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Charities in need of a hand

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CHARITIES are there to help people in tough times - but these times are so tough that even the charities need help.

Boutique funds manager Hugh MacNally has five charities among his clients, accounting for about \$35 million of the \$300 million his firm manages, and he says they are feeling the pinch.

"The economic downturn and the two very publicised disasters that have occurred in Victoria and Queensland have put additional pressure on them," said Mr MacNally, a director of Private Portfolio Managers.

"The money is not as easily available as it was during the very buoyant years up until 2007."

And big fund manager Perpetual said yesterday funding applications from charities for the philanthropic trusts it manages had surged as the economic slowdown worsened.

Perpetual, which manages charitable trusts worth more than \$1 billion, said applications had risen 26 per cent from this time last year, with 942 charities requesting funding.

It said the amount of money sought by various causes was also on the rise, with almost \$60 million so far requested, up from \$41 million in 2008.

Andrew Thomas, Perpetual's general manager of philanthropy, said charities from all sectors of the community, including education, social welfare, health services and medical research, had increased applications.

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

Gina Anderson, the chief executive of Philanthropy Australia, told BusinessDaily corporate donations, which were often linked to profits, were likely to fall next financial year.

"I envisage most will still be very engaged in their volunteering and their skills sort of side but I imagine their cash will be down," she said.

Ms Anderson said larger foundations and trusts, which tended to rely on dividends from their investments, would also be hit as companies cut payouts.

"The big impact for them is coming," she said.

"A number of them have already had investment committee meetings because their concern is that they have made commitments over three to five years to many charities and they want to make sure they can honour those."

Salvation Army spokesman Major Brad Halse said so far this year donations from businesses that had contributed significant sums in the past were down 15 per cent.

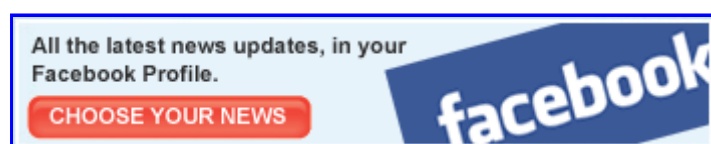
However, the response from businesses to direct mail requests for donations was up as much as 35 per cent and corporate support for the Victorian bushfire appeal had been very positive.

"We look to the corporate sector for about 15 per cent of our overall Red Shield Appeal which nationally has a goal this financial year of about \$70 million," he said.

"The unknown this year is the combination of (the bushfire appeal) with the global financial crisis and the economic downturn."

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