

**DIGITAL FOR GOOD:**

# A Global Study on Emerging Ways of Giving

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South Korea



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**IUPUI**  
INDIANA UNIVERSITY  
Lilly Family School of Philanthropy



The Beautiful Foundation  
**Center on Philanthropy**

## About the Global Study on Emerging Ways of Giving

The Indiana University Lilly Family School of Philanthropy (school) conducted the *Digital for Good: A Global Study on Emerging Ways of Giving* to explore the emerging vehicles of philanthropy, such as crowdfunding, online giving, mobile giving, workplace giving, online volunteering, and social impact initiatives. Eight countries with significantly diverse cultures participated in this global study: Brazil, China, India, Kenya, Singapore, South Africa, South Korea, and the United Kingdom. In the study, the school worked closely with partner organizations and experts in these countries, from identifying relevant ways of giving and determining approaches of data collection to co-developing the tools for data collection and finalizing country reports to disseminating research findings locally as well as globally.

Findings from this global study are shared in a series of reports, including eight country reports and one global report. Two reports in the series have been published, discussing the emerging ways of giving in Brazil and United Kingdom, respectively.<sup>1</sup> The current report shares data and insights into the emerging ways of giving in South Korea.

With the *Digital for Good: A Global Study on Emerging Ways of Giving*, the school aims to promote the practice of philanthropy globally by enhancing the accessible information and public knowledge on the emerging forms of giving across the globe. These reports provide a deeper understanding of the concept and practice of new ways of philanthropic engagement in the eight participating countries and offer new insights and tools for civil society leaders, philanthropists, and the public to understand and shape the development of philanthropy in the years to come.

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<sup>1</sup>All reports published in this series can be downloaded at <https://globalindices.iupui.edu/additional-research/index.html>.

## TABLE OF CONTENTS

Introduction .....	4
Identified Giving Vehicles in South Korea .....	5
Key Findings .....	8
Estimated Amount Donated by Giving Vehicle in South Korea between 2016 and 2020 .....	10
1. Giving by Automatic Response Services (ARS) .....	12
2. Giving by General Interbank Recurring Order (GIRO) .....	14
3. Giving by Street Cash Donation .....	15
4. Giving by Face-to-face (F2F) Donation Pledges .....	16
5. Peer-to-peer (P2P) Donation .....	18
6. Crowdfunding .....	20
7. Charity Item Purchase 2.0 .....	22
8. Fandom Donation .....	23
9. Major Gifts .....	25
10. Bequest Giving .....	26
Conclusion .....	28
Methodologies .....	30
References .....	33
Appendix: More About Happy Bean and Kakaogachigachi .....	35



## INTRODUCTION

The COVID-19 pandemic has unprecedentedly spread across the world. It has had disproportionate and wide-ranging repercussions on life. Governments have engaged in desperate searches for viable solutions and strategies to combat the virus. However, prior experience underlined that government alone could not effectively alleviate and address all of the societal challenges that arose during the pandemic (Kövé, 2021).

During COVID-19, civil society in many countries has actively participated in providing social services (Jeong & Kim, 2021). In particular, generous behaviors have been encouraged during this time of global crisis in most of the countries in the world (Abel & Brown, 2020; CAF, 2020; Roh, 2020; Sin et al., 2021; Syropoulos & Markowitz, 2021). Experiencing social distancing due to COVID-19 induced changes in generosity behaviors and has stimulated new philanthropic vehicles to enhance charitable giving.

As one of the regional studies for the *Digital for Good: A Global Study on Emerging Ways of Giving* project initiated by the Indiana University Lilly Family School of Philanthropy, this report aims to explore and illuminate various ways of giving in South Korea, including traditional as well as new and emerging giving vehicles. Over the last decades, South Korea has experienced a growth in philanthropic activities; some rooted in traditional giving vehicles, and others realized by new or emerging vehicles (Kim & Jung, 2019). In this report, the landscape and trends of charitable giving are investigated by identifying various types of giving vehicles in South Korea. This report also provides insights into the similarities and differences in these giving vehicles between Western countries and South Korea. In addition, this report depicts changes in giving by each giving vehicle during the COVID-19 pandemic in South Korea.

## IDENTIFIED GIVING VEHICLES IN SOUTH KOREA

Although the total amount of charitable giving in South Korea cannot be estimated because of the lack of valid charitable datasets to address the size of total giving, the total itemized giving amounts can be depicted using the National Tax Statistics (NTS) data. NTS releases the total amount of the itemized charitable gifts from individuals and corporations every year. According to the 2020 NTS annual report, a total of KRW 14.4 trillion (equivalent to USD 12.6 billion in 2020, adjusted for inflation) was donated to charity in 2019 (including KRW 5.2 trillion from the corporations and KRW 9.2 trillion from individuals (equivalent to USD 4.5 billion and USD 8.1 billion respectively in 2020, adjusted for inflation)).

This section presents the identified giving vehicles in South Korea. The identified 10 giving vehicles were grouped into traditional giving vehicles and new giving vehicles in South Korea. Traditional giving vehicles include giving via Automated Response Service (ARS), General Interbank Recurring Order (GIRO), and street cash donations. New philanthropic vehicles include face-to-face (F2F) donation pledges, peer-to-peer (P2P) donations, crowdfunding, charity item purchases 2.0, fandom donations, major gifts, and bequest giving. Some vehicles were traditional in Western countries but are new in South Korea or vice versa (e.g., F2F donation pledges, bequest giving). The definitions of these 10 giving vehicles are explained below.

**1. Automated response service (ARS):** ARS refers to any automated telephone, computer, internet, or other electronic system that allows people to donate by a phone call. In South Korea, most public TV channels broadcast a charity fundraising program and operate a donation hotline while a program is on the air. ARS is streamlined to allow donors to contact the TV program, or the nonprofit organization associated with the TV program directly by a simple phone call to make a small donation (KRW 2,000; approximately USD 1.6). This is a traditional donation vehicle in South Korea.

**2. General interbank recurring order (GIRO):** GIRO is an automated electronic payment service that allows people to make a monthly payment or a one-time payment to a nonprofit organization from their bank account directly. Donors simply write the donation amount on the GIRO form received in mail and submit it to a bank. The donation is then automatically transferred to the nonprofit. This is a traditional donation vehicle in South Korea.



**3. Street cash donation:** Street cash donations are cash gifts with minimal or one-time involvement with the recipient nonprofits. Street fundraising consists of various ways of asking for donations on behalf of a charity. This is one of the simplified and traditional donation vehicles in South Korea.

**4. Face-to-face (F2F) donation pledge:** Donation pledges are a typical giving vehicle in general. A donor signs a pledge committing to give a certain amount (usually a cash donation) regularly during the signed period. Like street cash donations, nonprofit organizations initiate fundraising campaigns on the street but aim to raise not only cash donations but also pledges for donation. In general, the pledge is one of the traditional giving vehicles to provide a source of continuous and sustained donations for nonprofits in Western countries; however, F2F donations with a pledge were not popularly engaged in South Korea until early 2000s.

**5. Peer-to-peer (P2P) donation:** A P2P donation is a charitable gift made via social networks (e.g., YouTube, Facebook, or Instagram). Individuals launch a charitable campaign to fundraise on behalf of worthy causes or share a fundraising campaign page for a charity with their social networks made up of friends, family, and general individuals. Then, donors make a gift for the campaign using the P2P platform. This is a new giving vehicle in South Korea.

**6. Crowdfunding:** In general, crowdfunding refers to the raising of capital from a large and diverse pool of donors via online platforms. Although the concept of raising money from a large pool of donors has a long history, the concept of “crowdfunding” was coined in the late 1990s and early 2000s (e.g., Michael Sullivan on *fundavlog* in 1997, the British rock group, Marillion’s fundraising in 2006). Crowdfunding could be referred to as one of the variants of P2P donation. However, crowdfunding is investigated as a new giving vehicle in this study because it has uniquely evolved as a new philanthropy vehicle in South Korea.

**7. Charity item purchase 2.0:** Selling fundraising items was one of the traditional tools to raise money for charity. However, a dramatically evolved trend in purchasing charity items has been conducted since 2007 in South Korea. In particular, young donors are more likely to participate in giving via purchasing a charity item in South Korea. In this study, we consider this new trend of giving through purchasing charity items as a new vehicle in South Korea and named it charity item purchase 2.0.

**8. Fandom donations:** Fandom donation is made by fans for stars (i.e., celebrities, such as famous singers, actors, performers, athletes, etc.). It is common for a star to engage in philanthropy to elevate his/her image, and fans of the star match a donation to provide the positive power of fandoms. Fandom donations have been highly engaged via K-pop fandom and evolved in various ways. This is one of the new giving vehicles in South Korea.

**9. Major gifts:** A major gift is a large amount donated to charity. In general, a charitable gift with KRW 10 million (approximately USD 8,800) or more is considered a major gift in South Korea. Although major gifts have historically been a giving vehicle in Western countries, in South Korea it has only become a giving vehicle since 2007.

**10. Charitable bequests:** Bequest giving is a written statement as part of a will or trust that directs that a gift be made to the charity upon the death of the person who made the will. In the past, people in South Korea rarely made a will, but nowadays, more people tend to make a will. Simultaneously, more people have included a charitable bequest in their will. Therefore, in this study, giving through charitable bequests is considered as a new giving vehicle in South Korea.



## KEY FINDINGS

Giving vehicles in South Korea have evolved during the last decades while Western philanthropic culture has pervaded South Korean society. This study identified 10 traditional and new giving vehicles.

Some of these identified giving vehicles are considered traditional giving vehicles in Western countries such as the United States and European countries. However, these giving vehicles are categorized as new philanthropic giving vehicles in South Korea. For example, F2F donation pledges, charity item purchases 2.0, major gifts, and charitable bequests are typical ways of giving in Western countries, but with globalization, these giving vehicles have been promoted and broadly utilized by donors and nonprofit organizations in South Korea since the early 2000s.

Some of the identified giving vehicles are unique in South Korea. For instance, giving by ARS and giving by GIRO are traditionally common ways to donate in South Korea, but these are rarely used in other countries.

The estimated amount donated through traditional ways of giving decreased between 2016 and 2020 in South Korea, whereas the amount donated through new giving vehicles went up during the same period. The trends of the 10 giving vehicles from 2016 and 2020 are summarized below.

- The estimated amounts of **giving by ARS and GIRO** declined between 2016 and 2020, although the size of the amount given by each is still recognizable. However, giving by ARS and GIRO increased in 2020 during the COVID-19 pandemic because of their contactless features.
- **Street cash donation** was one of the traditional giving vehicles in South Korea. However, cash donations on the street have significantly decreased after 2013. Charitable fundraising on the street has become more oriented to **F2F donation pledges** rather than cash donations. Amnesty International Korea's F2F donation pledge campaign in 2005 was a trigger to highlight that F2F is a new giving vehicle in South Korea.
- **P2P giving** through SNS (social network services, e.g., Facebook, Twitter, or Instagram) has been dominated by younger donors (those in their 20s and 30s). In 2020, giving by P2P rose an incredible 850 percent (or 810 percent in inflation-adjusted 2020 USD values) compared to previous years from KRW 0.2 billion in 2016 to KRW 1.4 billion in 2020 (equivalent to USD 0.1 million and USD 1.2 million respectively in 2020, adjusted for inflation) because fundraising campaigns for COVID-19 relief by college students significantly emerged that year in South Korea.



- **Giving by crowdfunding** was introduced to South Korea in the early 2000s. However, crowdfunding has evolved distinctively in South Korea. For example, two major IT companies, NAVER and Kakao, each created a crowdfunding platform: “*Happy Bean*” from NAVER and “*Kakaogachigachi*” from Kakao. On the Happy Bean platform, people can donate not only cash, but also cyber money (called “Beans”), to a crowdfunding project. For donations made with cyber money, the company, NAVER, matches donations in cash (1 Bean = KRW 100, equivalent to about USD 0.08) through the Happy Bean Foundation. On the Kakaogachigachi platform, people can make a cash donation and participate in online activities for matching donations. For online activities (e.g., replying to a fundraising post on the platform, clicking “like” on a post), the company, Kakao, matches cash to donate per the online activity (1 click = KRW 100, equivalent to around USD 0.08). Although more people participated in non-cash donations on crowdfunding platforms, the number of cash donors steadily increased between 2016 and 2020 in South Korea.
- **Selling charity items** is one of the traditional ways of fundraising tools in Western countries, and this has similarly been used in South Korea for a long time. However, charity item purchases gained more recognition among donors in South Korea with Save the Children’s Hat Knitting for Infants campaign in 2007, leading to the phenomenon of charity item purchases 2.0. Since the Save the Children’s fundraising campaign was a huge success, nonprofits have been devoted to developing similar campaigns, including UNICEF’s “Team” bracelets. People in South Korea tend to donate by purchasing the charity items.
- **Fandom donation** is a rising giving vehicle in South Korea, especially for young donors (those in their 20s and 30s). In general, fans who are in their teens, 20s, or 30s are the main groups in the fandoms; however, when fans in their 50s and 60s participated, the amount given through fandom donations rapidly increased. For example, the total amount of gifts received through fandom donations was KRW 1 billion in 2019 (equivalent to USD 0.9 million in 2020, adjusted for inflation), but it raised to KRW 3.7 billion (equivalent to USD 3.1 million in 2020, adjusted for inflation) (+375%) in 2020 due to the large number of adult fans for trot singers (singers who sing traditional Korean songs, called “*teuroteu gasu*”) during 2020.
- **Major gifts** were not highlighted in South Korea until 2007. Since the Community Chest of Korea (CCK) initiated a major gift club named “Honor Society”, 19 major fundraising nonprofits in South Korea have operated a major gift club and major gifts have become a significant fundraising resource for these nonprofits.
- **Charitable bequests** are another new giving vehicle in South Korea that nonprofit organizations and the Korean government promote. In 2019, the Korean government declared “Donation day for charitable bequests” to stimulate charitable bequests.



## ESTIMATED AMOUNT DONATED BY GIVING VEHICLE IN SOUTH KOREA BETWEEN 2016 AND 2020

Figure 1 indicates the overall amount given with each giving vehicle included in this report in South Korea. Because different data collection methods were used, a comparative analysis of total amounts of gifts between giving vehicles is limited. Also, the estimated total amount of giving by charity item purchases 2.0 was excluded in Figure 1 due to the lack of data.

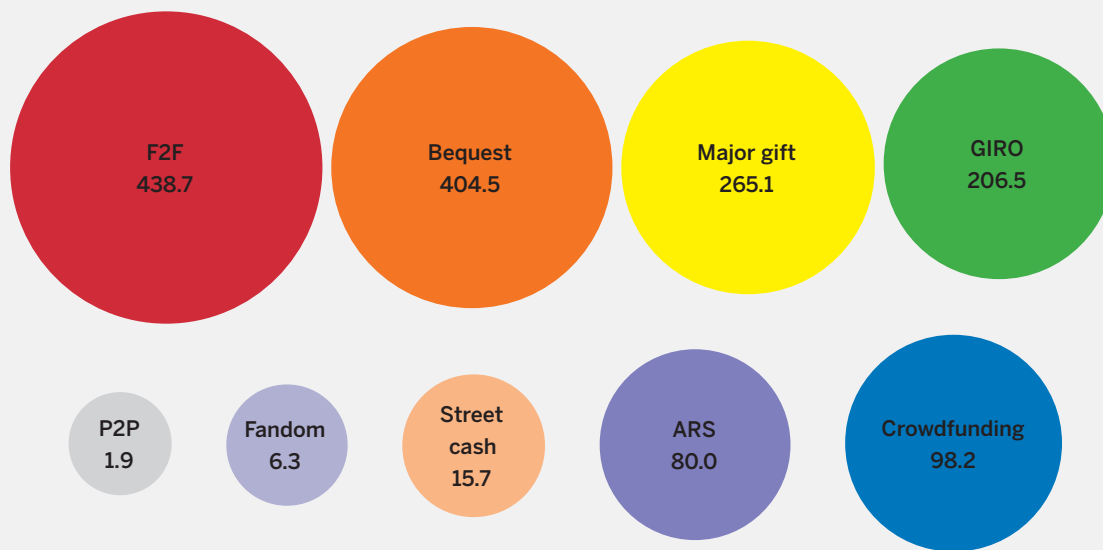
Figure 1 presents the estimated amount donated by 9 giving vehicles between 2016 and 2020. Among traditional giving vehicles,

- Gifts from ARS were estimated to be KRW 90.8 billion (equivalent to USD 80 million in 2020, adjusted for inflation);
- Donations via GIRO were estimated to reach KRW 227.8 billion (equivalent to USD 206.5 million in 2020, adjusted for inflation); and
- Street cash donations were estimated to be KRW 17.3 billion (equivalent to USD 15.7 million in 2020, adjusted for inflation).

Among new giving vehicles,

- F2F donation pledges reached an estimated KRW 487 billion (equivalent to USD 438.7 million in 2020, adjusted for inflation);
- Giving by crowdfunding was KRW 109.9 billion (equivalent to USD 98.2 million in 2020, adjusted for inflation);
- Major gifts reached KRW 295.5 billion (equivalent to USD 265.1 million in 2020, adjusted for inflation);
- Fandom donations were estimated to be KRW 7.2 billion (equivalent to USD 6.3 million in 2020, adjusted for inflation); and
- P2P donations were KRW 2.2 billion (equivalent to USD 1.9 million in 2020, adjusted for inflation).
- Gifts from charitable bequests were estimated to KRW 435.7 billion (equivalent to USD 404.5 million in 2020, adjusted for inflation), presenting the estimated amount between 2016 and 2019 only.

**Figure 1. Overall giving by each giving vehicle between 2016 and 2020  
(in millions of inflation-adjusted 2020 US dollars)**



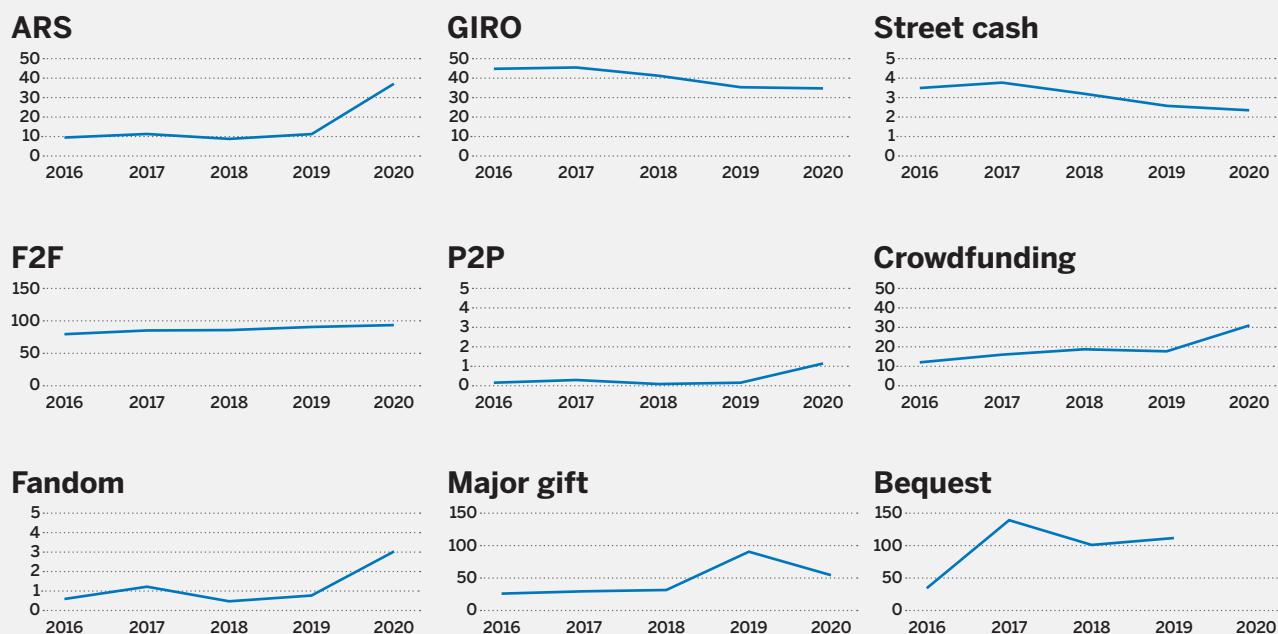
Note: 2020 data on charitable bequests were not available at the time of the data collection, so data from 2016 to 2019 were included in the estimated amount of bequests in Figure 1. Purchasing charity items 2.0 is not included due to the lack of data.

Although it is not possible to compare the size of gifts by each vehicle due to different data collection methods, the trend of giving amounts (inflation-adjusted) by each vehicle from 2016 to 2020 in South Korea was able to depict from Figure 2.

- Overall, giving by new vehicles (e.g., F2F donation pledges, P2P, crowdfunding, fandom donations and major gifts) have generally increased, whereas giving by traditional vehicles (ARS, GIRO, and street cash donations) have gradually decreased between 2016 and 2020.
- Giving by bequests reached the highest level in 2017. It declined somewhat in 2018 and 2019. It is not yet clear how the COVID-19 pandemic affected this giving vehicle in 2020.
- Gifts by ARS in 2020 were pointedly increased due to COVID-19.
- P2P giving and fandom donations sharply increased in 2020 because of COVID-19 as well.



**Figure 2. Trends of total giving by each vehicle between 2016 and 2020**  
(in millions of inflation-adjusted 2020 US dollars)



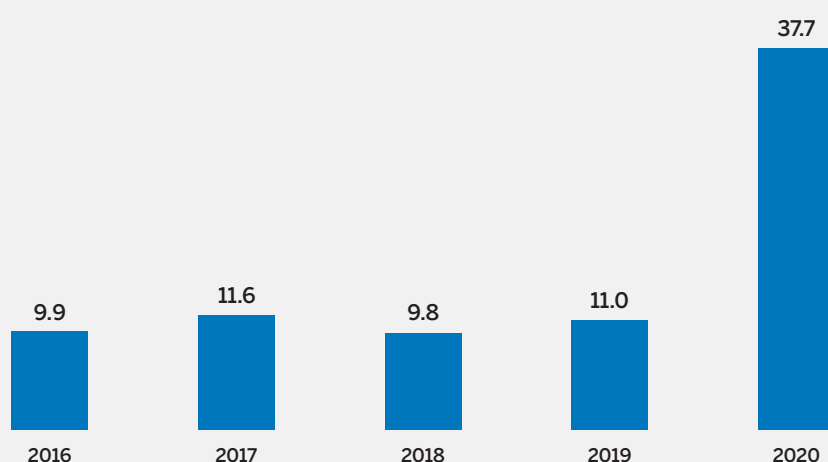
Note: 2020 data on charitable bequests were not available at the time of the data collection. Purchasing charity items 2.0 is not included due to the lack of data.

## 1. Giving by Automatic Response Services (ARS)

Charitable giving by ARS means donors make a donation by a phone call. The first charitable fundraising campaign using ARS in South Korea was initiated for the 1986 Asian Games by Korea Telecom as a pilot service. Korea Telecom set up a telephone voice mailbox for donation. The first charitable fundraising campaign using ARS with broadcasting was a TV program called “Our kids and our love” in May 1996 from Seoul Broadcasting System (SBS) to support children living without parents or guardians. The first regular TV program for charitable donations using ARS in South Korea was “Love Request” in 1997, hosted by Korea Broadcasting System (KBS) (Sin, 2002). This program raised a total of KRW 7.1 billion (equivalent to a bit more than USD 6.8 million in 2020, adjusted for inflation) in the first year. Under the motto of “Donation with KRW 2,000 (approximately USD 1.6) by just one phone call”, donations by ARS captured the attention of donors in the 2000s in South Korea. Figure 3 shows the trend of charitable donations using ARS between 2016 and 2020 in South Korea.

- The total amounts of gifts made by ARS hovered around KRW 11 billion in 2016–2019 (equivalent to around USD 10 million in 2020, adjusted for inflation). It witnessed a huge spike to KRW 44.9 billion in 2020 (equivalent to USD 37.7 million in 2020, adjusted for inflation). However, according to prior studies, giving by ARS rapidly decreased during the last several decades (Sin, 2002).
- In 2020, giving by ARS pointedly increased because of the COVID-19 pandemic. This growth was not because ARS became a preferred giving vehicle again; instead, it can be attributed to its contactless nature. Due to limited in-person interactions with others, it appears that donors have increased their participation in charitable giving through ARS.
- In general, giving by ARS is less likely to be attractive to donors in South Korea because of innumerable fundraising campaigns on TV channels using ARS as well as transparency and trustworthiness issues that some major charitable fundraising TV programs have faced (You, 2016).

**Figure 3. Trends of charitable giving by ARS between 2016 and 2020**  
(in millions of inflation-adjusted 2020 US dollars)



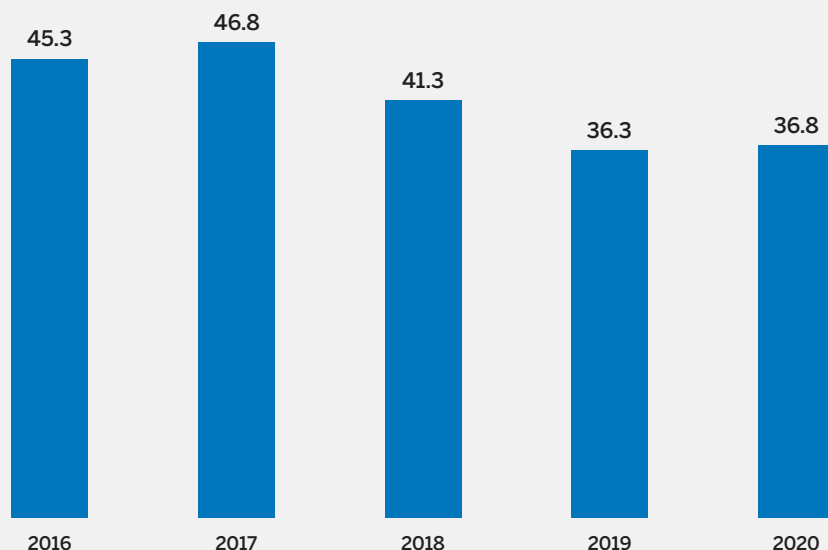
## 2. Giving by General Interbank Recurring Order (GIRO)

GIRO is an automated electronic payment service that allows you to make a monthly payment to the nonprofit organization that you want to donate to from your bank account directly. Donors fill in the amount of the donation on the GIRO form and submit it to a bank. In South Korea, donation drives with GIRO began in late 1952 by the first president of South Korea, Syngman Rhee, with the Korean Red Cross (KRC). Since 1952, KRC has issued the proclaimed amount donated through GIRO to relieve Korean War orphans and wounded veterans and their families to all households in the nation until 2022. Some other South Korean nonprofits have engaged in their charitable fundraising with GIRO, such as Compassion Korea, Korea Food for the Hungry International, Miral Welfare Foundation, Habitat for Humanity Korea, and SungGa. However, giving by GIRO has been mainly dominated by KRC, because only KRC can access the national database from the Ministry of Public Administration and Security to obtain an individual's contact information due to the Korean Red Cross Organization Act. During the last decades, fundraising with GIRO has been less of a focus for the nonprofits in South Korea because of lower participation in GIRO donations and increasing donations given by credit cards and other vehicles.

Figure 4 shows the trends of gifts by GIRO at KRC between 2016 and 2020 in South Korea. Overall, giving by GIRO to KRC have decreased during this five-year period.

- The total amount of gifts to KRC by GIRO was KRW 50.7 billion in 2016 (equivalent to USD 45.3 million in 2020, adjusted for inflation). The total amount of gifts to KRC by GIRO generally declined each year (inflation-adjusted) between 2017 and 2019. However, the total amount of giving by GIRO increased modestly to KRW 43.8 billion in 2020 (equivalent to USD 36.8 million in 2020, adjusted for inflation) because of COVID-19.
- KRC announced that they will stop sending out GIRO forms to donate starting in 2023 because this way of giving has declined and the usage of personal information from the national database at the Ministry of Public Administration and Security to send out the GIRO has been repeatedly highlighted by media.

**Figure 4. Trends of charitable giving by GIRO to Korean Red Cross between 2016 and 2020 (in millions of inflation-adjusted 2020 US dollars)**



Note: Only data from the Korean Red Cross were used to estimate the total amounts of giving by GIRO in this study due to the lack of information from other organizations.

### 3. Giving by Street Cash Donation

A street cash donation is one of the simplified and traditional donation vehicles in South Korea. Fundraisers ask for a small one-time donation on behalf of a charity on the street. Although this is one of the traditional giving vehicles, no data are available to estimate the total amount given by street cash donation in South Korea.

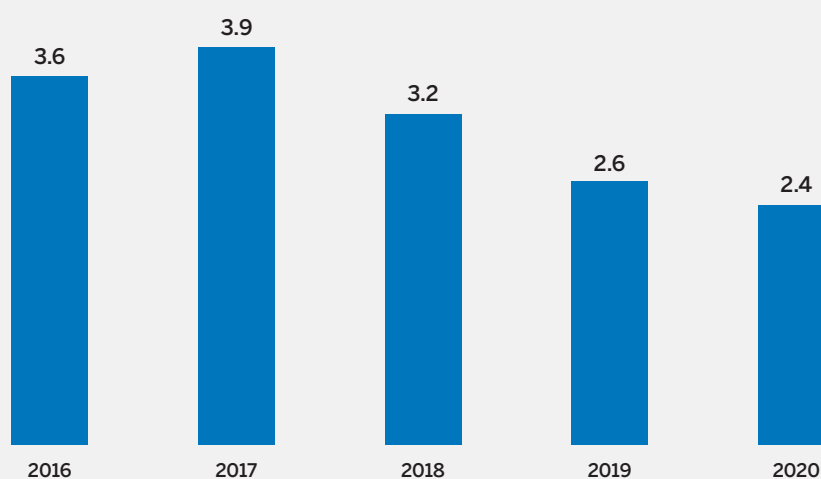
To investigate the size of giving by street cash donation in South Korea, we used the Salvation Army's holiday fundraising data in this study. Using data from only one organization limits the understanding of the general trend of street cash donation in South Korea; however, the Salvation Army's holiday fundraising is a traditionally representative example of street cash donations in South Korea. On December 15, 1928, the Salvation Army Korea (SAK) initiated the first street donation campaign as their traditional holiday fundraising. This holiday fundraising campaign has since occurred every year from November to December.



According to SAK's database, cash contributions raised through the Salvation Army charity pot grew rapidly between 2000 and 2005, reaching a record high of KRW 4.9 billion in 2013 (equivalent to USD 5.2 million in 2020, adjusted for inflation). However, the amounts of the gifts from the campaigns have steadily decreased since 2016.

- After adjusting for inflation, the total amount of cash donated to SAK by street fundraising has steadily decreased over the past few years, as shown in Figure 5.
- During the COVID-19 pandemic, overall donations by street fundraising decreased compared with previous years in South Korea due to limited in-person contact. However, the total amount of street giving in 2020 declined only slightly from the amount in 2019 because South Korea successfully controlled the spread of COVID-19 without major lockdowns in 2020.

**Figure 5. Trends of giving by street donations at the Salvation Army Korea between 2016 and 2020 (in millions of inflation-adjusted 2020 US dollars)**



#### **4. Giving by Face-to-face (F2F) Donation Pledges**

F2F donation pledges are one of the new giving vehicles in South Korea. Nonprofits in South Korea have initiated fundraising campaigns via face-to-face meetings with people on the street or in other places for a long time. However, F2F fundraising campaigns asking for pledges were rarely held in South Korea before 2005 (Guo, 2018). In general, fundraisers provide several options for the pledge to people. When a person makes a pledge to give a certain amount of giving to an organization, the organization requests the gift from the donor and follows up on donations during the signed period on the pledge.



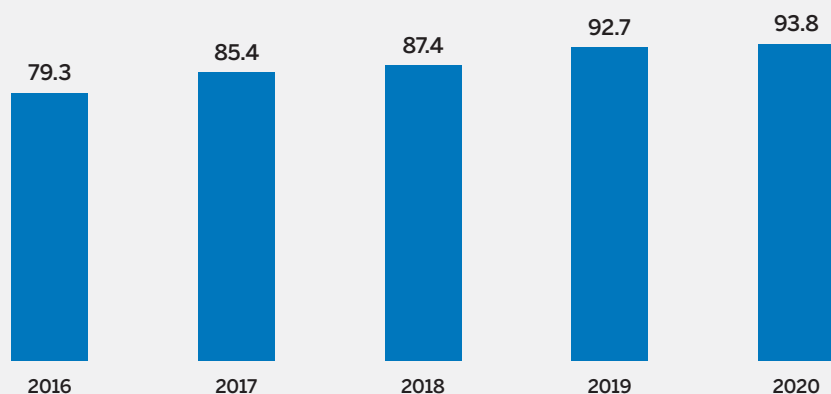
In South Korea, the first successful F2F donation pledge drive was launched by Amnesty International Korea (AIK) in 2005. AIK had less than 1,000 regular donors in 2005, but after it launched the F2F donation pledge campaign, the number of donors increased to more than 10,000 by 2011. After AIK's F2F donation pledge drive succeeded, F2F donation pledges have been implemented by other nonprofits, and people have paid more attention to F2F donation pledges in South Korea. For example, only one fundraising consulting firm specialized in F2F fundraising campaigns existed in 2005, but the number of such firms increased to 40 by 2018. Although many nonprofits in South Korea engage in F2F donation pledges, we estimated the size and scope of F2F donation pledges with six nonprofits in South Korea that are known as organizations with a large portion of F2F donation pledges. Total amounts of F2F donation pledges to these six nonprofits rapidly increased from 2005, but the growth rate slowed after 2016.

Figure 6 shows the amount donated to these six organizations by F2F donation pledges during the 2016–2020 period.

- The total amount given by F2F donation pledge gradually increased from KRW 88.8 billion in 2016 (equivalent to USD 79.3 million in 2020, adjusted for inflation) to KRW 111.7 billion in 2020 (equivalent to USD 93.8 million in 2020, adjusted for inflation).
- The COVID-19 outbreak in 2020 did not slow down the growth of giving by F2F donation pledge. According to the group interviews conducted for this study, nonprofits tend to use F2F fundraising more than before because people in South Korea intended to make more of a pledge under the COVID-19 pandemic.
- According to the focus group interviews in this study, nonprofits are more likely to transfer face-to-face fundraising to online since the COVID-19 pandemic broke out.



**Figure 6. Trends of amount donated by F2F donation pledge between 2016 and 2020 (in millions of inflation-adjusted 2020 US dollars)**



Note: Data from six nonprofits in South Korea that are known for having a large portion of F2F donation pledges are included here.

## 5. Peer-to-peer (P2P) Donation

P2P donation is defined as an individual or a nonprofit organization developing a fundraising campaign for a philanthropic purpose and spreading the word about the fundraising campaign through SNS (social network services, such as Facebook, Twitter, or Instagram). Then, an individual donates to the individual or the nonprofit organization. In general, people recognize a fundraising campaign while an individual communicates with other peers such as families, friends, co-workers, and persons in online networks. Then, the individual directly gives a donation to a charity or a beneficiary through peer-to-peer payment methods such as Venmo or Zelle (Kakao pay or Samsung pay in Korea). P2P donation is different than crowdfunding because the donations are made not through a crowdfunding platform but directly through an online money transfer method using peer-to-peer payment apps.

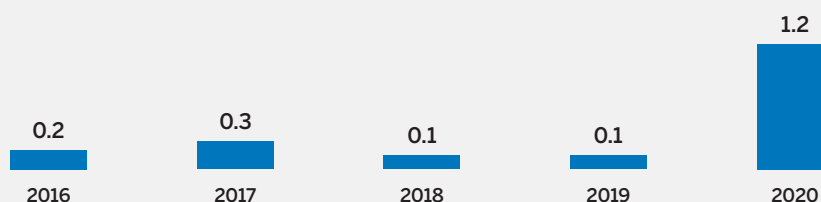
Individuals who are unfamiliar with a philanthropic donation or less trusting of existing fundraising institutions tend to prefer to use P2P giving rather than other giving vehicles in South Korea (Roh, 2020). Furthermore, the advantage of P2P giving is that the donors who participate in the campaign tend to experience a sense of affiliation with the fundraising community while driving the campaign to success. However, due to the nature of SNS-based personal communication, donors tend to be exposed to fundraising frauds caused by inaccurate or false information about the campaign. Also, gifts by P2P that are directly made to an organization or an individual beneficiary cannot receive tax benefits (Roh, 2020).

Figure 7 shows the total amounts of giving by P2P during the 2016–2020 period in South Korea. In this study, P2P donation campaigns for personal or non-philanthropic purposes were not included when estimating the size of P2P donations in South Korea.

- The estimated amount given by P2P donations remained relatively low between 2016 and 2019, at KRW 0.3 billion or less (equivalent to USD 0.3 million or less in 2020, adjusted for inflation). However, P2P gifts significantly increased in 2020, reaching KRW 1.4 billion (equivalent to USD 1.2 million in 2020, adjusted for inflation), which was an 850 percent increase (or 810 percent increase in inflation-adjusted 2020 USD values) compared with the total amount of P2P gifts in 2019.
- In 2020, people in South Korea, especially college students and young generations (those in their 20s and 30s), have vigorously participated in donation campaigns by P2P to help people in need during the COVID-19 pandemic in South Korea. For example, volunteer groups from 17 universities initiated a fundraising campaign using SNS in response to the COVID-19 pandemic. Approximately KRW 0.27 billion (equivalent to USD 0.27 million in 2020, adjusted for inflation) was raised from various campaigns. The entire fundraising and distribution processes were completely open to the public, so donors could follow how the donations were delivered to people in need. This transparent process stimulated additional donations from people in South Korea.
- Two ways of fundraising strategies are engaged regarding P2P donations. One is direct fundraising by a group using SNS. For example, an individual or group develops a fundraising campaign on an SNS platform, then spreads the word about the campaign across SNS networks. The other approach is to advertise an existing fundraising campaign from a nonprofit to promote the campaign using the SNS platform.
- P2P donations are more likely to increase when used for disaster giving. When a nation faces a natural or national disaster (e.g., wildfire, tsunami, hurricane, or COVID-19), people are more likely to participate in charitable giving via a P2P donation because the donations are directly delivered to the individual beneficiary or the recipient organization via peer-to-peer payment apps. For the same reason, the total amounts of gifts by P2P dramatically increased in 2020 in South Korea.



**Figure 7. Trends of charitable giving by P2P between 2016 and 2020**  
(in million of inflation-adjusted 2020 US dollars)



## 6. Crowdfunding

Crowdfunding is the concept of raising charitable funds from a large pool of donors using online platforms such as GoFundMe, YouTube, Facebook, or others. In the digital era, crowdfunding has arisen as a new giving vehicle for donors. According to Indiana University Lilly Family School of Philanthropy (2021), there are three models of crowdfunding, including donation-based crowdfunding, reward-based crowdfunding, and equity crowdfunding. A donation-based crowdfunding model is simply asking for a small donation from a large number of people to raise money for public purposes. Reward-based crowdfunding allows people to earn rewards based on the amount they invest. Equity crowdfunding is the online offering of private company securities to a group of people for investment and is therefore a part of capital markets (Lukkarinen et al., 2016). In South Korea, donation-based crowdfunding was introduced as a charitable giving vehicle in the early 2000s. In particular, it is used to support publicly well-recognized causes, for example, projects focusing on animal protection and rights, sanitary pad provision, and personal protection equipment provision for COVID-19.

In South Korea, there are two nationally well-known charitable crowdfunding platforms, which are “해피빈” (Happy Bean) and “카카오같이가치” (Kakaogachigachi). Happy Bean is an online donation platform launched in July 2005 by the partnership between NAVER and the Beautiful Foundation. Since 2009, the platform has become independent and has been operated by the Happy Bean Foundation.

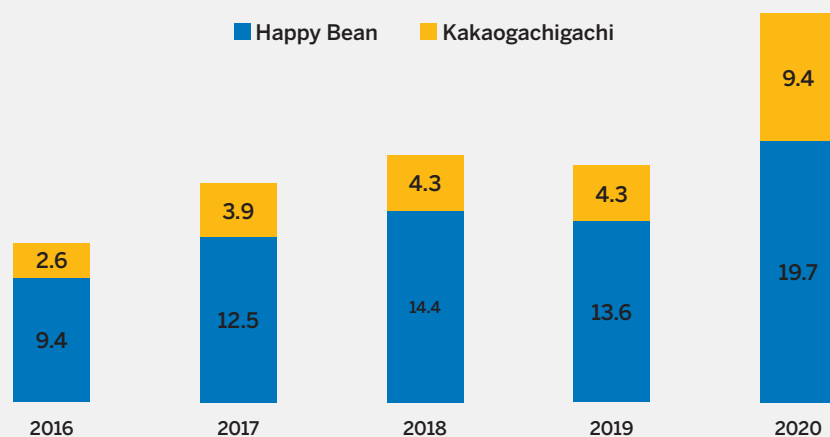
Uniquely, the concept of rewards was also introduced to crowdfunding in South Korea. On Happy Bean, people can earn “Beans” from their participation in online activities on the Happy Bean site (e.g., using an online club, posting, or blogging) and then donate their “Beans” to a fundraising campaign on the platform. NAVER further provides matching gifts in cash through the Happy Bean Foundation to crowdfunding campaigns when donors gave “Beans” to campaigns.

Kakaogachigachi was launched by Kakao, an IT company that provides cross-platform, cloud-based instant messaging software, like MS Messenger or Telegram. Kakaogachigachi, which means “with Kakao” in English, was originally launched in December 2007 as “*Damu hyphen*” and was renamed “희망해” (“*himanghae*” in Korean, “Hopeful” in English) in 2011. In 2016, the name of the platform changed to Kakaogachigachi.

This study analyzed data from these two crowdfunding platforms.

- As shown in Figure 8, charitable donations on the two crowdfunding platforms gradually increased during the 2016–2020 period in South Korea.
- The Happy Bean platform received significantly more donations via crowdfunding than the Kakao platform did between 2016 and 2020.
- During the COVID-19 pandemic, donations via crowdfunding platforms rose from KRW 21.4 billion in 2019 (equivalent to USD 18.8 million in 2020, adjusted for inflation) to KRW 36.7 billion in 2020 (equivalent to USD 30.8 million in 2020, adjusted for inflation), a growth of 71 percent (or a growth of 64 percent in inflation-adjusted 2020 USD values).

**Figure 8. Trends of crowdfunding gifts on the Happy Bean and Kakaogachigachi platforms between 2016 and 2020 (in millions of inflation-adjusted 2020 US dollars)**



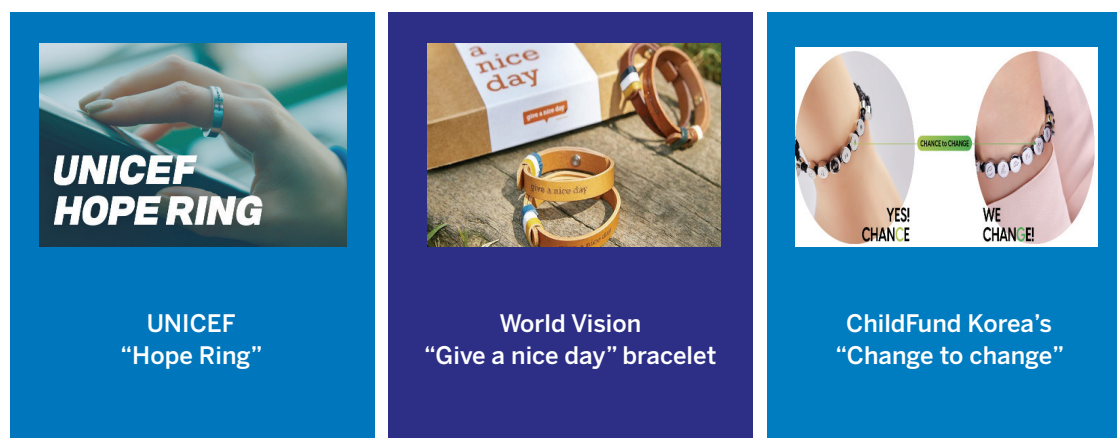
## 7. Charity Item Purchase 2.0

Purchasing a fundraising item has been a traditional giving vehicle for a long time in South Korea. Numerous South Korean nonprofits have used this approach to raise funds. However, such fundraising campaigns did not ignite significant public attention until Save the Children's Hat Knitting for Infants Campaign was launched in 2007.

Save the Children, an international nonprofit organization helping the world's children in poverty, introduced the Hat Knitting for Infants Campaign in 2007 to help infants dying from diseases that can be easily treated. Donors purchased the knitting kits and made hats with their own hands. Then the organization shipped the hats to infants in developing countries. The Hat Knitting for Infants Campaign received great public attention. Save the Children Korea raised KRW 1 billion (which is approximately USD 0.8 million) per year from the campaign and the campaign is still ongoing. Since the campaign had a huge success, giving by purchasing charity items has become a popular way of giving in South Korea.

This giving vehicle is formatted with two different models in South Korea: 1) purchasing a fundraising product, or 2) receiving a reward for a donation. First, as a typical way to donate, a donor purchases the fundraising items from a charity to donate. The second model, receiving a reward for a donation, is unique in South Korea. A nonprofit makes a unique design of an item and provides the item to a person who makes a pledge to donate. People in South Korea tend to donate to own such items. For example, as shown in Figure 9, UNICEF's "Hope Ring" is one of the most successful charity items in South Korea. World Vision Korea's "Give a nice day" bracelet and ChildFund Korea's "Change to change" bracelet are other examples of charitable items.

**Figure 9. Example of charity items in South Korea**



Due to the lack of published data on donations by purchasing fundraising items in South Korea, the total amount given through this vehicle could not be estimated. However, one interviewee in this study shared that selling a fundraising item with a bracelet is the most significant vehicle for new donors at the agency. The Millennial generation has a strong interest in being a donor while purchasing charitable items.

## 8. Fandom Donation

Fandom refers to accumulated fan communities, through which individuals are connected by their love for a celebrity, generally singers, actors, and sport stars (Lamerichs, 2018). Fandom donation is a common fannish activity that refers to fans raising money for charitable causes.

Celebrities use the power of fandom to make a positive impact on the world. Fandom donations is one of the outstanding activities that both celebrities and fan communities organize through fandom events, conventions, special appearances, and media events for charitable donations. Fandom donations tend to be organized to support a specific cause, such as children with unusual diseases, COVID-19, ALS patients, or natural disasters.

Fandom communities in South Korea had intermittently organized support following their celebrity making a donation to a charity. Idol fans began to present rice bags, instead of flower wreaths, to show support to stars and their participation in philanthropy in 2007. The public paid attention to and applauded this campaign because it achieved two aims at once. Since then, the fandom donation has risen in South Korea.

There are diverse types of fandom donations. For example, a fandom can organize cash or in-kind donation campaigns or collaborative fundraising campaigns with a charity to support reforestation, building a well, among other causes.

Figure 10 shows the total estimated amounts given by fandoms during the 2016–2020 period in South Korea. The total amount of fandom donations may be larger than the estimates in this study, because limited data were collected. Most of the collected data on fandom donations are the gifts of over KRW 10 million (which is approximately USD 8,000), because smaller donations were not likely to be reported on the news.



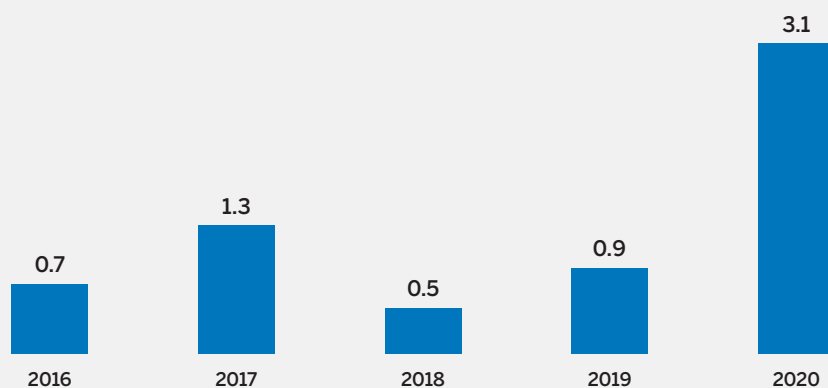
- Between 2016 and 2020, the estimated total amount of fandom donations has risen and fallen. However, the giving amount significantly increased in 2020.
- In 2020, fandoms drove aggressive fundraising campaigns to respond to the COVID-19 pandemic. As a result, fandoms donated a total of KRW 3.6 billion to charity in 2020 (equivalent to USD 3.1 million in 2020, adjusted for inflation).

In general, fandom donations in South Korea have been mainly led by fandoms for K-pop stars. For example, the BTS ARMY (Adorable Representative NC for Youth, the fan group for BTS) led the trend of giving. Its fan groups are comprised of those in their teens, 20s, and 30s.

However, a group of the new generation of Korean traditional song singers (called “Trot singer” in Korean) became superstars in 2019, and fandoms for these singers have rapidly increased since 2019. They also participated in fandom donations in 2020, significantly increasing the average size of donations within a short period of time, as their main fanbase is people in their 30s and 40s with their own income and financial resources.

In addition, fan groups are initiating their own charitable fundraising campaigns to help specific issues or organizations on behalf of their stars, instead of donating to the organization(s) that their stars are appointed. This trend indicates that fandom donation is evolving from charity to philanthropy in South Korea, because fandom donation has become more systematic, planned, and structured.

**Figure 10. Trends of fandom donation between 2016 and 2020  
(in millions of inflation-adjusted 2020 US dollars)**





## 9. Major Gifts

Major gifts often constitute a large amount of donations that a nonprofit receives. Major gifts have been used as a significant fundraising tool in the United States. As the 80/20 rule states, roughly 20 percent of donors make the 80 percent of the total donations. Regardless of the exact percentage, nonprofit organizations in the United States endeavor to maintain a well-constructed major gift program in place, reflecting the Pareto principle in fundraising (Dunlop, 2002).

However, major gifts were not highlighted in South Korea until the Community Chest of Korea (CCK) created a major gift club called “Honor Society” in 2007. CCK started a major gift club by benchmarking the “Tocqueville Society” at United Way Worldwide and initiated a membership drive for the “Honor Society” for donors who donated KRW 100 million (which was over USD 88,000 then) or who pledged to donate KRW 100 million within five years after their pledge. The “Honor Society” campaign was successful, and major gifts became one of the new giving vehicles in South Korea. According to Kang (2007), the interest in major gifts has increased because of the increase in wealth and wealthy people, economic growth, and growth of philanthropic culture in South Korea.

Since the “Honor Society” was a huge success, major nonprofits in South Korea have devoted themselves to creating major gift clubs during the last several years. Although the exact amount of money that is considered a major gift varies from organization to organization, in general, a donor who donates KRW 100 million (approximately USD 80,000) or who donates KRW 10 million (approximately USD 8,000) per month could be a member of a major gift club.

As of 2020, a total of 19 large nonprofits operate a major gift club in South Korea. In this study, we used data from eight organizations to estimate the total amount of major gifts, due to limited data accessibility. Even the eight organizations that shared their data requested to remain anonymous in this study.

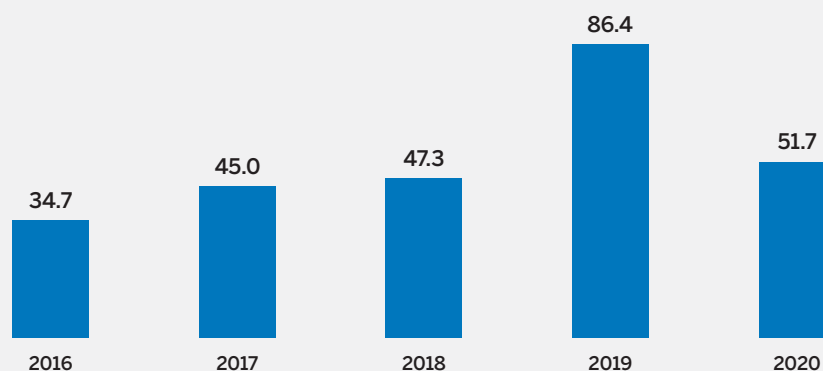
Figure 11 shows the amounts received in major gifts by these 8 large nonprofits in the 2016–2020 period in South Korea.

- The total amount of donations from major gifts at these eight nonprofits has gradually increased between 2016 and 2020.
- In particular, the total amount of major gifts in 2019 was exceedingly higher than other years because of unprecedented major gifts from venture philanthropists. For example, the CEO of BAEMIN (‘*Baedal Minjok*’ or ‘Nation of Delivery’), who is known as a venture philanthropist in South Korea, donated KRW 2 billion (equivalent to USD 1.8 million in 2020, adjusted for inflation) to CCK’s “Honor Society” in 2019.



- A special major gift became a trigger to stimulate major gifts in South Korea. Since the BAEMIN CEO made the major gift to the Giving Pledge campaign led by Bill Gates in 2021, venture capitalists who have achieved economic success in the private sector are more likely to join major gift clubs in South Korea (Joo & Park, 2018).

**Figure 11. Trends of the amounts of major gifts made to 8 large nonprofits in South Korea between 2016 and 2020 (in millions of inflation-adjusted 2020 US dollars)**



## 10. Bequest Giving

A charitable bequest is a donation to a charity explicitly stated in someone’s will or trust. Although charitable bequests represent a relatively small proportion—8 percent—of the total charitable giving in the United States (Giving USA, 2021), a charitable bequest is a well-known giving vehicle in Western countries such as the United States and European countries. However, a charitable bequest is one of the new giving vehicles that has recently emerged in South Korea.

In 2019, the Korean government declared “Donation day for charitable bequests” and amended legal regulations to stimulate and promote charitable bequests (S. M. Lee, 2019). Although cultural, practical, and legal hindrances still exist, public awareness about charitable bequests increased during the last decades in South Korea.

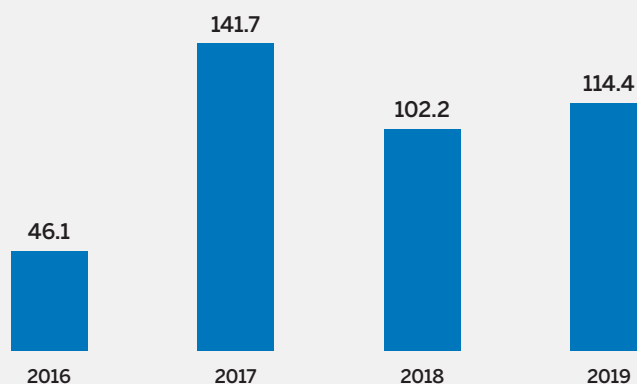
Figure 12 presents the trends of charitable bequests between 2016 and 2019 in South Korea. This study uses national tax statistics data from the NTS to estimate the total amounts of bequest giving. The estimates for charitable bequests here include gifts that are eligible to be claimed as charitable deductions when an estate

files an estate tax return. In terms of estate tax returns, two types of bequests are considered charitable in South Korea: 1) the property value given to a public corporation<sup>2</sup>, and 2) the property value given to a public trust.

The estimates of bequest giving are larger than the estimated amounts of each of the other giving vehicles in this study, not because the actual total amount of bequest giving is bigger than others, but because we used a national tax dataset to estimate the size of bequest giving and the data are more complete here. The estimates include all charitable bequests that are reported for tax deduction in South Korea. According to S. S. Lee (2019), charitable bequests are estimated to be 0.5 percent of total amounts of charitable giving in South Korea in 2019. In addition, only 0.6 percent of total estate tax returns were charitable bequests in 2019.

- Between 2016 and 2019, the estimated total amount of charitable bequests has fluctuated, but the estimated amount exceedingly increased in 2017 from 2016. However, data were too limited to examine the reasons behind this increase.
- After the total amounts of charitable bequests reached KRW 143 billion in 2017 (equivalent to USD 141.7 million in 2020, adjusted for inflation), the total amount of bequest gifts declined somewhat, but still remained at over KRW 100 billion in 2018 and 2019 (equivalent to over USD 100 million in 2020, adjusted for inflation).

**Figure 12. Trends of charitable bequests in South Korea between 2016 and 2019 (in millions of inflation-adjusted 2020 US dollars)**



Note: 2020 data on charitable bequests were not available at the time of the data collection.

<sup>2</sup> Public corporation, called *Goingsick bubin* in Korean, is a legally established nonprofit organization. Specifically, the organization that was enacted by the Establishment and Operation of Public Interest Incorporation Act of 1976 is deemed to be *goingsick bubin* in South Korea. This parallels U.S. organizations that are registered under the IRS 501(c) tax category (Kim & Jung, 2020).



## CONCLUSION

People donate to charity via diverse types of giving vehicles, and the vehicles have evolved in recent years as philanthropy has functioned in a unique environment. In particular, the COVID-19 pandemic has disrupted normal giving patterns in ways that researchers do not understand yet. This study aims to investigate philanthropic giving vehicles in South Korea and estimate the trend of giving for each identified giving vehicle between 2016 and 2020.

In this study, 10 giving vehicles were identified in South Korea, including 1) giving via automated response service (ARS), 2) giving via general interbank recurring order (GIRO), 3) street cash donation, 4) face-to-face (F2F) donation pledges, 5) peer-to-peer (P2P) donation, 6) crowdfunding, 7) charity item purchase 2.0, 8) fandom donation, 9) major gifts, and 10) charitable bequests.

The amounts of total giving by each vehicle were estimated using data collected mainly from two methods—desk research and focus group interviews with fundraising professionals. We conducted intensive web research using NAVER, a South Korean online search engine, to collect data. However, it is impractical to compare the size of gifts across giving vehicles because different data collection methods were used to estimate the size of giving by each vehicle. The findings of this study could not provide a complete estimate of the total giving amounts of each giving vehicle due to the lack of comprehensive data. However, the information in this study provides general insights into the trends of the identified giving vehicles in South Korea.

Overall, total amounts given by each of the three traditional giving vehicles have generally decreased, while giving by each of the seven new vehicles has gradually increased between 2016 and 2020 in South Korea. However, giving by two traditional giving vehicles, ARS and GIRO, also increased in 2020 due to the COVID-19 pandemic.

F2F donation pledges and P2P donations using SNS or online platforms have gradually increased between 2016 and 2020 in South Korea. Particularly, P2P giving increased dramatically during the COVID-19 pandemic.

Crowdfunding gifts have developed uniquely in South Korea. Donation-based crowdfunding has become popular in South Korea. In particular, the concept of rewards was introduced to crowdfunding and encouraged more people to participate in crowdfunding in support of charitable causes. Specifically, people can make a

donation either in cash or reward (e.g., Beans—rewards earned from participating in online activities). Another crowdfunding platform allows people to donate through their online activities, as measured by the amount of activity on the platform.

Selling charity items to raise funds has a long history in South Korea. However, selling charity items did not receive significant public attention until 2007 in South Korea. Since “the Hat Knitting for Infant Campaign” launched by Save the Children in 2007, selling charity items has been a fundraising tool for many nonprofits in South Korea. People in their 20s and 30s are more likely to purchase charity items as these items tend to be considered a new trending item, a so-called “it” item, for young people.

Fandom donation is another new way of giving in South Korea. Fandoms used to support their stars’ charitable donations occasionally. However, fandom donations have systematically evolved as a philanthropic giving movement in South Korea since 2007. Particularly under the COVID-19 outbreak, fandom donations exponentially increased in 2020.

Major gifts and charitable bequests have only been noticed by the general public since the early 2000s in South Korea. The South Korean government promoted charitable bequests by introducing the “Donation day for charitable bequests.” The number of major gift clubs has also been increasing.

In general, nonprofit professionals in South Korea highlighted that legal complications related to charitable giving are still present and delay the introduction of additional giving vehicles such as charitable endowment, donor-advised funds, among others. However, new forms of giving will appear as the South Korean philanthropic culture and technology advance. We anticipate that other new ways of giving will be introduced in South Korea, such as donations by non-fungible tokens, virtual money, or PIN technology.



## METHODOLOGIES

The research team conducted various data collection methods to identify the types and trends of various giving vehicles. The two major data collection methods used in this study were 1) rigorous desk research, and 2) focus group interviews.

Specifically, the list of giving vehicles in South Korea was determined via a systematic review of South Korean philanthropic giving studies, including journal articles, theses and dissertations, and reports from organizations and practitioners using rigorous and robust web search.

Based on the listed giving vehicles, we conducted focus group interviews with fundraising professionals working at the top 20 fundraising organizations in South Korea. The top 20 fundraising organizations are listed by the fundraising revenue size identified by the NTS. Focus group interviews were conducted to cross-check the identified giving vehicles and the estimated amount of donations given via each vehicle. Furthermore, the research team collected the institutional data from the interviewees to estimate the total amount of gifts for each giving vehicle if such data were not available online.

In this study, data between 2016 and 2020 were collected to estimate the total amount of gifts per giving vehicle in South Korea. Detailed information about the data collection method for each giving vehicle is summarized below. In addition, all estimated amounts of gifts were presented in the original KRW values and also converted to equivalent USD values<sup>3</sup>, adjusted for inflation based on 2020 USD values.<sup>4</sup>

1. Estimates of giving by automated response service (ARS): Donation amounts by ARS per year were estimated using three different methods. First, the research team collected total amounts of giving by ARS from the four major public TV channels in South Korea, including KBS, MBC, SBS, and EBS. The four TV channels posted giving by ARS on their websites. Second, using the keyword “ARS,” news articles and publications from 2016 to 2020 were collected via Google, NAVER, and Daum (Korean web search engines). Lastly, the research team also collected data from the five nonprofit organizations that shared their information during the focus group interviews. While the top 20 nonprofits who conduct fundraising via ARS in South Korea were reached out, only five organizations participated in this study. All three researchers in this study cross-checked possible duplications and eliminated them in the total estimates.

<sup>3</sup> Source: <https://www.xe.com/currencytables>

<sup>4</sup> In the Korean version of the report, all amounts of gifts were presented in inflation-adjusted 2015 KRW values. Therefore, they may be slightly different from the original KRW values included in the English version of the report.

2. Estimates of giving by general interbank recurring order (GIRO): Due to a lack of information regarding giving by GIRO, the research team conducted a case study to estimate the size of giving by GIRO in South Korea. Korean Red Cross (KRC) is the most representative organization that used GIRO for their national fundraising initiatives during the last several decades. Therefore, the estimated giving amount by GIRO is based on KRC's institutional data.
3. Estimates of giving by street cash donation: None of the datasets provide the overall size of giving by street cash donations to nonprofits in South Korea. Therefore, in this study, the research team estimated the size of giving via street cash donations from the Salvation Army of Korea's holiday giving campaign. The campaign is one of a few nationwide and historical street cash donation campaigns conducted in the last 50 years in South Korea.
4. Estimates of giving by face-to-face (F2F) donation pledge: Due to a lack of data for the total amount given via F2F donation pledges, the amount was estimated using the total donations to six organizations that are famous for F2F fundraising in South Korea. In particular, the ratio of F2F donation pledges was calculated by the fundraising staff at each organization and was cross-checked by an independent professional in South Korea. Based on this information, the research team estimated the total amounts given via F2F donation pledges between 2016 and 2020.
5. Estimates of giving by peer-to-peer (P2P) donation: This study collected only P2P donations for charitable purposes via robust web search using NAVER, an online search engine in South Korea. Also, we searched specific YouTube channels, Instagram accounts, and Facebook channels associated with P2P fundraising for public good based on the keywords suggested by a prior study. The listed keywords include 'student donation,' 'student fundraising,' and 'juvenile fundraising and donation' (Roh, 2020). All three researchers in this study double-checked duplications and excluded them in the estimated amounts donated based on the collected information. In particular, the researchers excluded giving solicitations by P2P for personal purposes (e.g., fundraising solicitation for a return flight ticket from another country to South Korea due to the COVID-19 pandemic).
6. Estimates of giving by crowdfunding: Due to limited data on crowdfunding in South Korea, the research team conducted two case studies—"해피빈 (Happy Bean) and "카카오같이가치 (Kakaogachigachi)—to estimate the amounts given through crowdfunding. The annual total amounts given on each platform between 2016 and 2020 were collected from the platforms' websites.



7. Estimates of giving by charity item purchase 2.0: To estimate the total amounts of gifts by selling charitable items, first, the researchers listed the top 20 largest fundraising organizations in South Korea. Second, the researchers identified 23 campaigns that sell charitable items from 14 of those organizations. Finally, the research team collected data on giving amounts by selling charity items through a web search using NAVER to estimate the total amount of giving by this giving vehicle.
8. Estimates of giving by fandom donation: The size of gifts via fandom donation in South Korea was estimated through a web search using NAVER. Between 2016 and 2020, 306 donation cases from 104 different fandoms were examined in this study.
9. Estimates of giving by major gifts: Based on prior studies, the research team identified a total of 19 organizations that operate a major gift club in South Korea. The research team contacted the organizations to request data regarding the major gifts and received the annual amounts of major gifts from eight organizations.
10. Estimates of giving by charitable bequests: In this study, the research team used NTS data to estimate the size of bequest giving in South Korea. Due to the inheritance tax deduction, bequest giving should be reported to the NTS. The estimated amounts of bequest giving in this study are nationally representative, unlike the estimated gift sizes of other giving vehicles included in this study.



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## APPENDIX: MORE ABOUT HAPPY BEAN AND KAKAOGACHIGACHI

Happy Bean is a popular crowdfunding platform in South Korea. Donors can donate cash to a fundraising campaign on the platform, or they can give a “Bean” that they earned while they complete various online activities on the Happy Bean site (e.g., using an online club, posting, or blogging) to a fundraising campaign on the platform. When a donor donates “Beans” to a campaign on the platform, the company, NAVER, provides a matching gift in cash through the Happy Bean Foundation to the campaign (1 Bean equals KRW 100, or approximately USD 0.08).

**Figure A. Trends of giving by Bean or cash donation on the Happy Bean crowdfunding platform between 2016 and 2020, number of participants by donation type**

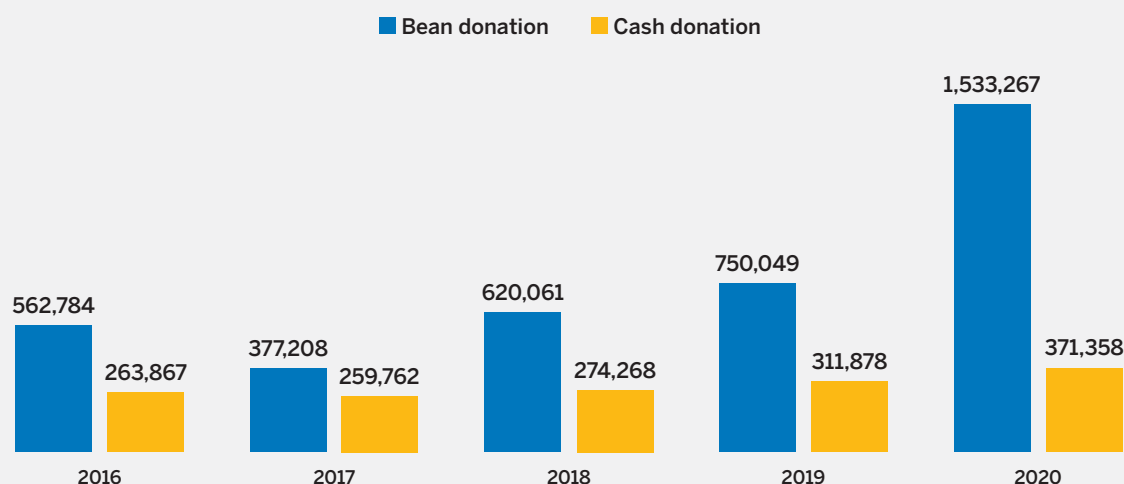


Figure A shows the growth of donations at the Happy Bean platform by Bean and cash donations between 2016 and 2020.

- In 2005, a total of 548,570 people participated in the donation campaigns on the Happy Bean platform. While 99.1 percent of donors participated in donation with Beans, only 0.9 percent of donors (i.e., 4,910 donors) gave a cash equivalent donation.
- However, cash donations slowly increased between 2005–2015 (the average percentage of cash donors was 4.5% per year during this period).



- During 2016–2020, cash donors have proportionally grown compared with previous years. An average of 30.4 percent of donors made a cash donation per year between 2016 and 2020. In particular, 40.8 percent of donors using the Happy Bean platform gave a cash donation to charity.
- In 2016–2020, the number of Bean donors generally increased except in 2017. However, the number of Bean donors rose exponentially in 2020 during the COVID-19 pandemic.

Kakaogachigachi is another popular crowdfunding platform in South Korea. Donors can donate cash gifts through the platform or through their online activities, such as replying to a fundraising post on the platform, clicking “like” on a post, or sharing a link to other SNSs such as Facebook, Instagram, and others. For example, when a platform user clicks a fundraising campaign posted on the platform, Kakao Corp. matches KRW 100 (USD 0.08) per click on the campaign. The company makes matching donations up to KRW 3,000,000 (approximately USD 2,570) per person. As an example, when a person participates in a fundraising campaign via clicking “like” 300 times, Kakao Corp. matches KRW 3,000,000 and the money is transferred to the charities that the person selected.

**Figure B. Trend of giving by type of donation on the Kakaogachigachi platform between 2016 and 2020, number of participants in thousands**

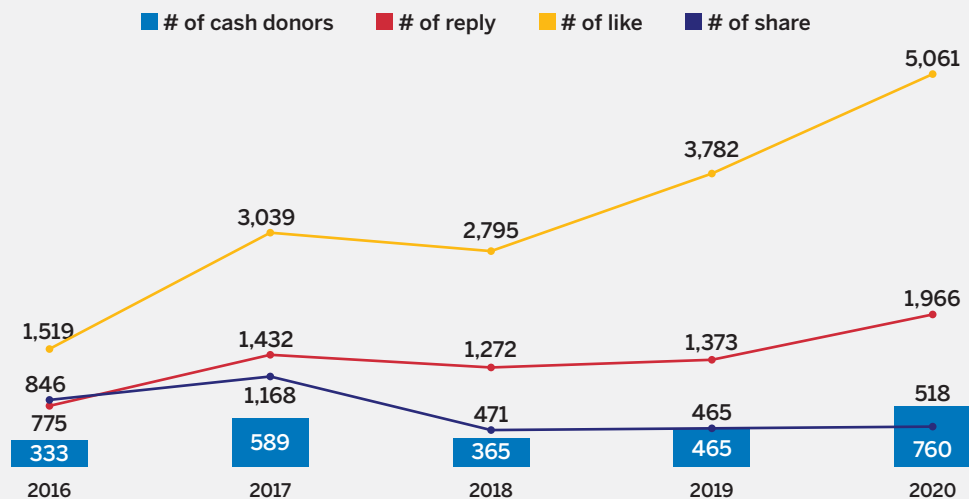


Figure B shows the growth of donations at the Kakaogachigachi platform by cash donation and online activities between 2016 and 2020.

- Between 2016 and 2020, the number of people that participated in non-cash donations (replying, clicking “like”, or sharing the link), on this platform exceeded the number of cash donors.
- In particular, the donors are more likely to participate in a simple online activity (e.g., clicking “like” on a posted fundraising campaign on the platform) than other online activities such as writing a reply or linking the post to other SNSs.
- The number of cash donors has gradually increased since the creation of the platform. In 2008, about 88,000 people made cash donations. In 2016, 333,000 people donated cash to a fundraising campaign on this crowdfunding platform, showing an increase of 378 percent.



### **Researched by The Center on Philanthropy at The Beautiful Foundation**

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## A project led by Indiana University Lilly Family School of Philanthropy

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