedback suggests this is occurring due to stretched capacity and limitations to support skills development and training – not just in fundraising but across all roles within organisations.

"Perpetual was quick to respond to this insight by entering into a new partnership with Fundraising Institute of Australia in June 2023 and funding scholarships in their professional fundraising courses, at both certificate and diploma level. The response from applicants was unprecedented, further confirming the need for investment in this specialised space," Ms Magor said.

## **Perpetual's IMPACT Philanthropy Application Program (IPAP)**

In FY23 the IPAP program saw a total of \$38 million in total commitments, which was the largest IPAP funding round since the program began in 2002. Close to 1,400 funding applications were received from 800 organisations, with 362 of those applications being funded with an average from size of \$105,000.

Social and community wellbeing programs received \$11.9 million in funding commitments, while confidence in funding medical research has returned for philanthropists who chose to fund elsewhere at the begging of the pandemic. Growth in cancer research funding has been significant, with 27% (\$9.8 million) of IPAP medical research commitments going to cancer research projects.

### **For more information please contact:**

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### **About Perpetual Philanthropic Services**

Perpetual is one of Australia's largest managers of philanthropic funds, with \$3.3 billion in funds under advice for charitable trusts and endowment funds (as at 30 June 2023). Perpetual is trustee for over 1000 charitable trusts and endowments and provides individuals and families with advice on establishing charitable foundations and structured giving programs. Each year Perpetual distributes more than \$120 million to community organisations on behalf of its clients. Perpetual also assists charities and not-for-profit organisations with investment advice and management.