

INSIGHTS FROM PERPETUAL'S IMPACT FUNDING PROGRAM



IMPACT OCTOBER 2019

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PERPETUAL IMPACT
17/10/2019



Each year, Perpetual invites not-for-profit (NFP) organisations to apply for funding through our [IMPACT Philanthropy Application Program \(IPAP\)](#).

Last financial year we distributed \$23.8 million in funding, 17% up on the previous year - more money than ever before. This is around one quarter of the \$100 million we distributed on behalf of around 1,000 charitable trusts and endowments in the 2019 financial year.

IMPACT Philanthropy Application Program 2019 vs 2018

1,437
applications,
325 funded (22.62%)
UP 3%

\$23.8M
in funding distributed
UP 17%

\$73.67K
Average funded amount
UP 5%

43%
Applications graded as 'excellent'
UP 6%

How the application process works

Core to IMPACT Philanthropy is our funding assessment process, which we use to help identify the organisations that are the most likely to deliver the impact which our clients are looking for. We also seek to make the best possible match between philanthropist and NFP.

Each application is analysed and scored from 1-5 based on how well each organisation focuses and delivers on strategy, leadership, capability and both understanding, and tracking, their impact. In our experience and research, organisations which are very strong in these areas have the best chance of achieving great outcomes.

We then share these applications with our clients and encourage, where possible, the funding of multi-year commitments to provide greater community benefits. Our clients make the ultimate decision on which applications are funded and generally set parameters around the money e.g. sectors, causes and geographical locations that they wish to support. Where Perpetual has been appointed sole trustee, we make a decision based on our clients' documented philanthropic intent, matched with high scoring applications that address those wishes.

Around 25% of the philanthropic funds we distribute each year are allocated via IPAP, the remaining 75% has more stringent criteria around how it can be used which makes it inappropriate for this process.

More money, but still not enough

Perpetual's Philanthropy and Insights Research Manager, Lindsay Dawson, said that both Perpetual, and the philanthropists it represents, were thrilled with the quality of the applications:

"We saw a very large number of high-quality applications last year, our highest yet. We really appreciate the time and effort all applicants put in, especially as we know the application process isn't easy. We've deliberately made it rigorous as our experience and research shows it's the best way to ensure the money we're responsible for has maximum impact.

Unfortunately, even though we distributed a record amount, a lot of very worthwhile organisations missed out, through no fault of their own, but just because there isn't enough money to go around. Many applicants are unsuccessful in their first year, but then succeed in the future. We also try to connect high-scoring applicants with donors in other ways, including sharing their applications with our network of international partners, family offices and accountants with philanthropic clients."

Application ranking – 5 year trend



Increase in collaboration and multi-year funding

Perpetual's overall intent with the IPAP grants is to increase the effectiveness and impact of the funds it oversees. Two important contributors to increased effectiveness are collaboration and longevity of funding.

This year we allocated another 24 multi-year grants – now approximately 30% of the trusts we manage as sole trustee, which go through the IPAP process, have a multi-year commitment in place. This allows the recipient organisations to make long-term plans with greater confidence, spend less time seeking funding, and so increase their impact.

Collette Brennan, CEO of [Abbotsford Convent](#), Australia's largest multi-arts community precinct, talks about the difference the grant has made to her organisation:

"At Abbotsford Convent we are going through an incredible period of growth and transformation, but we don't receive any recurrent government funding to support such a large-scale operation, so investing in our own capacity is difficult. We will be using the three-year \$540,000 grant to invest in two new full-time positions which we desperately need to support our current and continued growth; one in buildings and facilities and one in fundraising and development.

"That's what's so incredible about Perpetual and its clients - many people will fund projects, but not many people will fund the internal capacity we need to deliver long-term benefit for our community."

Having a partner like Perpetual that really asks questions, digs deep into our organisational capacity and vision, allows us to invest in our people so we can deliver rich impact for our community is awe inspiring."

Lindsay Dawson explains Perpetual's approach to collaboration:

"The average value of each grant increased by 5% this year (up to \$74k). One common criticism of philanthropy is that there is not enough collaboration between different NFPs and philanthropists that are pursuing similar goals. Due to the position we occupy, overseeing a large number of philanthropic trusts, we are able to help clients pool their funds and work together across similar causes. This allows us to help our clients to provide larger grants to organisations - so increasing efficiency and reducing wastage."

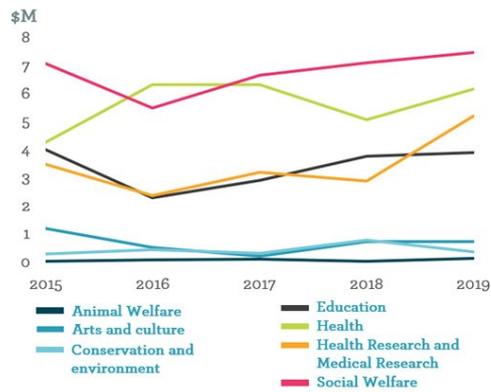
Philanthropic trends

Distribution by sector

The graph below shows that, as in previous years, social welfare, health, education and medical research continue to attract the largest amount of philanthropic funds.

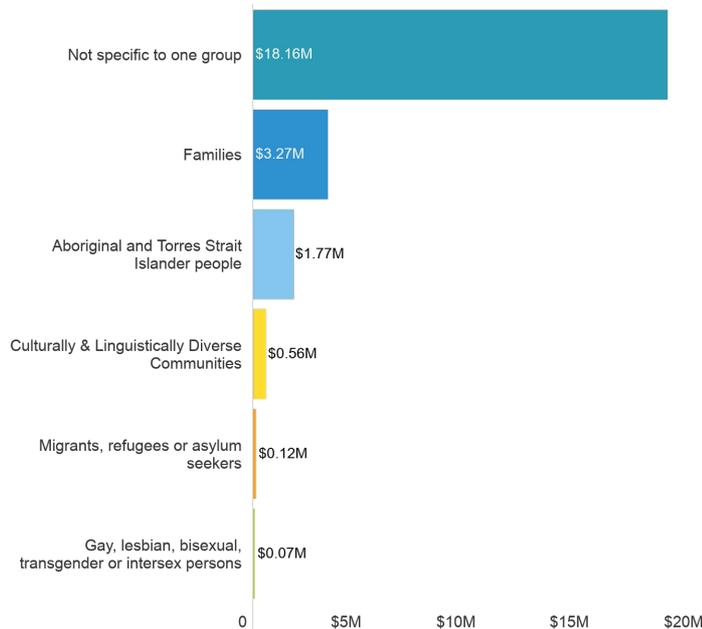
This is a reflection of broader trends in giving, where people tend to fund, at least initially, causes or areas that have directly impacted them or those they care about. Perpetual works with philanthropic families to help them define their granting strategy. For many families, their strategy tends to shift three to five years after it is established as they learn more about the role and place of philanthropy in our communities.

Distribution by sector



Indigenous projects

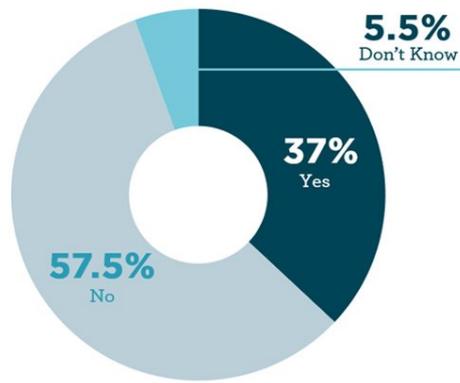
This year we are reporting on the amount of funding allocated to projects that impact Aboriginal and Torres Strait Islander people. While the overall amount may seem low, it's the second largest amount allocated to a specific demographic group.



Gender inequity

Despite increased focus in recent years, the persistent inequity between genders continues. Perpetual is a strong believer in best practice in giving and research has shown that projects that apply a gender lens in their design provide better outcomes for community. We now report on the proportion of projects funded which seek to address this, having introduced gender lens questions into our IMPACT Philanthropy Application Program in 2018.

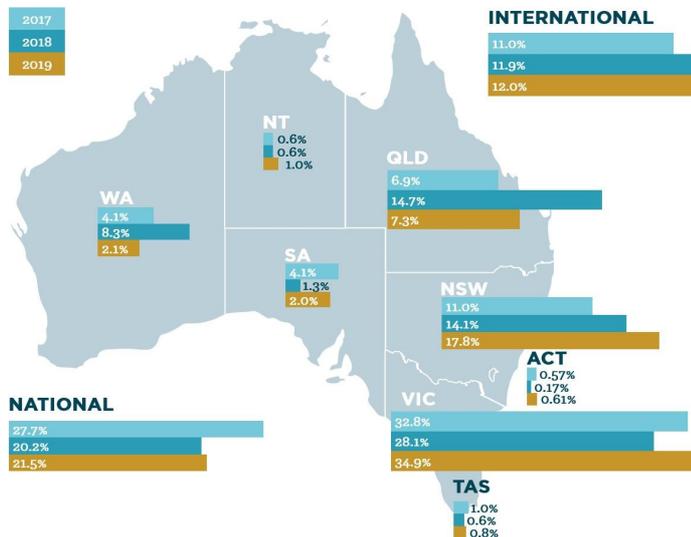
Does the project address gender inequity?



Distribution by geographic focus of project

Victoria's large distribution is due to the strong tradition of philanthropy in Victoria as well as the location of several large philanthropic trusts which Perpetual manages in that state. Aside from this anomaly, the distribution of funds roughly aligns with the population size of each State and Territory.

Distribution by geographic area



WANT MORE INFORMATION?

IMPACT Philanthropy Funding insights: [Download our 2019 IPAP Summary](#)

Applications for next year: Read more about [Perpetual's IMPACT Philanthropy Application Program](#) including resources to help organisations through the application process.

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