

Charitable Crowdfunding in the Philippines: An Integrative Review of Theories, Processes, and Future Directions

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ABSTRACT

This paper explores the notion of charitable crowdfunding, which sits at the intersection of digital technology and the Filipino value of bayanihan (community spirit). While charitable crowdfunding is a 21st century phenomenon, it is embedded in a human value that has long been part of Filipino culture. However, there has been a lack of scholarly research on charitable crowdfunding, especially in the Philippine context—a gap which this paper seeks to address through a literature review. The authors initially provide an orientation on the concept of crowdfunding and its related theories and processes. This was followed by a discussion of trends and challenges in an international context prior to focusing on the state and key factors affecting charitable crowdfunding in the Philippines. The article concludes with the study's implications for research and policy.

Keywords: Charitable, Crowdfunding, Community, Resource Mobilisation, Social Capital

INTRODUCTION

Crowdfunding is the practice of raising money from a possibly limitless number of people, from anywhere, on the internet. This word is an umbrella term that encompasses a wide array of fundraising activities. There are many specific approaches to how crowdfunding is done. First is the donation model, wherein contributors give money for a project with no expectations of getting anything back in return for their contribution. This is quite a similar concept to a charity donation, but donors are not exempt from or bestowed credit for taxes for the donation. Secondly is the reward model, wherein contributors are given “rewards” for their contributions. These rewards can go from something small, such as tokens of appreciation, to something as large as valuable services or products to be given to those who provided larger contributions. This model, however, has been receiving legal challenges, as some people believe that their contributions are simple acts of “buying” due to the two-way transaction, which leads to lawsuits when the reward does not occur. The third type, which is the equity model, is where the contributor invests their money in exchange for equity or debt security in a company (Vargas et al., 2015). The last type is called lending, wherein contributors are lending or loaning money to other individuals or companies. These contributors are more accurately coined as investors who are guaranteed to receive some sort of interest on the amount that they invested after a set period of time (Melnikova, et al., 2020).

The distinct nature of donation-based crowdfunding is found in its role as an emerging type of philanthropic funding model. This model is distinguished by a “pure” form of donation as these are coming from individuals who do not expect or want anything in return for their contributions, whether it be financial or non-financial gains. Their intentions are simply initiatives rooted in their belief in public benefit or common good. This model has emerged as an alternative method for fundraising, sparked by nonprofit organizations venturing to support the public amidst economic constraints (Salido-Andres et al., 2021).

The internet has played a huge role in the global rise of crowdfunding or “online giving” in general. It provided a platform where it has dramatically decreased the difficulty, barriers, and costs associated with “searching” and “matching” between entrepreneurs and potential investors, funders, lenders, or contributors.

By reducing these issues, many online platforms emerged, wherein it made it more convenient to find and contribute to projects that align with them, driving the growth of crowdfunding (Agrawal et al., 2014). Crowdfunding further grew in popularity post-pandemic due to a widening disconnect between the increasing needs of the people and inadequate social safety nets at that time. Platforms like GoFundMe gained traction as one of the mediums where people are able to receive direct support, and it continued to build momentum to keep supporting certain campaigns (Igra, et al., 2021). In moments of disaster, crowdfunding becomes a popular alternative mode of channeling financial help for those who are vulnerable and affected by disasters or major crises. Crowdfunding appeals to contributors who are inclined to be prosocial in times of need and are motivated by their desire to simply help others (Wang, et al., 2024).

The Filipino people have long been characterized as being “makabayan.” Within this term is a word called bayan which directly translates to town or nation and conveys a sort of faith or comradeship toward one’s own nation. In the Philippines, the bayanihan spirit has long been an ancient custom that symbolizes the strong culture of community-driven support and group collaboration. Being makabayan is also known, or called, within the country as “tulungan” or “damayan,” which is a structure of a wide-reaching network of people who demonstrate the willingness to mutually cooperate and help each other, rooted in the family-orientedness and strong village life culture in the Philippines. There are several cases of the Filipino community showing their bayanihan spirit. One of the most common stories is the village effort of carrying people’s whole houses on their shoulders to a new location in the past (Ang, 1979).

Additionally, the Philippines is one of the most vulnerable countries that experiences a number of natural disasters that call for fundraising and financial support. The Philippines experiences storms or tropical cyclones that continue to devastate the country every year. These typhoons not only affect people and their lives but also cause major losses in agriculture, fishing, livelihoods, and critical infrastructure that people and the country rely on. One notable example of a typhoon case in the Philippines is Typhoon Haiyan, or most commonly known as Yolanda, which occurred in 2013. This typhoon killed about 7,300 people, affected more than 16 million people, and caused an estimated PHP 285 billion to PHP 854 billion in damages. The Philippines is also susceptible to other natural disasters or hazards, such as earthquakes, volcanic activities, floods, and droughts. These times of vulnerability necessitate funding, especially when increasing disaster management and response. Pre-disaster readiness is one of the key areas that require a good amount of financial resources to improve preparedness and resilience. Allocating funding to local governments will help increase their capacity to have adequate preparedness for disaster impacts. Post-disaster readiness has been one of the most notable ways for the Philippines to respond to natural disasters, such as initiating schools to ask their students to donate materials for those who were affected by the storm or creating campaigns calling on domestic or international audiences for their financial or non-financial support (Brucal et al., 2020).

Given the limited body of scholarly research on charitable crowdfunding, particularly in the Philippine context, this paper aims to provide an integrative review of the literature on the subject. Specifically, it examines the relevant theories, key components, and processes underlying charitable crowdfunding, as well as global trends and patterns. It also explores the challenges and opportunities associated with these developments and discusses their implications for future research and public policy.

RESEARCH METHOD

This paper employed a literature review methodology to examine charitable crowdfunding, with particular attention to its development and application in the Philippine context. The review was designed to bring together existing discussions on the concepts, theories, processes, technologies, trends, challenges, and opportunities associated with charitable crowdfunding.

The primary keyword used in the online search was *charitable crowdfunding in the Philippines*. The review also incorporated searches on the following subtopics: definitions and concepts, *bayanihan*, relevant theories, crowdfunding processes, related technologies and innovations, global trends and patterns, and the challenges and opportunities associated with charitable crowdfunding in the Philippines. These thematic areas were used to organize the literature reviewed and to provide a broader understanding of charitable crowdfunding from conceptual, theoretical, technological, social, and contextual perspectives.

The literature identified through the search was examined according to the thematic areas relevant to the objectives of the review. The discussion was organized around the conceptual foundations of charitable crowdfunding, its theoretical perspectives, the processes through which crowdfunding operates, technological developments and global trends, and the specific context of charitable crowdfunding in the Philippines. The review further considered the opportunities and challenges associated with its development and their implications for future research and public policy.

RESULTS AND DISCUSSION

Conceptual and Theoretical Foundations of Charitable Crowdfunding

Charitable Crowdfunding as a Donation Model

Academically speaking, charitable crowdfunding is a “pure donation model” wherein money is given without the probability of gaining any benefits in return. This is distinct from other types of crowdfunding as discussed earlier where there may be a possibility of gaining benefits or material compensation for one’s contributions (Napiórkowska et al., 2025).

The phenomenon of charitable crowdfunding is still being developed in the Philippines and is still seen in its early stages. Though because of the *bayanihan* and community-oriented culture of the Philippines, this concept highly fits and compliments existing Philippine culture. Charitable crowdfunding can be seen used in artistic or cause-driven projects, education and social entrepreneurship, community projects, and many other wide array of categories (Vergara R.C., 2015).

The difference between traditional philanthropy and nongovernmental organizations fundraising is that traditional philanthropy is seen as a phenomenon done by a voluntary sector that aims to spread social impact rather than gaining any profit. This is described as an important part of human nature as it creates social justice and shapes a community that is geared to care for the social welfare of others (Kurniati et al., 2023). What makes NGO fundraising fundamentally different is that this phenomenon refers to the intensive, expansive, and often exhaustive work that NGOs do to gather and raise money for activities and services for the stakeholders of the work. NGOs would be the ones to request financial support, as opposed to it coming from a voluntary nature. These organizations are often guided by strategies and techniques to promote the causes of the organization and secure important channels of revenue to sustain the organizations and provide social services. Amid NGO fundraising is charitable crowdfunding, which is raising money sourced from many people through online means. Therefore, this phenomenon is not geographically constrained, is easily accessible, and follows a behavior or culture from crowdfunding platforms (Agrawal, et al., 2014).

There are ethical considerations involved in crowdfunding, the first being the “madness of the crowd,” wherein groups or individuals are misled or take action based on false or misguided information, creating herding behaviors as false information cascades through people and can lead to decisions based on the actions of the collective out of falsities rather than through sound or reasonable judgment, which can potentially harm both donors and creators. There is also the phenomenon of the “tyranny of the majority,” which is where largely funded campaigns often overshadow minorities or, at worst, suppress their own agendas, as this unables certain smaller groups to raise funds while the popular campaigns take the limelight. There is also the possibility of legitimizing institutional failures, as public funds public goods such as education, healthcare, or

social services; this therefore reduces the pressure on public institutions to amend their own shortcomings, which could lead to mismanagement or corruption (Shneor & Torjesen, 2020).

Theoretical Foundations: Social Capital and Resource Mobilization

Social capital theory refers to the idea that resources are not only withheld by individuals but are also embedded within their social networks, and that there is value derived from social connections that can be accessed through building relationships with others. This theory suggests that the number and quality of a person's social ties with others therefore determine the amount of social capital that they can access. Trust is one of the crucial elements of social capital and is described as "willingness to be vulnerable to the action of others." There is 'generalized trust' which is a belief that people are generally trustworthy even when you do not know them personally. There is also 'specific trust' where individuals or groups that one is acquainted with will not take advantage of one's self.

The resources that are needed from social capital are found in these social networks and the structure of these networks affect what type of resources are available. There is 'bonding social capital,' which is found in networks with strong ties, such as in families or close communities, which can therefore offer a dense network of people who are similar to each other, providing social capital such as support, mutual aid, or emotional comfort. There is also 'bridging social capital,' which are networks with weak ties and who are typically networks of people from different social groups or backgrounds. This network provides social capital through new information, opportunities, and resources that exist outside the current network one is positioned within (Lancee, 2012).

Resource mobilization theory is an alternative explanation for social movements that evolved as a result of many social movements during the 1960s. In this theory, actions are seen as rational; these actions or responses are adaptive to the costs and rewards of different factors. The primary goal of all movements is due to conflict over interests that come from institutionalized power relations. The construction and movement of actions can change depending on the resources, group organizations, and opportunities available, which in return generate grievances. The theory further states that centralized and formally structured actions are usually modern types of movements and are much more effective at mobilizing resources and combating challenges when compared to decentralized, informal structures.

The successfulness of actions is largely due to strategic, rational factors as well as the political processes they are included in (Jenkins, 1983). As websites and social media platforms became available, these serve as accessible mediums for activists to utilize. Online platforms aid in spreading movements, reaching a wider audience, collaborating with others, and raising awareness of certain campaigns. This therefore created online communities that also serve as a form of social resources. Mobilizing communities online has evolved as a modern practice of the theory, where the latest digital tools and platforms are being utilized as resources that allow groups to organize and attain their goals (Flynn, 2023).

The uses and gratifications theory is an approach to media research that centers around what people do with media, as opposed to looking at what media does to people. The theory argues that media users are active and goal-oriented and choose specific media platforms to fulfill their needs and attain specific gratifications. The theory states that a user's initiative in choosing their media is what explains the link between the use of media and the satisfaction from achieving their needs. This approach does limit the thought that media content has a direct effect on a user's attitude or behavior (Hajdarmataj & Paksoy, 2023).

According to a study that followed the intentions of donors during live streaming, these donors are people who are active and have full intentions when they are consuming media, looking for specific gratifications. Their motives lie behind their want to show gratitude for the entertainment they received from these content creators, their desire to have further emotional connections between creators and viewers, to find a sense of belonging and community with the creator, and to escape from their everyday lives by

continuing to support these creators. In conclusion, these users have specific goals in mind that push their decisions toward seeking gratifications (Veriansyah, 2024).

Key Components of the Crowdfunding Process

The first step in the crowdfunding process is campaign creation, which is a phase that involves the creators attempting to develop the content and collaborating with a crowdfunding organizer in preparation for promoting and fundraising for the event. This is a multi-stage process that involves three key groups: the creators, as mentioned above, the supporters (i.e., backers and beneficiaries), and the organizers of the event. Currently, the traditional method of crowdfunding is done through online means, wherein the campaign is presented via digital platforms, its contents are shared, and it aims to garner financial support from the public (World Health Organization, 2021a). Afterwards, the promotion part of the crowdfunding process happens once the event has been launched. Promotion is a continuous effort that includes many key factors. Initially, the creators and organizers should create tailored content by assessing the analytics on social media or their preferred digital platforms in relation to their content, to suit and adjust their message to achieve better results and reception. Promotion does not stop even after the event has been posted on social media; feedback and audience engagement are crucial and may be even more significant for the event. Managing the campaign is necessary to address any online updates and statuses of the event, and it can be tackled through meetings or consultations, which helps in creating trust and relationships between the audience and creators (World Health Organization, 2021b).

Donor engagement is another key element in the crowdfunding process. Donors are more likely to subscribe to a campaign that is well-known and is operated on trusted platforms. There is also bias that creators or organizers should be aware of when creating campaigns: donors are more likely to perceive the campaign as successful when it shows that a high percentage of their funding goal has already almost been achieved, called the “green bar effect,” as it creates appeal to these donors. There are many strategies to employ to create more donor engagement that can be utilized, such as videos that contain key information about the campaign, setting the lowest possible funding goal, as it makes the event much more attractive with the increasing likelihood of success, having reward options for these donors like t-shirts or stickers to encourage donors to invest in the event, and transparency, which is the most important thing for these donors to have knowledge of where their funds are being allocated, potentially also attracting those who are risk-averse in the campaign (Forbes & Schaefer, 2017).

Another key element in crowdfunding is the funding, which is the main aim of the campaign. There is a lot of thought given to the preparation of campaign creation to ensure attracting donors and funds. There is usually a “funding goal” that the creators receive through crowdfunding platforms; some platforms will keep a percentage of the funds as commissions, and there are some campaigns that follow an “all-or-nothing” approach wherein, if the goal is not achieved, all funds are returned to the donors (Rončević & Furdi Šafarić, 2023).

Technology and Global Development of Charitable Crowdfunding

Social media has a significant role in crowdfunding and has innovated the platforms used in the process, increasing audience engagement and success. Social media has transformed traditional crowdfunding by enabling platforms such as Facebook, Twitter, Instagram, and even LinkedIn, etc., and has pioneered the expansion of the reach and engagement of these campaigns. Creators use these platforms to leverage their individual causes and messages to gain more donors (Ranjan, 2024).

The invention of mobile payment systems has enabled donors to access financial channels, as it makes financial transactions easier, faster, and more convenient for both parties. In general, this allows people to make payments easily using their mobile devices, especially in rural, underdeveloped, or underserved areas that provide people with financial services and enable them to participate in the digital economy. Additionally,

blockchain technology ensures trust and transparency because of crowdfunding's decentralized nature; this helps boost transparency and security, allowing donors to be more confident in their financial choices (Khan et al., 2024).

Charitable crowdfunding has become increasingly popular globally when it comes to disaster relief management, medical emergencies mediation, and sponsoring social causes, specifically in Asian countries. During disaster situations, crowdfunding is a popular approach for gaining funds in collaboration with, or complementary to, government and/or institutional donors. A key example of this is during the earthquake in Nepal in 2015, when crowdfunding platforms like Generosity by Indiegogo, GoFundMe, and YouCaring were utilized to raise millions of dollars for survivors. There was also the tsunami in 2011 that hit Japan, and, in this instance, the Red Cross had received a large amount of donations through social media because of crowdfunding (Anoraga, 2024). Medical emergencies also use crowdfunding as a way to cover medical expenses that are not fully covered by health insurance and cannot be paid by the person's means, which are highly common in the United States of America and a few European countries. A popular platform, GoFundMe, has been significant in raising funds for many individuals who are in need due to serious illnesses and who ask for help covering the cost of medical bills and expenses like treatments, medicines, and operations. Lastly, social causes are largely involved in crowdfunding as a mode to not only raise funds but also create awareness and involvement with audiences. It covers a wide range of campaigns, such as environmental projects, human rights initiatives, and educational programs (Anoraga, 2024).

There are many factors involved in crowdfunding campaigns that can determine their success. The first is through efficient storytelling. Donors are much more likely to give their support to campaigns that they resonate with and feel an emotional connection to. A profound narrative behind the campaign underscores the need for their help, and this positive notion of being able to help attracts more donors and increases their distribution further. A good story to tell other donors makes the campaign more relatable and increases the motivations of people to take action on the issue (Pan & Dong, 2023). Transparency is another crucial element in a successful campaign, as it allows donors to know where their contributions are being allocated, which therefore builds donor confidence and trust in the event. A successful campaign tells donors where and how their funds are being spent by further providing them with detailed information about the entire financial situation. This reduces a donor's doubts and uncertainty about the project. Even if the campaign may not be altogether successful in the end, full transparency on the matter creates accountability and allows understanding to arise from donors (Pan & Dong, 2023). Therefore, another key element is trust building. Trust can be acquired through various approaches, such as providing reliable information, project updates and progress, and showing a record of chronological successes throughout the event, as this creates legitimacy and dependability, since trust is often linked to the credibility of those working behind the campaign (Pan & Dong, 2023). Lastly, platform usability is crucial for a successful campaign, as it has a direct impact on the experience of the donors. Platforms utilized should be easy to navigate, with clear and simple directions to the donation process. A smooth and uncomplicated interface allows donors to have a faster and more successful completion of their contribution (Pan & Dong, 2023).

In a global context, there are many challenges that charitable crowdfunding faces. First is fraud, as though the decentralized nature of crowdfunding enables multiple individuals and groups to create a platform for themselves using various crowdfunding mediums; this also allows for illegitimate and false campaigns to spread across the web. The lack of traditional financial education among some donors also adds to the issues people face when attempting to determine the legitimacy of certain campaigns. Scammers will create fake projects to access money that is used for personal reasons, which creates public distrust and enables people to steer clear of such campaigns, even though there are existing ones that are in dire need of support, which altogether undermines the whole principle behind crowdfunding (Hossain et al., 2025).

Another key challenge is donor fatigue: when donors are asked to donate time and time again, this causes donors to be less likely to respond or donate to future requests or events. This is a particularly troublesome problem for platforms that contain a large number of campaigns, where donors are overwhelmed and over-solicited, which causes donors to decrease the amount of their donations and reduce the overall success of the campaigns (Hossain et al., 2025). Lastly, a major problem is the unequal reach of funds on smaller campaigns, as there is a disparity between large and small campaigns wherein more popular and well-known campaigns tend to receive more attention and, therefore, more funding, while smaller campaigns are overshadowed by the successes of the larger campaigns because they do not have the same capabilities as them when it comes to marketing resources and broader network reach, which is why they are often overlooked and unable to compete equally with others (Hossain et al., 2025).

Charitable Crowdfunding in the Philippines

Philippine Crowdfunding Platforms

Crowdfunding in the Philippines is quite a new concept that has only recently gained popularity and is in its early stages of development. However, Filipinos socially embody this trait through their culture of bayanihan which is a spirit of communal unity and cooperation as a means to achieve a common goal among the people in an area. While globally, charitable crowdfunding has grown larger, the Philippines has remained behind in adopting this phenomenon. However, around the early 2010s, there are two Filipino-oriented platforms that appeared to help serve various local projects: The Spark Project, created in 2010 and launched in February 2013, which aims to demonstrate Filipino talent and ingenuity through local education and social entrepreneurship events, as well as ArtisteConnect, which was launched in 2011 and aims to support artistically driven or entrepreneurial projects (Vergara, 2016).

In its earlier forms, one major disaster event that allowed for crowdfunding to appear in the Philippines was the 2013 Typhoon Haiyan (Yolanda). Globally, the international community has garnered over USD 1.5 billion in financial support and donations for the people affected by the devastations in the Philippines; some significant contributions came from the countries of Australia, the United States of America, Japan, and the United Kingdom. The National Economic and Development Authority (NEDA) reported in 2014 that the total foreign aid and domestic cash and non-cash support received amounted to PHP 24.57 billion. There are many instrumental and key organizations that aided and emerged during this time of crises, such as the Philippine government, which led the response and coordinated with many national and international organizations. International NGOs also played a significant role in disaster management, such as the International Red Cross and the World Food Programme (Villacin, 2017).

One key player in promoting and adapting crowdfunding approaches or showing charity in general is the Philippine Roman Catholic Church. The Church sees itself as an institutional body that has its own role in charity, as it shares a common goal with the state to pursue the common good. The Church has a socio-political task in safeguarding and promoting social justice, using its moral and theological vision for society as a guide toward it (Agustin, 2019). Another key players are the Philippine-based NGOs that aided in fundraising and relief efforts, such as the Philippine Red Cross (Villacin, 2017). These organizations usually depend on the generosity of their benefactors and the public in garnering funds and the support of their volunteers for their operations (Aldaba, 2002). After the Marcos dictatorship and the restoration of democracy, civil society groups began to be recognized as channels for overseeing development assistance funds effectively, to supply support to the communities that are in need of such social services concerning community development, health and nutrition, capacity building such as education, training, and human resource development, economic empowerment, and advocacy engagement (Asian Development Bank, 2013).

Social and Digital Infrastructure

One platform for crowdfunding in the Philippines is The Spark Project which is not only a platform but also a community that provides the necessary tools and resources for entrepreneurs and “change-makers” who are driven by their creativity, social consciousness, and entrepreneurship. It has grown to become a leader in social enterprise development. Their aim is to create impact through initiatives that combine the resources available on their platform of crowdfunding, financial technology, and educational technology (The Spark Project, n.d.). Another platform is called GoGetFunding which is an online crowdfunding platform that was created in 2011 by Sandip. Their aim is to help individuals raise money for many reasons, including various events and projects. This platform has assisted many people across the world, from more than 100 countries, and helped them raise millions of dollars. It has features on its interface, such as support campaigns, team functions, and customization options, to further assist these people in raising funds (GoGetFunding, n.d.).

SimplyGiving is another online crowdfunding platform that allows individuals and groups, as well as larger institutions like charities, NGOs, and companies, to raise money for various reasons. The platform offers tools and support when creating and managing campaigns for fundraising and provides features to assist people, such as live chat support and a help desk, as well as the ability to customize your campaigns without the need to code. It has helped over 300,000 fundraisers raise more than USD 17 million in seven countries, as it is free and easy to use (SimplyGiving, n.d.). Fundraising using Facebook as a platform has also been popular in the Philippines. During one major typhoon, for example, such as Typhoon Odette, multiple fundraising campaigns on Facebook emerged from victims who were looking for aid, either from independent individuals or from official campaigns set by non-profit organizations. Facebook took this initiative and partnered with local media outlets and NGOs to further develop fundraising strategies and drives, such as its partnership with ABS-CBN, which covers disaster relief and civic journalism. The app has also developed a Donate button and a live video fundraising feature that further enables individuals to ask for financial support from the public (Guest & McGloin, 2021).

During the post-pandemic period, Filipino-founded crowdfunding platforms emerged, such as CharityPhilippines.Org and BayanihanPH.Org. CharityPhilippines.Org is a Philippine-based, government-authorized digital platform that features more than 130 social impact initiatives implemented by over 50 reputable nonprofit organizations nationwide. Guided by its Zero Deductions policy, CharityPhilippines.Org ensures that every peso donated is transmitted in full to the intended beneficiaries. By providing a secure, user-friendly, and efficient online giving experience, CharityPhilippines.Org enables individuals from diverse backgrounds to contribute to meaningful social causes quickly and conveniently (CharityPhilippines.Org, 2026).

BayanihanPH.Org is a Filipino-developed crowdfunding platform that enables individuals to raise funds for a wide range of causes, including medical emergencies, disaster response, educational needs, community initiatives, and everyday family expenses. Designed by Filipinos for Filipinos, the platform provides an accessible and trusted avenue for individuals and communities to seek and extend financial support during times of need (BayanihanPh.Org, 2025). The Philippine government has also established its own charitable crowdfunding platform, the Kaagapay Donations Portal, which is administered by the Department of Social Welfare and Development (DSWD). The platform serves as a centralized digital hub that connects donors, foundations, non-government organizations (NGOs), civil society organizations (CSOs), and non-profit corporations, thereby facilitating more accessible and efficient charitable giving (Kaagapay, 2024).

Government Regulations and Institutional Support

The Philippines' Department of Social Welfare and Development (DSWD) is mandated by law to issue solicitation permits to any person, corporation, organization, or association that desires to solicit or obtain contributions for charitable or public welfare purposes. This mandate is stated in Presidential Decree No. 1564, series of 1978, or the Solicitation Permit Law, which allows DSWD the authority to issue permits at the regional level, as well as Executive Order No. 24, series of 2001, which expanded DSWD's authority to grant authorizations for national fundraising campaigns.

The approval process to obtain solicitation permits can differ between the Regional Public Solicitation Permit, which needs to be approved and signed by the DSWD Field Office, and the National Public Solicitation Permit, which is approved and signed by the DSWD Secretary (Department of Social Welfare and Development, 2021).

Opportunities and Challenges in the Philippine Context

Opportunities for Charitable Crowdfunding

Crowdfunding has presented many opportunities in the Philippines, especially when it comes to high social media engagement, as social media and other digital platforms are being utilized. This has therefore made traditional crowdfunding platforms obsolete, as online means provide instant and unlimited access to a large number of potential donors and additional opportunities for others to contribute at any given moment. Because the Philippines has a large number of users who use social media daily, it was found that many Filipinos have encountered crowdfunding and its campaigns on social media platforms such as Facebook, X (formerly Twitter), and Instagram (Granados et al., 2025). Because social media is accessible, this helps break borders, and campaigns can be advertised to a wide array of audiences, creating a large donor base that is interconnected online. This allows for persuasion and social media influence to transpire, which can therefore increase transactions for these campaigns. Having online peers helps create legitimacy and positivity around the campaigns and therefore increases its image (Granados et al., 2025).

Filipinos demonstrate bayanihan as part of their culture, and it is their way of showing community support in times of crisis. As technologies evolved, so did bayanihan. Currently, it utilizes creative and innovative means to bring communities together, such as through Facebook groups, hashtags, and engaging with posts as a community. Crowdfunding is a strategic framework for continuing the Philippine culture of collaboration and bayanihan and for further developing and renewing their national identity and core values in times of change (National Economic and Development Authority, 2021).

With mobile payments or e-wallets like GCash or PayMaya having been adopted in the Philippines, this has created a mode of payment for the masses that is convenient, useful, and secure. People have positive perceptions and high acceptance of this payment method because of its positive impacts; having this option has granted seamless methods for transferring money or paying for products and services. This additionally grants Filipinos access to financial services even without signing up for a bank account. The speed and convenience of these transactions are some of the major factors as to why many people have adopted this method, saving time and streamlining the payment process (Raon et al., 2021). This payment method has contributed to creating ease in crowdfunding, especially as most campaigns are predominantly online.

Challenges to Adoption and Sustainability

There are challenges to crowdfunding in the Philippines. Foremost, since data on crowdfunding is limited and relatively new in the country, it is difficult for regulators to comprehend the true extent of its harm if it is left unmoderated and to decide on the appropriateness of regulations (Mayer, 2022). Another concern is its susceptibility to fraudulence because of how easy it is to create a campaign, minimal requirements, and the lack of legal regulations to prohibit this behaviour. Fraudsters exploit the systems and the trust of donors by not having a legitimate campaign and falsely committing to delivering their promised initiatives. Because of the increasing reports of fraudulent or suspicious activity on online websites through

public discussions such as Reddit or Facebook has been a growing hesitation and anxiety among the masses of victims of these types of fake campaigns, as people make an effort to avoid funding frauds (Lee et al., 2022).

Moreover, there is a digital divide between rural and urban communities in the Philippines, and it negatively affects communities that have limited access to digital tools and resources. Even though technology is able to provide many opportunities for many people no matter where they are, the digital divide is a lived reality for many because of unequal access to these resources. Not all have the financial capabilities to have the latest technology and gadgets in their apparel, as well as being in a location that has access to signal and the internet. Therefore, this limits the benefits and opportunities that people in rural communities receive, preventing them from flourishing in cultural and creative content online and from accessing online services like crowdfunding platforms (Mirandilla-Santos, 2022).

Weighing the opportunities against the challenges, charitable crowdfunding demonstrates significant potential to support marginalized and vulnerable sectors in the Philippines. It aligns well with the country's culture of bayanihan and collective generosity while leveraging Filipinos' widespread use of social media, mobile payment systems, and e-wallets. However, several challenges continue to hinder its broader adoption. Inclusivity remains a concern due to the persistent digital divide, which limits access for many Filipinos, particularly those living in rural and underserved communities. In addition, trust remains a critical issue because of the increasing prevalence of online scams and fraudulent fundraising campaigns, which undermine public confidence and make the digital environment less conducive to charitable giving through crowdfunding.

CONCLUSION

Charitable crowdfunding offers a means to effectively and efficiently channel funds from members of society with more resources to marginalized and vulnerable communities. However, as it is a relatively new phenomenon at least in the Philippines, maximizing its benefits and reducing its harms entail a more in-depth understanding of such digital development. Unfortunately, foundational studies on crowdfunding in the Philippines are both outdated and limited in scope.

Hence, it is imperative to encourage more scholars to investigate this trend, including topics such as psychological and social factors that influence donor behavior. A study by Vergara R.A.G. (2015) stated that crowdfunding awareness in the Philippines is low, as fewer than half of the participants know the meaning of crowdfunding, which indicates a clear gap between awareness and participation. The situation is worsened by the absence of standard and publicly accessible data, which greatly limits the development of comprehensive and quantitative research on the Philippine crowdfunding scheme (Vergara R.A.G., 2015). There is also a lack of rigorous and longitudinal research on the long-term socioeconomic impact of crowdfunding benefits on beneficiaries. Though there may be market or blog reports detailing the progress of crowdfunding efforts on beneficiaries, a comprehensive independent impact assessment is much more substantial and paramount than this (Aguiling, 2021).

Moving forward, the authors of this paper argue that there should be policies that support the conduct of studies on how to better leverage charitable crowdfunding platforms to improve the quality of life of Filipinos. Policymakers should consider allocating funds for such investigations and crafting legislation that strengthens the safety and security of crowdfunding platforms and makes this innovation more accessible to those in remote areas.

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