



# Philanthropy

*It is not how much we give ...  
but how much love we put into giving ...*

*Mother Teresa*

*Not to share one's wealth with the poor is to steal  
from them and to take away their livelihood ...  
It is not our own goods that we hold, but theirs ...*

*Pope Francis*

*Amen, I say to you, whatever you did for  
one of these least brothers of mine ... you did for me ...*

*Matthew 25:40*

Standpoint  
Research

Feel free to search online for more sharp quotes on taxation and the gap in income between rich and poor (from Plato, Adam Smith, Hillary Clinton, Elizabeth Warren, Alan Greenspan, Barack Obama, Warren Buffett, Franklin Delano Roosevelt and others).

	Particulars	Page
<b>1</b>	<b>Philanthropy – Introduction</b>	<b>2</b>
	❖ <i>Early Years of Philanthropy</i>	
	❖ <i>Religious Roots of Philanthropy</i>	
<b>2</b>	<b>Growing Inequality</b>	<b>5</b>
	❖ <i>Gap Between Rich and Poor -- Is it really shrinking?</i>	
<b>3</b>	<b>Global Overview – World Giving Going Forward</b>	<b>7</b>
	❖ <i>Unlocking the potential of global philanthropy</i>	
	❖ <i>Rising global middle class</i>	
	❖ <i>Increasing world of global super rich</i>	
<b>4</b>	<b>Structure and Trends in Philanthropy</b>	<b>9</b>
	❖ <i>Structure of philanthropic organizations</i>	
	❖ <i>Trends in philanthropy</i>	
	❖ <i>Trends in giving – Regional distribution</i>	
	❖ <i>Continental Comparisons</i>	
	❖ <i>Emerging economies bring new life to philanthropy</i>	
	❖ <i>BRIC nations contribution to philanthropy</i>	
<b>5</b>	<b>Government Assistance From Emerging Economies to Developing Economies</b>	<b>13</b>
	❖ <i>US government aid to developing countries</i>	
	❖ <i>US total engagement with developing countries</i>	
<b>6</b>	<b>International Philanthropy</b>	<b>15</b>
	❖ <i>All donors total assistance to developing countries</i>	
<b>7</b>	<b>Legal Framework for Global Philanthropy</b>	<b>19</b>
	❖ <i>Barriers and opportunities</i>	
	❖ <i>Brief overview of legal and tax policy environment</i>	
<b>8</b>	<b>Suggested Charities</b>	<b>24</b>
	❖ <i>Casa Alianza (Covenant House)</i>	25
	❖ <i>Operation WellFound</i>	26
	❖ <i>Stop Hunger Now</i>	27
	❖ <i>The Halo Trust</i>	28
	❖ <i>World Land Trust</i>	29
	❖ <i>ABC Trust</i>	30
	<i>Pope Francis</i>	31
	<i>Credits</i>	32

## 1 Philanthropy – Introduction

**P**hilanthropy can broadly be defined as love for humankind. It means "love of humanity" in the sense of caring for, nourishing, developing, and enhancing "what it is to be human" on both the benefactors (by identifying and exercising their values in giving and volunteering) and beneficiaries (by benefiting). The most conventional modern definition is "private initiatives, for public good, focusing on quality of life". This combines the social scientific aspect developed in the 20th century, with the original humanistic tradition, and serves to contrast philanthropy with business (private initiatives for private good, focusing on material prosperity) and government (public initiatives for public good, focusing on law and order).

The word Philanthropy is derived from the Greek words "philos", which means loving, and "anthropos", which means humankind. A person who practices philanthropy is called a **philanthropist**. The purpose of philanthropy is to improve the wellbeing of humankind by preventing and solving social problems. Instances of philanthropy commonly overlap with instances of charity, though not all charity is philanthropy, and vice versa.

**The words charity and philanthropy are often used interchangeably, but it is the difference between the two that makes the greatest impact on the world around us.**

Charity is how we show compassion for people displaced by natural disaster, or our support for victims of crime or violence. Charity is the change we leave in the jar to find homes for abandoned animals, or the extra dollar we contribute to fight poverty in third-world countries.

**Charity refers to the relief of suffering while philanthropy is the seeking out of the root causes of social problems and solving them. Charity tends to be a short-term, emotional, immediate response, focused primarily on rescue and relief, whereas philanthropy is much more long-term, more strategic, and focused on rebuilding.**

Contemporary philanthropy usually focuses on interests and concerns of all income classes, while charity has come to mean serving mainly, if not only, the poor, disabled, and needy. There is also a difference in the ways the two are carried out. While charity creates a dependent relationship between the "giver" and the "receiver", philanthropy seeks to empower and enable sustainability. As the saying goes, "Give a man a fish, feed him for today. Teach a man to fish, feed him for a lifetime". Charity is for today; Philanthropy is forever.

While charity is essential to address immediate needs, philanthropy is the means by which individuals and non-profit organizations and agencies achieve their greater missions. Philanthropy is breaking down the stereotype that an ex-offender can't contribute to a business and society at large. Philanthropy is building a well for a remote village in East Africa. Philanthropy is changing hearts and minds, and cultures, it is righting of wrongs -- it is making the world a better place.

### ❖ Early Years of Philanthropy

Philanthropy is thousands of years old. Like modern philanthropists, ancient people practiced philanthropy for different reasons. Some reasons were kindness and concern for the common good. Some people used philanthropy as a way to gain recognition, prestige, and power while others saw philanthropy as a way to gain the favor of the gods. Over 4,000 years ago, Chinese families provided monetary allowances to widows, orphans, and the elderly. The Hebrews gave one-tenth of their income as a gift to God and to those in need. This practice, called "tithing", continues in many religions today. Ancient Egyptian rulers and nobles gave to the poor in an effort to please the gods and help ensure a happy afterlife.

References to philanthropy can be found in the Bible, Qur'an, Torah, and in the teachings of many other religions and cultures, including Buddhism, Hinduism, and the Japanese and Native American cultures among others. "Zakat", or giving, is one of the five pillars of Islam that help people become closer to God. According to the Bible, giving is a way to honor the sacredness of each individual, as reflected in the book of Matthew when God says "Amen, I say to you, whatever you did for one of these least brothers of mine, you did for me." In the Jewish tradition, there are eight levels of charity. The highest level is helping someone to become self-sufficient, which is the definition of true philanthropy.

For generations, religious beliefs have influenced the way people think about and participate in philanthropy. For people who are not religiously motivated to give, the religious belief systems of other people help define what is considered "good" or "moral" in society. For this reason, it is important to consider the impact of religion on philanthropy in the past and present (Bremner, 1988).

The first American philanthropists were the Native Americans. Concern for the common good is an important part of many Native American cultures. When the first Europeans arrived in the Americas, Native Americans showed concern and practiced philanthropy by providing the Europeans with the materials and knowledge needed for survival.

The world's current major religions have been the basis for much of the individual and group philanthropy throughout world history. Non-religious organizations emerged in the 19th century as participants in philanthropy and individuals began to be noted for philanthropy not tied to any religion. The world's religions hold much of the early historical record of giving. Here we will observe some philanthropic points of five major world religions: Hinduism, Buddhism, Christianity, Judaism, and Islam.

### ❖ Religious Roots of Philanthropy

#### Hinduism

Hinduism is believed to be among the oldest of the world's religions. The Hindu religion, also known as "**Sanatana Dharma**" (sustainable *righteous conduct*), has an equivalent term '**dana**' (giving) for philanthropy. **Dana** (giving) is a fertile field for understanding the meanings and justifications of giving in religious, ethical, moral, theological, political, economic, and sociological contexts. Philanthropy brings name, fame, recognition, and prosperity to the giver and his/her family, and enhances their quality of life after death.

The "**dana**" has been an important part of Hindu belief. The teaching of humanity about the principles of "**dana**" states:

***"Give. Give with faith. Do not give without faith. Give with sensitivity. Give with a feeling of abundance. Give with the right understanding."***

Mutual regard and service is one of the basic laws of life in the Hindu tradition. Philanthropic principles underlie this law. Discovery of this law and demonstration of this principle is equated with the emergence of life itself. Articulation and elaboration of this law and principle are replete in the verbal and non-verbal expressions depicted in the Hindu religious tradition in a variety of languages and symbolism.

#### Buddhism

Buddhism, the world's fifth-largest religion, is a non-deist belief system that was founded by Nepali prince Siddhartha Gautama ~ 2500 years ago. It is one of the oldest religious faiths and started in India. Studying Buddhism is somewhat like studying philanthropy. Today more than 500 million people in the world follow Buddhism.

Within the context of philanthropy, as the love of humanity, the philanthropy of Buddhism could best be described as subjective rather than objective. Although there are no well-known Buddhist philanthropic organizations, foundations or trusts, the thread of **dana** (generosity) connects Buddhist individuals and communities worldwide in a legacy of compassion and selflessness. In this regard, the philanthropic "gifts" of the historic Buddha to the world include a detailed analysis of human suffering and a method of liberating humanity from that suffering.

Buddhism involves giving and generosity. There are three strong principles regarding an individual desire to give:

- Buddhism expects followers to provide almsgiving (food and money) to the poor and service (time, energy).
- Buddhism expects followers to perform acts of mercy.
- Buddhism makes provision for the gift of education to all who want to learn.

It is this foundational element of compassion that captures the essence of Buddhist philanthropy -- a compassion that compelled the Buddha to explore the causes of human suffering in depth and then offer a method of liberation from that suffering.

## Christianity

Philanthropy among Christians was both individual and institutional. It was institutional because the Christian communities actively encouraged charity for the poor. In Christian Europe during medieval times (5th and 6th centuries), the churches and monasteries were economic as well as religious organizations. They owned and controlled large areas of land and natural resources, allowing them to provide help to the poor, the homeless, the sick, and the pilgrims who sought shelter during their journeys to holy sites in Jerusalem. Christianity also encourages the giving of money to the church. Tithing is a tradition in Christianity where churchgoers give 10% of their income to the church. This money is used to support the church and gives the church money to support the local community. Christian philanthropy also relies on a tremendous amount of stewardship, which is the wise use of resources. This insures that the money raised by the church is not used wastefully. Philanthropy in Christianity demands that people look out for one another and use their money wisely to help the members of their community who are most needy.

## Judaism

In Judaism, there is a moral obligation to give. One of the tenets of Judaism is to love your God with all your heart, and to love your neighbor as yourself. This closely resembles the Christian philosophy, but the Jewish have specific ways of giving. They refer to **Tzedakah** as a combination of charity and justice that is to be practiced on the needy who are living. Tzedakah is the responsibility to give aid, assistance, and money to the poor and needy, or to worthwhile causes. In Judaism, giving to the poor is not viewed as a generous act; it is simply an act of justice, the performance of a duty, giving the poor their due. A **mitzvah** is any of the 613 commandments that the Jews are obligated to observe; more generally, it refers to any good deed. The 'mitzvah of tzedakah' is one of the most important.

'Hessed' is the second way of giving in Judaism, and refers to acts of kindness. This is a form of charity that closely resembles the Christian philosophy with regard to charity. However, this can be performed on the living and the dead. Yet another kind of philanthropic term in the Jewish terminology is **Tikkun Olam**. This is unique as its meaning is "to fix the world". This is a tremendously large and broad definition of philanthropy that could have almost any philanthropic act justified under its giant umbrella.

## Islam

Muhammad, the Prophet, was the central figure in the rise and spread of Islam. Islam's holy book, the Quran is a collection of Muhammad's philosophical statements. Islam has five pillars that are the basis for practicing Muslims. The third pillar upon which the faith of Islam is built is the obligation to almsgiving, or "Zakat". Invariably referred to as the "poor tax" Or "poor-due", Zakat literally means giving back to Allah (God) a portion of His bounty as a means of avoiding the sufferings of the next life and as a method of expiating or "purification" of what the individual Muslim retains of material possessions for themselves. While '*Zakat*' may be regarded as an act of beneficence of right-doing and a charitable act in the moral sense, it is less voluntary and more of an obligatory religious observance. The poor due (*Zakat*) is given annually and is generally 2.5% of one's wealth accumulated over the year. It may be distributed to individuals, institutions, or relatives not in the direct ascending or descending line. 'Sadaqah', or voluntary almsgiving, is wholeheartedly recommended to Muslims by God. From the very Word of God Almighty, the Holy Quran:

*"Let those who give alms, both men and women, and lend unto Allah a goodly loan, it will be doubled for them, and theirs will be a rich reward."*

The connections between religion and philanthropy are abundant and diverse. Some are spiritual, some psychological, some economic, and some institutional. There are at least four major elements of the relationship between religion and philanthropy that merit examination. First, and perhaps most importantly, religion appears to be a primary motivator of philanthropic behavior, of giving and volunteering for the benefit of others. Second, religious institutions, especially congregations, are both the most common recipients of such giving and among the important sources of philanthropic funding for other causes. Third, scholars have illuminated the specific roles of religion in shaping particular modes of and approaches to philanthropic and voluntary action. Finally, in addition to these more immediate, visible effects of religion on philanthropy, some argue that organized religion, at least in Europe and the US, is primarily responsible for creating the "social space" for the development of an "independent sector" in Western democratic cultures.

Throughout the world, the rich account for a disproportionate percentage of charitable contributions. In the US, the wealthiest 10% of the population hold 70% of total wealth and make 50% of total donations, while in the UK they hold 56% of the total wealth and make 21% of the total donations.

## 2. Growing Inequality – Widening Gap between the Rich and the Needy

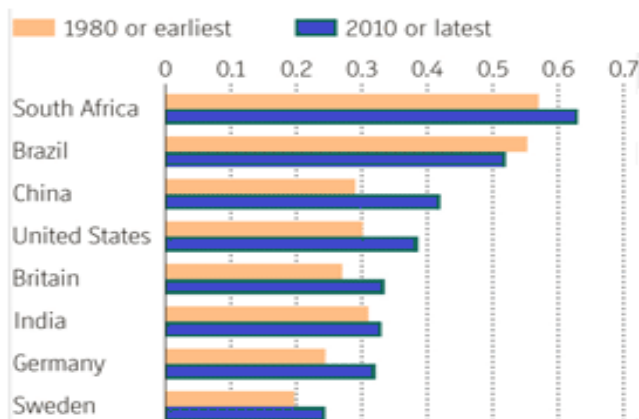
In the past several decades, income inequality across the globe has widened. Despite the unprecedented disparities of wealth, government spending on social programs has nonetheless remained remarkably low. At the same time, private charitable contributions have surged. **In the US, the situation is exceptional in two strikingly different ways: it is not only the most developed nation with the greatest share of private contributions, but also has the highest level of income inequality.**

The share going to the top 0.01% -- some 16,000 families with an average income of US \$24 million -- has quadrupled, from just over 1% to almost 5%. However, this is not confined to the US alone. Many countries, including Britain, Canada, China, India, and Sweden, have seen a rise in the share of national income accounted for by the top 1.00%. As a result, the number of ultra wealthy have surged across the globe. According to Forbes magazine, the world's richest man is Carlos Slim from Mexico, while the world's largest new house belongs Mukesh Ambani from India, which is a 27-floor skyscraper in Mumbai that occupies 400,000 square feet.

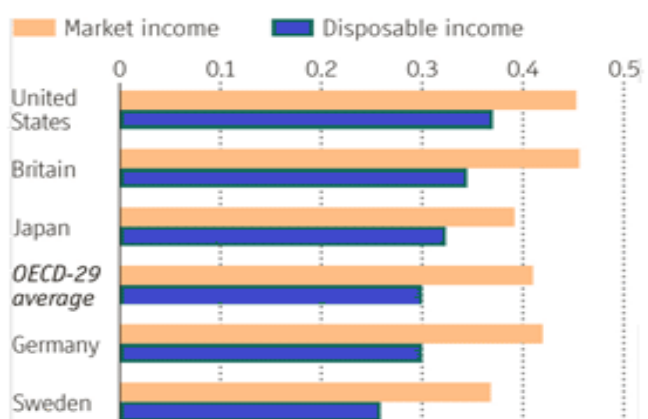
The level of inequality differs widely around the world. Emerging economies are more unequal than the developed ones. Scandinavian countries have the smallest income disparity, with a Gini coefficient for disposable income of about 0.25. At the other end, countries such as South Africa register a Gini mark near 0.60.

*Gini coefficient – best known way of measuring inequality, which aggregates the gaps between people's incomes into a single measure. If everyone in a group has the same income, the Gini coefficient is 0; if all income goes to one person, it is 1.*

Income Inequality, Gini coefficient\*



Gini coefficient\*, late 2000s

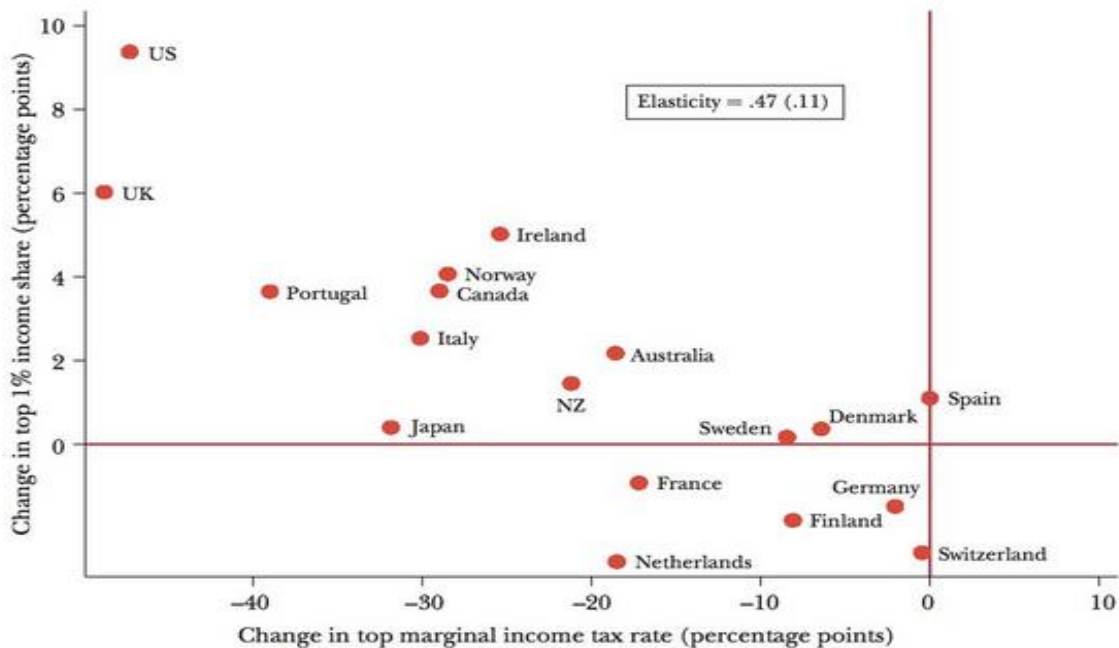


The chart depicts that US' Gini coefficient for disposable income is up by almost 30% since 1980, to 0.39, and China's has risen by about 50% to 0.42. The exception is Latin America, where Gini coefficients have fallen sharply over the past 10 years. In another study, by Alvaredo, Atkinson, Piketty and Saez, it was mentioned that the US had the worst income inequality in the developed World, courtesy of Wall Street.

According to the paper, the top 1% of all earners since the 1970s in the US roughly doubled their share of the total American income pie to nearly 20% (from about 10%). This gain is easily the largest among developed countries. Refer to the chart below, which maps the income gains of the top 1% in several countries against the significant tax breaks most of them have benefitted from in recent decades.



**Changes in Top Income Shares and Top Marginal Income Tax Rates since 1960**



As seen above, the higher the dot, the more the income inequality has grown in that country. For instance, in the US, top earners have made more while their taxes declined. The higher the tax cuts given to the top 1%, the greater the income inequality. This backs other studies that show tax codes have a large impact on income distribution.

Philanthropy, as per definition means “love of humanity.” It is also widely understood to be redistributive because it takes money from the wealthy and uses the money to improve the conditions of those who are less fortunate. Rising inequality increases the likelihood of surplus wealth and the chance that some of the surplus wealth held by the richest will exchange hands as charity. At the same time, it is natural to expect that inequality decreases somewhat as philanthropy increases.

**❖ Gap between Rich and Poor: Is it really shrinking?**

The gap between the rich and the poor is at its highest since the 1990s and is growing (with children being the hardest hit). According to the findings in a report by *Born Equal*, in some countries, the widening disparity between the richest and poorest families has increased by up to 179% over the past two decades. What is more annoying is the gap between the rich and poor children, which has grown by 35%; in some countries, more than twice the number of poor children die before the age of five than rich children. There has been ongoing debate -- *Is rising philanthropy diminishing the inequality?*

As per the 2013 Forbes’ list, Asia Pacific hosts 386 billionaires, 20 more than all of Europe and Russia combined. The US has close to 442 billionaires, while China is home to 122 billionaires, with the third place occupied by Russia, with 110 billionaires. This surging list of billionaires is a tribute to the growing inequality seen in most nations. The richest man in the world is Carlos Slim -- with a net worth of US\$73 billion – he holds 6.2% of Mexico’s GDP. The world’s third-richest person is Spain’s retail king, Amancio Ortega (Zara founder), who has accumulated a net worth of US \$57 billion in a country where more than 20% of the people are now unemployed. While assessing the social gap, we note that ~ 22% of rural Chinese live on less than US \$1.25 per day -- far less than in the past, but still alarming. In India, 34% of the people in rural areas and 29% in urban areas live on less than \$1.25 per day. In Brazil, while acclaimed programs, such as Bolsa Familia, have dramatically reduced poverty, the poorest 10% continue to earn less than 1% of all income. The richest 10% earn some 55 times what they poorest 10% earns. Here, organized philanthropy can play a central role in helping those who remain poor in increasingly rich societies.

There are many instances where philanthropists in emerging markets are seizing opportunities closer home. They have an advantage too, as many of these emerging donors are prominent citizens because of their business successes. This gives them familiarity with their countries' economic and policy issues as well as the ability to influence the national agenda. They can invest not just financial resources but also expertise and connections that can boost the projects they support. For example, tycoons including Mexico's Carlos Slim, Hong Kong's Li Ka-shing and India's Azim Premji have created multibillion-dollar foundations in their countries.

Premji's US\$2 billion foundation helps the Indian government promote education in rural areas. In South Korea, the family behind Hyundai recently established the Asan Nanum Foundation, with an endowment of more than US\$450 million, to encourage entrepreneurship and social innovation among young Koreans. In China, the number of private foundations has more than tripled, from 436 in 2007 to 1,332 in 2011, as per the China Foundation Center. However, it is early to judge the impact of these ventures on entrenched socioeconomic problems. That being said, they highlight the growing interest among the world's wealthiest to use philanthropy as a tool. Regional groups that encourage organized philanthropy are also beginning to emerge. These include the World Congress of Muslim Philanthropists, the Asian Philanthropy Advisory Network, and the Arab Foundations Forum, among others.

A contrarian view -- a recent statement by Peter Buffett sparked a heated debate over the role of philanthropy and many to ponder if too much of philanthropy is focused on making the donor "feel good", and not on providing actual solutions to pressing social problems. This behavior, which he refers to as "philanthropic colonialism" perpetuates inequality instead of eradicating it.

*Peter Buffett, the second son of Warren Buffett, has been quoted in The New York Times as stating that philanthropy has failed to address the core inequalities and social problems in the world, and simply makes the rich feel better about their wealth. At charitable foundations meetings, he says Heads of State meet with investment managers and corporate leaders. All are searching for answers with their right hand to problems that others in the room create with their left hand.*

He suggested that despite the growth witnessed in charitable giving, totaling US\$316 billion in 2012, little has been done to combat economic inequality. Meanwhile, another paper published in the Journal of Economic Inequality shows that philanthropy has not only failed to meet its goals -- rather it has made the situation worse. The authors have concluded that using measures of both absolute and relative inequality, philanthropy may actually exacerbate inequality instead of reducing it. Many supporters of philanthropy have made counterattacks to Buffett's claim.

Researchers argue that as per the Giving USA report, the total giving was about US\$316 billion last year, up 1.5% in terms of inflation-adjusted dollars. That is still well below the peak of US\$344.8 billion in 2007, and the amount is unlikely to return to its peak for at least 6-7 years. Others believe that the solution is not less philanthropy, but more effective and informed philanthropy by people who truly care about solving big problems. In short, philanthropy, done right, provides for incremental improvement in human condition, which actually makes a difference.

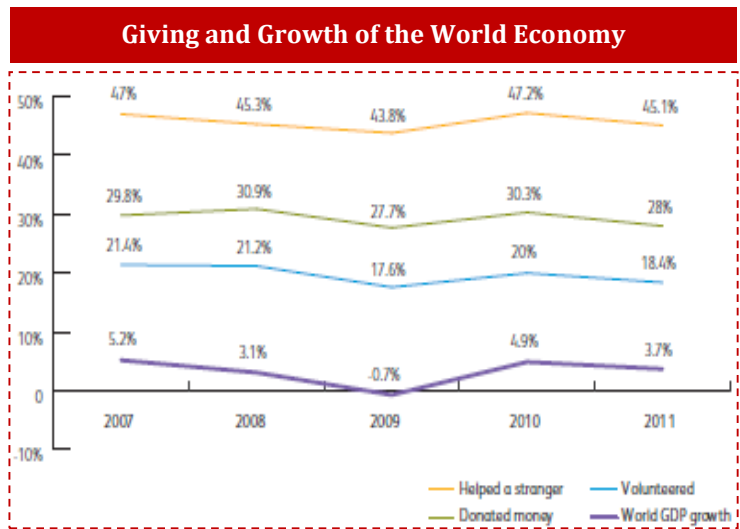
### 3. Global Overview - World Giving Going Forward

#### ❖ Unlocking the potential of global philanthropy

The world economy in recent years has been challenging for many, and the not-for-profits have not been spared. The World Giving Index 2012, which looks at philanthropic giving in 146 countries shows that people were less generous in 2011 than in 2010, mirroring a "double-dip" in the rate of global economic growth. However, there are reasons to believe that if governments around the world put the right measures in place, the future of world giving could improve.

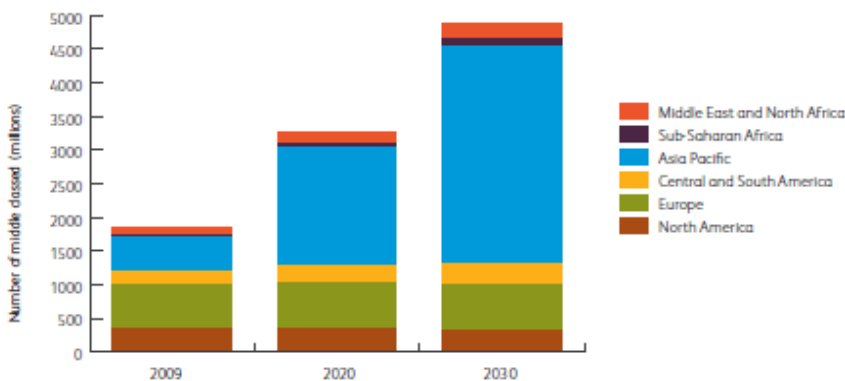


Despite the current economic gloom, long-term forecasts for economic growth and levels of individual wealth suggest that in the next two decades millions of people will be lifted from a subsistence lifestyle to that of having disposable income. The emerging economies will see significant growth, which presently is not high enough for charitable giving. We believe that there is solid potential for these emerging economies to transform their societies through philanthropic action, and those governments have a key role to play in delivering the right fiscal and legislative framework to facilitate and encourage effective philanthropy. **As the number of people with disposable income in the developing world overtakes that in the currently developed world we believe a realistic goal should be for the level of giving in the developing world to follow suit.** This is not to say that affluent economies cannot do more to facilitate higher levels of philanthropy. It is in our interests to ensure that they do. We believe that philanthropy within a nation can be nurtured in much the same way as any other sector within an economy. Many developing countries are investing in the infrastructure necessary to maintain a boom in manufacturing industries. It is our belief that by putting the right legislative and fiscal infrastructure in place today, emerging economies can also ensure that the growth of philanthropy is sustainable. It is equally true that developed markets must not be complacent.



❖ **Rising global middle class**

Size of middle class by region 2009 to 2030

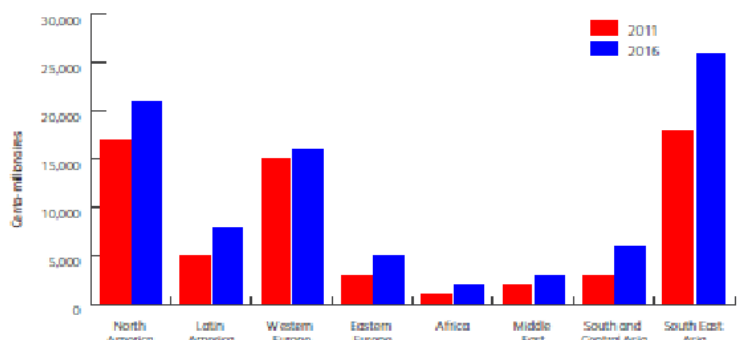


According to Organization for Economic Cooperation and Development (OECD) data, the number of middle-class people globally is projected to grow 165% by 2030, with their spending power set to grow by 161% over the same period. 70% of this growth is forecast to occur outside the traditional philanthropic centers of Europe and North America. We believe that if governments put policies in place now to facilitate philanthropic giving in the future, the results could be transformative. Were the world's middle classes to donate

0.4% of their spending to charity (matching giving in the UK) they would be contributing \$224 bln to civil society per year.

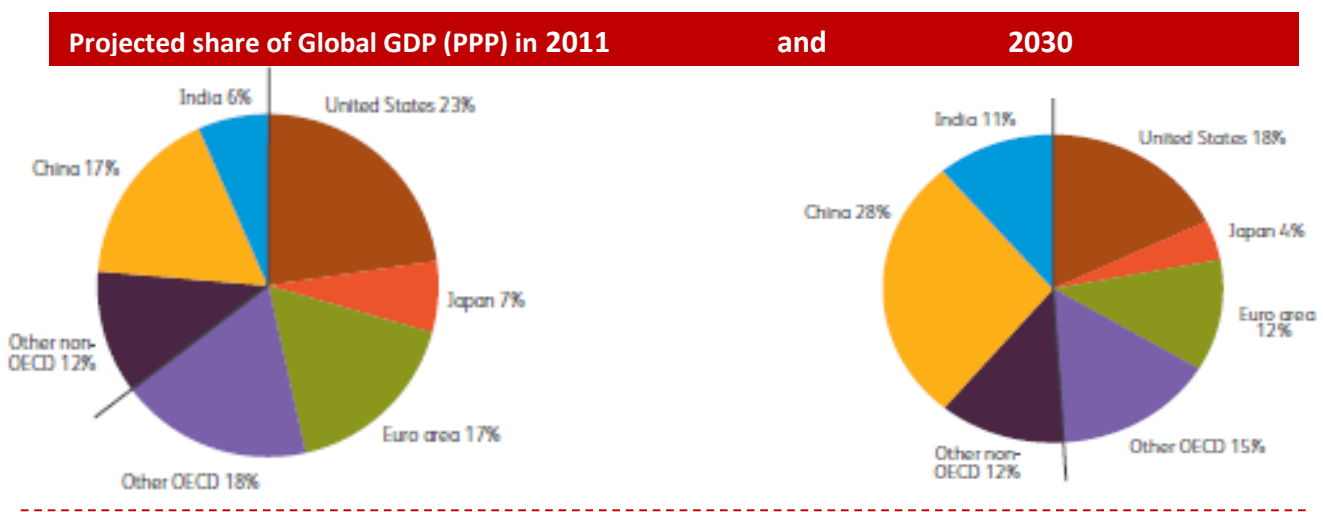
To put this in perspective, \$224 billion is more than the current Gross Domestic Product of the Republic of Ireland, the world's 44<sup>th</sup> largest economy. Strikingly, it is estimated that the total amount of foreign aid given over the past 50 years amounts to \$2.3 trillion. It is estimated that extreme poverty could be wiped out if foreign aid reached just \$175 billion per year. Though this hypothetical future is only an extrapolation of predictions and trends, it helps to highlight the importance of acting now to harness the future potential of philanthropy.

Projected rise in the number of centa-millionaires by region



❖ **Increasing world of global super rich**

The potential for future giving does not rest solely with the middle classes. A sharp rise in the number of global super rich, fuelled by the rapid growth of developing economies, represents an opportunity to harness huge discretionary incomes to address the growing inequality. In 2011, there were 63,000 people in the world that possessed \$100 million or more in disposable assets, representing a 29% increase since 2006 and it is projected to rise 37% to 86,000 by 2016. It is estimated that these individuals control \$39 trillion in disposable assets, with the top 100 richest billionaires adding \$240 billion to their wealth in 2012 alone. If the right actions were taken to encourage the emerging ultra-wealthy to give on the scale of Bill Gates or Warren Buffett, their giving would eclipse the above predictions of middle-class donations. The key to unlocking philanthropy on such an enormous scale will involve the participation of the governments of emerging economies by putting policies in place to remove barriers to philanthropy, and incentivize and engender a culture of giving. It is projected that by 2030, developing countries will have a greater share of the global GDP adjusted for purchasing power parity (PPP) than the 34 members of OECD, which broadly constitute the world’s advanced economies.



Source: OECD Economic Outlook 91 long-term data base

Although charitable, educational, and religious organizations are thousands of years old, with some in the US founded during colonial times, the concept of “non-profit organizations” as a unified and coherent “sector” dates back only to the 1970s. In fact, more than 90% of non-profit organizations and non-government organizations (NGOs) currently in existence have been created since 1950. Worldwide, NGOs have come into being in the past 30 years. Non-profits and NGOs are the most rapidly growing types of organizations in the world. It is difficult to generalize what non-profit organizations are, what they do, and how they do it. Non-profit organizations can be quite diverse, ranging from small, human services organizations (such as homeless shelters or culture centers) to large, federated organizations (such as the American Red Cross or Salvation Army) to endowments, universities, hospitals, and foundations. Because of the complexity and diversity of non-profit organizations, the term non-profit has a variety of meanings.

**4. Structure and Trends in Philanthropy**

Philanthropic organizations are established for the sole purpose of performing functions related to charitable activities. Its primary function is to provide benefits to the public by performing worthy causes that help the public at large. These organizations perform functions for community service. Also, all the operations performed by these organizations are legal and their policy is in tune with general public policy. The structure of philanthropic organizations is just like any other private company, having its own separate department, hierarchy and structure. The only difference is in the purpose, principal, and values of philanthropic organizations and their pursuit for non-profitable venture. There are several ways that the structure of these organizations can be organized, including corporation, unincorporated association, foundations, and online endeavors.

Philanthropic organizations have different ways to generate revenue for sustaining their causes. They usually have an active way to raise funds through campaigns or by conducting programs. They generally function as a welfare organization and work for the improvement of society through their charitable function. Philanthropic organizations can be classified by the kinds of programs and services they provide, and by the way they function financially. Taking into account these differences, we have tried to broadly classify these organizations:

<p><b>Arts, Culture, Humanities</b></p> <ul style="list-style-type: none"> <li>❖ <i>Libraries, Historical Societies, and Landmark Preservation</i></li> <li>❖ <i>Museums</i></li> <li>❖ <i>Performing Arts</i></li> <li>❖ <i>Public Broadcasting and Media</i></li> </ul>	<p><b>Education</b></p> <ul style="list-style-type: none"> <li>❖ <i>Universities, Graduate Schools, and Technological Institutes</i></li> <li>❖ <i>Private Elementary and Secondary Schools</i></li> <li>❖ <i>Other Education Programs and Services</i></li> <li>❖ <i>Private Liberal Arts Colleges</i></li> </ul>
<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>❖ <i>Environmental Protection and Conservation</i></li> <li>❖ <i>Botanical Gardens, Parks, and Nature Centers</i></li> </ul>	<p><b>Religion</b></p> <ul style="list-style-type: none"> <li>❖ <i>Religious Activities</i></li> <li>❖ <i>Religious Media and Broadcasting</i></li> </ul>
<p><b>Human Services</b></p> <ul style="list-style-type: none"> <li>❖ <i>Children's and Family Services</i></li> <li>❖ <i>Youth Development, Shelter, and Crisis Services</i></li> <li>❖ <i>Food Banks, Food Pantries, and Food Distribution</i></li> <li>❖ <i>Multipurpose Human Service Organizations</i></li> <li>❖ <i>Homeless Services</i></li> <li>❖ <i>Social Services</i></li> </ul>	<p><b>Health</b></p> <ul style="list-style-type: none"> <li>❖ <i>Diseases, Disorders, and Disciplines</i></li> <li>❖ <i>Patient and Family Support</i></li> <li>❖ <i>Treatment and Prevention Services</i></li> <li>❖ <i>Medical Research</i></li> </ul>
<p><b>Public Benefit</b></p> <ul style="list-style-type: none"> <li>❖ <i>Advocacy and Civil Rights</i></li> <li>❖ <i>Fundraising Organizations</i></li> <li>❖ <i>Research and Public Policy Institutions</i></li> <li>❖ <i>Community Foundations</i></li> <li>❖ <i>Community and Housing Development</i></li> </ul>	<p><b>International</b></p> <ul style="list-style-type: none"> <li>❖ <i>Development and Relief Services</i></li> <li>❖ <i>International Peace, Security, and Affairs</i></li> <li>❖ <i>Humanitarian Relief Supplies</i></li> <li>❖ <i>Single Country Support Organizations</i></li> </ul>
<p><b>Animals</b></p> <ul style="list-style-type: none"> <li>❖ <i>Animal Rights, Welfare, and Services</i></li> <li>❖ <i>Wildlife Conservation</i></li> <li>❖ <i>Zoos and Aquariums</i></li> </ul>	

These organizations can be established by an individual, group, trust or financial contribution by a benefactor. Despite the various types, most of these organizations have one main aim, and that is to work for the benefit of the public.

**❖ Trends in Philanthropy**

Entrepreneurs and financiers who amassed vast fortunes in technology and finance at the end of the 20th century, as well as people who inherited large sums of money, are turning their attention to the world’s problems, seeking to make headway in solving those problems during their lifetime. *Giving while living* has been termed the *New Golden Age of Philanthropy* by Atlantic Philanthropies, founded by Irish billionaire Chuck Feeney. Feeney is one among the growing number of philanthropists who want to make a difference now, not tomorrow, and is a leading advocate for giving while living. The trend for giving in one’s lifetime and over a shorter period, rather than in perpetuity, is fuelled by a new breed of entrepreneurial philanthropists who have made their wealth and apply it along with their skills and knowledge to make a difference they can witness. They realize that you *don’t have to die to give*, in spite of the tax incentives that favor giving. We increasingly witness -- an unwritten but broadly shared expectation among families of wealth -- that philanthropy is supposed to be part of life, and that the family should be productively engaged in it. It doesn’t start at retirement. People in their 40s and 50s want their children to be involved in philanthropy with them because they think of it as an integral part of their lives, as something that is more than just writing a series of checks.

The World Wealth Report 2010 from Merrill Lynch / Cap Gemini also recorded that more of the world's rich are opting for “giving while living” strategies, saying that philanthropists are incorporating their giving strategies into their ongoing wealth accumulation and capital-preservation plans.

**Bill Gates, Microsoft billionaire, is one of the world’s greatest living philanthropists.** With wife Melinda and financier Warren Buffett they actively promote “giving while living” with the “Giving Pledge”. Launched in 2010, it invites the wealthiest individuals and families in America to commit to giving a majority of their wealth to philanthropic causes and charitable organizations of their choice either during their lifetime or after their death. In the UK, Dame Stephanie Shirley, philanthropist and the world’s first ever government appointed Ambassador for Philanthropy, whose role was to inspire more philanthropy, has just published her memoirs “Let it Go” -- the story of an entrepreneur turned ardent philanthropist. Commenting on the “giving while living” trend, Dame told Philanthropy UK:

*I've always said that there is an obscenity to money sitting on the sidelines. And I say it now. If you have the means to do something today, be a game changer and do it. Solve a problem, animate your passion while you can still know it, feel it. It's like no other pleasure on earth.*

❖ **Trends in Giving – Regional distribution**

The World Giving Index 2012 consists of 146 countries from across the globe. The 2012 Index is compiled using data collected throughout 2011 and surveyed over 155,000 people. The following is the list of the top 20 countries with the highest World Giving Index scores, including at least one nation from each of the continents surveyed. Overall, 8 of the top 20 countries are from Asia, 5 are from Europe, 4 are from the Americas, 2 are from Oceania, and 1 is from Africa.

**Australia is at the top of the World Giving Index 2012, followed by Ireland, Canada, New Zealand, and the US.**

In addition, Australia has the highest score on average over the past five years. There is tangible evidence that the Australian government is taking action to further encourage philanthropy, allowing donations and efforts from the Australian public to have more impact.

**Top 20 countries in the World Giving Index, with score and participation in giving behaviors**

Country	World Giving Index Ranking	World Giving Index Score (%)	Donating money (%)	Volunteering Time (%)	Helping a stranger (%)
Australia	1	60	76	37	67
Ireland	2	60	79	34	66
Canada	3	58	64	42	67
New Zealand	4	57	66	38	68
United States of America	5	57	57	42	71
Netherlands	6	53	73	34	51
Indonesia	7	52	71	41	43
United Kingdom	8	51	72	26	56
Paraguay	9	50	48	42	61
Denmark	10	49	70	23	54
Liberia	11	49	12	53	81
Iran	12	48	51	24	70
Turkmenistan	13	48	30	58	56
Qatar	14	47	53	17	71
Sri Lanka	15	47	42	43	55
Trinidad and Tobago	16	45	44	30	62
Finland	17	45	50	27	57
Philippines	17	45	32	44	58
Hong Kong	19	44	64	13	56
Oman	19	44	39	22	72

## ❖ Continental comparisons

The World Giving Index scores for the five continents surveyed range from 27% to 59%. The continent with the highest World Giving Index score is Oceania: a continent represented in 2011 by only one region comprising two countries (Australia and New Zealand). Of the other four continents, the Americas has the highest World Giving Index score at 34%, followed by Asia at 31%, Europe at 29%, and Africa at 27%. Across the Americas, Asia, and Europe, the levels of engagement in donating money were found to be very similar (30%, 31%, and 32%, respectively), while the incidence of the other two behaviors (*volunteering time and helping a stranger*) was in each case marginally higher in the Americas than in Europe.

*In recent months, I have sent several notes to those on my mailing list with my left wing views on US status on guns, tobacco, sexually transmitted diseases, alcohol, drugs, divorce rates, the underperforming education system, obesity, life expectancy (79) that lags more than 30 countries, and many other problems with the US system that is based on a 237-year old document written before we had electricity by people who felt slavery was acceptable. Having walked more than 3,000 miles through 50 countries (on six continents) and 20 States since 2007, I see the world differently than most people do in the US. I think this country must and will change her ways and those on the far right may find themselves on the wrong side of history on many current issues before all is said and done. Just as we laugh today at the way people lived 100 years ago, people 100 years from now will laugh and be in disbelief at the way we live today -- and I am certain of this. Many in the US say that this is the greatest country in the World, and I think that is a bit of an exaggeration. Only people who benefit from this system will say that. Most people in this country do not share that view. I am a generalist and have written hundreds of research reports on every major industry since 2004. As the saying goes -- money is the root of all evil -- and I see this in one form or another in many of the industries I analyze.*

*It starts with a tobacco industry that will be responsible for **one billion** deaths in this century ... continues with Apple ... the apparel companies using sweat shops ... etcetera. I have been through lower class neighborhoods in the US, the deserts of Ethiopia, favelas in Brazil, and shacks in Soweto (South Africa). One thing is crystal clear and that is there are people who are grossly overpaid in this World while others are not valued and treated not much better than slaves even though those people in most instances are working longer hours and in more difficult jobs than those earning 10X – 1000X what they do. President Obama has been ostracized by many in this country when in fact all he has asked for all along is for the well-off to give a little bit more so that the poor and unfortunate can live like humans and not animals. I have been on his side the entire time. Recently, Pope Francis has been asking for the same thing. He has been relentless on this subject and was just honored as Time Magazine Man of the Year for the very same words Obama is hated for by many in this country. Sooner or later, people will realize that Obama had only good intentions, and was not trying to turn the US into a Communist or Socialist country like North Korea or Venezuela. All he and others are asking for is that those who have done well make more of an effort to make life easier on those who work hard and are struggling to survive because society does not value what they do. I have heard all of the arguments and disagree with most of them. I understand doubling the minimum wage could put White Castle (hamburgers) out of business. But what about Apple (computers). This company is sitting on \$150 bln but chooses to pay their workers \$2 an hour? I guess if you can't break the law in the US, the solution is to go where you can get away with the same crime. I am not a Communist, Socialist, or Democrat. I just have a problem with this extreme and unfair form of capitalism and anyone who thinks it is fair has probably never spent much time on the other side of the fence. I could go on for several pages, with my views and responding to all of the counter-arguments, but that is not what this report is about. That being said, I do think taxes on the upper classes are too low and that the level of charitable giving and philanthropy needs to be increased as well.*

## ❖ Emerging economies bring new life to Philanthropy

We all know economic growth in emerging economies is outpacing that of developed economies. Much as the Gilded Age in the US created titans like Andrew Carnegie, Cornelius Vanderbilt, and Rockefeller, the economic success of emerging powers has produced a new class of millionaires and billionaires. Brazil, Russia, India, and China are now homes to nearly 300 billionaires, according to the most recent *Forbes* list and represent almost a quarter of the world's total. Many have begun to focus on what Carnegie called "the business of benevolence". This nascent trend is poised to grow. Philanthropy is a powerful tool because its contributions can go well beyond money. Many emerging donors are prominent citizens because of their business success. This gives them familiarity with their countries' economic and policy issues as well as an ability to influence the national agenda. They can invest not just financial resources but also expertise and connections that can boost the projects they support. Small-scale individual and community charity has a long history. What is unprecedented is the number of people with the wealth necessary to tackle the root causes of major socioeconomic problems on a transformational scale. This capacity has existed in the West since Rockefeller, but developing economies have produced this level of private wealth only in the past two decades. Regional groups that encourage organized philanthropy are also beginning to emerge. These include the World Congress of Muslim Philanthropists, the Asian Philanthropy Advisory Network, and the Arab Foundations Forum, among others.



### ❖ BRICS nations' contribution to Philanthropy

The growing elite of emerging economies, known as BRIC countries, are now engaging in overseas philanthropy and government aid. A forthcoming study from Hudson Institute's Center for Global Prosperity (CGP) shows that total financial flows from four emerging economies -- Brazil, China, India, and South Africa -- stand at \$106 billion. Of these financial flows, 95% are private and only 5% are government financed. The money moving from these countries to the developing world is almost exclusively from private capital investment, remittances sent back home from migrants, and philanthropy. In fact, the four countries are outpacing their more developed cousins not only on economic growth, but on the important metric of private financial flows. Of all capital moving from developed to developing countries, 80% is private and 20% is government aid. The four emerging economies we looked at, account for (a disproportionate) \$103 billion in private financial flows to developing countries, compared with \$577 billion from the 23 developed donor countries. Emerging economies still have pockets of extreme poverty. In India for example, with 33% of the world's poor, it is understandable why governments focus on the welfare of their own rather than sending foreign aid. Emerging nations understand the reason behind their own successful development, namely, private sector-led growth. They are bringing this proven method to less-developed countries. Of private financial flows, the largest is private capital investment at \$88 billion, followed by remittances at \$14.2 bln, with global philanthropy trailing at \$370 mln.

*Since his election in March, Pope Francis has several times condemned the "idolatry of money" and said it was a depressing sign of the times that a homeless person dying of exposure on the street was no longer news ... but a slight fall in the stock market is.*

### 5. Government Assistance from Emerging Economies to Developing Economies

According to the Organization for Economic Cooperation and Development (OECD), **Brazil's** Official Development Assistance (ODA) stood at \$362 million in 2009 (as per the most recent data published by Brazil). While Brazilian ODA flows are distributed to numerous countries across the globe, many of Brazil's technical cooperation projects are launched in (other) Portuguese speaking countries. Brazil has been involved in cooperation for more than two decades, mainly with its aid directed towards countries with similar social and economic conditions. Brazil has created its own international aid programs based on domestic development successes in Brazil. Brazil is part of the India-Brazil-South Africa (IBSA) Trilateral Initiative launched in 2003. IBSA is one of the ways in which Brazil works to promote its *South-to-South* development projects. For example, Brazil has launched agriculture and capacity-building projects in partnership with India and South Africa.

In 2011, **China's** ODA stood at \$2.47 billion and this was given to 123 countries across the globe, with the largest portion going to Africa. However, many researchers claim that Chinese foreign aid is less humanitarian and more focused on economic development, thereby not giving enough attention to the "public welfare" purpose in ODA's primary objective of *promoting the aid recipients development and public welfare*.

**India's** ODA in 2011 stood at \$731 million. Although a large portion of its international aid flows to its neighbors, including Afghanistan, Bhutan, Nepal, and Myanmar, it has also started to increase aid to Africa, especially for agriculture and infrastructure projects. In the 2011 India-Africa Forum Summit, Indian Prime Minister Manmohan Singh pledged a \$5 billion loan package to Africa. Furthermore, with the establishment of the Development Partnership Administration in 2012, India's first development agency, the country plans to distribute \$15 billion over the next five years. While India has had a long history of providing strictly military aid to developing countries, in the last decade it has begun a more traditional foreign assistance program as part of its foreign policy. Over half of the Indian aid is spent on training of civil servants, engineers and public-sector managers in recipient nations. The remaining aid is spent on loans and project-related costs. Interestingly, only a fraction of India's aid is channeled through direct cash grants.



**South Africa**

The OECD reported that South African ODA stood at \$95 million in 2011. While South Africa has been involved in providing development assistance to developing countries for 15 years, it did not have a centralized agency within the government designated to oversee this work until 2013. Thus, until now, South African aid has been fragmented and lacking coordination because it has been distributed by various organizations such as The African Renaissance Fund, government departments (defense, education, foreign affairs), and other agencies, including the Development Bank of Southern Africa.

Despite the wide array of aid sources, a majority of South African loans and grants have been spent on peacekeeping and education. Since 2001, South Africa has consistently sent missions and sponsored projects to promote peaceful and fair elections in countries such as the Democratic Republic of Congo, Zimbabwe, and Burundi. South Africa has also started to focus on long-term development issues, becoming involved with African infrastructure projects.

South African aid is largely focused on other African countries; however, it has participated in South-to-South cooperation agreements with India and Brazil.

	\$ In Billion	%
US Official Development Assistance	\$30.9	11%
US Private Philanthropy	\$39.0	14%
■ Foundations	\$4.6	12%
■ Corporations	\$7.6	20%
■ Private/Vol orgs	\$14.0	36%
■ Volunteerism	\$3.7	09%
■ Univ and Colleges	\$1.9	05%
■ Religious Organizations* \$7.2	\$7.2	18%
US Remittances	\$100.2	36%
US Private Capital Flows	\$108.4	39%
<b>U.S. Total Economic Engagement</b>	<b>\$278.5</b>	<b>100%</b>

**❖ US Government aid to developing countries**

Total US ODA was \$30.9 billion in 2011, a 0.3% decrease in real terms from 2010 (see above table). The US remains the highest donor in absolute dollar terms, providing more than twice the amount of the next highest donor (UK). Least developed countries received the largest portion of US ODA, amounting to \$10.9 billion, or 35% of the total. Region wise, the largest percentage of US aid went to sub-Saharan Africa (43%), followed by South and Central Asia (24%), the Middle East and North Africa (13%), Latin America and the Caribbean (12%), Europe (3%), and Oceania and other Asia (5%).

**❖ US total economic engagement with developing countries**

Government aid is no longer the major player in global poverty reduction, and Official Development Assistance (ODA) is no longer the sole measurement of countries’ generosity. US private philanthropy, remittances from migrants living in the US to their home countries, and private capital flows each exceeds US ODA. The more complete way of measuring donor involvement with the developing world is to look at a country’s total economic engagement including official aid, philanthropy, remittances, and private capital flows.

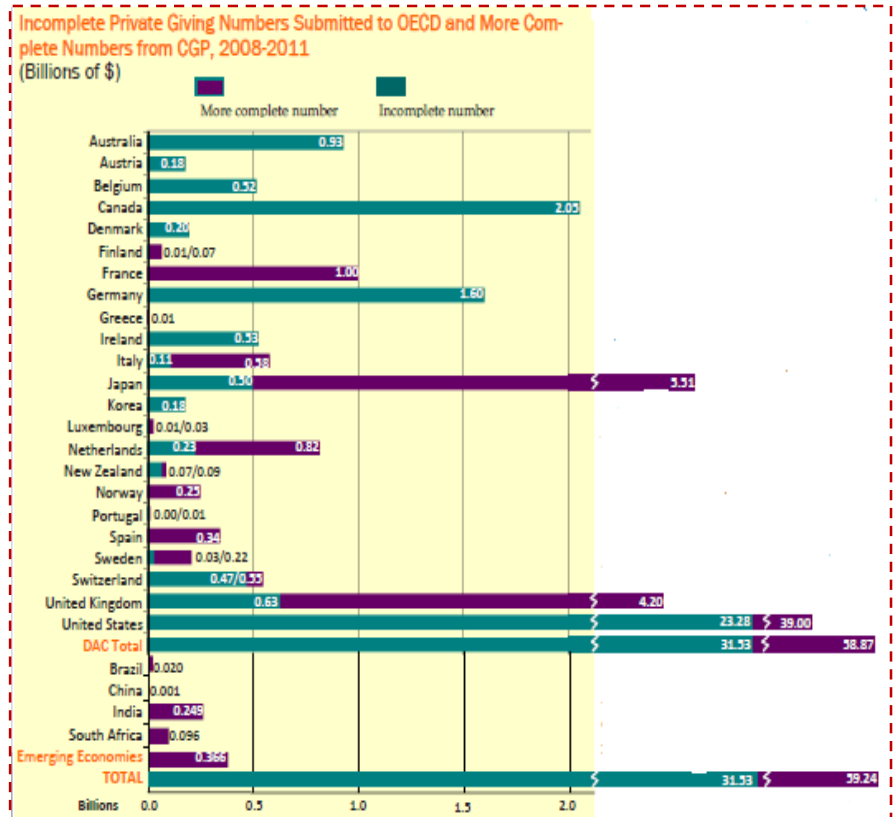
The US philanthropy figure consists of contributions from foundations, corporations, private and voluntary organizations; individual volunteer time, religious organizations, and universities and colleges. Remittances from individuals, families, and hometown associations in the US to developing countries reached an estimated \$100.2 billion in 2011, up from \$95.8 billion in 2010. Remittances continue to rise, and are now more than three times the US government assistance total. Private capital flows remain the most volatile economic flow to developing countries. In 2011, private capital flows decreased to \$108.4 billion from \$161.2 billion in 2010. A majority of this decrease was due to a drop in bilateral portfolio investments from \$104.8 billion in 2010 to \$73.0 billion in 2011. Direct investment decreased by a smaller value, from \$51.0 billion in 2010 to \$42.7 billion in 2011.

## 6. International Philanthropy

The Center for Global Prosperity (CGP) was the first to provide a more comprehensive picture of private philanthropy from developed countries to the developing world. Despite increased philanthropic activity globally, measuring the amount of giving still has its challenges.

As a result, CGP created partnerships across the globe and tallied more accurate figures for 14 developed countries – US, Finland, France, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and UK.

For the 2013 Index, researchers at CSO Network Japan in cooperation with Osaka University updated Japan’s philanthropy figures independently and provided this information to CGP. Japan’s private philanthropy to international development causes stood at \$5.51 bln in 2010 as per the most recent year of available data -- a value significantly greater than \$467 mln reported by the Japanese government to the OECD. The work of Japanese researchers to fully capture private international donations is a model for other countries to follow. We hope more countries will begin to develop



complete private giving numbers to submit to international organizations and other institutions. As illustrated in the figure, there is a wide discrepancy between the level of private giving that many Development Assistance Committee (DAC) donor nations report to the OECD and the more complete numbers compiled by CGP. The numbers for the countries come from different sources, representing different years between 2008 and 2011.

### Brazil

Over the last several decades, philanthropic activity in Brazil has become more prominent as the country’s economic wealth has increased. In the 1990s, Brazilian corporations began to take particular interest in corporate social responsibility and philanthropy. While corporate philanthropy has been prominent, individual and family philanthropy only began to grow in the last five years. One reason behind a thriving corporate philanthropic movement is the regulatory environment, which provides more incentives for corporations than for individuals to donate money. Brazil’s voluntary and non-profit sector is growing, currently employing an estimated 1.5 million people. More than two-thirds of Brazilian non-profit organizations rely on the sale of goods and services for their sustainability; 15% of them rely on government funding; and only 11% rely on philanthropic donations.

While philanthropy in Brazil has plenty of room to grow, a number of intermediary organizations that focus on philanthropic research, collaboration, and information dissemination have already been established. For example, *Grupo de Institutos Fundações e Empresas* was launched in 1995 with the mission to strengthen support for private organizations engaged in voluntary and social investment activities for public benefit. Today, GIFE is a membership organization of Brazilian foundations and is composed of 80% corporate members and 20% independent, family, and community foundations. According to its records, in 2012, GIFE members donated an estimated \$1.1 bln in Brazil.

I have visited Brazil six times and I highlighted a charity on pages 30-31 for whoever is interested in supporting a Brazilian (children’s) charity. The poverty problem there is hard to manage with a population of more than 200,000,000 with 20% below the poverty line. On pages 25-29 there are five other suggested causes for you to consider.

To collect data on international philanthropic flow from Brazil, the Centre for Global Prosperity (CGP) partnered with Comunitas, a civil society organization, with the main goal of promoting social development in Brazil through the engagement of corporate and other sectors. Comunitas collected more than \$1.2 billion in contributions and corporate social investment from Brazilian corporations in 2011. The data is limited to the institutions that participated in the survey, a total of 201 companies and 29 foundations linked to corporations. Of the total \$1.2 bln, Comunitas found that \$19.8 mln was given to activities outside of Brazil. As corporate and non-corporate philanthropy continues to grow in Brazil, there is a need for an improved regulatory environment that will promote giving both in Brazil and across its borders.

### Success Story from Brazil – Bridging the Digital Divide

Ronaldo Monteiro was facing 14 years of incarceration in Brazil for drug dealing, assaults, and kidnapping. To live and to die, was only a matter of time. However his life completely changed when volunteers from the Center for Digital Inclusion (CDI) came to his prison and taught him how to use computers and technology equipment. Ronaldo was released for good behavior and has since become a successful social entrepreneur in his own right. Ronaldo sets up digital training programs with CDI to teach former inmates not only about technology but about citizen rights.

*The Center for Digital Inclusion is a non-government organization based in Rio de Janeiro, Brazil, that teaches people how to use technology to raise awareness of the economic and social problems within their communities. CDI was launched in 1995 by Rodrigo Baggio, an Internet entrepreneur with experience at Accenture and IBM. Since 1995, CDI has reached over 1.5 million people, helping more than 90,000 people in 2012 alone.*

## China

Among the four emerging economies, China is the most unique. The line between public and private funding and delivery of services is constantly blurred in all Chinese sectors, and philanthropy no different. Organizations in China are classified into three main categories:

- Government Organized NGOs (GONGOs)
- Legal independent non-profit organizations registered with the government
- Informal organizations that are unregistered or alternatively registered as businesses

Some non-profits choose to register as businesses because they are unable to obtain government approval to register as non-profits.

In 1998, China passed new regulations for the management of civil society organizations. These rules allowed more independent non-profits to register. By 2010, there were more than 400,000 registered non-profits, both GONGOs and independent organizations. Research suggests that roughly 60% of non-profits are GONGOs. There are an additional (estimated) 200,000 unregistered non-profits or non-profits registered as businesses. Private philanthropy in China registered its greatest growth after the implementation of regulations for the management of foundations in 2004. Public foundations are almost always GONGOs, while private foundations are started by individuals or families with an endowment and are considered independent of the government.

In 2012, the number of public and private foundations was estimated at 1,218 and 1,373, respectively. While philanthropy is slowly becoming more familiar in China, measuring true private philanthropic donations remains a challenge, as a majority of individual donations are made to government organizations. These government organizations do not fall under the definition of private philanthropic organizations. According to the China Charity and Donation Information Center, total charitable giving in 2011 stood at \$13.3 bln in monetary donations and \$2.6 bln for in-kind donations. While \$13.3 bln of cash donations is a substantial number, most of these donations flow to government-associated organizations. While domestic philanthropy is growing, international philanthropy from China is still young. According to an INSEAD report on family philanthropy in Asia, less than 1% of the surveyed organizations in China reported giving to international causes. To collect private international philanthropy data for China, CGP partnered with the China Foundation Center (CFC) based in Beijing. CFC found that Chinese private foundations gave an estimated \$1.2 mln to international causes, and Chinese public foundations gave a lower amount of \$713,000. Because it is unclear whether the public foundations were solely government funded or some mix of government and private funding, CGP is using only the \$1.2 mln from private donations in its estimate of Chinese international philanthropy. Philanthropy research in China is in the early stages as it is in other emerging economies.

### Success Story from China – Internet Giant Travels beyond its Borders

Founded by a group of IT-savvy Chinese entrepreneurs, Tencent, the largest private internet company in China, incorporated in 1998. A leader in Chinese corporate philanthropy, Tencent clearly understands its role in tackling social problems and boosting the private sector's philanthropic engagement in China and beyond. Tencent Foundation, the company's philanthropic arm, was founded in 2007.

Unlike a majority of the Chinese foundations that work only in China, the Tencent Foundation reaches out beyond Chinese borders. Partnering with the World Food Programme (WFP) and the China Foundation for Poverty Alleviation (CFPA), China's largest public foundation, Tencent contributed some \$163,000 to WFP's programs fighting hunger in Cambodia and Western China. The programs help elementary schools provide nutritious breakfasts to students, helping them finish school. They also distribute a 10 kg ration of rice to students from the most impoverished families.

Taking advantage of Tencent's online dominance, the Tencent Foundation established a fundraising campaign called "Weave Hope" to raise awareness about hunger and malnutrition in western China and Cambodia. Started in September 2011, the ongoing campaign encourages individuals to donate 10 Yuan or \$1.60 per month to buy nutritious meals for children in program-covered areas. As of July 2013, the campaign has attracted nearly 200,000 individual donors from China, generating a total of \$730,000 for programs in Cambodia and western China.

### Success Story from China – Take on Conservation

In 2011, a group of high-net worth individuals started the China Global Conservation Fund (CGCF) to address global environmental concerns. Although the board acts as a sub-unit of (US-based) Nature Conservancy, CGCF itself came out of the China Program Board of Trustees' generosity and activism.

CGCF was launched with a \$5 million donation from the board members with the intention of raising \$5 million from additional donors outside China. Inspired by a 2011 trip to The Nature Conservancy's project sites in Kenya, the China Program Board members sponsored a conservation program to protect Africa's wildlife from threats such as poaching and habitat loss. Starting small, the group focused its efforts on preserving the critically endangered Hirola antelope, of which fewer than 500 remain in the world today.

## India

India has a flourishing non-profit sector with more than three million active societies and organizations – most of which were established after 1990. According to a 2012 study by the Indian government, non-profit organizations in India derive 70% of their funding from private sources. According to a 2011 report by Bain & Company, private charity makes up ~ 0.4% of India's GDP or an estimated US\$5 bln – US\$6 bln, an increase from 0.2% of GDP in 2006. The 2013 edition of the report found that wealthy philanthropists in India are increasing their giving from an estimated 2.3% of annual household income in 2010 to 3.1% in 2011, with the intention to continue increasing it in the future.

As the philanthropic sector in India is growing, research on philanthropy is becoming more sophisticated. India has a number of intermediary institutions that function as a source for philanthropic information and best practices. One such organization is the Center for the Advancement of Philanthropy (CAP), a non-profit started in 1987. CAP is not a funding source but serves as a guide for non-profit registration processes, helps companies develop their corporate social responsibility practices, and serves as a general source of information on Indian philanthropy.

Another similarly focused organization, Sampradaan Indian Centre for Philanthropy, was started in 1995 and is supported by international and Indian organizations, such as Worldwide Initiatives for Grantmaker Support, the Aga Khan Foundation, the Tata Trusts, and others.

### Success Story from India: Women Helping Women – India’s Training Program in Afghanistan

India’s Self Employed Women’s Association (SEWA), a non-profit organization, launched an ambitious “train the trainer” program in 2008 for Afghan women. While the Karzai administration of Afghanistan preferred to simply fill an arbitrary quota of government jobs with women jobs where they were often relegated to menial or even abusive tasks, SEWA organizers worked to restore independence among Afghanistan’s women by training a young socially mobile class of female entrepreneurs. First, SEWA recruited 32 Afghan women and brought them to India for training. With these skills in hand, the Afghan trainers went back to Afghanistan to SEWA’s Women’s Vocational Training Center in Kabul, which had been built by SEWA members. Since opening in 2008, SEWA’s Afghanistan operation has trained more than 3000 women, nearly half of whom now operate businesses of their own, earning on average between \$50 and \$100 per month.

### South Africa

Philanthropy in South Africa is on the rise, with a similarly flourishing civil society composed of thousands of organizations. The non-profit and philanthropic sector on the continent as a whole is diverse and made up of private, corporate and family foundations, public trusts, corporate social investment units, community foundations, and intermediary agencies. Public perception of philanthropy tends to focus on the large role of corporate philanthropy, or as it is referred to in South Africa -- corporate social investment (CSI). Indeed, corporate philanthropy is perhaps the best measured form of giving in the country. Corporate philanthropy spending is dominated by the education and health sectors. According to an annual publication, the CSI Handbook showed that in 2012 South African corporations spent \$663 million on corporate social investment programs, a 5.4% increase from the previous year. With the improvement in South Africa’s economic conditions, the number of high net-worth individuals is increasing. According to a recent report, 94% of the 400 high net-worth individuals surveyed donated money, goods, or time to social causes.

As philanthropy is rising, so are intermediary organizations, which support infrastructure, research, and knowledge building for the sector. For example, [the Southern African Community Grantmakers Leadership Forum](#), launched in 2005, works to create synergy between independent development trusts and community grant makers. Similarly, [The Inyathelo: South African Institute for Advancement](#) is a leader in promoting philanthropy and strengthening civil society in the country. This organization launched Philanthropy SA, a website that provides news and information on philanthropy in South Africa.

### Success Story from South Africa – Social Business Spreads “Treevolution” in Africa

As an initiative to offset the pollution of his frequent air travel, Misha Teasdale, a young South African activist, decided to plant 1,000 trees in one month upon returning home from a trip. With the help of his friends, Lauren O’Donnell and Jeremy Hewitt, both born in South Africa, the planting campaign soon attracted a number of like-minded individuals and businesses. Inspired by the impact of their project, the three friends made a decision to raise this small campaign into a vigorous nationwide “treevolution”.

Thus, Greenpop was launched in 2010 as a South African social business that gathers support from individuals, businesses, and governmental agencies to give “green” back to the planet. So far, they have planted over 23,000 trees in 245 locations with the participation of over 3,000 domestic and international volunteers.

### ❖ All donors’ total assistance to developing countries

CGP’s research shows that > 80% of all donors’ total economic engagement with the developing world is through private financial flows, including the financial flows of selected emerging economies. As of 2011, private capital flows remained the largest financial flow from donors to the developing world. Combined with philanthropy and remittances, all private flows were more than four times larger than official flows.



As seen in Figure A below, private capital investment, philanthropy, and remittances from all donor countries stood at \$680 billion in 2011, \$577 billion of which came from DAC donors and \$103 billion from emerging economies as per the Index this year. ODA, on the other hand, stood at \$138 billion, \$134 of which was from DAC donors and about \$4 billion from the four emerging economies included in this research. Figure B below, provides a breakdown of the different forms of private flows, comparing them to public flows over the last 20 years. Private capital flows represented by the red line stood at \$410 billion, of which, \$322 billion was from DAC donors and \$88 billion from the four emerging economies.

Figure A

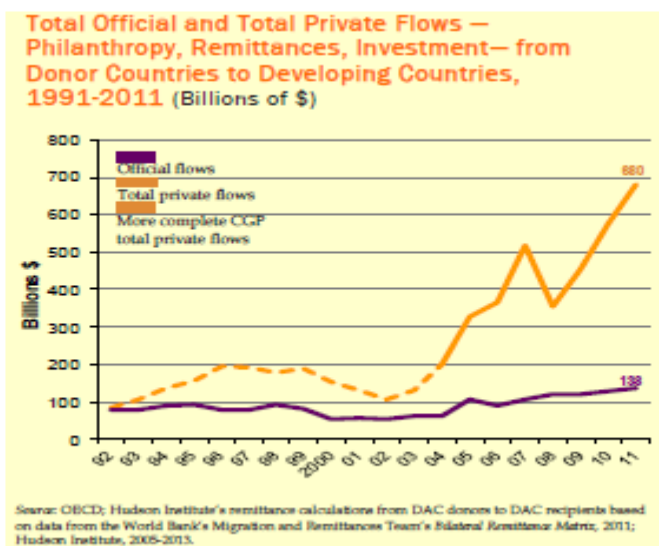
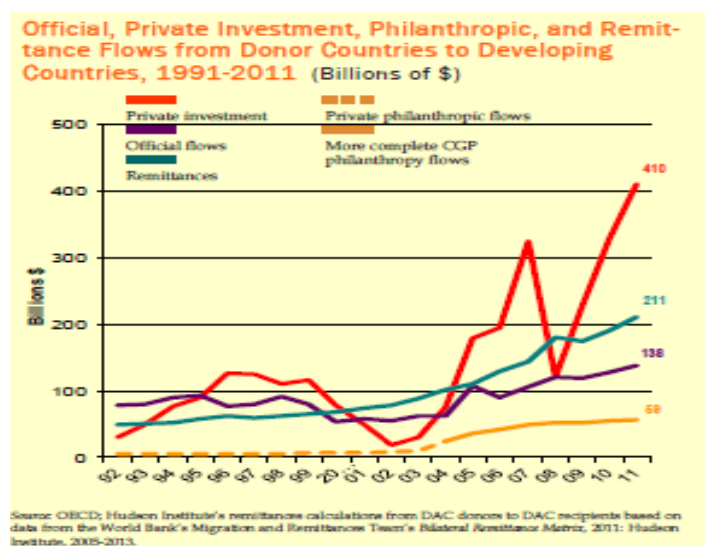


Figure B



## 7. Legal Framework for Global Philanthropy

### ❖ Barriers and Opportunities

The legal and policy environment for philanthropy widely varies around the globe. Some countries have a relatively favorable policy environment, while in others, multiple legal and tax impediments limit growth activities and potential impact of philanthropic institutions. Among the most important policy issues appear to be permissible legal identities, registration processes, government intervention and supervision, and tax policy. Meanwhile, the legal status of philanthropic institutions in many countries is imprecise, with no distinction between philanthropic institutions and other different kinds of philanthropic institutions. As country-specific legal structures were not often designed with consideration for the uniqueness of private philanthropic institutions, laws in many countries leave many questions unanswered. The resulting uncertainty with respect to permissible activities, allowable partnerships, and the nature of tax treatment is often a disincentive to create philanthropic institutions. In terms of the fiscal regime, lack of tax incentives or the administrative difficulties act as another major obstacle. Although they are only of minor importance in the promotion of philanthropy, they become significant for very large donors. Also, the absence of a capable, trustworthy, and effective NGOs can act as a deterrent to philanthropy.

**Cross-border philanthropy:** Among other prominent features of the current landscape of giving, philanthropy is increasingly becoming cross border. While the growth of cross-border philanthropy is impressive, the legal environment and other factors have limited global philanthropy from reaching its full potential. These institutions often get constrained by policies, accepted practices, and legal and structural limitations. Legal barriers include constraints imposed by the “donor” country on the outflow of philanthropy, as well as constraints imposed by the “recipient” country on the inflow of philanthropy. Global philanthropy is also impeded because some countries constrain the development of civil society, including the development of foundations and potential grantee organizations.



In Europe and the US, there is growing momentum to make it easier to give across borders. Many foundations are increasingly becoming international in their work, yet working outside the country of incorporation can be difficult and expensive. The following internal and external barriers have been identified, which impede growth or strengthen global philanthropy:

Donor Country Restrictions	Recipient Country Restrictions	Legal Barriers
<p><b>Limitation on Cross-border Philanthropy by Tax Exempt Entities</b></p> <ul style="list-style-type: none"> <li>➤ In Brazil, to obtain tax exemption, an entity must limit the use of its resources to the Brazilian territory.</li> <li>➤ In India, tax-exempt entities must spend within the territory of India.</li> <li>➤ In Australia, a tax-exempt organization must meet the physical presence test and spend principally in Australia.</li> </ul>	<p><b>Advance Government Approval</b></p> <p>The law in several countries requires advance government approval for the inflow of philanthropic funding. Such requirements open the door for the exercise of governmental discretion and may result in the denial of permission to receive funding from abroad.</p>	<p><b>Barriers to Formation of Organization</b></p> <p>Barriers include burdensome registration or incorporation requirements, vague grounds for denial, or limitations on permissible program activity, such as</p> <ul style="list-style-type: none"> <li>➤ In Saudi Arabia, only organizations established by royal decree are allowed.</li> <li>➤ In China, registration procedures are complex and cumbersome, with extensive documentation and approval requirements.</li> </ul>
<p><b>Advance Governmental Approval</b></p> <ul style="list-style-type: none"> <li>➤ In the UAE, Article 43 of Federal Law No. 2 (2008) prohibits distribution of grants, donations, or other transfers to foreign entities without ministerial approval.</li> <li>➤ In Malaysia, charitable organizations must conduct activities that “serve or benefit Malaysians” and may carry out activities outside only “with the prior consent of the Minister of Finance.</li> </ul>	<p><b>Express Approval Required</b></p> <ul style="list-style-type: none"> <li>➤ Requirement of approval is common in the Middle East/North Africa (MENA) region. Another, Egyptian law prohibits any association from receiving foreign funds -- whether from foreign individuals or from foreign land -- without advance approval from the Minister of Social Solidarity.</li> </ul>	<p><b>Barriers to Operational Activity</b></p> <p>There may also be direct prohibitions on areas of activity, invasive supervision, and arbitrary termination and dissolution.</p> <ul style="list-style-type: none"> <li>➤ In Cambodia, local NGOs that wish to conduct activities in a province other than where they are registered must inform the local authority five days in advance as per the ministry guidelines.</li> <li>➤ In Argentina, the law permits the termination of an NGO when it is necessary or in the best interests of the public.</li> </ul>
<p><b>Limited or No Tax Incentives for International Philanthropy</b></p> <ul style="list-style-type: none"> <li>➤ In India, to be eligible for a tax deduction, the donor must give to a recipient organization that has been created for charitable purposes in India.</li> <li>➤ In Ireland, donors are eligible for tax relief only when donations are made to charities with an Irish Charity number.</li> </ul>	<p><b>Procedural Requirements</b></p> <ul style="list-style-type: none"> <li>➤ In China, the State Administration of Foreign Exchange requires domestic non-profit organizations to comply with complex rules for receiving and using foreign donations attesting to the authority; domestic group’s business license; a notarized donation agreement between domestic and foreign donor organization; and a registration certificate of foreign non-profit group.</li> </ul>	<p><b>Barriers to International Contact and Communication</b></p> <ul style="list-style-type: none"> <li>➤ Egypt’s Law restricts the right of NGOs to join with non-Egyptian NGOs and to communicate with non-governmental or inter-governmental organizations.</li> <li>➤ In Uzbekistan, NGOs seeking to conduct a conference and invite international participants to the conference must secure advance approval from the Ministry of Justice.</li> </ul>
<p><b>Procedural Requirements</b></p> <p>In some countries, foundations must comply with various procedural requirements before making a foreign grant.</p> <ul style="list-style-type: none"> <li>➤ For example, in the US, private foundations and donor-advised funds utilize two basic approaches when making grants to a foreign entity: expenditure responsibility and equivalency determination.</li> </ul>	<p><b>Burdensome Notification and Reporting Requirements</b></p> <ul style="list-style-type: none"> <li>➤ In Turkey, the law imposes notification requirements relating to the receipt of foreign funding.</li> <li>➤ In Panama, not-for-profit associations are required to publish online extensive information about all donations received, donor’s contact information and size of the donation.</li> </ul>	<p><b>Legal Barriers Affecting Disaster Relief Goals</b></p> <ul style="list-style-type: none"> <li>➤ In the UAE, foundations are not allowed to collect money and send it abroad for foreign disaster relief. Instead, foundations that wish to send money abroad must collect and send the money through the only authorized institution, which is the Red Crescent Society of the UAE.</li> <li>➤ Foreigner taxpayers generally received no tax benefits for direct contributions to Haitian, Chilean, Chinese, or Pakistani organizations engaged in local disaster relief efforts.</li> </ul>

<p><b>Counter Terrorism Measures</b></p> <p>➤ <i>In Canada, under the Charities Registration Act and Income Tax Act, a charity's status may be revoked if it makes its resources available to an entity that is a listed entity as per subsection 83.01(1) of the Criminal Code.</i></p>	<p><b>Tax Treatment of Recipient</b></p> <p>➤ <i>In several countries of the former USSR, income from foreign grant makers is subject to taxation unless the foreign grant maker is included on a government-approved list.</i></p>	
<p><b>Restrictions on Financial Transactions with Sanctioned Countries</b></p> <p>➤ <i>Canada's Export and Import Permits Act allows the government to control the export of any goods to countries included on the Area Control List, a list of countries that currently includes Belarus and Myanmar (Burma).</i></p>	<p><b>Foreign Exchange Restrictions</b></p> <p>➤ <i>In Venezuela, only transactions through the Central Bank of Venezuela (BCV) are approved. Moreover, anyone receiving funds outside the BCV channel is subject to severe penalties, including imprisonment, as per a 2005 Law on Unlawful Exchanges.</i></p>	

❖ **Brief overview on legal and tax policy environment**

**Africa**

**South Africa** – There is no legal definition or categorization of philanthropic institutions. The legal framework that applies to civil society organizations therefore also applies to philanthropic institutions (PIs). Generally, PIs are established as non-profit organizations in South Africa. Although the laws applicable to the establishment of PIs are fragmented, it is becoming easier to establish and incorporate a PI. Usually this occurs through the registration of a Trust with the Master of the Supreme Court or registration of a company not for gain in terms of the Companies Act. The tax environment in South Africa can be considered progressive, as donations to non-profit organizations are tax deductible. Philanthropic institutions, if established within South Africa, like all recognized persons, are subject to tax. Non-profit organizations (NGOs) must register as public benefit organizations (PBOs), which allow them to receive donor deductible status.

**Kenya** – The legal and tax environment in Kenya is not favorable for philanthropy. There are very few incentives either for corporate or individual giving. The lack of an encouraging policy environment is viewed as one of the principal obstacles. Further, there is no legislative mechanism to distinguish between philanthropic institutions and other civil society organizations. In addition, the process of claiming tax exemption deductions in Kenya is rigorous, burdensome, and time consuming for the donor. To make a tax exempt claim, the donor must provide the Kenya Revenue Authority (KRA) with proof of donation in the form of a receipt issued and certified by the recipient with regard to the donation.

**Arab Region**

In Lebanon, Egypt, Qatar, Jordan, Saudi Arabia, the UAE and Kuwait charitable or philanthropic organizations are regulated by government agencies. Governing bodies -- which are, in most cases, the Ministry of Interior or the Ministry of Social Affairs -- issue licenses to organizations and monitor their performance and activities. The monitoring bodies require prior notification to any amendments in activities and reserve the right to dissolve any organization that does not abide by governing laws. Also, there are more constraints on receiving and allocating foreign funds than is the case with locally received funds. Further, in all of the above-mentioned countries, organizations are required to have a minimum number of founding members and a management board to receive a license or get registered. Tax exemptions are limited in most of these countries.

## Asia Pacific

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**India** – Organizations in India can register as a trust, society or non-profit company (Section 25 Companies Act). The Income Tax Act of 1961 governs all non-profit organizations uniformly throughout India. Under the Act, charitable organizations in India are not liable to pay any income tax provided they adhere to certain conditions required under the law. The act also allows special exemption to the income of activities pertaining to scientific research, education, charitable hospitals, etc. The Act has a provision for tax rebates for donors, generally to the extent of 50%. A donor can claim up to 100% of the contribution made to certain eligible projects. Trusts or institutions established for the benefit of any particular religious community or caste do not enjoy tax benefits. Not-for-profit organizations involved in relief work and in the distribution of relief supplies to the needy are 100% exempt from Indian customs duty on the import of items such as food, medicine, clothing, and blankets. Other exemptions may also be available.

**New Zealand** – The philanthropic sector enjoys a relaxed environment with no substantial barriers to the establishing or maintaining of philanthropic structures. A substantial portion of the philanthropic sector that exists in New Zealand is a product of governmental action. Currently, approximately 83% of trust and foundation giving comes from statutory trusts mandated by public policy. More recent legislation has removed the cap on rebates for charitable donations for individuals, companies, and Māori authorities. This means that a rebate of 33% can be claimed back on donations from businesses, Māori Authorities, and individuals up to the limit of one's income. The major tax issue for the charitable sector in New Zealand is the taxation of dividends and the so called *imputation credit*. Income derived by charities -- including interest income -- is exempt from income tax under the 2004 Income Tax Act. Government policy is clear that charities should not be subject to income tax. The continued taxation of dividends, however, raises questions about the government's commitment to that policy.

**Indonesia** – Earlier, under Soeharto's New Order Era (1967–1998), tight governmental regulations designed to control the existence and activities of philanthropic institutions stifled their development. Since the end of the New Order, the tax incentive policy for philanthropic and non-profit institutions has improved. Amid new policies, the government now provides tax deduction to those who give for social purposes. This regulation is valid for individual taxpayers and for both profit and non-profit institutions. Currently, tax deductions are limited to donations in five specific sectors -- national disaster recovery, research and development, social infrastructure, development of educational facilities, and sports development. Several civil society organizations are advocating for deductions for a broader range of issues and activities.

## Europe

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**United Kingdom** – The Charities Act of 2006 provides the legislative framework for charities in the UK and builds on legislation dating back to the early 17th century. The Charity Commission for England and Wales is established by law as the regulator and registrar of charities in England and Wales. A similar role is carried out in Scotland by OSCR (Office of the Scottish Charity Regulator) and in Northern Ireland, where registration is not compulsory, by The Department for Social Development. An essential requirement of all charities is that they operate for the public benefit and independent of government or commercial interests. Tax incentives for giving include payroll giving, introduced in 1986, and Gift Aid, introduced in 1990. Both incentives were extended in 2000. Through payroll giving, donations are deducted from an employee's payroll before tax is applied, whereas gift aid allows charities to reclaim the basic rate income tax paid by donors on the income they donate. As these tax incentives are not widely known throughout the UK, the number of people taking up these incentives has not been high.

**Germany** – The core of Germany’s non-profit law and foundation civil law was reformed in 2002 and 2007. The extensive growth in private assets and high level of awareness about the purpose and value of foundations has led to an increase in the number of foundations being established. Meanwhile, contributions made to non-profit organizations can be claimed as a tax deduction. Donations of up to 20% of the grantor’s total income, which are used to support tax-privileged purposes of a non-profit foundation, can be deducted as an extraordinary expense. Donations to the capital of a non-profit foundation are tax-deductible up to a total value of one million Euros in the year of donation and the following nine years. Apart from this, the tax environment remains a moderate challenge to the growth and practice of institutional philanthropy in Germany. The most recent reform of the non-profit and donation law in 2007 considerably increased the tax incentives for non-profit donor engagements. Further, the Association for German Foundations is said to have played a key role in the reforms and the improved legal setting. New challenges include European Community Law on the structuring of national non-profit and donation law.

**Spain** – Since this country is divided into 17 autonomous regions, each region has the authority to rule over its foundations and provide its own set of laws and decrees, with the exception of tax-related regulations which are mandated by the federal government. However, a majority of the regulations have to be in compliance with the national foundation laws. There are nearly 60 supervising authorities and registers in charge of the foundations throughout the country. As there is no single supervising authority, there is no information on the industry as a whole. This situation makes gathering information extremely difficult, and in some cases it is also an obstacle to the activity of foundations, which need to provide compulsory information in different formats and sometimes with different content (depending on the supervising authority to which they report).

**Turkey** – Turkey is rapidly emerging from a generally restrictive era characterized by tense civic and state relations and regressive legal frameworks for civil society organizations (CSOs). The Turkish tax system is considered burdensome to CSOs. Tax exemptions or preferences are available only for CSOs eligible for public benefit status. These CSOs are exempt from corporate tax, but are liable to pay other taxes, including value added tax (VAT). There are additional benefits for CSOs and their donors that have obtained public benefit status; however, obtaining this status is political and complicated. Another major obstacle for both associations and foundations is that the final decision maker on the status is the Council of Ministers, which not only makes decisions under the influence of political tendencies, but also significantly increases the process duration, sometimes unfairly. Due to these and other procedural difficulties, to date, only 474 associations (approximately 1%) and 222 foundations (approximately 7%) have been able to obtain public benefit status.

## Latin America

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**Brazil** – Brazil has a strong civil society, which has mostly emerged since the democratic transition. Although the legislation is fairly generous, it falls short of ensuring a favorable environment for philanthropy in terms of tax deduction and legal incentives. The country has over 330,000 NGOs (associations and foundations), a number which has grown over 200% from 1996 to 2005. In Brazil, non-profits are mainly designated as associations, private foundations, philanthropic entities or civil society organizations (of public interest). Any individual with power to represent the entity and engage it in obligations must reside in the country, but Brazilian nationality is not required.

**Mexico** – The legal and fiscal frameworks in Mexico are not ideally suited to promote philanthropy. Mexican legislation does not consider grant making foundations to be a specific form of CSOs. Mexican law allows for different forms of associations, depending on the purpose of the legal entity to be constituted. For non-profits, there are two different forms of associations -- Asociación Civil (AC) and Institución de Asistencia Privada (IAP). Both ACs and IAPs have to comply with specific social purposes and state that profits, if earned, will be reinvested in the social purpose. IAPs are required, by law, to join in the “Junta de Asistencia Privada” which is a kind of association that depends on the state government, whose board includes the participation of government officers but also of civil society members. Tax exemption is granted to organizations that meet specific requirements as “authorized donees”. Not every social cause is eligible for this status. These organizations are exempt from paying some taxes, and also allowed to extend deductibility receipts to donors. Authorized donees annually must have an external audit, file a fiscal report with authorities, and renew their status. Corporations are allowed to deduct donations for up to 7% of their profits.

## North America

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**Canada** – Canada has a clearly defined and relatively easy process for registering a foundation. However, the major issue regarding registration is the time it takes. After an application is made to the CRA, registration is usually completed within a few months. All registered foundations must file financial statements with the CRA. These foundations must have an independent annual audit. Whether public or private, foundations must meet the annual disbursement quota amount equal to 3.5% of the value of their invested assets. Further, private foundations are more heavily regulated particularly to safeguard against any possible self-dealing. It is quite difficult for Canadian foundations to give overseas. International giving requires going through a Canadian registered charity or setting up an elaborate agency agreement.

The federal government instituted a system of generous tax incentives for individual donors to charities a few decades ago. About US\$10 bln in tax incentivized giving by individuals occurred in 2007. Donors receive the same tax benefits, regardless of whether they donate to a public or private foundation. On the donor side, tax credits take effect.

**United States** – Philanthropic institutions enjoy a favorable legal and policy environment in the US. Incorporation and registration occur at the state level where state laws offer protection to citizens against fraudulent charitable activities. Meanwhile, charities that raise funds within the country must go through the cumbersome process of registering in all fifty states. In addition, the process for attaining tax-exempt status usually requires an attorney and can be expensive and lengthy. In return, they must abide by federal charitable laws and restrictions. They must also abide by rules and procedures set by the Internal Revenue Service (IRS) and must report annually to the IRS on their activities. These reports constitute public information and are easily accessible to the public through various non-profit charity watchdog groups. The tax environment in the US is favorable to giving, though the US tax code is long and extremely complex. It includes 31 different categories of tax exempt organizations, but the broadest is the 501(c)(3) category for organizations engaged in charitable, religious, scientific, educational, and other activities.

The US tax code divides the charitable sector into two broad categories -- private foundations and public charities. Private foundations derive their income from a single source, while Public charities, on the other hand, raise funds from multiple sources. Public charities require limited supervision from government regulators, while private foundations are subject to stricter rules and greater supervision. For instance, private foundations must follow stricter IRS procedures for making grants to organizations outside the US.

### 8 – Suggested Charities

There are many charities and non-profit organizations (NGOs) across the globe, working in various areas, which impact human lives. At the same time, there are also a substantial number of donor agencies that provide funding to most of these charities and NGOs. Some of these foundations or charities have strong backing such as The Bill & Melinda Gates Foundation, The Rockefeller Foundation, The Clinton Foundation, The Aga Khan Foundation, Room to Read, Child Relief and You, and Save the Children (to name a few). These entities get large funding from institutions, corporations and high net-worth individuals.

**In the seven pages below we are recommending (six) organizations to which you may donate that are less known and directly involved at the grass roots level –**





### Casa Alianza – International Charity Dedicated to Street Children

Casa Alianza (**Covenant House**) is an international, non-governmental organization dedicated to the rehabilitation and defense of street children in Honduras, Nicaragua, Mexico, and Guatemala. Founded in 1981 in an uncompromising environment of violent conflict and intolerable human rights abuses rampant in Latin America in the early 1980s, Casa Alianza has grown from a refuge for displaced Guatemalan children into an international **award-winning organization** working on behalf of street children.

Casa Alianza was founded by the US-based organization **Covenant House**, with the first site in Guatemala. Covenant House proceeded to found Casa Alianza Honduras in 1987, Casa Alianza Mexico in 1988, and Casa Alianza Nicaragua in 1998. In addition to Casa Alianza's operations in direct support of children, the organization also has founded three separate fundraising and advocacy branches in Germany, the UK, and Switzerland. The organization's international headquarters remains in New York and is led by Kevin M. Ryan, the former commissioner of New Jersey's Department of Children and Families. Along with the work of Casa Alianza, Covenant House now serves 71,000 children throughout the Americas each year.

**Covenant House / Five Penn Plaza / New York, NY 10001 / 212.727.4000**

[www.covenanthouse.org](http://www.covenanthouse.org) / [www.casa-alianza.org](http://www.casa-alianza.org)

Casa Alianza offers street children shelter, food, medical care, protection, guidance, respect, and love. Casa Alianza began as a place where forgotten children could escape from loneliness, hunger, drugs, poverty, sexual exploitation, trafficking, emotional starvation, physical abuse, and extreme violence. Thirty years later, the organization's work continues, having grown to encompass much more than its initial mandate. Casa Alianza now actively defends children's rights and has become the leading advocacy agency for children at risk in the Americas, with the support of Covenant House. Casa Alianza works with approximately 10,000 - 12,000 street children a year, most of whom are orphans, have been abused or abandoned, and are further traumatized by the indifference from the societies in which they live.

Casa Alianza's work has received various awards and accolades. In 1996, Casa Alianza received the **Swedish Olaf Palme Award** for the organization's "dedicated work to help street children in Guatemala, Honduras, and Mexico" and "for the courageous defense of the rights of these children". The International Award for Children's Rights followed this in 1999 from the International Bureau for Children's Rights in Montreal, Canada. The award was for Casa Alianza's "outstanding contribution in the defense of children's rights" and was awarded by the Honorable Andree Ruffo and Pierre Dionne, the President and Director General, respectively. In 2000, Casa Alianza was awarded the **Conrad Hilton Humanitarian Award**. The award was started by the Conrad Hilton Foundation in 1996 and was the largest humanitarian award in the world that recognizes "extraordinary contributions toward the alleviation of human suffering". This was the first time that the prize had gone to a Latin American organization. The prize money was used to expand services in Nicaragua. In September 2007, the Casa Alianza Guatemala Drug Rehabilitation Program was unanimously awarded the 6th Latin American, **Red Cross Queen Sofía of Spain Prize**.

Casa Alianza receives a three-star charity rating from Charity Navigator, America's premier independent charity evaluator, indicating that Casa Alianza "Exceeds or meets industry standards and performs as well as or better than most charities in its Cause." Covenant House International also meets all 20 of the comprehensive and demanding standards of the Better Business Bureau Wise Giving Alliance.

Casa Alianza's financials are consolidated with Covenant House's financials. A review of their 2010 annual report reveals that the organization received total contributions of US\$127.4 million and generated other income to the tune of \$6.15 million, taking in total revenues of US\$133 million. Of the total, the organization spent US\$97.3 million (or 73%) toward program expenses, while 11% was spent on management and general expenses, with the balance (16%) spent on fund-raising efforts.

For donations please visit [www.casa-alianza.org/donate](http://www.casa-alianza.org/donate)





### **Operation WellFound – Charity Focused on Clean Drinking Water, Hygiene and Sanitation in Africa**

Operation WellFound (WellFound) is a Christian water and sanitation charity, whose mission is to provide fresh, clean drinking water and

hygienic sanitation to those in desperate need. Operation WellFound was created in 2005, with the aim of relieving poverty, hardship, and distress by providing clean water, sanitation facilities, and hygiene education. As a grass root organization, they are driven to work in rural areas where need has been identified, irrespective of their nationality, religious belief, race or gender.

**Operation WellFound / 309 Greenford Road / Greenford / London / Middlesex UB6 8RE**

**United Kingdom / 020.7998.7376 / [www.operationwellfound.org](http://www.operationwellfound.org)**

WellFound is guided by two fundamental principles:

To provide fresh, clean drinking water, and hygienic sanitation to people in desperate need regardless of their religious beliefs, race or gender.

To guarantee that 100% of all donations are spent directly on projects – your donation will never be spent on administration.

WellFound's mission is to provide safe drinking water and hygienic sanitation to rural communities in Africa. By working in partnership with local organizations and communities, WellFound empowers people to overcome poverty -- independently and sustainably. By having a strong working relationship with the communities in which the organization works, WellFound listens to their requirements, provides them with tools, and engages them in the ongoing process. It ensures sustainability by running programs alongside their projects, such as a water management committee and a health education program. By working in partnership with local organizations and people, WellFound seeks to encourage and empower people to bring themselves out of poverty, independently and sustainably. **WellFound's values are as follows: to guarantee that 100% of donations made to the charity are used on projects, to ensure that central administration costs are separately funded, and to work with local partners and communities to achieve their vision -- a world where people of all nations, now and in the future, have safe, clean drinking water, and hygienic toilet facilities.** These are backed up by good governance accountability and transparency. WellFound currently works in three countries: Guinea Bissau, Senegal, and Burkina Faso.

All of WellFound's projects commence with thorough research into the needs of the area and the potential benefits. It then provides the communities with the resources to build wells and toilets according to their requirements. While building commences, the UK-based office liaises with the engineers and community to ensure work is set to meet the pre-determined goals. WellFound also develops programs within the community to complement the project, ensuring maximum benefit is achieved for the future as well. By building wells and toilets, WF provides clean water and hygienic sanitation, but the benefits to the community are greater.

For instance, in Senegal the provision of water has enabled the development of market gardens -- ensuring financial stability. With access to water and through the resources provided by Operation WellFound, families within the communities were able to set up and maintain these gardens, allowing them to grow crops for themselves as well as surplus to sell for a sustainable income. In addition to the projects that WellFound conducts, they also repair existing wells to meet their standards and ensure that no improved water source goes to waste. The ultimate goal of all projects is to secure absolute sustainability. One method adopted to enable this, is to create a water management committee to take over the maintenance and repair of the well once WellFound has withdrawn, resulting in independence of the community. WellFound has worked in Kenya, Senegal, and Guinea Bissau, building sealed wells with hand pumps in areas where families previously sent their children many miles to fetch fresh water, or risked contracting dysentery, typhoid, and cholera from contaminated shallow wells.

**WellFound's benefactor Howard Measham (81), is a retired businessman who left school at age 14 to work in a shop before making his fortune in the industrial sector. He set up the charity in 2005, paying its staff and covering office costs out of his own pocket so that every penny raised could be spent to help the poor. He regularly visits the projects in Africa, staying in £5 per night guesthouses rather than the four- and five-star hotels favored by many aid officials.**

For donations please visit -- [www.operationwellfound.org/donate](http://www.operationwellfound.org/donate)



### Stop Hunger Now – commitment to end hunger

Stop Hunger Now is an international hunger relief agency that has been fulfilling its commitment to end hunger for more than 15 years. Since 1998, the organization has coordinated the distribution of food and other lifesaving aid to children and families in countries all over the world. Stop Hunger Now created its meal packaging program in 2005. The program mastered the assembly process that combines rice, soy, dehydrated vegetables, and a flavoring mix, including 21 essential vitamins and minerals into small meal packets. Each meal costs only 25 cents. The food can be easily stored, has a shelf-life of two years, and can be transported efficiently and quickly. Stop Hunger Now works with international partners that ship and distribute the meals to the respective countries.

The packaging operation is mobile enough to go wherever volunteers are located, and can be adapted to accommodate as few as 25 and as many as 500 volunteers at a time. One SHN packaging event can result in the packaging of more than 1,000,000 meals. The use of volunteers for product packaging has resulted in an extremely cost-effective operation, while, at the same time, increasing awareness about global hunger and food insecurity issues across the world.

**Stop Hunger Now / 615 Hillsborough Street / Suite 200 / Raleigh, NC 27603**

**919.839.0689 / [www.stophungernow.org](http://www.stophungernow.org)**

Stop Hunger Now provides over 70% of its meals to support transformational development programs, such as school feeding programs, vocational training programs, early childhood development programs, orphanages, and medical clinics. Working with these programs helps enhance lives by giving beneficiaries the opportunity to break the cycle of poverty through education, skills development, and healthcare, while also receiving much needed nutrition. The agency's goal is to allocate 80% of its meals to transformational development programs by 2015.

Every year, Stop Hunger Now reserves 10% of its projected meals for response to crisis situations, including natural disasters, conflict, and famine. In addition to providing food for crisis relief, Stop Hunger also works to meet the immediate needs of those suffering from hunger. Every year, Stop Hunger Now provides millions of nutritious meals and other life-saving aid to children and families all over the world. Stop Hunger Now collaborates with existing development efforts in vulnerable communities to provide meals to places such as schools, orphanages, nurseries, and medical clinics.

Distinguishing Stop Hunger Now, from other aid/relief organizations that supply food and in-kind aid, is the focus on engaging volunteers in a hands-on activity to produce meals that are used strategically to support development programs, while at the same time foster the growth of a movement to end hunger by educating volunteers about the need and giving them an opportunity to take action. Volunteers have packaged more than 100 million meals since 2005 through Stop Hunger Now's unique meal packaging program, which uses an assembly-line process. The meal packaging program is mobile -- it can go wherever volunteers are located and can be adapted to accommodate as few as 25 and as much as 1,000 volunteers at a time. One Stop Hunger Now event can result in the packaging of more than one million meals. In 2012, approximately 87,000 volunteers packaged more than 26 million meals that were shipped to recipients in 28 countries.

Stop Hunger Now effectively manages its resources and is accountable to donors. Revenue comes from private donations to fund meal packaging events, unrestricted and restricted cash contributions, and donated in-kind aid (food, medicine, and supplies for use in relief and development programs). In 2012, administrative costs were 8%, fundraising costs were 2%, and program costs were approximately 90% of expenses. Stop Hunger Now's total revenues were \$14,961,000 in 2012. Assets at year-end 2012 stood at \$2,153,000; liabilities were \$1,081,000; and net assets stood at \$1,072,000.

For donations please visit – [www.stophungernow.org](http://www.stophungernow.org)



### The Halo Trust – Demining for a safer tomorrow

HALO is the world's oldest and largest humanitarian landmine clearance organization. For more than two decades, HALO has set the standard through innovation and efficient management. The HALO Trust became a formal legal entity on March 9, 1988.

Guy Willoughby and Colin Mitchell had been observing the impact of landmines in both Africa and Afghanistan. In the former, the distribution of humanitarian relief supplies was badly hampered by anti-tank mines on roads, while in Afghanistan thousands of civilians were victims of anti-personnel mines. The rising number of casualties treated by the International Red Cross hospital in the Pakistan city of Peshawar gave an indication of the threat that mines would present to the eventual large scale return of Afghan refugees. Guy Willoughby set up HALO in Kabul in April 1988 at the same time the Geneva Accord between Afghanistan and Pakistan was signed. Twenty-five years since, and without interruption despite political regime changes, HALO in Afghanistan has grown to over 3,600 staff -- clearing more than 700,000 mines from minefields and stockpiles, and 10 million items of ordnance (not to be confused with ordinance).

The Halo Trust / Caronfoot, Thornhill / Dummries DG3 5BF

Tel: 44 18 4833 1100 / [www.halotrust.org](http://www.halotrust.org)

In 1991, HALO started its 2nd program in **Cambodia** at the request of UNHCR to conduct a mines survey ahead of the planned repatriation of more than 600,000 refugees from Thai border camps. Since then, HALO has cleared more than 200,000 mines from across the provinces. In 1993, HALO started in **Mozambique**, on behalf of UNDP. By 2007, HALO had cleared more than 100,000 landmines and every known mined area from the four provinces north of the Zambezi, before moving to the south and central provinces. HALO's **Angola** program was started in 1994. It concentrated on the Plan Alto provinces and its rail corridor -- from Benguela, through Huambo and across to Cuando Cubango province, and then down to Huila. The program is similar in size to Cambodia, with up to 1,200 staff working across the provinces, and they are also involved in weapons and ammunition disposal. HALO has cleared more than 68,000 mines from 570 sites.

HALO has also undertaken programs in **Nagorno Karabakh, Abkhazia, Chechnya, Somalia, Kosovo, Ethiopia, Eritrea, Sri Lanka, and Colombia**. Over the last 24 years, HALO has also conducted assessment missions in other mine-impacted countries, such as Bosnia, Croatia, Lebanon, Vietnam, Laos, Democratic Republic of the Congo, Central African Republic, Burundi, and Tajikistan. HALO's Weapons & Ammunition Disposals teams are working in Afghanistan, Angola, Somaliland, Ivory Coast, and Abkhazia, and have also worked in Cambodia and Mozambique.

The HALO Trust -- with its sister organization **The HALO Trust USA** -- have an average annual turnover of \$55 million. HALO charges institutional donors an administration charge, which covers the central overhead expenses (such as HQ salaries, communications expenses, property expenses, and travel expenses) for the organization. Typically, in HALO UK, the rate charged is 6%. In HALO USA the rate is negotiated with the US government, and currently HALO charges 6.2% on its US government contracts.

HALO is funded by a range of donors, including members of the public, governments, and institutional donors. Donations from members of the public are an important part of HALO's funding, providing a vital level of support in countries where funding is difficult to secure from large governmental donors.

In addition to donations from members of the public, funding for HALO programs comes in the form of generous grants from governments including Australia, Canada, Japan, UK, US, Germany, Switzerland, and Ireland. Institutional donors include UNDP, UNICEF, UN Mine Action Service, International Trust Fund, and the European Development Fund, while corporate donors include Google Earth Outreach and Hewlett Packard. HALO also receives funding from certain private foundations such as The Reece Foundation and The Dulverton Trust.

For donations please visit -- <http://www.halotrust.org/donate>



### **World Land Trust – Protecting biologically important and threatened habitats**

World Land Trust is an international conservation charity, which protects the world's most biologically important and threatened habitats acre-by-acre. Since its foundation in 1989, WLT has funded partner organizations around the world to create reserves, and give permanent protection to habitats and wildlife. WLT's mission statement outlines three main objectives:

- Protect and sustainably manage natural ecosystems of the world in order to conserve their biodiversity, with emphasis on threatened habitats and endangered species
- Develop partnerships with local individuals, communities, and organizations to engage, support and create a sense of commitment among the people who live in project areas
- Raise awareness in the UK and elsewhere of the need for conservation, to improve understanding, and generate support through education, information and fundraising.

**World Land Trust / Blyth House / Bridge Street / Halesworth, Suffolk / IP19 8AB / United Kingdom**

**Tel: 44 19 8687 4422 / [www.worldlandtrust.org](http://www.worldlandtrust.org)**

WLT was initially founded to raise funds to purchase acres of threatened tropical forest in Belize (in Central America), for a project known as "Program for Belize". WLT pioneered the Buy an Acre concept of buying land for conservation, starting in 1989, and has since funded ground-breaking habitat protection for more than 20 years, with an impressive track record of achievements. This means donors can save whole acres of threatened habitat, enabling overseas partner organizations to create protected wildlife reserves. WLT and its overseas project partners have been instrumental in the purchase and protection of more than 500,000 acres of tropical forest and other threatened habitats, and together ensure that more than 4 million acres of land is managed under active protection worldwide.

WLT differs from most other international NGOs. It emphasizes the importance of supporting local conservation groups and working through local partners. Unlike a majority of international organizations, WLT does not put its own staff in charge of operations, but relies on local expertise. It depends on public donations to assist with land purchases. Although WLT raises funds for purchase overseas, the management and ultimate ownership is with the appointed local conservation group.

WLT assists with technical expertise, such as marketing, fundraising, and publicity, when requested, but wherever possible, it supports the development of local expertise by funding study tours and training. It encourages small-scale, sustainable development, so that projects can become financially independent. This is in contrast to many international projects that have lavish funding initially, but are not sustainable without grant aid. WLT believes that it is important to be able to quantify results, and that the area of land now under active conservation by WLT's partners is the best ambassador an organization can have. In areas where land is more expensive, WLT has been extremely successful in funding smaller, strategic land purchases to create vital wildlife corridors. The corridors connect one protected wildlife reserve with another, allowing species to roam safely. Connecting fragmented wildlife reserves can increase a species' gene pool and chance of continued survival. In India and Malaysian Borneo, WLT has helped establish wildlife corridors as safe havens for the Asian Elephant, Tiger, Orangutan and many other species. Critically, these projects protect people as well as wildlife by decreasing human - animal conflict.

WLT's Ecosystems Services Program helps save threatened habitat for endangered species. The emphasis is on identifying and measuring the ecosystem services -- both to global and local communities -- embedded in the habitat being conserved. Many companies choose this way of supporting WLT, particularly where it helps meet their Corporate Social Responsibility policies and targets. The strategy is to secure threatened habitat of high biodiversity value. Currently, some 16,000 acres of forested land are being protected through WLT's Ecosystems Services Program; additionally, thousands of acres have been reforested. WLT does not hoard reserves of cash, it tries to have enough funds for three months operation. However, it believes that it should spend as much as possible on land purchase and management, and the development of sustainable income for the reserve.

For donations please visit -- <http://www.worldlandtrust.org/supporting/donate>



I have visited Brazil six times since 2004 and decided after seeing the living conditions there that I wanted to associate myself (and Standpoint Research) with a Brazilian charity. I know there are problems here at home (US), but nothing compared to what I witnessed there. I found an honest UK-based charity founded by Jimena Paratcha Page in 1998. Jimena was married in 1998 to guitarist Jimmy Page (Led Zeppelin), and they have three children together. Jimmy Page was recently made an Officer of the Order of the British Empire (OBE) by the Queen of England for his work with poor children in Brazil.

Casa Jimmy is a safe house that has to date supported more than 300 children. **Casa Jimmy is just one of two-dozen** causes that your donations will help support. See below for other projects Action for Brazil's Children (ABC) has associated themselves with. Gibson Guitars, Baglioni (Italian luxury hotel chain), Samsung, Sir Richard Branson and Virgin Group, and Selfridges (UK department store chain), are some of their corporate sponsors. Action for Brazil's Children Trust (ABC) is dedicated to helping the most vulnerable children and young people of Brazil. By raising awareness and funding, ABC supports the work of local, community-led organizations who give children the education, support and inspiration they need to transform their lives. Pele (soccer), Julian Lloyd Webber (composer), Brian May (guitarist), Carlos Miele (fashion designer), Jeremy Irons (actor) and Juliette Lewis (actress) are just a few of the Patrons at ABC.

**ABC Trust / Linton House / Unit 108 / 164-180 Union Street / London SE1 0LH / United Kingdom**

**Tel: 44 20 7261 0550 / [www.abctrust.org.uk](http://www.abctrust.org.uk)**

In 2000, the ABC Trust was registered as a charity in the United States and has been honored by the Brazilian Ministry for Culture. Millions of Brazilian children suffer from malnutrition and tens of millions in Brazil live on US\$100 or less per month. The average income of 10% of the population is 32 times higher than that of the poorest 40%. 1 in 30 children die before the age of 5 compared to one in 150 in the UK. In a country plagued by poverty, violence and social exclusion, urban youth bear the brunt of the hardship. UNICEF estimates more than 400,000 children are orphaned, abandoned or without contact with their parents. Fifteen years ago ABC Trust was founded to help these poor and hungry children. Now the lives of thousands of children and their families are improved every day of the year. I did speak with a representative at ABC, and he told me that a high percentage of the money donated to ABC goes to the poor (after their modest fixed costs are covered). The charity has taken in ~ \$3,000,000 since 2006 and has paid out more than 70%. It is a competitive space (raising money for charity), and this UK-based charity has one obstacle in particular in that the British have no ties to Brazil as we do here in the United States (with a large number of immigrants from South America). Additionally, it is difficult for non-government organizations of this size to raise money in the UK.

Born in San Francisco, California, to Argentinean parents, Jimena Paratcha eventually discovered Bahia, Brazil to be her home. She was 12 years old when she became friends with a group of street children in Buenos Aires whilst breakdancing on the city's streets. It was those friendships that awakened Jimena to social injustice and inspired her to devote her life to helping vulnerable young people like themselves. At the age of 15, Jimena began volunteering at orphanages and community development projects throughout Latin America, and travelled around the continent extensively. It was in Lencois, the heart of Bahia, that Jimena, together with two other dedicated women, founded Grãos de Luz, (Seeds of Light), which would become the starting point for the Action for Brazil's Children Trust and was named the UNICEF - Itau Brazil Project of the Year in 2003. Soon after starting up Grãos de Luz, Jimena met Jimmy Page, musician and composer, who subsequently became the Founding Patron of ABC Trust. Since its official registration in 1998, ABC has reached out to over 15,000 children and their families across Brazil. Jimena now lives with their three teenage children in Sussex, England. Today she is on the board of directors of Street Child United and the ABC Trust, which will bring the Street Child World Cup and its global campaign to Rio in 2014 to defend the rights of street children around the world.

**Listed below (on the next page) are just seven of the more than two-dozen causes that ABC supports --**



### Recent ABC Trust projects --

- US\$61,000 to **Escol de Luz** – temporary care for abandoned children. The school provides shelter, basic care and family re-integration. More than 100 children (up to age 8) are helped annually.
- US\$20,000 to **Crescer e Viver** – arts workshops and classes for poor children to develop skills and increase self-confidence. Founded in 2000, they partner with Cinema Nosso at Pastor Waldemar School.
- US\$20,000 to **Solar Meninos de Luz** – basic education, culture, sports and arts activities for boys and girls; meals and healthcare are also provided. Their focus is music and they recently initiated a Youth Orchestra.
- US\$18,600 to **Roupa Suja** – grant made to Rocinha (the largest shantytown in Latin America). The money was used for a nursery, library and computer facilities.
- US\$43,000 to **Rainbow Farm** – provides a temporary home to young children from the inner city with accommodation, food, education, training and income generation opportunities.
- US\$44,600 to **Task Brazil** – provides health services, drug rehabilitation, accommodations and counseling. There are five residential projects and one day center. Casa Jimmy can accommodate 25 children with the aim of reuniting them with their families or finding them adopting families.
- **Casa do Teatro Popular** (citizenship, education and creative development), **Circo Picolino** (education and training through the arts), **ACER** (youth community action and social support), **Luz de Escol** (shelter, basic care and family reintegration) and **Estrela do Amanha** (basic needs and education) are just a few of the other causes your donations will help support.

For donations please visit -- <http://www.worldlandtrust.org/supporting/donate>

### Excerpts from Christmas Eve CNN article – Pope Francis approval rating sky high

As Pope Francis prepares to celebrate his first Christmas at the Vatican, Americans' opinions of the pontiff appear to be as high as the dome on St. Peter's Basilica, according to a new survey. A CNN/ORC International poll released Tuesday found that 88% of American Catholics approve of how Francis is handling his role as head of the 1.2 billion-member church. The popular pontiff has also made a positive impression among Americans in general: Nearly three in four view Francis favorably. The new survey suggests that the Pope is arguably the most highly regarded religious figure among the American public today. Nine months into his papacy, the Argentine-born Francis has captured attention with crowd-pleasing acts of compassion, from embracing a severely disfigured man, to washing the feet of juvenile delinquents, to hosting homeless men at his birthday Mass this month. The Pope has also shown a common touch rare for such a lofty religious leader. He has eschewed the trappings of the papacy in favor of humbler digs, and a cheaper car. He worked as a bar bouncer and a janitor before he was a priest, and is not shy about telling people.

According to one study, Pope Francis was the most talked about person on the Internet this year, and even atheists have professed appreciation for the 77-year-old pontiff. The breadth of Francis' popularity was on display at American newsstands this month: he was named person of the year by Time magazine. The Pope has urged people to shift their focus from culture war issues to caring for people on society's margins, especially the poor. American Catholics appear to like the new course the Pope has set for their church. Nearly two-thirds agree with him about the amount of attention that should be paid to moral issues, according to the CNN/ORC poll. More than 85% of American Catholics say Francis is neither too liberal nor too conservative, and 86% say he's in touch with the modern world. Francis has been a fierce critic of the status quo, especially what he calls the "idolatry of money" present in modern-day capitalism. In a papal statement last month, for example, the Pope blasted the theory of trickle-down economics, calling it *crude and naïve*. Nearly two in three American Catholics agree with the Pope about capitalism and the free market's effects on the poor, according to the CNN/ORC poll.



## Credits

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## End of Report