

Giving Japan 2010

**The Annual Report
on Giving and Volunteering
for the year 2009**

Japan Fundraising Association

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Foreword

As the role of the nonprofit sector is growing in Japanese economy and society, it is getting more important to design appropriate legal and tax systems based on accurate understandings of the current situation and activities of the sector holistically and quantitatively, as well as organizing and developing related statistical data.

Charitable giving is the fundamental resource for nonprofit activities and *raison d'être* of nonprofit organizations. Thus, it is inevitable to capture the flow of giving money of goodwill with statistical information in aiming to comprehend the state and changes of the market value of giving. However, existing statistics have a tendency to underestimate the total amounts of giving or volunteering by excluding particular types of philanthropic activities. As a result, some international comparisons have been made with different statistical bases. In addition, it is challenging to capture all giving or volunteer activities, in part because survey design is not always helpful to capture the information about certain types of giving or volunteering. These excluded giving or volunteer activities have characteristics similar to the definition of giving or volunteering but are not recognized due to cultural or habitual differences and individual awareness. Therefore, respondents do not always consider these giving or volunteer activities as philanthropic activities. Furthermore, we have not had the continuously published report on Japanese philanthropy.

Giving Japan 2010 is the first publication in Japan with aims to create and provide reliable statistical data and make a careful analysis on the size of giving and volunteering in Japan. It is a groundbreaking research with easy-to-read graphics and in-depth tables, and a unique and indispensable guide to giving and volunteering in Japan for researchers and practitioners and anyone who are interested in those activities. It provides essential overviews of the size, scope and characteristics of Japanese philanthropy, and here are some unique attempts and challenges we made;

- We conducted a nation-wide survey on individual giving and volunteering in order to explicate the details of their types that were less likely to be captured in the existing statistics, as well as to estimate the more accurate economic value of giving and volunteering. The survey explored the breakdown of membership fee payments which was a pool of money that

actually functions as donated money in many organizations but less likely to be perceived as giving.

- We conducted the estimation of the breakdown and scale of corporate giving, based on statistical tax reports and the survey on corporate philanthropic activities. Also, we explored impacts of economic climates on corporate philanthropy and discussed about the tax incentives for corporate giving.

The English version of *Giving Japan 2010* is organized into three chapters so as to present the national macro scale of Japanese giving and volunteering, although its Japanese version is originally organized into seven chapters.

Philanthropy is a critical indicator of the capacity of individuals and communities to identify public and social problems and to develop strategies for addressing them. We expect that *Giving Japan 2010* triggers more discussion on issues such as the development of systematic and continuous data collection, promotion of accountability and evaluation of nonprofit and nongovernmental organizations, reinforcement of tax system for charitable contributions, advancement of fundraising, and so on. Also, we hope that it contributes to encourage all of us to support nonprofit and charitable groups.



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Executive Summary

Defining “giving” and its range surveyed are challenging and sensitive assignments in undertaking the publication of this report. Considering cultural, historical, societal and habitual characteristics of Japanese philanthropy, we define it as private voluntary provision of money and goods to people and organizations who are engaged in fundraising activities and philanthropic or nonprofit activities, and not to givers themselves and their families. In addition, giving to a various type of activities and organizations such as central and local government, political donations, religious organizations, neighborhood community organizations, and local festivities is also included in the survey and the analysis. It is expected that capturing such a wide range of giving makes us grasp the overall picture of giving in Japan, as well as focus on the specific type of giving, depending on readers’ needs.

■ Key Findings

Chapter 1: Individual giving

- 📌 The total amount of annual individual giving is estimated to be 545.5 billion yen in 2009, and it is 0.12% of the nation’s nominal GDP.
- 📌 The total estimated amount of membership fee payment is 375.5 billion yen in 2009, and the total amount of membership fee payments and individual giving added up together is 921 billion yen.
- 📌 Amount of giving for religious activities is 240.9 billion yen, and accounts for the highest percentage (44.2% of the total individual giving amount), followed by giving for international cooperation (12.1%), for central, prefectural or municipal governments (9.6%), for education or research (7.8%), for emergency assistance and disaster relief (4.3%), and for community chest (3.4%).
- 📌 The total number of individuals who donated is 37.66 million. This number is equivalent to 34% of the total national population over 15 years old.
- 📌 Those who donated to community chest accounts for the highest (18.9%), followed by emergency assistance and disaster relief (9.0%), Japan Red

Cross Society (7.2%), international cooperation (6.2%), and neighborhood community associations (5.2%).

- 📌 Women and the elderly people are more likely to give. There seems not a correlation between donors' educational backgrounds and their inclinations to give and giving amounts, whereas those with higher household income and assets tend to give more.
- 📌 The largest percentage of donors (53.1%) give via giving boxes located at local stores or their work places, followed by via giving collectors on streets (32.2%), via donation of reward points (14.8%), via click-to-donate sites (14.7%), and via postal transfer (14.5%).
- 📌 66.6% of the donors gave to more than two organizations annually.
- 📌 The most common response for motivations/incentives of donors is "because I donate every year" (33.1%). Other motivations for giving are as follows: "because I want to contribute for wellbeing of others and the society" (30.9%), "because monetary giving is the most suitable way to make contributions" (28.0%), "because I want to compensate the lack of time to fiscally participating in volunteer activities" (26.7%), and "giving is a part of my socialization" (23.6%).
- 📌 The most frequent response for the question why donors do not file tax exemption is "because the giving amount is lower than the minimum for the deduction" (28.7% of all responses). The other reasons are: "because the amount exempted from tax is too small" (24.1%), "because I didn't know about the tax exemption system" (22.7%), "because I didn't feel like filing a claim" (12.5%), and "because the organization I donated for was not eligible for the deduction" (7.5%).
- 📌 14.7% of all respondents indicate that they are willing to donate their inheritance. Also, those who hold more than 16 million yen either in financial property or real assets are more likely to donate their inheritance.

Chapter 2: Corporate giving

- 📌 The total amount of corporate giving was 494 billion yen in 2008, equivalent to 1.4% of the total amount of corporate annual income. Due to the worldwide economic depression starting in the latter half of the year 2008, most corporate annual incomes have drastically decreased compared with the year before. However, the corporate giving amounts have slightly increased and the percentage of giving amounts within the corporate annual income is relatively stable around 1.4%.

- Total amount of individual and corporate giving is 1.04 trillion yen, and each percentage of the total amount is 52.5% for the former and 47.5% for the latter.
- The number of corporations who made contributions or donations accounts for 256,000, equivalent to 9.8% of the total corporations in Japan.
- The amount of corporate giving to the field of education and research is the highest (30.5%), followed by culture and entertainment (24.0%), environmental protection (13.5%), real estate developers (8.6%), and social services (8.1%).
- In the past thirty years, corporations with capital stock of more than 10 billion yen have accounted for a large percentage of corporate donors. Corporate giving expenditure had gradually and constantly increased until the year 1991, especially the corporations with more than 10 billion yen in capital stock which made a drastic increase in their giving expenditure. However, these corporations decreased their giving expenditure after the year 1992, while corporations with capital stock less than 10 billion yen kept the stable increase in their giving expenditure.
- Corporations in industries such as construction, chemical industry, financial insurance, and transport and communications utilities have relatively higher donation amounts and percentage of giving expenditure within annual corporate income than the ones in other industries.
- 44.9% of corporate giving in the year 2008 was not counted as deductible expenses. In addition, among corporate donors, the percentage of those who already reached the maximum amount of deductible expenses is 35.0%.

Chapter 3: Volunteering

- The average monthly time spent for volunteering is 12.4 hours among individuals engaging in some forms of volunteer works throughout the year 2009. The yearly time spent for volunteering is thus 148.8 hours.
- The total number of volunteers is estimated to be 39.75 million, equivalent to 36.1% of the total national population over 15 years old.
- The total hours spent for volunteering is approximately 5.91 billion hours.
- The total economic value of volunteer activities is estimated to be 10.5 trillion yen, and it is equivalent to 2.2% of the national nominal GDP and twenty times larger than the total amount of estimated monetary giving amounts.
- At the macro level, volunteers spend significant amounts of their time for the activities of neighborhood community associations (29.6%), and then for

religious activities (9.0%), arts, culture and sports (8.6%), youth development (8.3%), and revitalizations of towns (5.8%)

- At the macro level, economic monetary values of volunteer works for neighborhood community associations is the highest (3.6 trillion yen, 34.5%), volunteering for religious activities is equivalent to 868.6 billion yen (8.3%), volunteer works for arts, culture and sports is equivalent to 668.8 billion yen (6.4%), volunteering for youth development is equivalent to 622.3 billion yen (5.9%), and volunteer work for Japan Red Cross Society is equivalent to 617.6 billion yen (5.9%)
- Individuals volunteered for neighborhood community associations most (19.3%), followed by community chest (11.4%), Japan Red Cross Society (8.7%), revitalizations of towns (4.5%), and youth development (4.2%).
- The elderly people are more likely to volunteer, whereas the gender difference is various by age cohorts and fields of activities. There seems not a correlation between volunteers' educational backgrounds and their inclinations to volunteer. In looking at the volunteers by employment status, the percentage of executive officers in corporations and organizations is the highest (44.5%), followed by full-time government employees (44.4%), part-time and freelance workers (37.9%), unemployed (37.7%), and housewives/househusbands (35.7%)
- The most frequent response regarding motives/incentives for volunteering is "because I agree with the mission or objectives of the organizations or activities" (35.0%). Other main motives/incentives for volunteering are: "volunteering is a part of my socialization" (29.9%), "because volunteering is the most suitable way to make contributions" (20.5%), "because I participate in volunteer activities every year" (18.8%), and "because the organizations are trustworthy" (17.6%).
- 54.7% of those making monetary contributions are involved with volunteer activities, whereas 51.5% of those volunteers make monetary giving.
- The percentage of volunteers who donate and volunteer to the same causes is higher in emergency assistance and disaster relief (52.8%), religious activities (52.2%), international cooperation (45.2%), community chest (40.6%), and human rights protection (29.4%).