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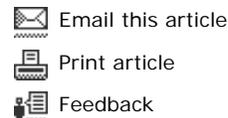
Published December 6, 2008

Flight of the donor dollar

Companies cut back on charities, sponsorships to fight financial fires

By JAMIE LEE

THE downturn has come home to bite Singapore's 'home for the Arts' as donors turn coy over their spending. The Substation expects a 50 per cent drop in corporate donations and sponsorships - which stand at about half-a-million dollars - said general manager Julie Englefield. She noted that nine out of 10 of its top donors are in the financial services and one major corporate sponsor has seen business going down by 20 per cent.



CORPORATE GIVING
CapitaLand ties its charitable giving to its profit, allocating 0.5% of net profit to the CapitaLand Hope Foundation

'It's very unlikely to see sponsorships at the same level,' said Ms Englefield, adding that the organisation would now review the programmes offered over the next year. 'We're going to cast our nets quite wide. If we asked 100 people before, now we're asking 1,000.'

There are signs of slowing donations. Lee Foundation said it would be donating about \$40 million this year, compared with \$49 million in 2007, to various charities and arts groups.

CapitaLand has its charitable giving tied directly to its profits, allocating 0.5 per cent of the group's net profit to CapitaLand Hope Foundation. The foundation, set up in 2005, benefits underprivileged children.

'The amount given will therefore vary in accordance to its profit performance annually' said a spokesman.

The good news is that the group's profits after tax and minority interests have already touched \$1.18 billion for the first nine months of this year. The bad news is that the slowdown is starting to make a dent. For the same period last year, this profit (including unrealised fair-value gains)

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stood at \$2.08 billion. Similarly, its Q3 profit for this year, at \$419 million, is markedly less than the \$564 million (including unrealised fair-value gains) in Q3 2007. Lower profits mean dwindling donations.

OCBC did not say if it would lower its donations but said it was committed to programmes supporting the community.

'It is important to continue to engage the community in good times and bad, if we can afford it,' said Koh Ching Ching, head of corporate communications.

The slight silver lining is that some philanthropic organisations and corporations do not expect donations to come down, though they said that their spending would be more targeted.

The Tan Chin Tuan Foundation (TCTF) declined to reveal its spending for this year, but a spokeswoman highlighted its \$10 million endowment gift to Nanyang Technological University (NTU) this year as a significant contribution.

The foundation said it would not cut back on its donations to 'deserving causes' and has commissioned a report to find out what financial assistance schemes are available for needy students here and what their critical needs are.

The Lien Foundation is setting aside more than \$10 million for its 2009 efforts, which it expects to exceed its spending this year, said a spokeswoman. The amount spent in 2008 was unavailable.

But she added that the foundation would be looking to support fewer but larger initiatives 'with greater coherence to our portfolio'.

Temasek Foundation, which focuses on capacity-building programmes rather than charitable causes, committed \$16 million to 14 programmes in fiscal 2008 (covering the period from April 2007 to March 2008), according to a spokeswoman.

She added that by March 2009, the foundation is likely to commit \$20 million towards 30 programmes for fiscal 2009.

Barclays Capital - which has donated over Â£pounds; 125,000 (S \$281,000) so far to local charities - does not expect its donation amount to fall in 2009 compared with 2008, said Clare Williams, director of corporate communications in Asia Pacific. The bank did not disclose the amount donated this year.

'We do not anticipate that the size of our donation programme will reduce, but we will certainly continue to scrutinise very closely all the charities that apply to us to make sure that the greatest number of people possible benefit from any donation we make and that we can see tangible and sustainable improvements in their lives and communities,' she said. -- **Additional reporting by Marissa Lee and Theodora Kee**

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