



香港賽馬會慈善信託基金

The Hong Kong Jockey Club Charities Trust

同心 同步 同進 RIDING HIGH TOGETHER

# Dialogue on Giving with the World's 6th Top Private Foundation

*Presented by*

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**Executive Director, Charities and Community**

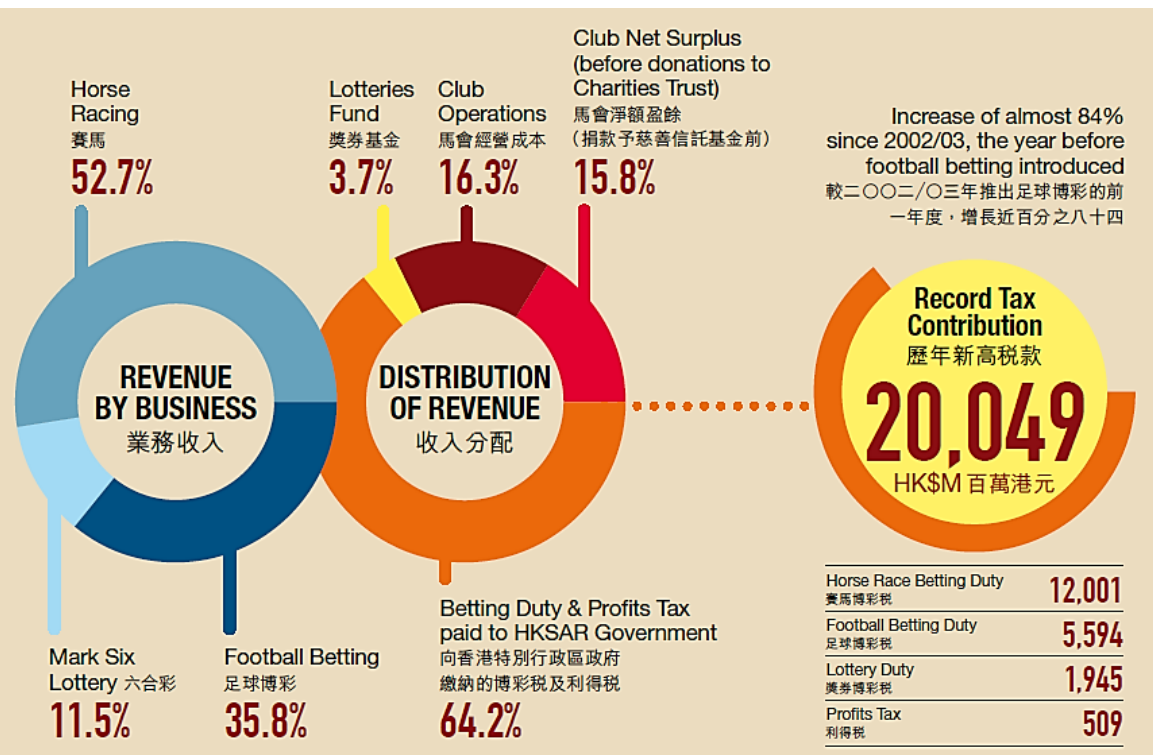
**The Hong Kong Jockey Club**

# A unique model to channel business surplus to charity

Founded in 1884, The Hong Kong Jockey Club is a world-class horse racing operator, as well as one of Asia's most prestigious membership clubs and Hong Kong's largest community benefactor, operating as a not-for-profit organisation.

- Employment created: **24,409** jobs
- Tax Contribution: **HK\$20B (US\$2.6B)**
- Charitable Donations: **HK\$3.9 B (US\$499.4M)**
- Charitable contributions touch the lives of **75%** of the population

(\* Figures from 2014/15 financial year)



# HKJC Charities Trust - Milestones

1884 Establishment of The Hong Kong Jockey Club

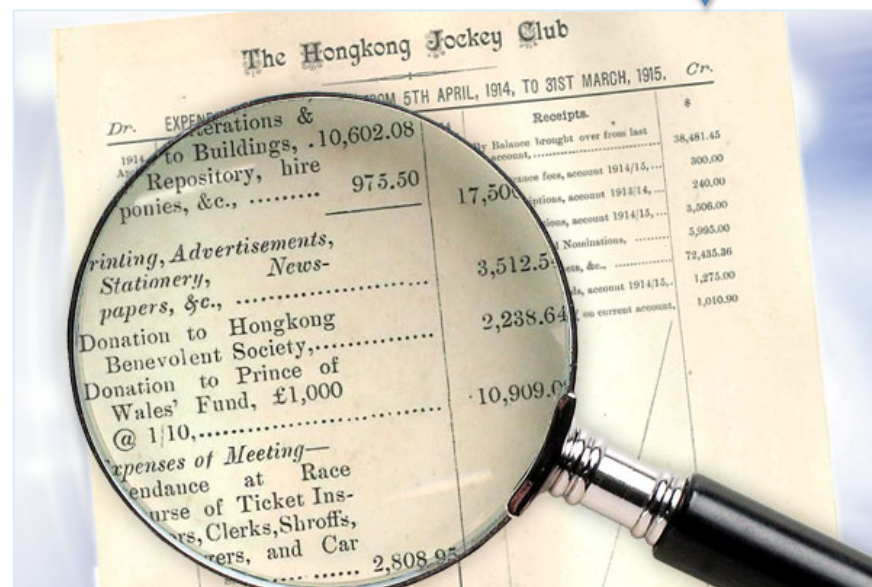
1915 Club made first charitable donation

1950s Charitable donations became integral to the Club's operation during post-war construction

1955 Formally decided to devote surplus to charity each year

**1993 Establishment of HKJC Charities Trust**

2011-2015 Donation increased from HK\$1.6 billion to HK\$3.9 billion













# HKJC Charities Trust is amongst the top givers globally

## Top 10 donors in 2015, ranked the 6th

Rank	Organisation		2014 (% Change*)
1	Bill & Melinda Gates Foundation		£2,059m (-0.03%)
2	Wellcome Trust		£556m (-2%)
3	Novamedia / Postcode Lotteries		£469m (5%)
4	La Caixa Foundation		£350m (19%)
5	Ford Foundation		£314m (-5%)
6	The Hong Kong Jockey Club		£303m (7%)
7	Silicon Valley Community Foundation		£287m (30%)
8	National Philanthropic Trust		£285m (69%)
9	Atlantic Philanthropies		£264m (104%)
10	Susan Thompson Buffet Foundation		£252m (-7%)

## Ranked 2<sup>nd</sup> amongst fundraising private charity donors

Rank	Organisation	Country
1	Novamedia / Postcode Lotteries	
2	The Hong Kong Jockey Club	
3	Silicon Valley Community Foundation	
4	National Philanthropic Trust	
5	Foundation for the Carolinas	
6	Greater Kansas City Community Foundation	
7	Chicago Community Trust	
8	New York City Community Foundation	
9	Cleveland Foundation	
10	Deutsche Fernschlotterie	

Source: City A.M.'s World Charity Index 2015: <http://www.cityam.com/assets/bespoke-files/2015/bc-214/cityam-giving-magazine-2015.pdf>

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So your job is to give away money.  
How difficult can it be?  
What exactly do you do?

# Donate to create social impact

## 10 principal areas:

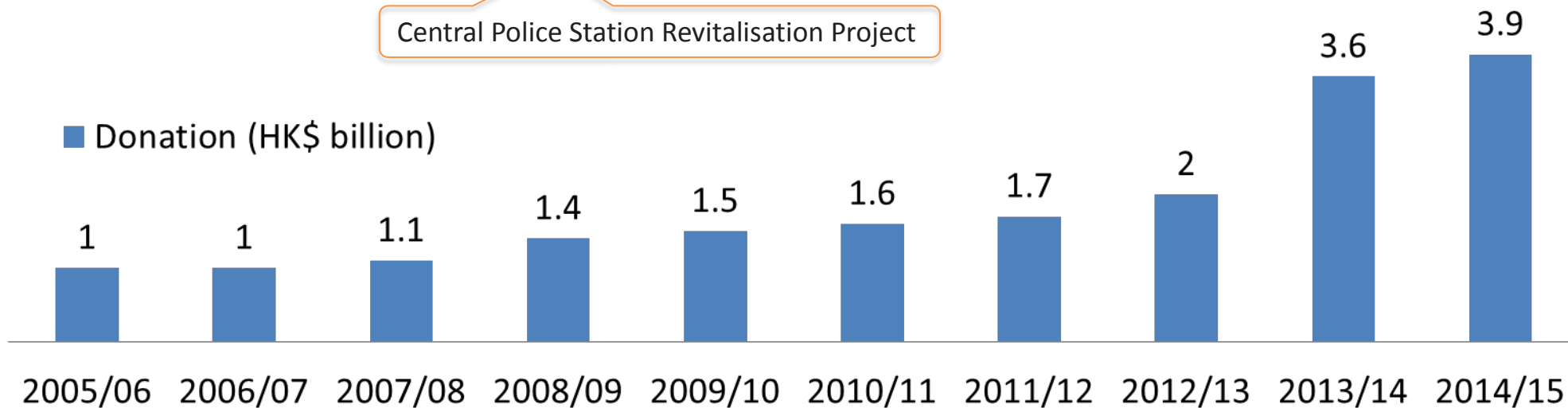
- |                                 |                              |
|---------------------------------|------------------------------|
| (1) Arts, Culture & Heritage;   | (6) Family Services;         |
| (2) Education & Training;       | (7) Medical & Health;        |
| (3) Elderly Services;           | (8) Rehabilitation Services; |
| (4) Emergency & Poverty Relief; | (9) Sports & Recreation;     |
| (5) Environmental Protection;   | (10) Youth Development       |

Additional resources to proactively address **3 strategic themes (YES)**:

- 1) Youth**
- 2) Elderly**
- 3) Sports**

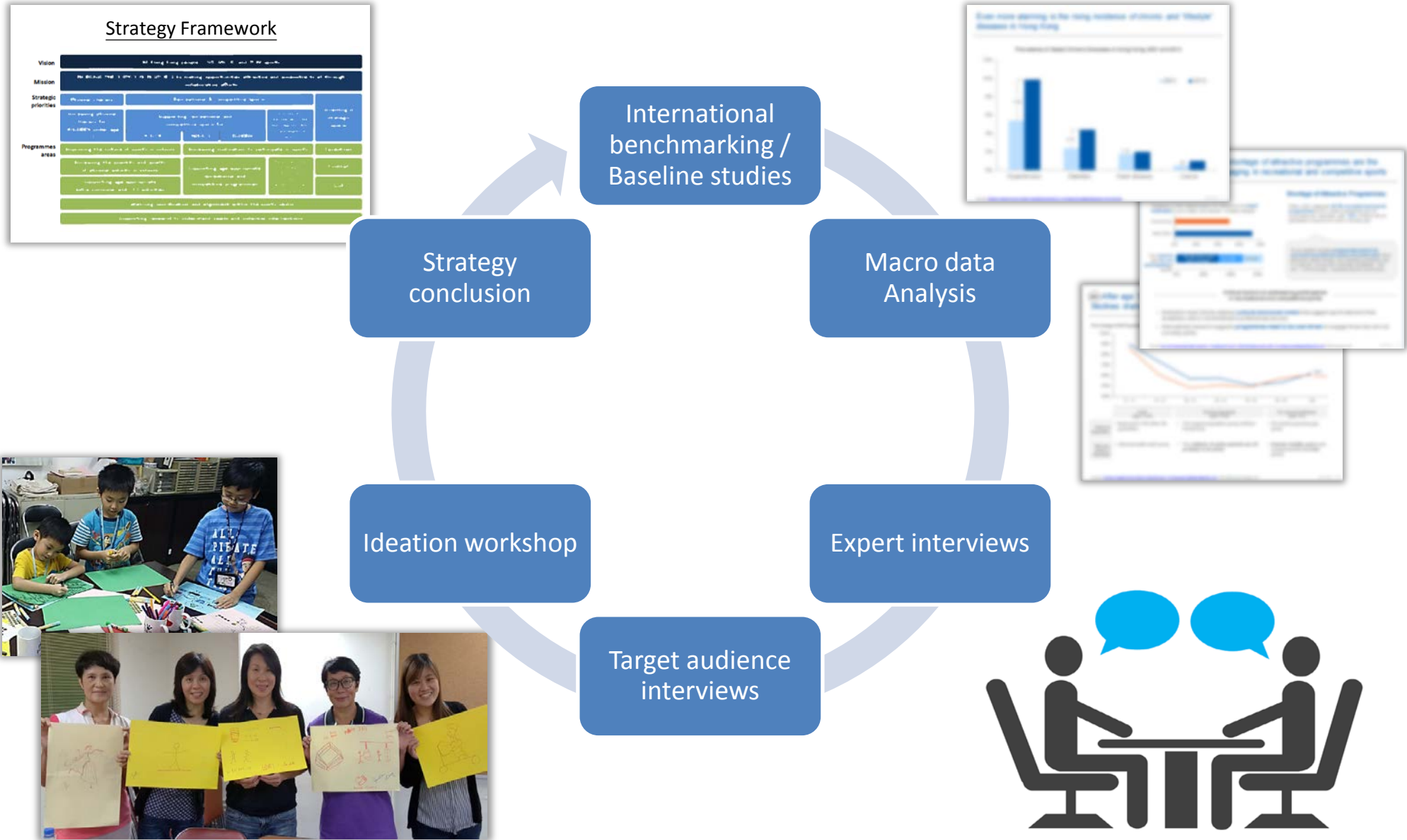
Central Police Station Revitalisation Project

■ Donation (HK\$ billion)





# A rigorous process to identify the strategy



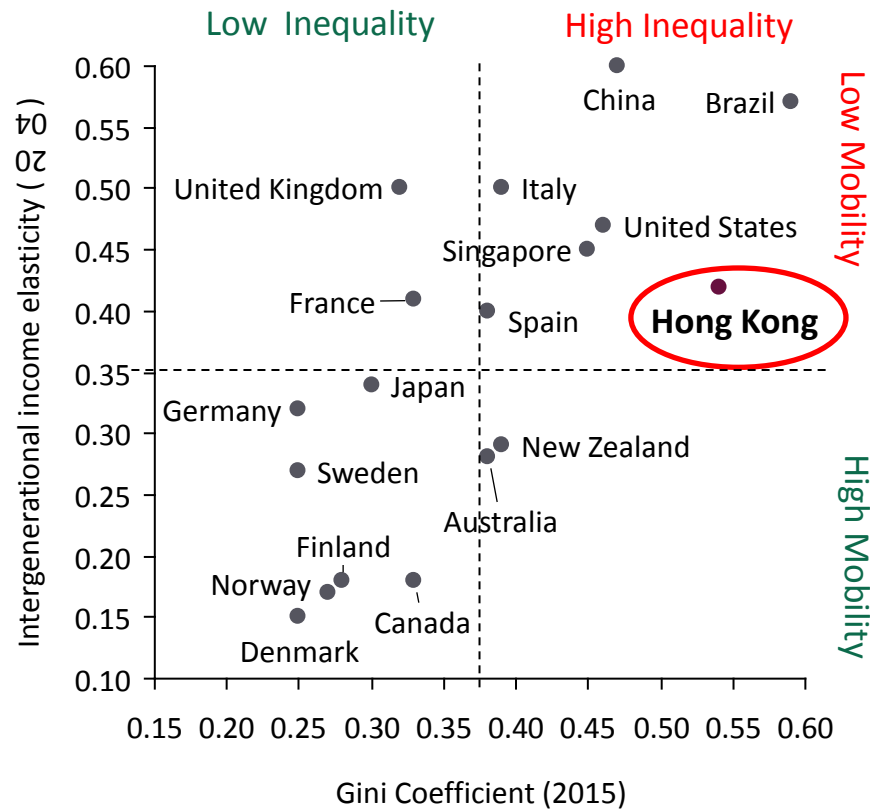
# Youth Strategy





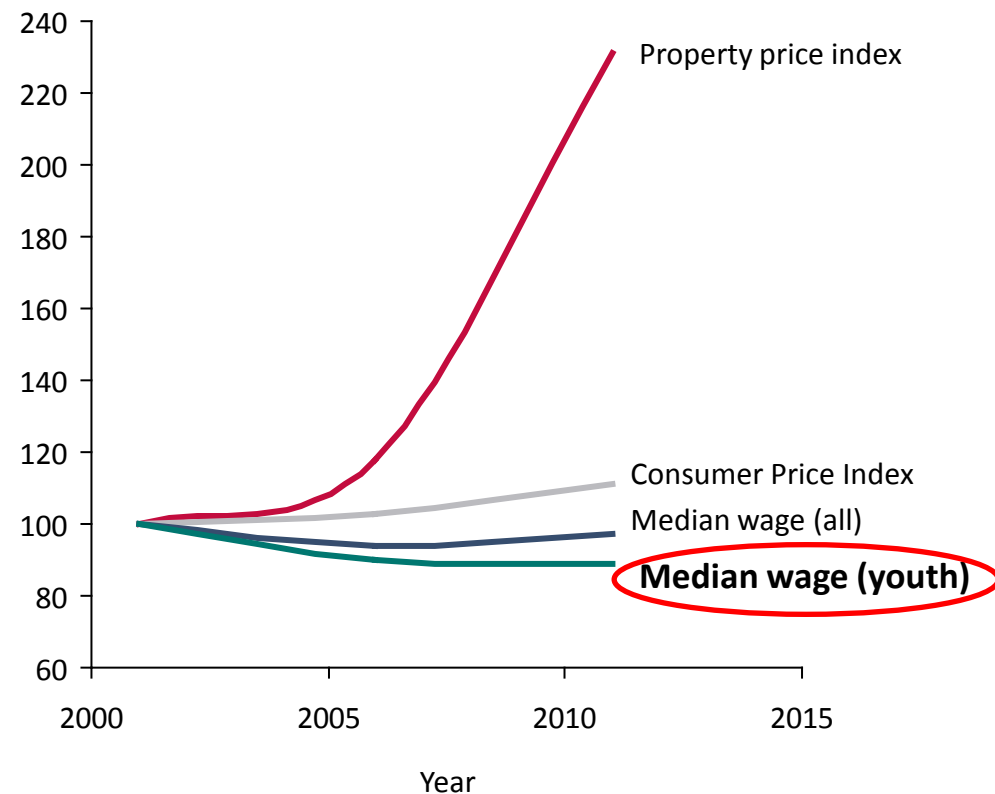
# Youth live in an economy with high levels of inequality and low social mobility; youth wages have stagnated

**Hong Kong's intergenerational income elasticity and Gini coefficient both rank highly, signifying high inequality and low mobility**



**Average wages for youth have grown at an even slower rate than for the rest of the working population, and have not kept up with soaring property prices**

Changes in domestic property prices, real wages & Consumer Price Index (2001-2011) Index 2001 = 100



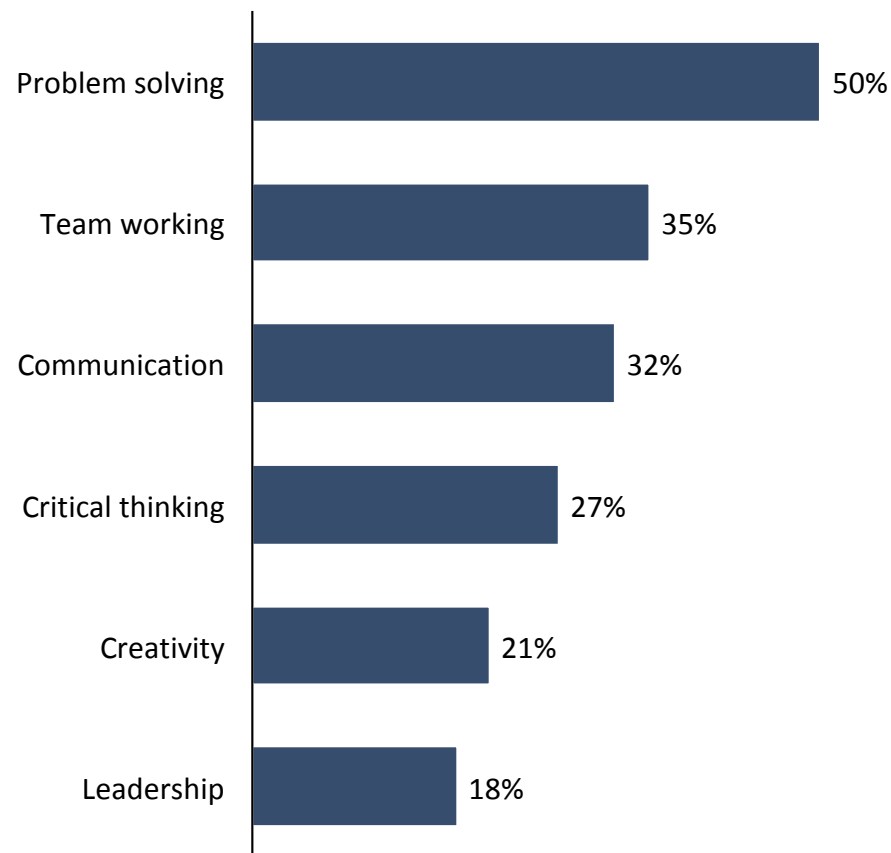
Source: Bloomberg News, World Bank development indicators, Great Gatsby Curve, Miles Corak (Great Gatsby Curve, 2004); Source: American Exceptionalism in a New Light: A Comparison of Intergenerational Earnings Mobility in the Nordic Countries, the United Kingdom and the United States (January 2006), The University of Hong Kong, Special Topic Enquiry on Earnings Mobility, 2010, "Economic Mobility of Families Across Generations." (Julia Isaacs, 2008), Intergenerational Income Mobility in Singapore (Ministry of Finance, 2010); Mobility in China (Cowell & Yi Chen, April 2013)

Source: Hong Kong Census & Statistics Department, Glassdoor; 1. Real Salary Index (A) is obtained by deflating the respective nominal indices by the Consumer Price Index (C) and measure changes in the purchasing power of the amount of salaries earned

# How can we better equip the next generation?

**Most critical skills required in the workplace today according to surveyed, global business leaders (2015)**

*% of respondents who ranked skill in their top 3*



**8 out of 11 experts interviewed cited a lack of focus on soft skills as a deficit in the current curriculum**

*The HK education system lacks holistic development, including areas like **EQ, teamwork, and social competence**...*

**– Academic**

*Youth today **lack practical working experience** due to the continual push for more education. Many youth also lack soft skills.*

**– Industry leader**

*The education system is not preparing youth for the real world. It is not giving them the necessary life skills.*

**– Government official**

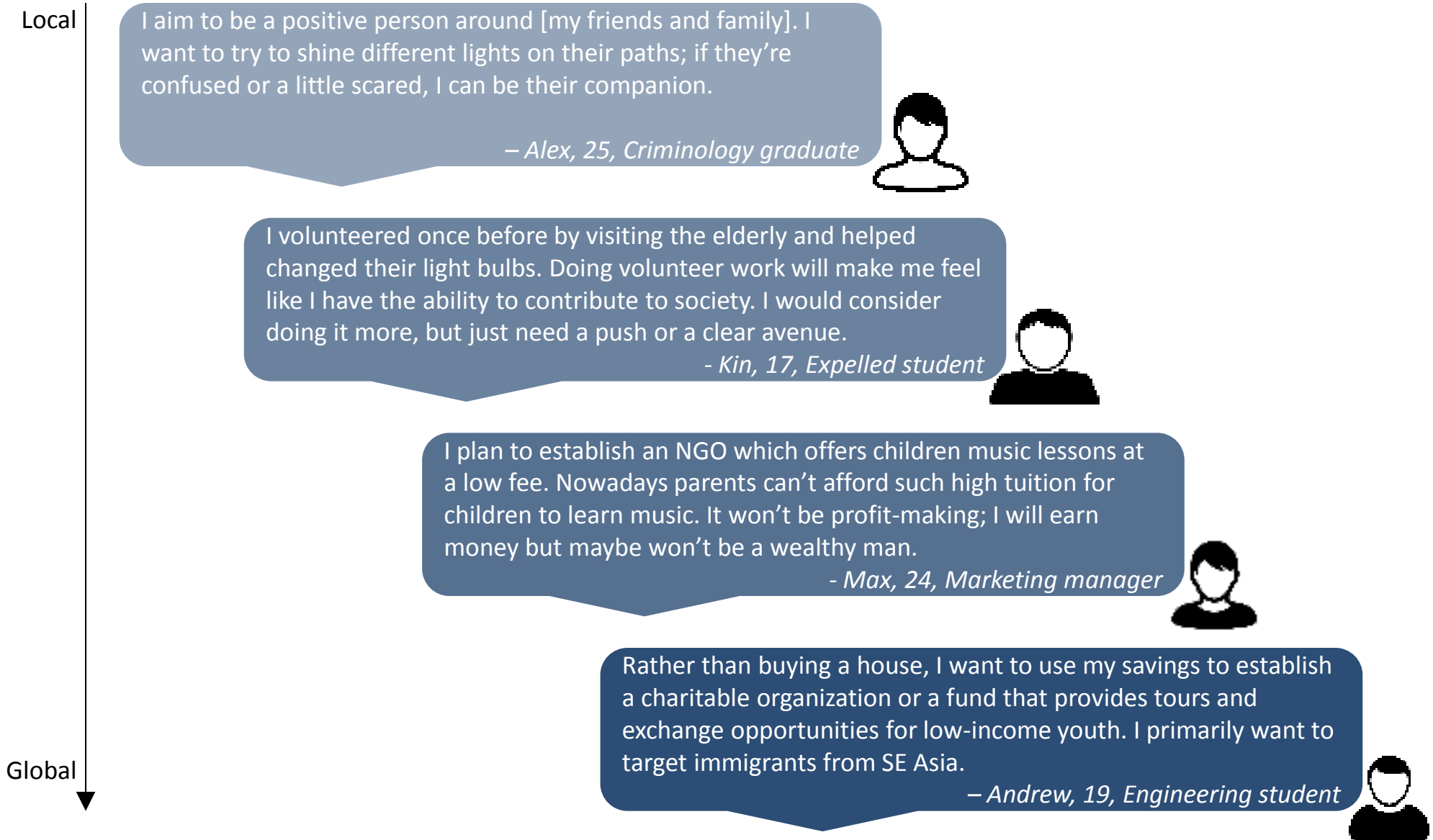
*We need to strengthen youths' independent thinking, **EQ**, and ability to help themselves.*

**– Head of youth NGO**

Source: Dalberg interviews; Economist Intelligence Unit, *Driving the skills agenda: Preparing students for the future* (2015)

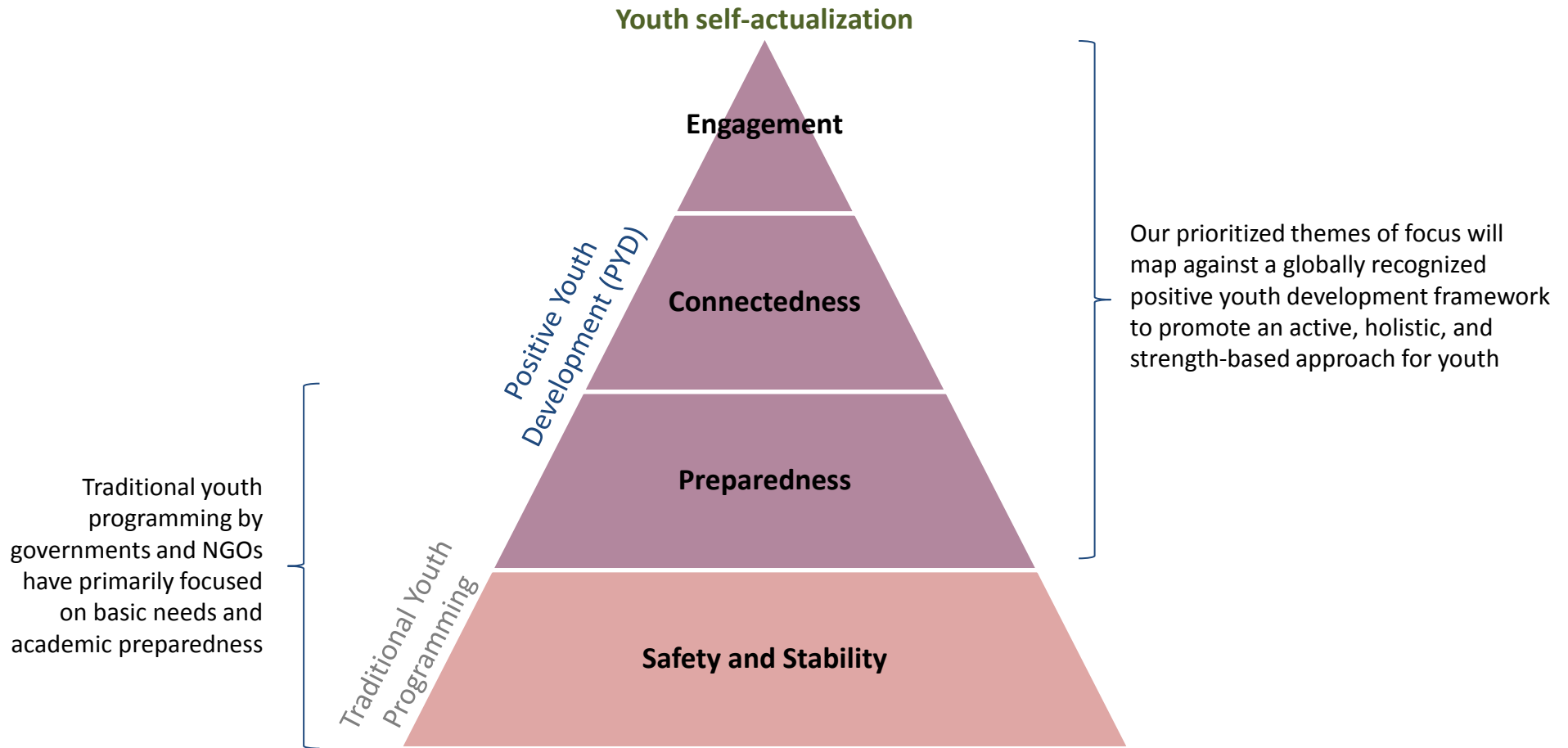
<http://www.economistinsights.com/analysis/driving-skills-agenda/methodology>

# YOUTH are concerned with issues beyond themselves, and want to make a change



# Youth: our framework

## Proposed Positive Youth Development Framework



# Elderly Strategy

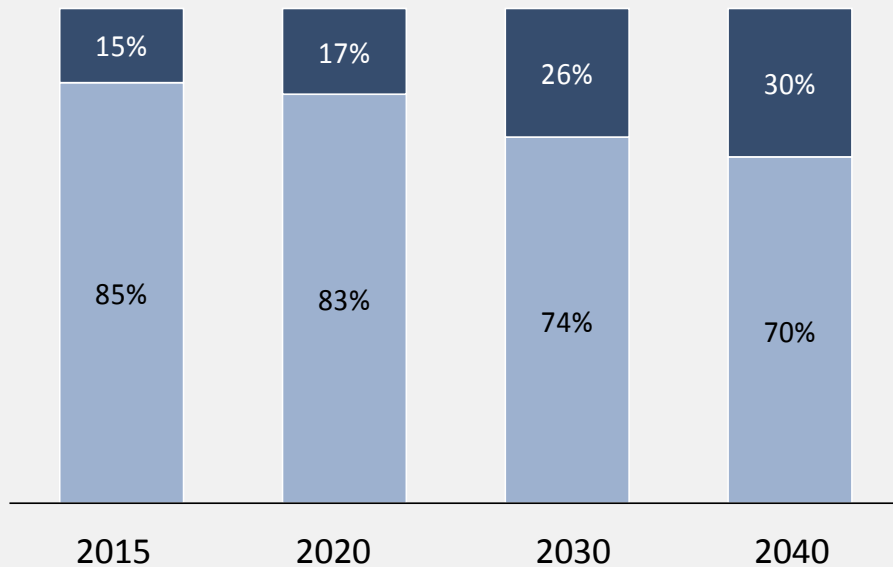




# Challenges of an Ageing Population

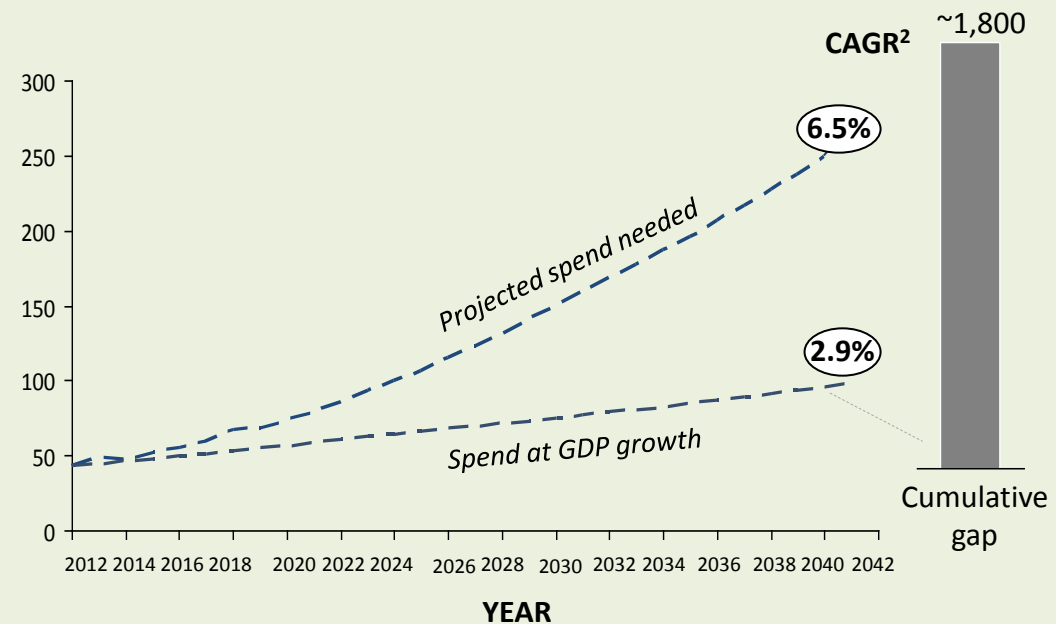
Almost 1 in 3 people will be elderly by 2040

Forecasted growth of elderly population over next 25 years  
Number of elderly over 65, 2015-2040



Vast Social Cost Gap

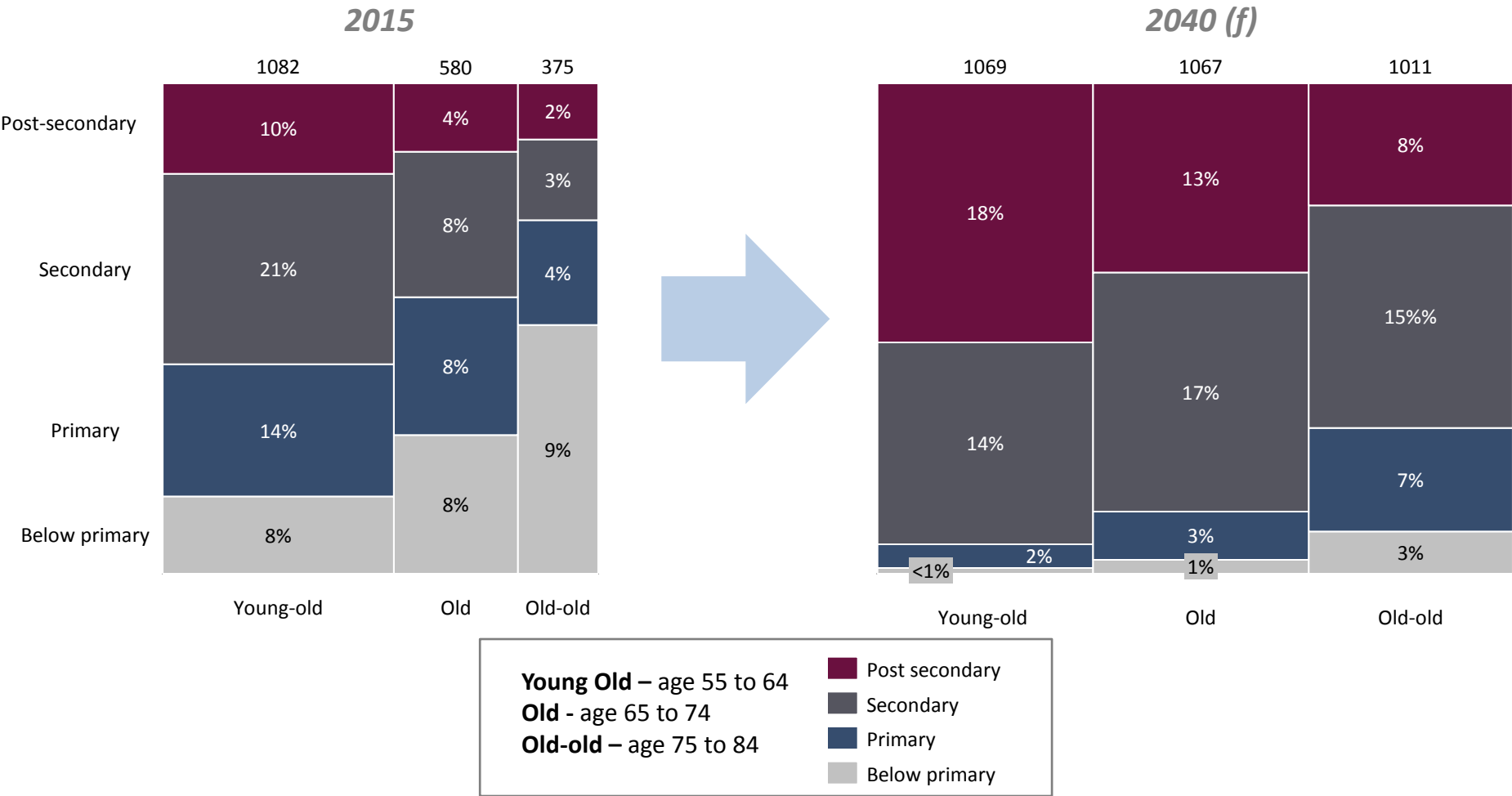
Projected expenditure on public elderly services<sup>1</sup> (2012 - 2041)  
Billion HKD 2012 constant prices



1. Elderly services include subvented hospital care, old-age living allowance, subsidized residential care, spending by the department of health, elderly healthcare voucher, transport concession, etc.  
2. Compound Annual Growth Rate

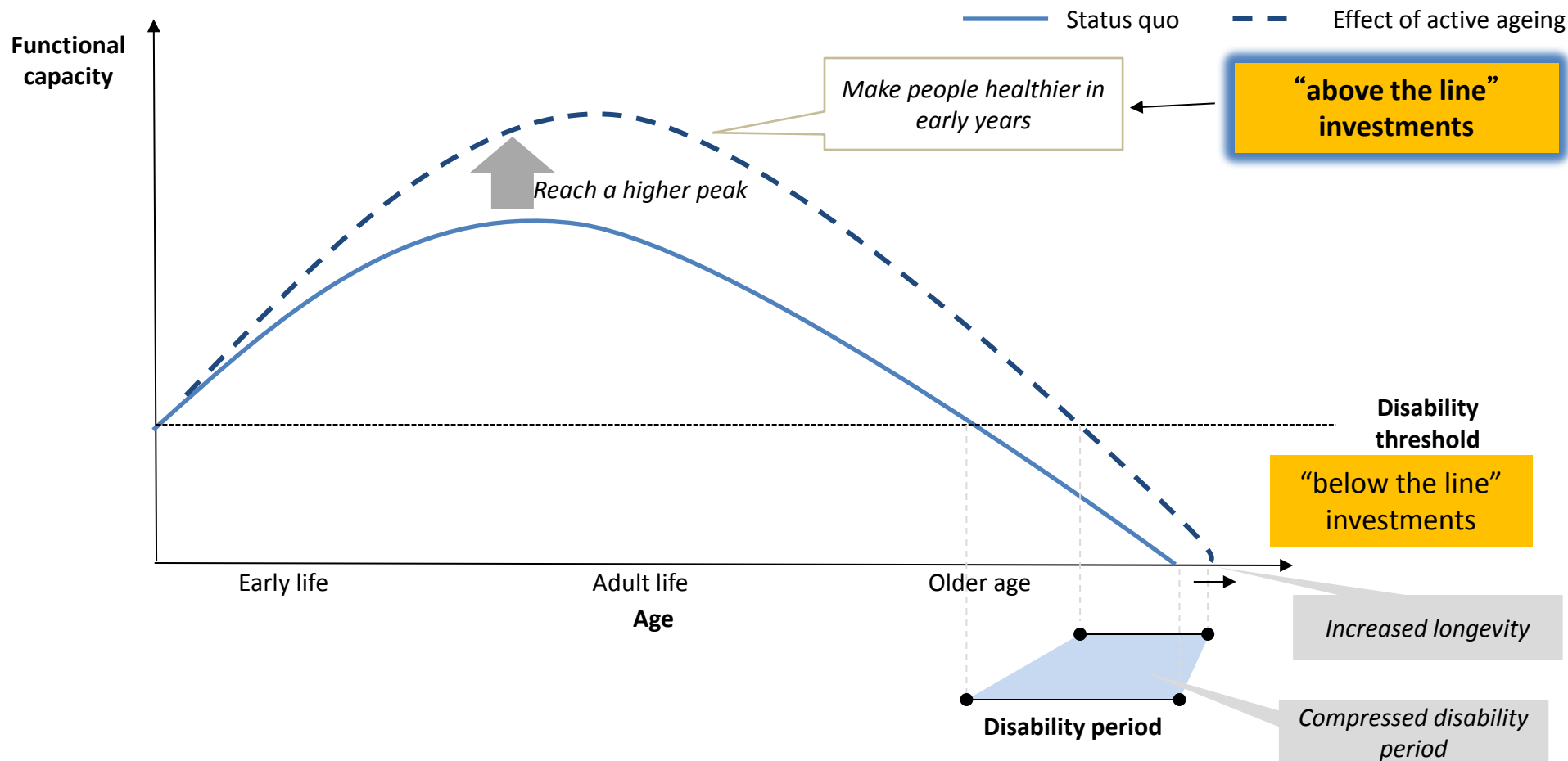
# Participation and prevention is even more critical given the higher education levels and greater size of tomorrow's elderly...

Change in education and age distribution of elderly population 2015 to 2040  
% of sub-population (thousands); highest level completed



There is an opportunity for HKJC to invest more in participation and prevention or “above the line” investments...

To help elderly be healthier in early years,  
a compressed disability period and more fulfilling life



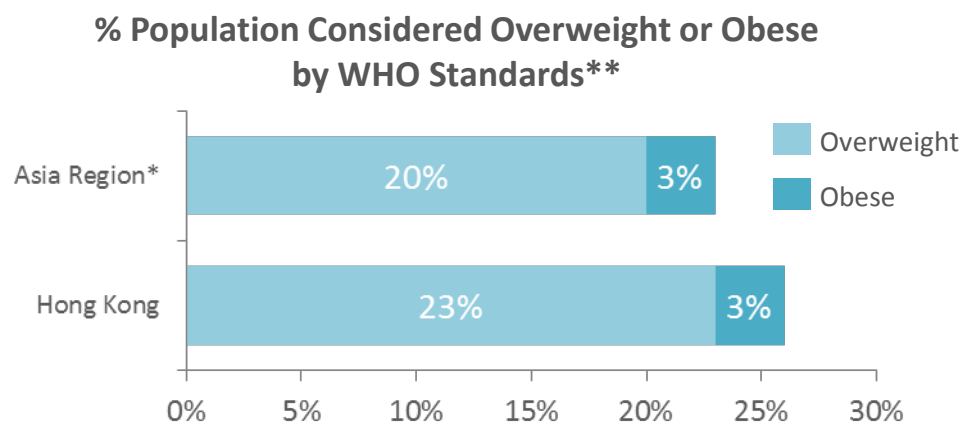
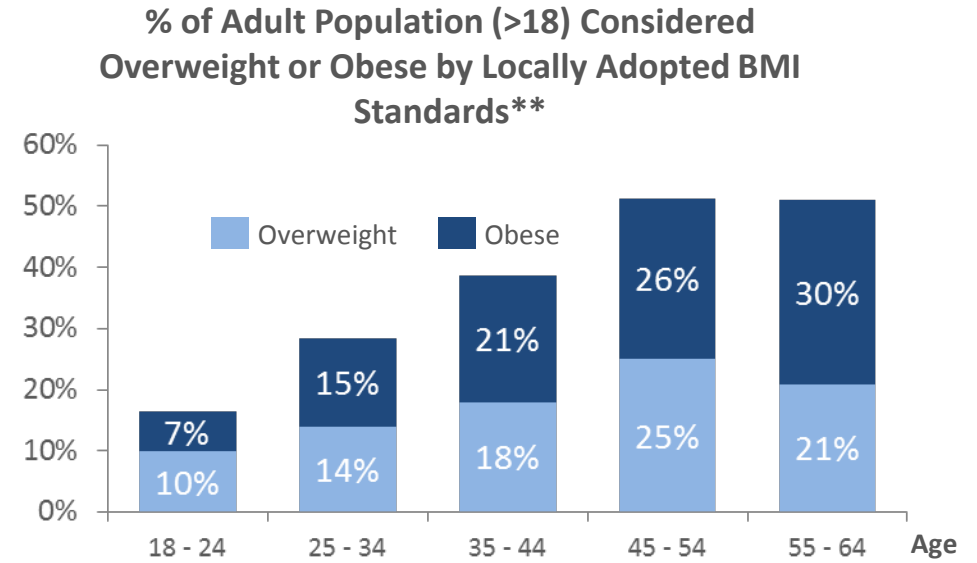
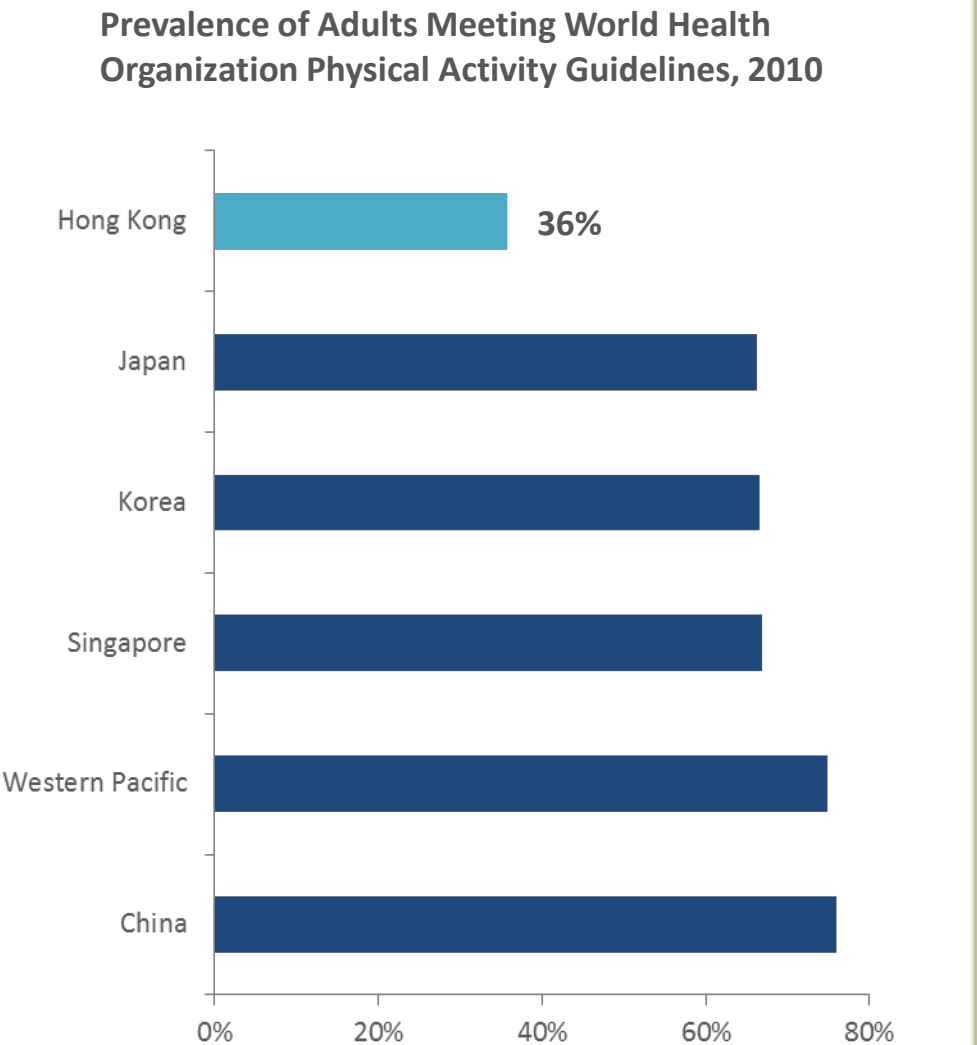
Note: (1) framework introduced by Kalache-kickbusch.

Source: 12) Kalache A, Kickbusch I. A global strategy for healthy ageing. World Health1997; 50: 2.

# Sports Strategy



# Despite annual government funding of >\$4B in sports, only a third of Hong Kongers are getting sufficient physical activity

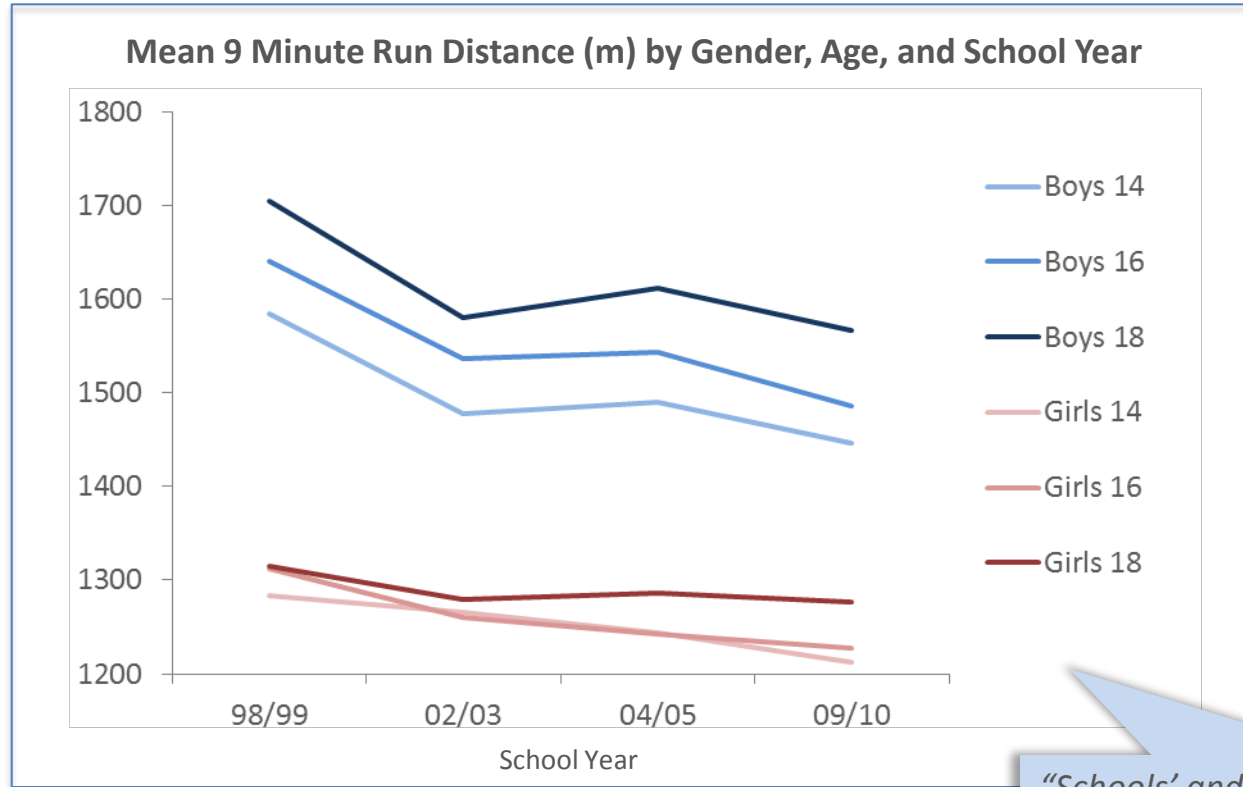


**\*\* Note:** Locally adopted BMI standards are adapted for the Asian body type and as such are different from WHO standards.



# Fitness level for Youth has been declining

**Physical performance, as measured by Hong Kong secondary schools, is declining**



*"Schools' and parents' **focus on academic performance** had made them ignore exercise, leading to generally low fitness levels."*

*- "Pressure to study leaving Hong Kong children far more unfit than mainland peers," SCMP, Jan 2015*

# Physical literacy is the foundation for lifelong physical activity

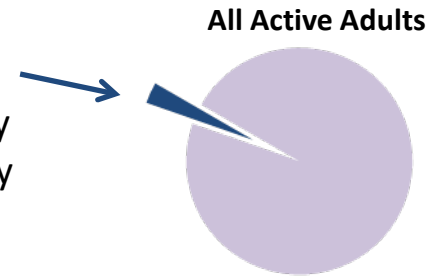
## WHAT IS PHYSICAL LITERACY?

1. **Ability:** Competency in basic movement skills and an overall level of fitness
2. **Confidence:** Knowledge that one has the ability to play and enjoy sports, resulting from inclusive and encouraging venues and programmes
3. **Desire:** Intrinsic enthusiasm for physical activity resulting from early positive experiences in sport

## WHY IS IT IMPORTANT?

Children who play sports are **8X more likely to be active** at age 24 as those who do not play sports

Only **3 percent** of adults who play sports did *not* play sports as children



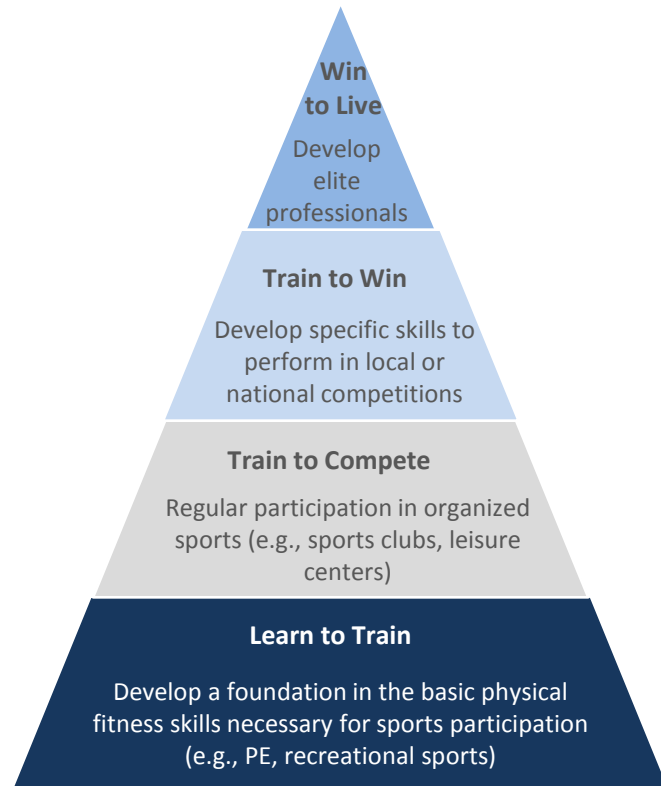
### Critical components of enhancing physical literacy

- Physical activity should be a **fun part of the child's daily life**, not something they are required to do
- The focus should be on **active play** rather than developing sports-specific skills
- The child's **relationship with the teacher / coach** should be familiar and trusting, rather than driving

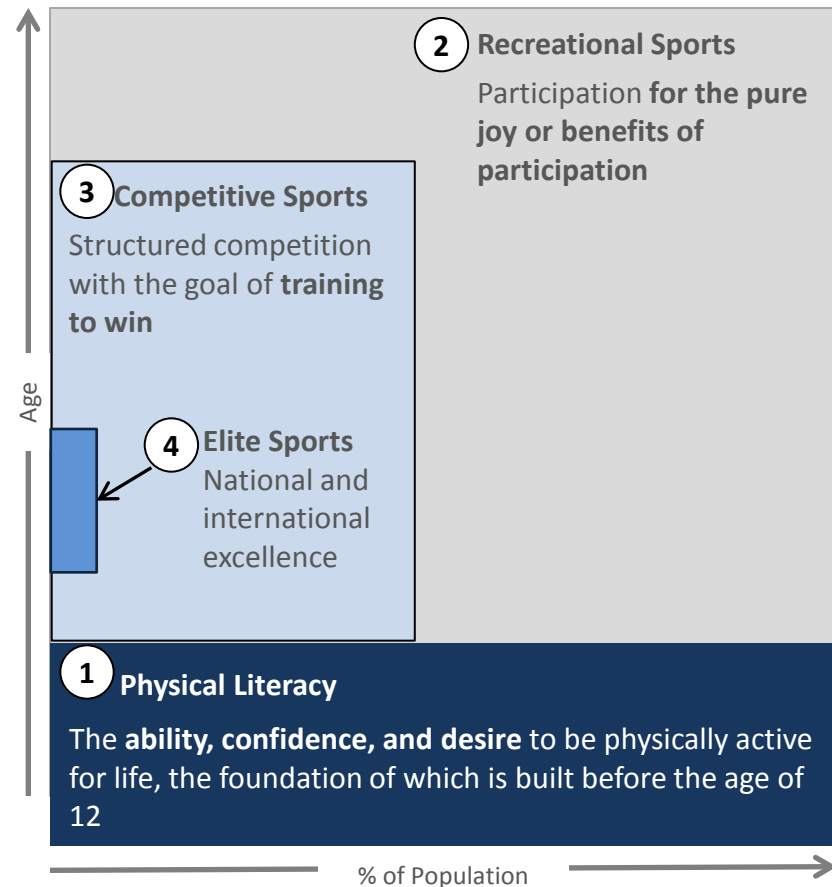
Sources: [Sports Participation as Predictors of Participation in Sports and Physical Fitness Activities in Young Adulthood](#), Perkins, 2004; [Aspen Project Play](#), 2015; Canada "Sports for Life"; FSG interviews, 2015

# The international sports landscape is shifting from a model that develops elite athletes to one that enhances sports participation for all

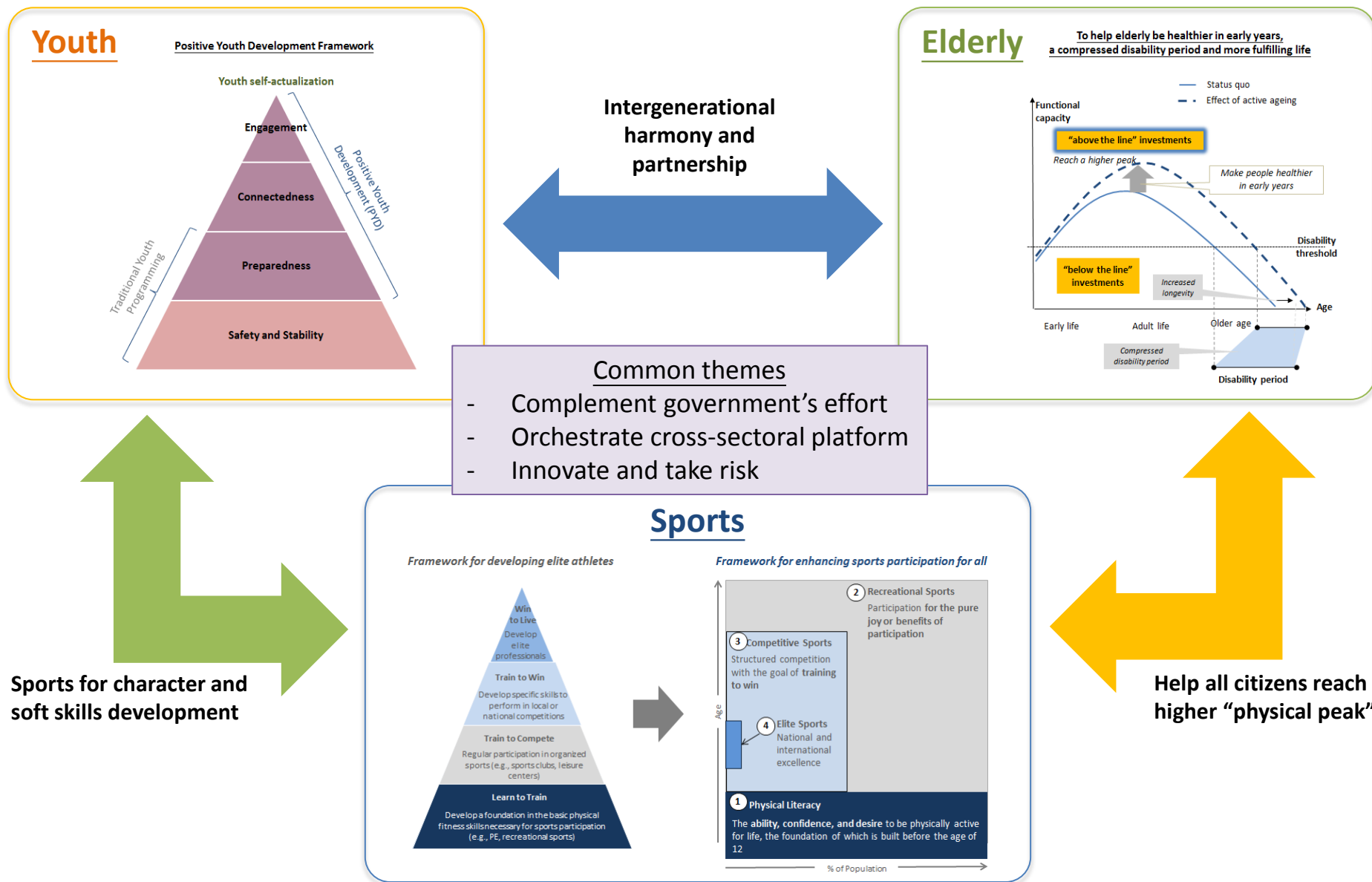
*Framework for developing elite athletes*



*Framework for enhancing sports participation for all*



# How the three strategies fit together



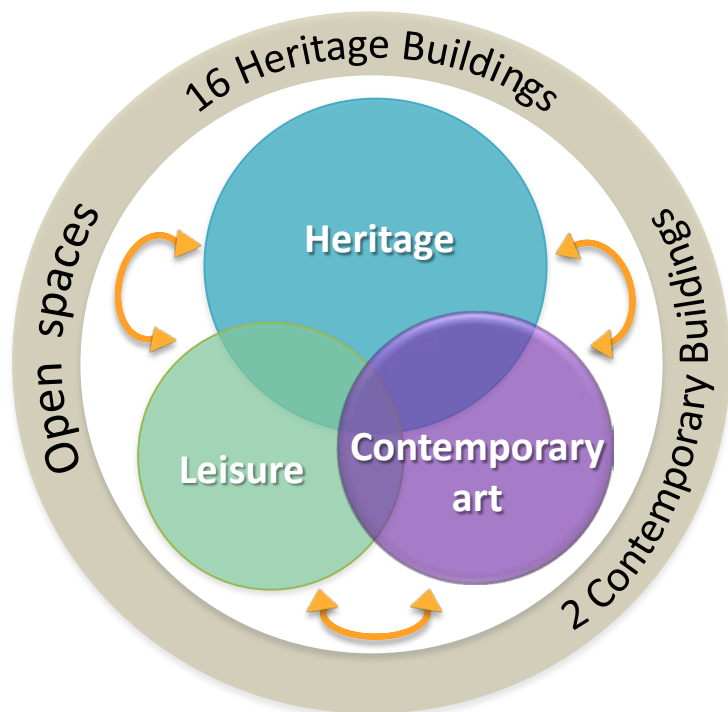
# Tai Kwun - Central Police Station Revitalisation Project



A unique cluster of 16 **heritage buildings** (in three declared monuments) authentically restored, with two new buildings to bring:

- Site-wide **heritage interpretation** programmes
- Partnering arts groups to stage **contemporary art exhibitions** and programmes
- Unique **leisure offering** for all to enjoy

Learn more: [www.taikwun.hk](http://www.taikwun.hk)





# Philanthropy for Better Cities Forum

To be held on 22-23 September 2016

[www.citiesphilanthropy.com/](http://www.citiesphilanthropy.com/)



Philanthropy for  
Better Cities Forum

Convened by  
The Hong Kong Jockey Club  
Charities Trust

- **Only forum of its kind** in the region focusing on metropolitan social issues
- Themes will cut across social issues in areas such as **youth & education**, **ageing & health**, **sustainability & cities resiliency** and **sports & community inclusion**.
- Aims to attract more than **1,000 participants** and over **300 international attendees** from across the world, in Asia-Pacific, particularly Greater China
- **Around 40 speakers** top-notch speakers envisioned
- **Online registration starts NOW!**

## Confirmed speakers:



**Michael Porter**

Harvard Business School



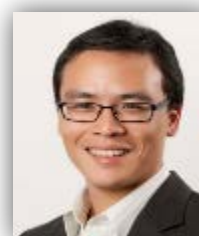
**Rip Rapson**

Kresge Foundation



**Bradford Smith**

Foundation Center



**Laurence Lien**

Asian Philanthropy Circle



**Jonathan Woetzel**

McKinsey Global Institute

# Philanthropy for Better Cities Forum - Hear from the Master



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# Thank You