Entrepreneurial philanthropy gaining popularity: Study

ENTREPRENEURIAL philanthropy is becoming more popular in Singapore and the rest of Asia, according to a new study.

“A new generation of philanthropists no longer want to be cash machines,” said Dr Rob John, who led the study by the National University of Singapore (NUS). “They are active investors and not passive donors, and they want to engage with the social companies they invest in.”

These donors may invest in a social enterprise with good potential, and re-invest the returns into other causes.

The findings of the Innovation in Asian Philanthropy study were released yesterday. It looked at trends in philanthropy and 26 philanthropic foundations in Asia including Singapore’s Lien Foundation, the Tote Board and the Community Foundation of Singapore.

United Kingdom-based Dr John, a visiting senior fellow at NUS, said in the report that high rates of economic growth in the region have led to a wide gap between rich and poor. “It’s even more crucial that philanthropy steps in here,” he added. He also said impact investing, which seeks to further social and environmental causes while making money, is catching on in Asia.

A 2010 report by JP Morgan predicted that the global impact investment market could grow to US$1 trillion (S$1.23 trillion) by 2020. The trend is still fairly new here, said Singapore-based Impact Investment Exchange Asia, which deals with impact investing. There were a “handful” of Singapore investors working with it, said a spokesman, adding that impact investment had strong potential for growth here.

KASH CHEONG