

Philanthropic funding to SA universities reach new highs

South African trusts, foundations, corporations and individuals are donating more to local universities than ever before - but the vast majority of funding is still being channelled to so-called traditional higher education institutions.



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These are key findings in the latest (2017) Annual Survey of Philanthropy in Higher Education (ASPIHE), based on 2016 figures.

Research is conducted under the auspices of Inyathelo, the South African Institute for Advancement, with sponsorship by the US-based Kresge Foundation. Twelve of South Africa's 26 universities participated in this fourth survey, two more institutions than in the first year and the same number as in the second and third years.

Philanthropic income of these South African universities increased to R1.63-billion in 2016 - a massive boost of almost R1-billion (R970 million) over a four-year period.

For the first time, giving by South African donors has exceeded income from international sources, says Nazli Abrahams, Inyathelo Programme Director. South Africans accounted for 90% of all donors and contributed 56% of total funding.

International donors contributed 44% of philanthropic income but comprised only 10% of donors.

“South African philanthropy seems to be showing signs of very good health,” said ASPIHE researcher Dr Sean Jones. “The private sector has increased its contributions dramatically from R94-million in 2013 to R235-million in 2016, while income from local private donors increased very significantly from R72-million to more than R500-million over four years.

“The historical over-reliance of the South African higher education sector on international donors and grant-makers has begun to diminish, although there remains considerable support and goodwill among foreign donor agencies towards higher education institutions in this country.

“This suggests mounting recognition across all sectors of the critical need to partner and invest in higher education if it is to survive, and indeed thrive, in the context of the most severe fiscal challenges ever faced by this country’s universities.”

The research did reveal major disparities in funding streams. Six traditional universities received 90% of the R1.63 billion (R1.47 billion) and the other six (such as universities of technology) received only 10% (R156 million).

Moreover, R123 million of the R156 million received by the non-traditional bloc went to just one university, leaving R33 million for the remaining non-traditional ones.

The top-funded university received R369-million from 2400 philanthropists and the least-funded university received only R2-million from 10 donors.

“It is deeply problematic that 90% of donor and grant resources flow to traditional universities which are, by and large, historically advantaged, while just 10% of these resources flow to non-traditional universities which are, for the most part, relatively disadvantaged,” said Dr Jones.

“This is an uncomfortable issue which cannot be ignored; it needs to be addressed sensitively, wisely and creatively by philanthropy and the higher education sector alike.”

Abrahams said that Inyathelo had worked in partnership with the Kresge Foundation for over a decade to help higher education institutions develop Advancement initiatives.

Advancement is a multi-layered approach spanning 10 elements, such as governance, leadership, relationship-building and financial management. It encourages organisations to work in an integrated way to attract resources for long-term sustainability – and Abrahams attributed much of the increased funding to this Kresge programme.

The 12 universities taking part in the research employed 205 full-time and part-time staff in fundraising, development and alumni relations in December 2016, up from 136 staff in the sample of 10 universities in 2013.

“We look forward to sharing Advancement principles with more higher education institutions,” said Ms Abrahams. “Research shows that the more fundraising, alumni relations and associated support staff an institution has, the higher its philanthropic income. And the more that is spent on fundraising and strengthening alumni relations, the higher the income received.”

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