Donor fatigue, but a new trend in giving

By JAMIE LEE

[SINGAPORE] Despite record charitable donations of over $600 million last year, donor fatigue is clearly here, following the National Kidney Foundation (NKF) scandal and the outpouring of money at the time of the Asian tsunami at the end of 2004.

A new trend is emerging, with Singaporeans and corporations shifting their giving to educational institutions.

"The NKF incident was a betrayal of public trust," says Forrest Zhang, a sociologist at the Singapore Management University.

Prof Zhang says that a degree of honour is attached to contributions towards education, such as naming a scholarship after a benefactor. "At least, there's no scandal to contaminate their (reputation), so people find the schools more trustworthy."

NKF created a great public stir, after revelations last year about the high salary and other perks for its then-CEO, TT Durai. Fundraising by the NKF was suspended soon after.

The NKF aside, public interest towards helping other countries tide over natural calamities also appears to have waned after the record donations for the Asian tsunami at the end of 2004.

Reports of corruption and donation pledges remaining unused in some tsunami-stricken countries may also have dampened Singapore donors' generosity.

Greater caution and selectivity on the part of donors is partly reflected in recent data unveiled by the Inland Revenue Authority of Singapore (IRAS) and other organisations.

A close look at the data shows that donations did not increase across the board, despite the overall rise of 36 per cent to $644 million last year. The figure last year might have been inflated by the donations for the Asian tsunami.

By the end of February 2005, the Singapore Red Cross Society (SRC) had collected about $85 million—a record in Singapore for a natural disaster overseas.

Even so, some health-care services received less money from donors last year. For example, the Kidney Dialysis Foundation saw a 36 per cent slump in its tax-deductible cash donations, according to its website.

The Children's Cancer Foundation received $57,000 from Progress Package donations on-line in April this year, and from its financials on-line, it showed a 10.9 per cent increase in its tax-deductible donations from last year. But the increase was well below the 46.8 per cent jump in donations in 2004.

Disaster relief centres appear to have been affected by donor fatigue, post-tsunami.

In the first two weeks after the Central Java earthquake in late May, $1.5 million was raised by the SRC to help Indonesia cope with over 5,800 deaths and the displacement of over 600,000 people.

In contrast, over $14 million—more than nine times as much—had been collected over a similar period at the time of the tsunami, which claimed over 120,000 lives in Indonesia alone.

Latest Indonesian government reports estimate that more than US$3 million will be needed for reconstruction after the Yogyakarta earthquake.

While there is clearly fatigue among some donors, there is no shortage of funds for universities here.

The National University of Singapore and Nanyang Technological University (NTU) have been among the top five Institutes of a Public Character (IPCs) with the biggest total receipts received, according to IRAS figures from 2003 to 2005.

IPCs are registered charities authorised to receive tax-deductible donations.

While IRAS did not give a breakdown for the top five institutions, the NUS website showed that its coffers from donations have almost doubled to $150 million last year from about $76 million in 2004.

At the same time, NTU said donations have tripled to $35.6 million last year.

KC Chow, director of NUS Development Office, said that the donor shift due to the NKF incident was valid, but noted that NUS, following its corporatisation exercise this year, has also been making an active case for donors' support.

"And benefactors are opening up their wallets because we asked," he added.

On the same point, Alexius Pereira from NUS Department of Sociology said: "Previously, there was no need to raise funds. Now, institutions are allowed to canvass for funds and there is more flexibility in fundraising."

While universities are raking in big money, the new NKF has gone back to basics following the departure of the previous management led by Mr Durai.

NKF raised $61.3 million last year against $72.2 million in 2004. An NKF spokesman reiterated that NKF has ceased aggressive selling at its free health screenings, and will not have a charity show this year.

Despite scaling down its fund-raising exercise activities, she added, NKF has seen fairly consistent donation figures at about $4 million per month, from January to March this year.

Its total donations up to May 2006 stood at about $26 million, according to the latest figures.

The same set of figures also show that 584 Singaporeans who previously cancelled their donations through the Life Drops programme had resumed their monthly contributions.

Selective: Recent data shows greater caution and selectivity on the part of donors