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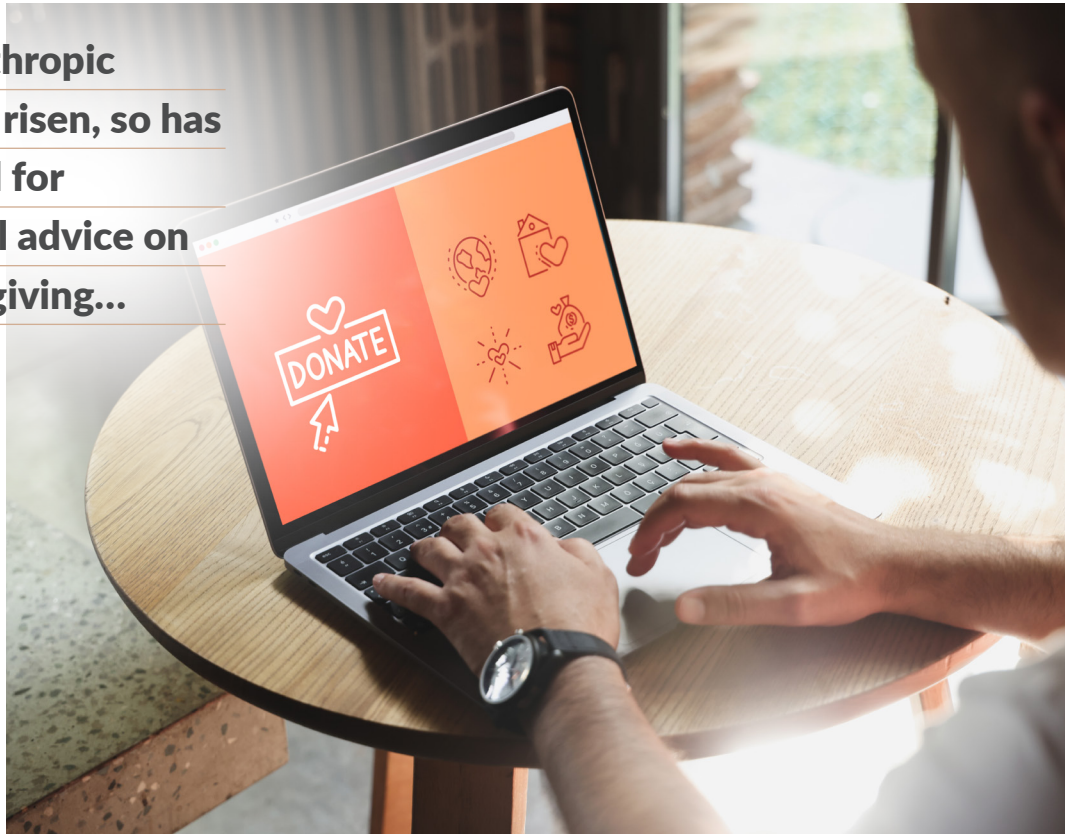
# focus

## Philanthropy and the Great Wealth Transfer



**New Zealand ranks among the world's most generous nations. While our philanthropists may not be household names like their counterparts in the United States, charitable giving is alive in our culture.** New Zealand consistently sits in the top 10 countries in the Charities Aid Foundation's World Giving Index. Over the years, donations to charity have steadily increased, reflecting a growing commitment to philanthropy across the country.

## ...As philanthropic activity has risen, so has the demand for professional advice on structured giving...



Like other countries around the world, New Zealand is on the cusp of a historic shift. Over the next 15 to 20 years, more than \$1 trillion in wealth is expected to transfer between generations. For some, this transition presents an opportunity to consider philanthropy as part of their legacy. Many individuals making estate plans are contemplating leaving a portion of their wealth to charitable causes, while some receiving inheritances are exploring how they can make a meaningful impact with their newfound financial resources.

### A shifting philanthropic landscape

New Zealand has a long tradition of philanthropy, with certain families and individuals pioneering charitable initiatives. However, philanthropy did not gain widespread traction until 2008, when the government removed the cap on tax rebates for charitable donations. Prior to this, donors could claim a 33.3% tax rebate on donations, but only up to a maximum of \$1,890 – limiting the highest rebate available to just \$630. By lifting this cap, individuals could now claim a tax credit on donations up to their annual net income, significantly enhancing the appeal of structured giving.

Since 2008, new philanthropic channels have been developed including crowdfunding campaigns, community foundations, and charitable trusts, providing more ways for individuals to give in meaningful and tax-efficient ways.

### Seeking advice on strategic giving

As philanthropic activity has risen, so has the demand for professional advice on structured giving. Forsyth Barr has observed a growing number of clients seeking guidance on incorporating philanthropy into their financial planning. Internationally, it is common for financial services firms and advisers to provide guidance to their clients on charitable giving. Some firms offer comprehensive solutions, managing tax-efficient charitable accounts and distributing donations on behalf of clients.

Financial advisers can help individuals navigate the complexities of philanthropy. Engaging with an adviser allows clients to explore their philanthropic goals in a confidential, no-obligation setting before making any commitments. This can be particularly useful for those who want to better understand the various charitable structures available and maximise the impact of their giving.





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As New Zealand undergoes this significant wealth transition, philanthropy is poised to become an important part of financial planning. With more individuals choosing to give back, there is an opportunity to shape a future where charitable contributions help strengthen communities and support critical causes. The great wealth transfer is not just about financial inheritance – it is about passing on values, making a lasting impact, and fostering a culture of generosity for generations to come.

If at any time you want to discuss how we could potentially help you explore philanthropic options and opportunities, please reach out to Simon through your Forsyth Barr Investment Adviser.



**Simon Bowden**  
Head of  
Philanthropic  
Services

Recognising the increasing interest in strategic

philanthropy, Forsyth Barr has appointed a full-time Head of Philanthropic Services, Simon Bowden. With over 30 years of experience in philanthropy and charitable trusts, Simon is dedicated to supporting both charitable organisations and clients interested in giving. His expertise ranges from providing high-level strategic insights to in-depth workshops, helping individuals develop meaningful and impactful philanthropic plans.

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