

# Diaspora Philanthropy: The Philippine Experience

---

Victoria P. Garchitorena  
President  
The Ayala Foundation, Inc.

May 2007

---

*Prepared for*

The Philanthropic Initiative, Inc.  
and  
The Global Equity Initiative, Harvard University

*Supported by*

The William and Flora Hewlett Foundation

---

# **Diaspora Philanthropy: The Philippine Experience**

## **I. The Philippine Diaspora**

### **Major Waves of Migration**

The Philippines is a country with a long and vibrant history of emigration. In 2006 the country celebrated the centennial of the first surge of Filipinos to the United States in the very early 20<sup>th</sup> Century. Since then, there have been three somewhat distinct waves of migration.

The first wave began when sugar workers from the Ilocos Region in Northern Philippines went to work for the Hawaii Sugar Planters Association in 1906 and continued through 1929. Even today, an overwhelming majority of the Filipinos in Hawaii are from the Ilocos Region. After a union strike in 1924, many Filipinos were banned in Hawaii and migrant labor shifted to the U.S. mainland (Vera Cruz 1994). Thousands of Filipino farm workers sailed to California and other states. Between 1906 and 1930 there were 120,000 Filipinos working in the United States. The Filipinos were at a great advantage because, as residents of an American colony, they were regarded as U.S. nationals. However, with the passage of the Tydings-McDuffie Act of 1934, which officially proclaimed Philippine independence from U.S. rule, all Filipinos in the United States were reclassified as aliens.

The Great Depression of 1929 slowed Filipino migration to the United States, and Filipinos sought jobs in other parts of the world. Filipinos were hired as seamen by the Netherlands and other maritime countries. Later, many were hired by countries ravaged by the Second World War (Sicam 2003).

While the first wave of Philippine labor migration to the United States was based on skills needed in the farms, factories, and military facilities, the second wave included many more professionals. Doctors, nurses, and engineers traveled to the United States in the 1960s to support its booming economy while young American men were busy fighting in the Vietnam War. It was also at this time that the U.S. Government started to encourage Filipino graduates to study in U.S. universities through generous scholarship and exchange programs for master and doctoral degrees. Many of these students stayed on as professionals and became American citizens. This second wave was small and short lived, but it started the phenomenon now known as “brain drain” as it attracted some of the best and brightest graduates of the top Philippine universities.

A third wave of migration began in the early 1970s, when the government of the Philippines began to actively encourage migration. In 1974, then President Ferdinand Marcos made the facilitation of overseas employment a stated government policy, embodied in Presidential Decree 422 of the Labor Code that created the Overseas Employment Development Board and the National Seamen Board. This was, in large part, an effort to ease domestic unemployment and to stabilize dollar reserves. It also responded to the need of Arab countries for professionals in the petrochemical and infrastructure industries at a time when oil prices were skyrocketing. Historical data from the Bureau of Employment Services show that, from 36,035

Filipino workers deployed in 1975, the number ballooned to 282,506 in 1981 (Institute of Labor and Manpower Studies 1984).

At the same time, large numbers of businessmen, professionals, and activists sought to flee the country in the two decades of the Marcos regime (1965-1986). Many businessmen felt they were not competing on a level playing field under the so-called “crony capitalism” that characterized the period. Activists feared for their lives as the military cracked down on dissent. Others left the country out of sheer frustration, feeling hopeless and disenchanting with the promise of a “New Society.”

The movement of workers to other countries continued and even accelerated during the administrations of “People Power” icon Corazon Aquino, Fidel Ramos, and Joseph Estrada. Data from the Philippine Overseas Employment Administration (POEA) reveals that the country sent out an average of 30,000 migrant workers a month from 1984 to 1990. This grew to more than 50,000 a month from 1991 to 1995 and to 60,000 a month from 1996 to 2001 (Philippine Overseas Employment Administration. [www.poea.gov.ph](http://www.poea.gov.ph)).

Since 2001 the Gloria Macapagal-Arroyo administration has made it a major policy not only to facilitate but also to actually encourage Filipinos to go abroad for work. For example, the government has invited recruiters to the country and actively attempts to match global labor needs with local talent. The Filipino people are considered the country’s most valuable export. An estimated one million Filipinos now leave the country annually to seek employment abroad (POEA). In a nationwide survey of 1,200 adult respondents in 2002, one in five expressed a desire to migrate (Asis, Maruja, *The Philippines’ Culture of Migration*). Clearly, a “culture of migration” has emerged, with millions of Filipinos eager to work abroad despite the risks and vulnerabilities they know they will face.

At present, Filipinos can be found in 193 countries and in major ocean-plying vessels as merchant marine crew. Government statistics show that there are an estimated 8.1 million Filipinos abroad -- nearly 10% of the population -- as temporary contract workers, permanent residents, and undocumented migrants. This figure, however, is widely believed to be understated.

The countries with the largest numbers of Filipino permanent residents are the United States, Canada, and Australia. In the United States alone, there are reportedly 2 to 2.5 million Filipinos with a median family income of about \$60,000. The five states with the largest populations of foreign-born Filipinos are California, Hawaii, New York, New Jersey, and Illinois. Combined, these five states constitute 71% of total foreign-born Filipino population in the United States (Commission on Filipinos Overseas). In addition, it is estimated that there are approximately 1.5 million undocumented Filipino migrants living primarily in the United States, Malaysia and Singapore. Temporary workers number about 3.4 million and are found primarily in Saudi Arabia, Japan, and Hong Kong.

## **Changing Patterns of Migration**

The patterns of Filipino migration have changed significantly over the years, with two shifts being particularly noteworthy. First, there has been a “feminization of migration.” Since the 1980s, there has been a marked increase in the number of women working outside the country. At present, women account for nearly 70% of overseas Filipinos. Nurses and midwives have headed for Europe; domestic helpers have traveled to Hong Kong, Italy, the United Kingdom, Spain, and other countries in Asia and Europe; entertainers have relocated to Japan. For the past five years, there has been an exodus of nurses and caregivers to the United States, Canada, and Europe.

A second significant change is in the increasing numbers of second and third generation migrants as earlier migrants themselves actively recruit their relatives, helping them out with money, placement, and accommodations. This phenomenon has been referred to as “chain migration”(Anonuevo 2002). It is prompted in large part by a migrant’s wish to (1) add a second income to help a family meet their financial needs; and to (2) reduce the loneliness they feel in a foreign land. By way of example, one lady interviewed in Mabini, Batangas, a province just south of Metro Manila, said she has about 70 relatives working in Rome.

As scholars suggest (Massey et al 1993), the probability of international migration seems to be greater for individuals either related to someone with previous international experience or linked with someone already abroad. Therefore, the distribution of past and current migrants may be a good predictor of future migration patterns (Greenwood 1975). Consciously or unconsciously, the migrant worker is perceived as a role model. They become image-makers or advertisers of particular lifestyles and therefore are influential in promoting migration among their circles of family and friends.

## **Migration: Negative and Positive Impacts**

International migration is now seen as both a blessing and a curse in the Philippines. The social and economic costs and benefits to the country have been extensively studied, yet no true consensus has emerged.

### *Social and Economic Costs*

A disproportionate share of the most productive age group (25-44 years) leaves the Philippines to seek economic opportunity elsewhere. This cohort includes many individuals with above-average experience, on-the-job training and/or supervisory skills. In 1995, it was estimated that 40-44% of Filipino workers abroad had college degrees versus 20% of domestic workers. This has resulted in diminished capacity and lower quality of service in the affected sectors, especially in health care, education, and information technology. It has also resulted in some pressure to increase wages in these sectors due to the resulting labor shortages.

The Private Hospital Association of the Philippines estimates that as of 2005 some 1,000 hospitals have closed down in the Philippines for lack of nurses. It is estimated that 100,000 nurses left the Philippines between 1994-2003. In addition, 4000 doctors migrated despite the

fact that most would become nurses in their new homes. A top achiever in the recent board exams for doctors in the Philippines shocked the nation when he decided to become a nurse in order to find employment abroad. Similarly, private schools lament that their faculties have been depleted by recruiters for teachers in the United States and elsewhere. It is estimated that overseas workers outnumber industrial workers in the Philippines by a ratio of 3:1.

At the level of the family, migration can cause tremendous social problems as well. Most husbands of migrant women find it difficult to take on the “feminine responsibilities” of taking care of the children and managing the household. With their egos hurt by their diminished financial role in the family, some of them turn away from their families. Left to the care of other people, many children suffer neglect, and some endure still harsher maltreatment or abuse. Children can become problematic as they act out their confusion or resentment over the absence of a parent through negative social behavior. In some cases, family members become too dependent on the migrants, no longer attempting to find work themselves. Overseas, family members endure homesickness, loneliness, and discrimination. Some are more vulnerable to abuse and harassment, such as those who work in homes and small factories.

Although migrant workers have raised the economic standard of living of their own families, there is little evidence that they contribute significantly to the strategic economic development of the towns and cities from which they come (Anonuevo 2002). More broadly, some economists posit that over-dependence on remittances is not a good national economic strategy as it masks underlying weaknesses in the financial system. The current growth rates are attributed to consumption fueled by these remittances, rather than wealth-creating activities in agriculture, manufacturing, or services.

### *Social and Economic Benefits*

At the same time, international migration has several clear positive effects on the country. The inflow of dollar remittances has buoyed the Philippine economy for years. From 1990 to 2005, the central bank reported over US\$80 billion in cash remittances. In 2006, remittances reached US\$12.6 billion, roughly 10% of the GDP 2006 (Bangko Sentral ng Pilipinas). Remittances have helped ease foreign exchange rates, bolstered international reserves, and strengthened the peso against the dollar. In addition, professionals who migrated in the 1960s are now planning for retirement and are buying property in the Philippines if only for so-called “winter homes.” Real estate companies estimate that at least 30% of their sales are now with overseas Filipinos.

A study on remittances by the Asian Development Bank indicates that these funds have outpaced official development aid (ODA) and direct foreign investments. Net ODA to the Philippines in 2003 reached US\$737 million; in that same year remittances totaled US\$7.6 billion, or ten times net ODA (Institute for Migration and Development Issues 2005).

*Bangko Sentral ng Pilipinas* (Central Bank of the Philippines) 2000 records indicated that about 65% of the remittances were received from the United States. However, an unknown portion of this total likely represents remittances that originated in other countries -- for example,

countries in the Middle East -- whose banks may not have correspondent relationships with Philippine banks and therefore transmit funds through U.S.-based banks.

Migration has kept unemployment and underemployment rates in the Philippines at tolerable levels due to the availability of jobs abroad. In turn, this helps to keep social tensions in check. In 2004, the Department of Labor and Employment reported that 672,351 new workers entered the labor pool, but 933,588 left for jobs abroad.

Migration has also brought new “social remittances” to the Philippines. Overseas Filipino families are seen as the emerging middle class of the Philippines. As a result of their exposure to life in more developed countries, they bring back new aspirations, ambitions, and ideas. They want their children to be better educated. They are starting to demand better services and governance in their hometowns. They are increasing the entrepreneurial class in the country, focusing their energies and risk-taking attributes on cottage industries or small businesses. In the future, their non-monetary contributions may prove to be far more important than their financial aid.

## **II. Filipino Diaspora Philanthropy**

Along with the increased rates of migration and remittances, there is a growing trend among overseas Filipinos to “give back” to the country of their birth through philanthropic contributions. First generation immigrants, especially those who do well abroad and/or are nearing retirement, are seeking ways of sharing their wealth or talent with their home country.

There are no large-scale studies examining the motivations for Filipino diaspora giving. Existing literature suggest that Filipinos in the United States give back to their homeland for a number of reasons including:

- a desire to give back to the country of their birth motivated by a sense of gratitude for the life they lived while in the Philippines;
- compassion for the poor and underprivileged, especially in their hometowns;
- a desire to “pay back” especially among those who were themselves poor or underprivileged before they left for abroad;
- a wish to maintain their ties with the motherland;
- a desire to prove that they have succeeded in their adopted country and are now in a position to be generous and share their blessings;
- an expression of their faith which encourages sharing and giving with the less privileged;

- to help victims of a natural disaster (e.g., the eruption of Mount Pinatubo in 1991; the landslide in Leyte in 2005; and the recent twin monster typhoons in 2006).

Similarly, there is limited research regarding the scope, scale, patterns, and impact of Filipino American (FilAm) diaspora giving. Yet despite the lack of reliable data, several trends regarding giving models, vehicles, and recipients are evident, as illuminated below.

### **What Do They Give?: Talent, Time, and Treasure**

As described in Section One, many Filipino migrants are well-educated and highly-skilled professionals. As such, they have the potential to contribute to the Philippines in a variety of important ways. In addition to monetary contributions, the Filipino diaspora represents a tremendous font of knowledge, skills, and talents.

The Philippine Central Bank records all kinds of cash remittances, including those that are sent as gifts and donations. Based on currently available data, donations from Filipinos abroad were worth US\$218 million in 2003.<sup>1</sup> Donations hand-carried from abroad, as well as the monetary worth of non-monetary donations, are not factored into calculations of charitable giving, thus the real total of charitable contributions is significantly higher (Association of Foundations, 2005).

It is said that the Filipino may leave the Philippines, but the Philippines never leaves the Filipino. While abroad, Filipinos form hometown associations, cultural groups, professional groups, alumni associations, sports clubs, church-based groups, and other associations as a way of keeping in touch with fellow Filipinos. These associations are primarily mechanisms for social interaction, but they often weave philanthropy into their activities. Domestic workers in Hong Kong stage beauty pageants to raise funds for their hometowns. Cultural and women's groups in Germany stage musical and dance performances as fundraisers for orphanages.

In a more concerted effort, a group of Filipino NGOs has set up a website, [www.filipinodiasporagiving.org](http://www.filipinodiasporagiving.org), to facilitate migrant philanthropy. These NGOs stage their own road shows in Europe and elsewhere to encourage migrants to invest in ways that benefit their hometowns and regions in the Philippines ([www.ercof.org](http://www.ercof.org)).

Most migrants provide financial support to relatives, extended kinship, and communities. One sees many new homes being built in rural areas, often with a jeepney (a popular vehicle used for transportation in the country) in the garage, or a sari-sari store (a convenience store catering to poorer sectors, often offering products in sachet packaging), financed by a family member working overseas. Many more Filipino children are attending private schools funded by relatives abroad.

---

<sup>2</sup> The US\$218 million is a five-year high from US\$45 million in 1999, according to the same balance of payments data of the Philippine central bank. However, the Philippines followed a directive by the International Monetary Fund to revise the reporting of remittances and of the balance of payments in general. Data on cash remittances as donations from the BOP under the new reporting format are not yet available.

Concurrent with these monetary contributions, many members of the Filipino diaspora are eager to contribute their knowledge and expertise to aid their country, and several initiatives have aimed to tap these non-monetary contributions.

In the 1980s, the Department of Foreign Affairs (DFA) initiated the formation of Science and Technology Advisory Councils (STAC) in major cities around the world. It encouraged Filipino overseas scientists to form associations and initiate knowledge transfers. Also, through the United Nations Development Program (UNDP) TOKTEN (Transfer of Knowledge through Expatriate Nationals) program, volunteers worked with government agencies needing their expertise. The TOKTEN program has ended, but the Department of Science and Technology still has a small program called the Balik (Returning) Scientist.

More recently, the Brain Gain Network (BGN) was established by IT professionals and venture capitalists and has attracted about 800 Filipinos in science and technology. There are plans to expand the network to other disciplines such as health care and education and to use the technologies of ICT to tap Filipino knowledge and skills abroad through online consultancies, mentoring, and discussions.

### **How Do They Give?: Practices and Patterns of Filipino American Philanthropy**

Filipinos in the United States appear to be the most generous of overseas Filipinos. This is most probably because they have the highest median income of all Filipino communities abroad. In addition, they may be influenced by the strong tradition of philanthropy within the United States. While it is likely that much diaspora giving is practiced personally and informally, often using family members as a “conduit” for charitable gifts, Filipinos also use a variety of organizational and institutional vehicles. The principal models are described below.

#### *Philippine American Diaspora Associations*

Filipinos are very sociable people. Wherever they settle, they form large numbers of organizations, associations, and groups. Many of these groups become focal points for philanthropic activity. Alumni associations raise funds for scholarships at their alma maters, nurses’ associations come together to fund hospitals in their hometowns, and accountants send containers of second-hand computers for public schools. Such groups also organize trips back home that include some kind of volunteer work. Those in health care coordinate medical/dental missions in rural areas that rarely see a doctor. Parishioners go home on pilgrimages with philanthropic contributions to repair churches and schools, and also bring donations such as medical equipment, medicines, and used computers.

While there is little public data regarding the charitable amounts transferred to the Philippines through and by these groups, it appears that much diaspora giving is conducted through these associations. Often, a member will suggest a project and if the board or general membership approves it, members pool resources or raise funds to support it. General fund-raising activities include such events as annual events, annual galas, golf tournaments and conferences. In addition, many groups will hold special fundraising events in conjunction with a



visit from a VIP, in response to a specific request, or in response to a disaster or tragedy in the Philippines.

It is estimated that there are about 3,000 Filipino associations in the United States. The Philippine Consulate in San Francisco has put together a list of some of these Filipino American Associations in a pamphlet entitled “Filipino American Community Resource List.” Published in 2005, it gives basic information on 192 organizations by state. Many of these organizations fall into the following nine categories.

### *1. Hometown associations*

Hometown associations are groups formed by Filipinos who come from a particular province, city, town, or *barangay* (the smallest political division in the Philippines) and live close to each other in the United States. These associations often hold cultural and social events, and may also provide help to newly arrived immigrants. While philanthropy has not been their principal focus, many hometown associations are increasingly active in philanthropic activities. Almost all of their philanthropy is focused on their geographic roots. For example:

- The *Ivory Charities Foundation of Southern California* was formed by Filipinos in Huntington Park to improve the quality of life in Butuan City, on the southern island of Mindanao. With a sister foundation in Butuan City it undertakes projects including food distribution, book donations to the city library, the provision of medical supplies and equipment for the city hospital, and the digging of artesian wells.
- The *Bugasong Pag-Ulikid* (an ancient Visayan word meaning “looking back with gratefulness, care, and loving concern for something one has left behind) *Foundation* was established in Sacramento, California in 1989 when the parish priest of the Santo Niño Parish Church in Bugasong visited the United States and campaigned for support to rebuild the church from the town residents who had migrated. The group, which has a total of 400 members, now supports a variety of projects in their hometown ([www.bpfusa.com](http://www.bpfusa.com)).
- The *Boholanos of Las Vegas* funds bee-keeping livelihood program in their home province of Bohol, an island province in the Visayas, in the central part of the Philippines.

Some of these hometowns associations are members of a national umbrella organization whose members are all from the same province or region.

### *2. Professional groups*

These are associations of professionals such as doctors, nurses, engineers, accountants, and educators who come together for professional growth, networking, camaraderie, and philanthropy. Some of these are national organizations with extensive membership – e.g., The Philippine Nurses Association of America, The National Council of Philippine American and Canadian Accountants, and The Philippine Medical Association of America. Others are more

local -- such as the Philippine Association of Metro Washington, D.C. Engineers and the Association of Filipino Engineers in Washington (AFEW). Many of these groups are involved in knowledge transfer activities as well as providing monetary contributions to organizations and issues in the Philippines.

Other professional groups are formed by “alumni” of large professional companies in the Philippines. Examples include the CPAs and management consultants from SGV&Co, the largest accounting firm in the Philippines; and the St. Luke’s Alumni Nursing Foundation, Inc. comprised of nurses from a large and prestigious training hospital in the Philippines. These groups, too, are philanthropic actors and conduits. For example, on the occasion of the 60<sup>th</sup> anniversary of SGV&Co, one of its founders was feted by its alumni in New Jersey and Chicago. Together, they raised about \$35,000 for GILAS.

### *3. Alumni associations*

These are groups of Filipinos who graduated from the same college or university in the Philippines. Some of the associations are formally organized and registered; others are informal groups coming together for annual reunions or to host visiting university officials or well-known alumni from the Philippines. All the largest and most prestigious universities in the Philippines have vibrant, dynamic alumni associations in the United States. There is usually one chapter in every major city and a national umbrella organization for the entire country.

Many of these associations are active philanthropically. While most donations are directed to their alma mater, some groups have more far-reaching charitable programs. For example, in 1980 a group of alumni of the University of the Philippines established the University of the Philippines Medical Alumni Society in America (UPMASA). It provides continuing support to the College of Medicine and its affiliate, the Philippine General Hospital (PGH), and works more broadly to elevate the standards of medical education and health care in the country. From an initial 44 members, it has grown to over 2,000 members with 15 chapters across the United States. UPMASA has now established a permanent endowment fund to support its philanthropic projects.

Occasionally, individual alumni groups join together in a coordinated philanthropic initiative. For example, in New York City alumni of a number of catholic colleges and universities in the Philippines have joined forces to raise funds annually through a “Bandafest” which features these alumni and their children who have bands.

### *4. Community organizations*

These are a more diverse group of Filipinos who live in the same city or area in the United States. They may direct their philanthropy both to U.S. programs and to projects in the Philippines. While many of these various Filipino American organizations are all-volunteer groups, there are a few that have professionalized their services and are able to tap local resources for their operations. They have paid staff, operate out of an office, and undertake sustained fund-raising throughout the year.

By way of example, Feed the Hungry is an all-volunteer charitable organization based in Washington DC offering a broad array of assistance to disadvantaged individuals and communities in the Philippines. Established in 1993, they have raised about US\$1 million and assisted more than 947,000 beneficiaries through medical and dental missions, educational scholarships, home building, disaster relief, book donations, and infrastructure and economic development programs. They have an annual giving budget of about \$150,000. Fundraising is usually done through events such as golf tournaments, gala dinners, and auctions. Other examples include Filipinos for Affirmative Action in Oakland, California; the California Technology Foundation in San Francisco, California; and the Filipino American Human Services in New York.

The number of community organizations in cities with large Filipino populations is growing rapidly. These community centers are magnets for the Filipino American community in their areas. They offer a variety of services for the local Filipino population including lunch programs, social activities, senior activities, and programs to help new arrivals in the community. A number offer training in Filipino, computer literacy, English proficiency, and other skills. Others have strong after-school youth programs as well as cultural activities to keep the community connected to their motherland.

#### 5. *Faith-based groups*

Many Filipino Americans come together around churches or other religious facilities in the United States, and these institutions are both recipients and conduits of charitable contributions. Giving can be both to the church where they worship and to the religious orders or communities in the Philippines that their church adopts.

The most high profile current fund raising program among Filipinos, whether at home or abroad, is that of *Gawad Kalinga* (A Group that Cares). This is an NGO established in 2003 by the Couples for Christ, a strong, broad-based Catholic lay organization that has mobilized their chapters and members around the world to raise funds for the building of homes for the homeless in various provinces and cities around the Philippines. In the United States, their communities provide their donations through ANCOP (Answering the Cry of the Poor), a non-profit that serves to generate awareness and mobilize resources for *Gawad Kalinga*. ANCOP reports having raised about US\$3 million in 2005. They hope to build 7000 new homes in seven years. ANCOP's founders were given the prestigious Ramon Magsaysay Award, often referred to as Asia's Nobel Prize, in 2006.

#### 6. *Business groups*

Professional Filipino Americans also form associations through Philippine-American Chambers of Commerce. These groups encourage their members to explore both economic and social investments in the Philippines and also invite Filipinos back home to invest in their areas. The Filipino American Community Resource List identifies 25 Filipino American Chambers of Commerce federated into a national organization. Each chapter also raises funds on an annual basis and often chooses specific projects to fund in the Philippines.

### 7. *Student associations*

Student groups -- formed by Filipinos and/or Filipino-Americans studying in U.S. universities and colleges -- appear to be increasingly active in organizing cultural and philanthropic initiatives. By way of example, the FilAm students at Rutgers University in New York raised \$1,000 in 2005 to help connect a public high school in the Philippines to the Internet, and a group of students from the University of Washington organized a study tour to the Philippines in 2006.

These groups actively promote Filipino culture and heritage. For example, many student associations stage performances featuring Filipino dances and songs to nurture their heritage. These kinds of activities can help to build and maintain important bonds between students and their country, an important foundation for future diaspora philanthropy among the second and third generation Filipinos in the United States.

### 8. *Cultural associations*

Many cultural associations are organized by Filipinos who wish to ensure that second and third generation Filipino-Americans cherish their rich cultural heritage. For example, The Bindlestiff Studio in San Francisco, California operates a small performing art venue to educate the public about Filipino American culture and the arts through theatrical presentations, public workshops, concerts, readings, and other events. PUSOD, in Berkeley, California, likewise promotes Philippine culture and art through exhibits and educational programs. While cultural associations do not appear to be active conduits of diaspora philanthropy currently, they help to create and maintain a strong bond between diaspora members and the Philippines that is the basis for future giving.

### 9. *National associations*

As mentioned above, a few of these categories -- including alumni groups, professional associations, and hometown associations -- have national umbrella groups that are involved in philanthropy along with many of the individual members. In addition, the National Federation of Filipino American Associations (NaFFAA), established in 1998, is a nationwide umbrella organization that includes all these different types of groups. It has 500 member organizations and 12 regional chapters, and is recognized as the representative of the Filipino American community. NaFFAA partners with other groups on three major diaspora philanthropy initiatives:

- with *Gawad Kalinga*, on the ambitious housing initiative described above;
- with ICT, on the *Gearing up Internet Literacy and Access for Students (GILAS)* described in Section Three; and
- with the Bank of the Philippine Islands, on the *Tulong sa Pinoy* (Help for Filipinos) microfinance program. The Bank matches contributions by Filipino Americans with microfinance loans to the entrepreneurial poor in the Philippines.

### *Dedicated Public Charities*

All of the groups and models above facilitate, conduct and support diaspora philanthropy, but charitable giving is not their principal purpose. Each was established for a different function, e.g., professional or peer networking, or the staging of social and cultural events. Alongside the charity undertaken by these groups, there are a growing number of public charities that have been established in the United States specifically to nurture and facilitate Filipino diaspora philanthropy. Among the most successful groups are:

- *ABS-CBN Foundation USA*. ABS -CBN is one of the largest radio and television networks in the Philippines. In 1994, they established the Filipino Channel (TFC) as a cable service marketed to the growing Filipino migrant community in the United States and around the world. ABS-CBN has a corporate foundation in the Philippines that uses their media resources to raise awareness of critical social issues, e.g. abused children, environmental degradation, and inadequate education. In 2002, the firm established the ABS-CBN Foundation USA to raise funds from viewers in the United States. It uses the power of media to strengthen the connection of Filipinos in the United States to their homeland and to encourage them to donate generously to poverty reduction programs in the Philippines. Initiatives include a 24-hour hotline for abused children, a campaign for clean air in Manila, and television-based education programming for public schools and the general public. Funds are raised through television appeals, direct mailings included with bills, and through special events in the community that often feature media celebrities from the Philippines.
- *Philippine Children's Fund of America (PCFA)*. PCFA was established in 1991 in response to the devastation caused by the eruption of Mount Pinatubo. Following this work, PCFA continued to raise funds to help provide educational, medical, health, and nutritional programs to children in the Philippines. It raises approximately US\$200,000 annually, primarily through the United Way and the Combined Federal Campaign.
- *Philippine International Aid Foundation (PIAF)*. PIAF is a non-profit organization based in San Francisco run entirely by volunteers. It was established following the "People Power Revolution" of 1986 to provide an avenue for Filipinos in the United States to help get the Philippines back on its feet after the Marcos regime. It provides educational assistance to about 1,000 needy children every year. It raises funds through events such as dinner dances, golf tournaments, fashion shows, bazaars, silent auctions, movie premiers, and raffles. Some events net as much as US\$50,000. PIAF is led by one of the most well-known and respected leaders in the Bay area Filipino community, Mona Lisa Yuchengco.
- *The Ayala Foundation USA (AF USA)*. AF USA was established in 2000 by the Ayala Corporation and the Ayala Foundation in the Philippines. A case study of AF USA is included in the next section.

## **To Whom Do They Give?: Recipients of Diaspora philanthropy**

Existing literature suggests several kinds of institutions and organizations that are recipients of Filipino diaspora giving:

### *1. Churches and other faith-based institutions*

Almost all Filipinos abroad contribute to their churches or mosques back home. It is an integral part of a Filipino's way of life in the Philippines; even the poor drop a coin or two in the collection boxes. The current Archbishop of Manila, Gaudencio Cardinal Rosales, has launched *Pondo ng Pinoy* (Philippine Fund) that encourages every Filipino to give 25 centavos (roughly equivalent to half a cent) on a weekly basis. This tradition is continued by Filipinos abroad, often through their remittances to their families, with an injunction to give a specified amount to their local church. These donations can also be passed through church groups in the United States, or, occasionally, through other donation facilities such as community foundations.

Many churches in the Philippines depend on donations from members abroad or families with overseas workers for construction, repair and maintenance of facilities as well as for outreach programs to feed malnourished children; care for street children, the elderly and the disabled; as well as for their values formation programs.

### *2. Universities and colleges*

Philippine universities and colleges receive significant levels of diaspora philanthropy due to the fact that alumni associations are the most organized model of diaspora giving among the Filipinos in the United States. Alumni associations are present in every major city and have national umbrella organizations. They regularly send funds to their alma maters and often organize visits to their schools during homecomings and major milestones of the school.

At the same time, universities in the Philippines do not seem to be taking full advantage of these groups. Databases are not updated, most have no specific office charged with active and sustained fund raising, and some university presidents feel it is beneath them to ask for money from their alumni.

A few, however, have begun to realize the potential of untapped diaspora philanthropy. University presidents are now planning road shows to visit their alumni abroad, especially when a major milestone is forthcoming. When the University of the Philippines celebrated its 75<sup>th</sup> anniversary in 1983, the university president toured the United States meeting with alumni groups and raised US\$6.5 million. The University will be celebrating its Centennial in 2008 and hopes to raise US\$100 million.

### *3. Hospitals*

Hospitals associated with universities often receive significant levels of diaspora charitable contributions as well. Cumulative contributions can be significant since doctors and nurses earn some of the highest incomes among Filipinos in the United States. Government

hospitals or health centers also receive support from Filipinos abroad, particularly through hometown associations who wish to improve the health care facilities in their own city, town or province.

#### *4. NGOs and foundations*

A small number of Philippine NGOS and foundations receive diaspora funding, either as a result of direct fundraising or through philanthropic intermediaries in the United States. Many other NGOs are just beginning to consider the possibility of raising and receiving funds from overseas Filipinos. To date, most of them have been reliant on grants from official development funds, donor agencies, multilateral and bilateral organizations, or local companies and grant-making foundations in the Philippines.

NGO interest in diaspora giving is a direct response to the establishment of diaspora giving intermediaries (described above) that provide a mechanism through which to tap diaspora charitable resources in the United States. However, to raise more funds from the United States, Philippine NGOs will have to learn to accept new requirements, such as the need for due diligence, monitoring and evaluation, and periodic reports. Networks such as the Association of Foundations, the League of Corporate Foundations, the Philippine Business for Social Progress, and the Caucus for Development NGOs are offering workshops for their members to develop these skills. Venture for Fund-Raising, an entrepreneurial NGO in the Philippines, also organizes conferences, seminars and workshops. AF USA also holds capacity building workshops for its grantees in cooperation with Chevron and the Peace and Equity Foundation in the Philippines.

#### *5. Government*

The Philippine government has likewise begun to seek out diaspora philanthropy to help support social and economic development programs. For example, the *Classrooms Galing sa Manggagawa Abroad* (Classrooms from Workers Overseas) campaign launched by the Department of Education (assisted by the Department of Labor and Employment) worked with Philippine embassies and consulates around the world in an attempt to engage the diaspora in addressing the enormous shortage of schoolrooms in the country.

In 1989, the Government of the Philippines established a national agency, the Commission on Filipinos Overseas, under the Office of the President, to support and facilitate various forms of assistance from Filipinos abroad. However, there is a lingering cynicism and distrust among Filipinos abroad about giving money to the government and very few campaigns succeed in raising significant amounts of diaspora contributions. Even when programs are for public schools, for example, most Filipinos would rather give their donations through a church or through foundations and NGOs they trust.

#### *6. Direct to individuals*

Finally, many individuals and donor groups prefer to provide charitable donations directly to individuals, e.g. through scholarships or the purchase of health-related commodities

such as wheelchairs. They usually make these contributions on trips to the Philippines. There is great personal satisfaction when one can actually meet the person who will benefit from a donation.

### **How Much Do They Give? The Scale and Scope of Filipino Diaspora Philanthropy in the U.S.**

There has been very little research done on the range, scale, and scope of Filipino diaspora philanthropy from the United States or indeed, from any other country. In an attempt to begin to understand the sector, Ayala Foundation USA conducted an informal survey among the principal Filipino American associations and other groups tapping diaspora giving. The organizations surveyed included:

1. ABS-CBN Foundation
2. Adamson University Alumni Association
3. ANCOP/Gawad Kalinga
4. Ayala Foundation USA
5. Bugasong Pag-Ulikid Foundation USA
6. Feed the Hungry
7. Give2Asia
8. Ivory Charities Foundation
9. LBC Foundation
10. Linkaphil/Commission on Filipinos Overseas
11. Philippine Children's Fund of America
12. Philippine International Aid Foundation
13. University of the Philippines Medical Association of America

Some findings of the survey include:

- the organizations raise anywhere from \$9,000 to \$980,000 in a year. This does not include in-kind donations that are often brought to the Philippines by the members of the organizations themselves. Most groups raise funds through special events;
- the number of donors ranged from a low of 20 to more than 7,000 a year;
- education related programs are the top priority for donors;
- donations are often directed to hometowns in the Philippines;
- the success of their fundraising depends on the cause, target audience, amount requested, credibility of public charity and representatives, and the submission of reports on projects funded;
- motivations for giving include a sense of gratitude to the country of their birth, and especially to a hometown or university; a desire to share their good fortune; trust in



the foundation that will facilitate their giving in the U.S. and the NGO that will implement the program in the Philippines; the prestige bestowed on them as donor;

- most of the public charities are run by volunteers; donors therefore feel that every dollar they give goes directly to the program funded; and
- a number of the groups use media, including their websites to disseminate information on their causes and reach potential donors.

In addition, the survey illuminated several challenges common to most all of the organizations. First, many cited limited organizational capacity as a key challenge; this is especially true of those that rely solely on volunteers for their operations. Second, many groups noted the difficulty of identifying and engaging with FilAms. There are reportedly about 3,000 FilAm associations, but no centralized data based that captures contact information or activities. Third, groups noted the difficulty of engaging many of these groups in philanthropic endeavors. As noted above, most of these groups are established for other principal purposes. Concerted effort is needed to persuade groups of their potential to contribute to a greater good.

### **III. Ayala Foundation USA: A Case Study**

The Ayala Corporation is likely the largest conglomerate in the Philippines, with its five listed companies accounting for about a third of the market capitalization in the Philippine Stock Exchange. The Ayala Corporation established the Ayala Foundation, Inc. (AFI) in the Philippines in 1961. In 2000, it established AF USA. Highlights from AF USA's first five years of experience are included here to provide deeper insight into the experience of one public charity focused on encouraging and strengthening Filipino American diaspora philanthropy.<sup>2</sup>

AF USA was formed in the face of drastic reductions in international aid to the Philippines. The reductions were caused by (1) the pullout of the Americans from their military bases in the country, and (2) the shift of bilateral and multilateral aid to the emerging democracies in Asia and in Europe. Aid funds have continued to decline as the Philippine economy has strengthened and the country has been removed from the aid list of "poor countries."

The primary purpose of AF USA is to broaden the support or donor base for social development programs that deliver strategic solutions to the problems of poverty in the Philippines. It envisions itself as a "bridge of hope across the seas." Its partners in the Philippines are non-profit organizations with good governance and the capacity to fulfill the desire of donors for poverty reduction programs. Its trustees include some of the most respected leaders in the Filipino American community.

---

<sup>2</sup> The author is the President of both the Ayala Foundation, Inc. in the Philippines and Ayala Foundation USA based in Redwood City, California.

To help determine its initial strategy, AF USA undertook research on the Filipino community in America.<sup>3</sup> The study determined that the most important factors that would encourage diaspora philanthropy among Filipino Americans to give more included tax deductibility in the United States, due diligence of Filipino NGOs, grant monitoring, feedback on social investments, and access to timely information on areas of the country's greatest needs. AF USA used these insights to develop its organizational model and strategy.

In the United States, AF USA uses volunteer groups in cities with large Filipino communities to extend its reach without straining its financial resources. Groups have been established in Los Angeles, San Francisco, New York/New Jersey, and Washington D.C. and plans are underway to expand this network to Honolulu, Las Vegas, Chicago, and Seattle. The volunteers try to meet every month, with AF USA leadership and Philippines support staff participating by telephone. These meetings have proven to be an important vehicle through which to ensure effective communication, provide updates on the larger AF USA network, and gain feedback on projects in the Philippines. To support its activities in the Philippines, including project identification and due diligence activities, AF USA works with AFI. AFI is a member of some of the largest NGO networks in the country and can access information from their members as well as from other networks.

## **Summary of Results**

From 2002 (the year AF USA became fully operational) to October 2006, AF USA received a total of US\$ 2.8 million in cash and in-kind donations (see Appendix 1, Table 1). Contributions have come from individual FilAms, FilAm associations and corporations, individual Americans with interest in the Philippines, and American foundations and companies. These donations have benefited 80 of the 138 accredited partner-NGOs of AF USA.

Over the course of five years, both the number of individual donors and the amounts of their donations have increased (see Appendix 1, Table 2). Donations from individuals and institutions have been fairly evenly divided, with individuals accounting for slightly more than half of the total in the last two years. The size of contributions has ranged from US\$1 to US\$100,000. In 2005, about 61% of donors made donations of US\$1 to \$100, which accounted for 4% of total donations raised (see Appendix 1, Table 3). Nine percent of donors gave 89% of total donations received.

As indicated in the 2000 study, education-related causes were a priority of donors, and received about 49% of contributions (see Appendix 1, Table 4) in the last three years. An important constituent group has been the alumni associations of major colleges and universities in the Philippines, who have begun to use AF USA to facilitate gifts to their alma maters, ranging from scholarships to facilities improvement, to sports development, to teacher training.

## **Focused Fundraising**

---

<sup>3</sup> The study was conducted by Robert Fabian, a Filipino American consultant based in Los Angeles.

In its initial years of operation AF USA was fairly “donor driven,” with most contributions directed towards the priorities of individual donors. In 2005, AF USA also began to raise funds focused on a specific initiative, the Philippines-based multi-sectoral program called GILAS (Gearing up Internet Literacy and Access for Students). Its ambitious aim is to put computer labs with Internet access in all 5,789 Philippine public high schools by 2010.

The Filipino diaspora in the United States has responded enthusiastically to the GILAS campaign. AF USA raised US\$115,000 for the program in its first year, and US\$209,000 in 2006. In addition, many donors have become GILAS volunteers or champions, telling others about the program and helping to recruit additional donors. The GILAS Social Consortium has also been able to convince senators, congressmen/women, mayors and governors in the Philippines to match funds raised by the private sector, including their overseas citizens. As a result, total first year donations were almost US\$1 million and 1038 public high schools had been connected by the end of 2006. This has benefited about half a million underprivileged youths in the Philippines.

The success of fundraising for GILAS may be largely attributable to the fact that it responds to the priorities and aspirations of the Filipino donor. They understand and appreciate the need to give Filipino youth computer and literacy skills in order for them -- and the country -- to be globally competitive. At the same time, donors can make the gift quite personal: they can choose to support a particular school in their province or hometown, they can actually communicate with the beneficiary high school via the Internet, and they can be engaged as online mentors to the teachers and students.

### **Special Projects and Initiatives**

In addition to its principal fundraising activities, AF USA has initiated several special projects to support and nurture its overall goals.

#### *Youth Leaders Fellowship Program*

AF USA found that first generation FilAms are more likely to donate to Philippine-based causes compared to second and third generations who were more focused on American causes. In response, AF USA, in partnership with the LBC Foundation (a U.S.-based Filipino corporate foundation), developed the Filipino-American Youth Leaders Fellowship Program. The program recruits FilAms aged 18 to 35 years for an eight-week immersion program to develop both understanding of and bonds with the Philippines. The fellows are hosted by Filipino families, work with local NGOs, and attend workshops and seminars. AF USA hopes that the fellows will themselves become advocates for these NGOs upon their return to the United States.<sup>4</sup>

---

<sup>4</sup> An example is New York-based fellow Mikhaila Gonzales, who taught computer literacy for six weeks to high school students, out-of-school youth and teachers on an island where electricity is available for limited hours a day and school equipment are inadequate. She said: “I am bringing back with me to the U.S. a better understanding of development challenges in the Philippines, (as well as) ideas how I can personally contribute to potential solutions to help my homeland.”

### *Philippine Brain Gain Program*

AF USA received funding from the Asian Development Bank to conduct research on the interest and participation of FilAm associations in knowledge transfer activities. The study showed little current participation in this area. In response to the findings, AF USA has begun to develop more opportunity for “knowledge-based” philanthropy. An existing program, the Brain Gain Network (BGN), had started a database of FilAm IT experts who are interested in contributing to knowledge transfer activities. AF USA is working with BGN to expand their platform to other disciplines such as medicine/health, education, and the environment. AFI also partnered with a group of FilAm graduate students based at the Massachusetts Institute of Technology (MIT) in holding a business plan competition for college students in the Philippines, called the Philippine Emerging Start-ups Open (PESO).

### *Capacity Building Programs*

Many Filipino non-profits are not familiar with the expectations of U.S.-based donors around issues such as proposal development, due diligence, and reporting requirements. In response, AFI and AF USA have begun to conduct capacity building workshops to strengthen the ability of NGOs to better respond to donor requirements. AF USA held a training-workshop in California on resource mobilization for leaders of ten Filipino-American associations. AFI, with the Association of Foundations and the Peace and Equity Foundation, pooled resources to train 49 Philippines-based NGOs and people’s organizations (POs) on strategies for raising funds from Filipino-Americans.

### *Knowledge Building*

Early research pointed up the importance of keeping the FilAm community informed about the issues, needs, and priorities of the Philippines. Further investigation also underscored the importance of ongoing communication and feedback to donors. AF USA has begun distributing a monthly electronic newsletter that includes information on both the country and the organization’s activities. It highlights donor contributions, features non-profits that have passed the accreditation process, offers donor profiles (with permission), and provides updates on projects undertaken by AF USA grant recipients.

## **IV. Recommendations to Increase the Quantity and Impact of Diaspora Giving**

As amply illustrated in the foregoing sections, Filipinos in the United States are supporting the economic and social advancement of their homeland through a variety of vehicles and mechanisms. Many models have developed fairly organically, growing out of existing formal and informal associations. Other initiatives are deliberate, organized efforts to engage the diaspora in the development of the Philippines.

Several suggestions are offered here to capitalize on this solid beginning and increase both the quantity and impact of diaspora giving from the United States to the Philippines.

## **Develop the Capacity of Filipino American Organizations**

Diaspora associations, foundations, and public charities are increasingly important conduits for philanthropic giving from the FilAm community in the United States to their home country. These organizations and their philanthropic activity could be encouraged and strengthened, either through work with promising individual organizations or through umbrella organizations and federations where they exist. In particular, many of these organizations would benefit from exposure to best practices in donor outreach, fundraising and communication strategies, and strategic philanthropy.

### *Identifying and Cultivating the Donor Base*

In order to tap the Filipino diaspora, FilAm organizations need to strategically identify their target audience through “market segmentation” and develop appropriate strategies to engage various subsectors of the diaspora. Key sub-audiences will include new immigrants to the United States, second and later generation FilAms, wealthy or affluent FilAms, and members of various FilAm associations.

As noted earlier, first generation immigrants continue to have very strong ties with the Philippines and are therefore keen to provide support. At the same time, newly arrived immigrants are often preoccupied with the financial stability of their own family, and most remittances will be personal. Those immigrants that stay in the country longer are sometimes in a position to give more generously to causes beyond their own family in the Philippines. These individuals represent a group that could be better tapped through hometown associations, faith-based institutions, and some professional networks.

Second and later generations (born and raised in the United States) may not have such strong ties to the Philippines. On a positive note, they have also imbibed the American practice of regular philanthropic giving. The challenge is to encourage them to give, not only to American charities but also to programs in the Philippines even though they may not have been to the home country. Cultural groups and associations, which strengthen cultural identity, can provide an important foundation for diaspora philanthropy, and may be an effective space to engage with these individuals. In addition, organized visits to the Philippines appear to be quite effective in strengthening the emotional ties of second and third generation Filipino Americans with the Philippines.

FilAm groups must learn how to approach wealthy FilAms who are in a financial position to give larger donations. In a sense, this is what many of the existing foundations try to do through social events such as dinners or golf tournaments. These events, however, do not often yield large donations that are commensurate to the income level of these high net worth

individuals. Many of these individuals will need to be approached on a personal basis. Board members of FilAm organizations should be of assistance in this. Their contacts and networks represent invaluable assets for diaspora philanthropy groups. Yet traditionally, many board members do not view this as a responsibility or appropriate contribution. Board training and development could help to develop more positive attitudes and skill.

Other key audiences include Filipinos working in large U.S. companies and the owners and employees of Filipino companies operating in the United. Some U.S. companies have an association of Filipinos who can be approached for individual or collective giving. Some companies can be encouraged to offer matching programs for charitable contributions. Another approach is to use salary deduction campaigns such as the United Way and Combined Federal Campaigns. These require the diaspora philanthropy organization (e.g., an association or public charity) to register as an accredited grantee so that they can be included in the list of public charities to which employees can donate.

There are a growing number of successful Filipino corporations in the United States, and they generally employ large numbers of Filipino-Americans. Programs similar to those mentioned above can be established within these companies. In addition, these companies can engage in campaigns for specific initiatives. If the company is willing, they can even ask their suppliers and clients to look at the project and support it as well. There are numerous examples and models of corporate-based diaspora philanthropy:

- Seafood City, a chain of 13 Filipino/Asian grocery stores, has launched a campaign in support of GILAS. It has placed donation boxes near the cashiers in their stores and co-branded a line of products with GILAS. In the first two months of the campaign in 2006, they collected about US\$13,500, which the company matched.
- The Filipino-owned company, Red Ribbon, has organized a similar campaign for ERDA, a Jesuit-run program offering technical and vocational courses for the urban poor in Manila. In the three years they have raised a total of about US\$54,000 to support 27 scholars through their five-year high school program.
- The Los Angeles-based Asian Journal, owned and managed by a Filipino couple, celebrated its fifteenth anniversary by making donations of US\$5,000 each to three of their favorite causes in the Philippines.
- Sociometrics, based in Palo Alto, has pledged a monthly contribution of US\$800 for four years to support its founder's vision of building a scholarship fund in partnership with Pathways to High Education in the Philippines. Its founder has pledged her own individual monthly contribution and encourages all her family members, colleagues and friends to do likewise.

Another important audience for diaspora giving is the members of various community, professional, alumni, and student associations described above. Some of these groups have their own giving programs that should be encouraged. Others may wish to develop new

organizational programs. Still others may wish to work with established diaspora foundations to facilitate their giving.

### *Fundraising and Communications*

Once an audience is identified, diaspora foundations and NGOs need to develop focused, strategic fundraising campaigns. Many individuals and associations are bombarded with requests from many groups. Organizations need to learn how to develop clear, thoughtful, and persuasive proposals. One effective technique is to identify an influential leader or member who can be a “champion” for a specific initiative or program. Visits from well-known leaders from the Philippines -- e.g., university presidents or church leaders – can also be instrumental in increasing diaspora giving to a specific institution or initiative.

The power of the media cannot be overestimated. Diaspora philanthropy foundations, associations, and NGOs need to use all kinds of communications and information technologies -- including Internet, print, radio, and television more effectively to tap the latent philanthropic generosity of FilAms. Almost every large U.S. city has a Filipino newspaper and there are a growing number of magazines that cater to the Filipino market. There are also Filipino radio stations or programs focused on issues of concern to the FilAm community. There are two television channels, The Filipino Channel and the GMA Pinoy TV. One major donor of AF USA read about the GILAS program in a Filipino newspaper. He turned out to be a young and successful venture capitalist seeking an effective way to give back to the Philippines. He emailed the office to ask for more information, and after a face-to-face meeting pledged US\$100,000 over three years.

Many groups could benefit in particular from training in how to use the Internet effectively. It is a fast, easy, and cost-effective way of reaching a large number of people on a regular basis. There are a number of e-groups of Filipino Americans that can be invited into partnerships for raising awareness and funds for important causes. At present, they help primarily during disasters and emergencies.

### *Strategic Philanthropy*

Many of the suggestions above represent strategies to increase the quantity of diaspora giving. Perhaps even more important is the need for new approaches to bring more diaspora philanthropy to bear on equitable social and economic development in the Philippines.

In order to make diaspora philanthropy more effective, both individual donors and institutions need a better understanding of both the promise and practice of strategic philanthropy. Many donors are still content with “band aid” programs which may be emotionally satisfying for them but do not result in permanent or systemic improvement. Many organizations have the best of intentions, but similarly do not know how to make their giving most strategic. For example, one of the most popular forms of philanthropy cum volunteerism is the medical/dental missions that Filipino doctors, nurses, dentists, and others regularly undertake. Hundreds of patients

benefit from each mission. But with more planning, these missions could also provide for lasting improvement in the health care delivery system of the country e.g., by training local doctors and nurses in new techniques or by leaving instruments and equipment that can help others. One group of medical professionals in Daly City has already used this approach in partnership with the Rizal Provincial Hospital in Pasig, Metro Manila and may be a model for others.

### **Knowledge-building Initiatives**

The number and scope of existing studies on Filipino diaspora giving remains limited, and an obstacle to the further promotion and growth of FilAm diaspora philanthropy. To grow and improve diaspora giving, there must be better understanding of the diaspora population; its current philanthropic philosophies and practices; and its needs, interests, and aspirations. This will require some new research as well as efforts to better share existing knowledge and experience.

One approach to knowledge building would be a public-private partnership among the Philippine embassy and consulates, the national Filipino-American organizations, and the more professional public charities that are already tapping the Filipino diaspora in the United States. Also, it could be beneficial for public charities to organize themselves into an umbrella organization in order to better share their experience and expertise for the good of the motherland.

There should also be a more systematic effort to develop a global database of Filipinos abroad and their expertise in order to tap the vast treasure of human capital that they represent. This could then be matched with the needs of government agencies, NGOs, and even the private sector to facilitate “brain gain” programs for those who wish to return permanently to the country to enrich its talent pool, and “brain circulation” for those who only wish to do so on a temporary basis. There are even distance-learning possibilities with Filipinos abroad acting as teachers and mentors.

Similarly, there should be a concerted effort to develop a database of Filipino American associations. The initial attempt of the Philippine consulate in San Francisco to create a list of Filipino Community Resources provides an excellent beginning to build on.

Finally, leaders of Filipino diaspora foundations would benefit from sharing experience and knowledge with leaders of similar organizations that promote diaspora giving to other countries. These groups share many common aims and challenges, yet have never had the opportunity for peer learning.

### **The Role of Government**

The Philippine Embassy and consulates in the United States, under the leadership of former Ambassador Albert del Rosario, have undertaken “road shows” that present to the FilAm community not just opportunities for financial investments, retirement or vacations, but also opportunities for social investment in effective development programs.



The Philippine Government should expand its policies and programs that encourage more of its citizens overseas not only to send their remittances for the needs of their own families but also to reach out to the larger community of disadvantaged Filipinos. The GILAS program illustrated that local government officials are willing to support programs for their constituents by matching private sector funds. This could become a formal government policy and could include matching funds from the national government as well.

Tax incentives for social investment could also be expanded. For example, the *Adopt-A-School Program* offers 150% tax deductibility for donations. This approach could be replicated to provide greater encouragement to donations that address the country's greatest needs and national priorities, perhaps pegged to social development targets, e.g. the Millennium Development Goals, or to programs that focus on the poorest municipalities in the country.

The government should also support the operations of the Philippine Council for NGO Certification, an established mechanism that provides due diligence for overseas grants. It can give overseas donors the assurance that the organization they are supporting is legitimate, exercises transparency and accountability in its operations, and has the capacity to deliver the services offered to the underprivileged.

## V. Conclusion

Diaspora philanthropy to the Philippines represents a unique resource for the advancement of equitable social and economic development and should be strategically promoted and developed. Yet the collective impact of migration, remittances, and philanthropic giving is complex; efforts to promote diaspora giving must recognize this complexity. The overarching goal is to find ways to achieve several objectives at the same time:

- prepare the Filipino youth for the global labor market;
- ensure that the country continues to have a large enough pool of skilled and professional manpower to address the needs of its own institutions;
- take advantage of the demand for the Filipinos' unique mix of competence and culturally acceptable behavior traits;
- help them to develop a medium or long term plan to return and find a suitable job or enterprise to engage in;
- take advantage of the enormous economic gains of the billion dollar remittances for possible investments in more productive activities;
- encourage more diaspora philanthropy to complement government efforts at combating poverty;
- encourage Filipinos overseas to save money in the Philippines for their eventual return, giving the country a higher level of savings for infrastructure programs; and
- prepare the economy for a reverse migration phenomenon such as that being experienced by Ireland and, to a limited extent, India and China.

Filipinos - whether they are abroad or at home - want to see the Philippines continued economic and social development. As the book *Good News for the Poor: Diaspora*

*Philanthropy by Filipinos* suggests: “the greater challenge is to animate the imagination of migrants to not only give but to do something more – to make them more involved, rather than to be merely informed of, and asked to support, the needs of the motherland and of citizens in the Philippines and abroad.” (Association of Foundations 2005). The challenge is ours.

## References

Aldaba, Fernando (2004). “The Economics and Politics of Overseas Migration in the Philippines.” Paper presented at the forum Overseas Filipinos and the 2004 Elections, Manila (organized by the OFW Journalism Consortium).

Aldaba, Fernando (2001) “Trade Liberalization and international migration: The Philippine Case.” In Lanzona, Leonardo (ed.) *The Filipino Worker in a Global Economy*. Quezon City: Philippine APC Study Center Network and the Philippine Institute for Development Studies.

Asian Development Bank (2005). “Enhancing the Efficiency of Overseas Filipino Workers’ Remittances.” Manila: Asian Development Bank.

Association of Foundations (2005). *Good News for the Poor: Diaspora Philanthropy by Filipinos*. Quezon City: Association of Foundations.

Anonuevo, Estrella Dizon and Anonuevo, Augustus T. (2002), *Coming Home –Women, Migration and Reintegration*. Published by Balikbayani Foundation, Inc. and Atikha Overseas Workers and Communities Initiative, Inc.

Ayala Foundation USA (2006). Official documents.

Deriquito, Mario (2005). “Ayala Foundation USA.” Presented during the conference Good News for the Poor: A Conference on Filipino Diaspora Philanthropy, Manila (organized by the Institute for Migration and Development Issues).

Chronicle of Philanthropy (2002, May 16). “Giving Back to their Homelands.” In <http://philanthropy.com/free/articles/v14/i15/15000601.htm> (accessed April 21, 2006).

Fabian, Julio Robbie (2000). “Ayala Foundation USA Pre-Marketing Study: Research on the Philanthropic Patterns and Inclinations of Filipino-Americans.” Unpublished.

Garchitorena, Victoria P (2006) “Diaspora Philanthropy in a Future of Increasing Migration” Paper presented at the May 2006 conference on Diaspora Philanthropy and Global Equity organized by the Global Equity Initiative, Boston, Mass.

Garchitorena, Victoria P (2006), paper presented at the conference on “Building Stronger Bridges” organized by the Venture for Fund Raising, Philippines.

- Go, Stella (2002). "Migration, Poverty, and Inequality: The Case of the Philippines." Paper presented at the 2002 conference of the Asia-Pacific Migration Research Network (APMRN), Fiji.
- Greenwood, M.J. (1975). "Research on internal migration in the United States: A Survey." *Journal of Economic Literature*
- Institute of Labor and Manpower Studies (1984) "Working Abroad: The Socio Economic Consequences of Contract Labor Migration in the Philippines." Institute of Labor and Manpower Studies, Ministry of Labor and Employment.
- Institute for Migration and Development Issues (2005a). "Good News for the Poor: A Conference on Filipino Diaspora Philanthropy (Proceedings)."
- Institute for Migration and Development Issues (2005b). The Philippine Diaspora Philanthropy Portal, [www.filipinodiasporagiving.org](http://www.filipinodiasporagiving.org).
- New Immigration Museum and Learning Center (2005, January 21). "Immigrants, Remittances and Development: Transforming Communities" (Conference Proceedings). University of California-San Diego.
- OFW Journalism Consortium (2005). "Centennial of labor migration a poser on RP progress." Volume 4, Number 12 news packet. In [www.ofwjournalism.net/previousweb/vol4no12/prevstories4123.php](http://www.ofwjournalism.net/previousweb/vol4no12/prevstories4123.php) (accessed April 22, 2006).
- Opiniano, Jeremaiah (2006, April 25-26). "Filipinos Abroad as Social Development Partners." Paper presented at the workshop "Tapping Diaspora Philanthropy for Philippine Social Development," Pasig City (organized by Ayala Foundation USA, Association of Foundations, and Peace and Equity Foundation).
- Opiniano, Jeremaiah (2004a). "Our Future Beside the Exodus: Migration and Development Issues in the Philippines." Pasig City: Friedrich-Ebert-Stiftung Philippines.
- Opiniano, Jeremaiah (2004b). "Biggest donors to the Philippines." APPC Post, issue no. 18, October.
- Opiniano, Jeremaiah (2004c). *Tapping Diaspora Philanthropy to Benefit Civil Society in the Homeland: The Case of Ayala Foundation USA* (a monograph). Quezon City: Ayala Foundation USA.
- Pavia, Tina and Aurora Tolentino (2005). "Philippines: Enter a New Mix of Donors." Alliance, December.

- Ravanilla, Nico and Eduard Joseph Robleza (2003). "Contribution of OFW Remittances to Income Inequality: A Decomposition Analysis." Undergraduate thesis, BA Economics, University of the Philippines, Quezon City.
- Rispens-Noel, Leila (2006, January 2). "Diaspora Philanthropy: The Other Face of the OFW Phenomenon. Minda News, in [www.mindanews.com/2006/01/02nws-migrants.htm](http://www.mindanews.com/2006/01/02nws-migrants.htm) (2006).
- Rodriguez, Edgard and Erwin Tiongson (2001). "Temporary Migration Overseas and Household Labor Supply: Evidence from Urban Philippines." *International Migration Review*, 35, 3: Fall.
- Sicam, Paulynn Paredes (2003). *Philippine Migration Journalism: A Practical Handbook*. Institute on Church and Social Issues.
- Vera Cruz, Philip (1994). *A Personal History of Filipino Migrants and the Farm Workers Movement*. UCLA Labor Center: Institute of Industrial Relations
- Yang, Dean (2005). "International Migration, Human Capital, and Entrepreneurship: Evidence from Philippine Migrants' Exchange Rate Shocks." In <http://www-personal.umich.edu/~deanyang/> (accessed April 22, 2006).

## Appendix 1

### Ayala Foundation USA – Result of operations

Table 1: Total cash and in-kind donations to AF USA (in US\$)

Year	Cash	In-Kind	Total
2002	211,526	-	211,526
2003	395,963	140,713	536,676
2004	398,878	132,738	531,616
2005	587,267	46,594	633,861
2006*	863,225	47,951	911,176
<b>Total</b>	<b>2,456,859</b>	<b>367,996</b>	<b>2,824,855</b>

\* As of October 31, 2006

Table 2: Analysis of Donors to Ayala Foundation USA

	As of October 2006		As of December 2005		As of December 2004	
	No. of donors	Amount of donations (US\$)	No. of donors	Amount of donations (US\$)	No. of donors	Amount of donations (US\$)
<b>New donors</b>						
Individual Donors	260	145,794	301	168,992	273	85,293
Institutional Donors	37	212,549	41	161,158	32	63,210
<b>Total</b>	<b>297</b>	<b>358,342</b>	<b>342</b>	<b>330,150</b>	<b>305</b>	<b>148,502</b>
<b>Old donors</b>						
Individual Donors	33	170,351	15	48,125	13	41,480
Institutional Donors	17	334,532	8	208,992	4	208,896
<b>Total</b>	<b>50</b>	<b>504,883</b>	<b>23</b>	<b>257,117</b>	<b>17</b>	<b>250,376</b>
<b>Total</b>						
Individual Donors	293	316,144	316	217,117	286	126,773
Institutional Donors	54	547,081	49	370,150	36	272,106
<b>Total</b>	<b>347</b>	<b>863,225</b>	<b>365</b>	<b>587,267</b>	<b>322</b>	<b>398,878</b>

Table 3: Range of donations to Ayala Foundation USA, 2003-2006

Range of amounts (US\$)	Accumulated total donations (amount and % to total)				Frequency of received donations (N and % to total)			
	2006*	2005	2004	2003	2006*	2005	2004	2003
1-100	10,668 1%	16,349 4%	9,436 2%	4,096 1%	173 50%	301 61%	229 61%	53 38%
101-250	11,413 1%	17,773 3%	9,380 2%	4,604 1%	55 16%	97 20%	49 13%	24 17%
251-500	16,025 2%	12,873 2%	15,525 4%	11,021 3%	37 11%	32 6%	42 11%	25 18%
501-1,000	24,797 3%	18,535 3%	21,565 5%	12,785 3%	26 7%	20 4%	23 6%	14 10%
1,001-5,000	110,833 13%	68,553 12%	75,476 19%	28,980 7%	35 10%	23 5%	28 7%	10 7%
5,001-10,000	50,680 6%	92,600 16%	28,000 7%	33,862 9%	7 2%	11 2%	3 1%	5 4%
10,000-above	638,810 74%	360,584 61%	239,495 56%	300,614 76%	14 4%	10 2%	4 1%	8 6%
Total	863,225 100%	587,267 100%	398,878 100%	395,963 100%	346 100%	494 100%	378 100%	139 100%

\* As of October 31, 2006

Table 4: Causes supported by Filipino-Americans through Ayala Foundation USA

Year	2006*	2005	2004	2003	Total
Education and training	425,995	357,983	129,509	171,006	1,084,043
Enterprise development	8,192	-	23,050	200	31,442
Health	1,050	10,026	10,850	17,578	39,504
Pastoral ministries	49,999	11,630	6,828	54,020	122,477
Women and children	9,930	14,630	3,690	36,350	64,600
Persons with special needs	-	270	475	18,347	19,092
Environment	-	-	-	75	75
Special advocacy	-	250	-	-	250
Others	9,401	26,755	24,863	2,200	63,219
General Fund	303,398	165,813	199,613	96,186	765,010
Arts and Culture	55,260				55,260
Total cash donations	863,225	587,267	398,878	395,963	2,245,333

\* As of October 31, 2006