
Coutts Million Dollar Donors Report 2014

GLOBAL OVERVIEW

The combined value of million dollar donations rose in all of the seven areas studied in this year's Million Dollar Donors Report^[1]. Here we highlight some of the common trends and differences across the regions.

USA	\$16.92bn TOTAL VALUE OF DONATIONS (1,173 donations)
UK	£1.36bn (\$2.24bn ^[2]) TOTAL VALUE OF DONATIONS (292 donations)
Middle East (GCC)	\$1.843bn TOTAL VALUE OF DONATIONS (38 donations)
Russia	\$1.01bn TOTAL VALUE OF DONATIONS (126 donations)
China	\$2.65bn TOTAL VALUE OF DONATIONS (208 donations)
Singapore	\$713m TOTAL VALUE OF DONATIONS (38 donations)
Hong Kong	\$935m TOTAL VALUE OF DONATIONS (120 donations)

The story so far

Celebrating and inspiring philanthropy around the world

The 2014 Coutts *Million Dollar Donors Report* illustrates that major philanthropy is thriving. Tracking donations worth a total of \$26.3bn across seven regions – up from \$19bn in 2012 - our findings make for encouraging reading and suggest that major philanthropy is becoming more prevalent, more visible and more organised.

Since 2008, Coutts has produced the *Million Pound Donors Report* to provide insight into major UK philanthropy. In 2013, we decided to cast our net wider to capture also the scale and nature of donations of \$1m or more in the USA, Russia, Middle East (GCC^[3]), China and Hong Kong. This year, we also added Singapore. The result is a report that is a leading authority on major philanthropy internationally.

Our report is about more than just data. The inspiring interviews with major donors demonstrate that philanthropy is driven by people's values, passions, interests or visions for a better future. We are grateful for the frankness and honesty of the donors who kindly shared their personal experiences of philanthropy with us.

The social, economic and political contexts for the seven regions we looked at vary enormously. Data on high-net-worth giving may be easily accessible in the likes of the UK and the USA, but in other regions it is not as readily available. Whether this is due to the relative infancy of the philanthropic sector, or because of cultural factors that encourage major donors to stay out of the public eye, the result is that the true scale of giving in some areas is likely to be considerably larger than we report. We would also like to acknowledge the vast number of donations below the \$1m threshold, which are not tracked in this report.

Such considerations mean that it would be misleading to make direct comparisons between the jurisdictions covered. This report nonetheless gives a strong sense of how philanthropy is growing and changing in each region, and which causes and communities attract the most attention. Overall, there is little doubt that major philanthropy is on the rise.

^[1] *The total value of recorded donations of \$1m or more was higher in 2013 (compared with 2012) in the UK, USA, China, Hong Kong, Russia and the Middle East. While it was not covered in our report last year, research for Singapore similarly suggests that philanthropy has grown at all levels during the course of the past eight years.*

^[2] *Exchange rate £1 = \$1.65 as at 1 September 2014*

^[3] *The Gulf Cooperation Council consists of Bahrain, Kuwait, Oman, Qatar, the Kingdom of Saudi Arabia and the United Arab Emirates.*

What are some of the common trends across the regions?

There are some trends evident in the report that warrant exploration. While it is important to exercise caution when generalising across regions that are very different, there are some striking common features.

HIGHER EDUCATION STILL LEADS THE FIELD

Higher education topped the table of most popular causes supported in four of the seven regions (the UK, USA, Hong Kong and Singapore), and came second in a further two. This echoes what we noted in previous editions of the report. There are many likely reasons: for instance, education is seen by many major philanthropists as the key to the success of both individuals and countries. Universities also embrace a wide variety of activities or subjects and so offer wide appeal to donors who may support research, the building of premises, scholarships or the development of endowments. On a more practical level, universities are generally very sizeable and well-established institutions that can easily absorb donations of \$1m or more.

\$9.06bn (34.4% of total value) was gifted to higher education.

FOUNDATIONS AS RECIPIENTS

Foundations attracted sizeable donations in many of the seven regions. Many major donors favour them as a means of 'banking' mega-gifts, that is, distributing them – often to multiple organisations – over longer periods of time. Sometimes these larger donations are used to establish or grow endowments. Even in countries where philanthropy is not so well-established, such as Russia, there are growing signs that individuals and corporations are setting up foundations to formalise their giving for the longer term. Support for foundations is often accompanied by the professionalisation of philanthropy, for example the employment of dedicated, professional staff.

\$4.78bn (18.2% of total value) was gifted to foundations.

GIVING STAYS CLOSE TO HOME, BUT OVERSEAS DONATIONS ON THE RISE

Previous reports have suggested donors tend to give close to home, and 2013 was no different. Most major donations still went to causes within the donor's country or region.

That said, 2013 saw the growth of overseas donations in many of the regions featured in the report. In fact, overseas donations was the third largest category of recipient.

It is too early to say if this is a meaningful trend, since many of the overseas donations went to one-off causes such as the relief of natural disasters. The overseas figures were also skewed by a small number of mega-gifts in excess of a billion dollars in the USA and Middle East. But what begins as ad hoc engagement in response to a tragedy has the potential to grow into a more strategic relationship between donor and recipient – it will be interesting to see if this pattern continues into the future.

\$4.19bn (15.9% of total value) was gifted to overseas organisations.

What are some of the differences between regions?

In some respects, what distinguished the regions was more apparent than what linked them. We've listed some of the more notable differences below:

WHO GAVE THE MONEY?

There was no common thread when it came to the sources of major donations. In the UK and Hong Kong, foundations were the biggest source of million dollar donations by value, while in Singapore, the Middle East and China the largest proportion of funds came from corporate donors. In the USA and Russia, individual donors contributed the largest amount.

However, this picture needs further qualification. As an example, while Russian individuals gave larger amounts, foundations made the greatest number of million dollar gifts. In some regions, individuals choose to make donations through their family or corporate foundations or through their company's corporate social responsibility programmes, rather than as individuals, so the distinction between categories of donor is sometimes arbitrary.

GOVERNMENT AS A RECIPIENT OF PHILANTHROPY

In some places, governments were a major recipient of million dollar donations, while in others they hardly featured. The nature of the 'social contract' between government, charitable organisations and philanthropy clearly differs across the regions.

But working closely with governments or funding government initiatives is not unique to these countries; some of the largest foundations based in the USA and the UK also work with governmental authorities internationally to effect change.

<i>USA</i>	<i>\$16.92bn donated in 2013</i>	<i>1173 donors</i>	<i>805 recipients</i>
<i>UK</i>	<i>£1.36bn (\$2.24bn^[2]) donated in 2013</i>	<i>166 donors</i>	<i>241 recipients</i>
<i>Middle East (GCC)</i>	<i>\$1.843bn donated in 2013</i>	<i>27 donors</i>	<i>39 recipients</i>
<i>Russia</i>	<i>\$1.01bn donated in 2013</i>	<i>126 donors</i>	<i>98 recipients</i>
<i>China</i>	<i>\$2.65bn donated in 2013</i>	<i>177 donors</i>	<i>90 recipients</i>
<i>Singapore</i>	<i>\$713m donated in 2013</i>	<i>38 donors</i>	<i>93 recipients</i>
<i>Hong Kong</i>	<i>\$935m donated in 2013</i>	<i>59 donors</i>	<i>83 recipients</i>

DISTRIBUTION ACROSS SUB-SECTORS

Total \$26.3bn (1,995 donations)

Higher education \$9.06bn (692 donations)

Foundations \$4.78bn (182 donations)

Overseas \$4.19bn (97 donations)

Public & Societal benefit \$2.10bn (111 donations)

Health \$1.31bn (153 donations)

Government \$1bn (110 donations)

Human Services \$896m (170 donations)

Arts, Culture & Humanities \$778m (141 donations)

Education (excluding universities) \$622m (125 donations)

Religion \$381m (18 donations)

International \$367m (57 donations)

Environment \$179m (33 donations)

Various/unknown \$632m (106 donations)

Value of donations by recipient type:

- Higher education: 34.4%
- Foundations: 18.2%
- Overseas: 15.9%
- Public & societal benefit: 8.0%
- Health: 5.0%
- Government: 3.8%
- Human Services: 3.4%
- Arts, Culture & Humanities: 3%
- Education (excluding universities): 2.4%

- Religion: 1.4%
- International: 1.4%
- Environment: 0.7%
- Various/unknown: 2.4%

Regional headlines

UK

Headline: The number of donations of £1m or more increased by almost 50% in 2013 compared to 2012. The number of first-time million pound donors also rose.

Main donors:* Foundations gave the most, both by number and by value of donations.

*Most popular causes/recipients**:* Higher education and foundations (that is, donations that are ‘banked’ for distribution over time).

292 – the number of UK donations of £1m or more in 2013 (vs 197 in 2012)

USA

Headline: Donors gave larger amounts compared to 2012, with more than a fifth of the million dollar donations recorded in 2013 worth \$10m or more.

Main donors:* Individuals gave the highest proportion of the total value of donations worth \$1m or more, but foundations gave a higher number of donations.

*Most popular causes**:* Higher education. There was also a significant increase in the value of donations going overseas compared to previous years, due primarily to a single donation of \$1.8bn.

273 – the number of USA donations worth \$10m or more in 2013 (more than a fifth of the total number)

Middle East (GCC)

Headline: Most million dollar donations went to causes and organisations outside the GCC countries.

Main donors:* Gifts by foundations were the most numerous, but the total value of donations by corporations was considerably higher thanks to a single donation in excess of \$1bn.

*Most popular causes**:* Overseas - disaster relief and humanitarian causes.

\$1.75bn – the amount given to overseas causes by major donors in the Middle East

Russia

Headline: The number and value of donations in 2013 outstripped 2012's figures⁺.

Main donors:* Donations from corporations were the most numerous, although individuals gave a larger proportion of the total value.

*Most popular causes/recipients**:* Foundations, government and human services. The growth in million dollar giving to foundations suggests that donors are thinking longer term.

The Russia report is available online in both Russian and English.

Отчет по России доступен на русском и английском языках.

\$317m – the amount given to foundations by Russia's major donors in 2013

China

Headline: The total value of million dollar donations more than doubled compared to 2012, due mainly to one exceptionally large donation.

Main donors:* Corporations and corporate foundations.

*Most popular causes/recipients**:* Foundations, higher education and government. The earthquake-hit province of Sichuan received 38 separate donations of \$1m or more.

85% - the proportion of total value of donations contributed by corporations and corporate foundations in China

Hong Kong

Headline: Both the number and the value of million dollar donations increased in 2013, and there were more gifts to mainland China than in 2012.

Main donors:* Donations by corporations were the most numerous, but private foundations gave a larger proportion of the total amount.

*Most popular causes**:* Higher education and religion received the largest share of the total value. The Chinese government also featured heavily as a recipient.

\$280m – the amount given to higher education by Hong Kong's major donors

Singapore

Headline: Singapore shows a well-established culture of major giving, with the average size of donations of \$1m or more at \$18.8m.

Main donors:* Corporations and corporate foundations.

*Most popular causes**:* Higher education and public & societal benefit. Notably, all recipients were Singapore-based.

77% - the proportion of total value of donations contributed by corporations and corporate foundations in Singapore

*Donors in the report are categorised as one of the following three types:

- Foundations (such as private and family foundations, including those set up by living donors)
- Corporations (including corporate foundations)
- Individuals

** The 'most popular' causes and recipients are defined as those which received the highest proportion of donations by value.

***Russia's total giving figure for 2013 was boosted by the inclusion of donations by corporations and corporate foundations for the first time. That said, giving by individuals and foundations in 2013 also increased significantly on the previous year.

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