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### **Charities' feeling the pinch as the economy begins to slow**

Perpetual Limited (Perpetual) today released information which shows a significant increase in applications from charities for funding from philanthropic trusts managed by Perpetual.

The overall number of applications increased by 26 per cent with 942 charities requesting funding compared with the same time last year. Charities also made applications for an increase in funding of 44 per cent for almost \$60 million compared with \$41 million in 2008.

Since 2006 the total numbers of applications and funding requests have increased 77 per cent and 86 per cent, respectively.

Perpetual's General Manager of Philanthropy, Mr Andrew Thomas, said the number of overall applications and the total dollar amounts had increased across every area of the community where charities operated whether it be in the arts, education, social welfare, health services and medical research.

"There has been much speculation about the impact of the worsening economic climate and the effect this is having on charities, but this information is the first quantitative evidence that charities are starting to feel the pinch," Mr Thomas said.

"As the economy slows many organisations are finding themselves in a 'donation-demand squeeze' which sees one-off donations declining as people's capacity to give declines, but an increase in the demand for charitable services as the number of people in need increase.

"This was well reflected by the request for funding from the social welfare charities which increased by more than 50 per cent. Perpetual's unique grants criteria recognises the importance of funding existing day-to-day initiatives and it is not exclusively focused on funding new programs," Mr Thomas said.

Mission Australia's Chief Executive Officer, Mr Toby Hall, said Mission Australia was confronting two key problems at the moment; firstly workers who still have a job but have had significant cutbacks in their hours and therefore, their incomes.

"With families on tight budgets this means many are starting to fall over the edge and we are seeing a strong growth in the level of demand for financial counselling services across the country," Mr Hall said.

"This coupled with the newly unemployed desperate to find work and also concerned about how to manage their finances," Mr Hall said.

Earlier in the year, Perpetual announced that despite the unprecedented declines in financial markets around the world in 2008, grants from the more than 400 charitable trusts managed by Perpetual would not decline in 2009.

The largest percentage increase in applications was received from the arts sector which sought an increase of more than 100 per cent in funding, reflecting the impact declining corporate involvement through sponsorships.

Perpetual is Australia's largest manager of charitable trusts with more than \$1.0 billion in funds under advice.

**For further information, please contact:**

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