

# PHILANTHROPY IRELAND

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## BUDGET 2024 SUBMISSION

*HARNESSING PHILANTHROPY FOR A  
BETTER IRELAND*

AUGUST 2023

# INTRODUCTION

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Philanthropy Ireland is the representative body for the philanthropic sector in Ireland, giving collective voice to 50 philanthropic entities and their multiplicity of donors for more than 20 years.

With a strong commitment to promoting diversity and engagement, we actively advocate for best practices, seek to inform policy, and raise awareness about the transformative power of strategic giving for social change.

Our goal is to advance philanthropy in Ireland by expanding the network of dedicated, strategic, and long-term donors who consistently contribute to meaningful causes.

Philanthropy is considered, long-term private sector giving for the benefit of society. It is a form of independent risk capital that is agile, innovative, and brave, being strategic in its intent and purpose. It helps to advance vital work in communities, such as combating child poverty, supporting mental health, and advocating for equality and inclusion, that otherwise might not happen.

The upcoming publication of the National Policy on Philanthropy represents a key milestone to shape philanthropy in Ireland for the next five years. A strategic national policy on philanthropy will help build a sustainable model of philanthropy in Ireland for the benefit of society and for future generations.

The policy, coupled with measures delivered through Budget 2024, will inform, and shape our efforts to deliver meaningful strategic impact and help build a sustainable model of philanthropy in Ireland.

The time is now to galvanise all efforts and opportunities to address these needs. Philanthropy can play a key supporting role.

**We propose moderate, actionable steps for positive impact.**

## PHILANTHROPY'S IMPACT ON SOCIETY

There are many examples of philanthropy positively impacting society:

- Early-stage funding provided in 2005 by The Atlantic Philanthropies in support of the Children's Rights Alliance, supported constitutional change to protect the interests of children in Ireland. Backed by further philanthropic funding since its establishment, the Children's Rights Alliance is now playing a pivotal role in supporting the activation of the Child Poverty initiative of the Department of An Taoiseach.
- The Vodafone Foundation HiDigital project, focused on older people and digital skills, investing €2m over five years in this area of need, which is complementary and aligned to current government programmes and plans supporting the development of digital skills for over 65s.
- The many examples in education, from third level, e.g., €23m funding to the E3 Learning Foundry in TCD creating a leading centre of excellence, to early years projects such as funding support to the National College of Ireland, Couch to Screen project, which provides for home visits to support the educational needs of young children experiencing intergenerational educational poverty.

These examples provide a snapshot of what is being achieved.

Philanthropy takes many forms, such as providing transformative resources to individuals and organisations through gifts, grants, legacies, in-kind donations, and scholarships. Philanthropic giving is generally done by families, individuals, companies, or a combination of all, via private and community foundations; family trusts, and philanthropic grant makers. It is collaborative, working in partnership with stakeholders, including communities and/or government, seeking to achieve lasting change.

## SCALE OF PHILANTHROPY IN IRELAND

There is no single measure that precisely captures the overall scale and scope of philanthropic giving in Ireland. Charitable giving to all not-for-profit organisations in Ireland was estimated at €1.7bn in 2020[1]. Of this, almost €80m[2] is approximated as being from philanthropy. This is likely an underestimation, as much of individual philanthropic giving is done in private.

We know that Philanthropy Ireland's vibrant community of members reaches over 2,000 projects across Ireland and overseas. Examples of work facilitated by our members include:

- The Mercy Cancer Care Centre, which was created by the Mercy Hospital Foundation to provide a safe and comforting place for cancer patients.
- No Mind Left Behind, which provides scholarships to allow students to pursue their undergraduate studies.
- The The Sky is the Limit, programme, which has given funds towards the Moyross Education Support programme in Limerick.
- The Disability Service Reform Fund, which has aided in the creation of initiatives in Cavan and Sligo.
- Irish philanthropy has a long history of supporting projects overseas, such as projects in sub-Saharan Africa seeking to address extreme poverty.

Private philanthropy, that which is not captured through our membership, substantially adds to this. However, there is no definitive figure for the scale of philanthropy in Ireland, as research tends to cover charitable giving to all not-for-profits. We believe there is scope to do more philanthropy, however, building robust data is vital, as this will increase public trust in philanthropy and encourage more philanthropists.

## Philanthropy Ireland's Budget 2024 asks:

- **Proactive Political Leadership for Policy Implementation**
- **Development of a White Paper on Fiscal Framework for Philanthropy in Ireland**
- **Invest in Data Collection**

# BUDGET ASKS

## 1. Proactive Political Leadership for Policy Implementation

The launch of the inaugural national policy will play a vital role in establishing a sustainable philanthropic model that benefits both our society and future generations. Now is the time to acknowledge the pivotal role of philanthropy by allocating resources through the Department of Rural and Community Development to supporting measures to fully implement the proposed policy.

### Why is this important?

Signals matter. Acknowledgement that philanthropy has a valuable role to play in supporting social issues from which we all benefit is important. Philanthropy, alongside government and wider civil society, has a valuable role in promoting and developing respect for human dignity, human rights, a caring and inclusive society, and a progressive society, leaving no one behind.

The recognition of philanthropy in Ireland by political leadership through measures taken through Budget 2024 is important for several reasons:

- It acknowledges the importance of the role of philanthropy in support of society.
- It helps foster a culture of strategic giving by sending a clear message about the significance and value placed on philanthropy.
- It plays a crucial role in mobilising resources for social causes, by encouraging individuals, businesses, and organisations to actively engage with philanthropy.
- This in turn can lead to enhanced funding for essential services, innovative initiatives, and sustainable project development.

***Our Ask: Political leadership proactively supporting full implementation of the proposed policy through provision of adequate resources.***

# BUDGET ASKS

## 2. Development of a White Paper on Fiscal Framework for Philanthropy in Ireland

With the upcoming publication of the National Policy for Philanthropy, we believe it is timely for the Department of Finance to undertake the development and publication of a white paper on the fiscal framework for philanthropic giving in Ireland, examining tax changes. Fiscal measures to stimulate philanthropy are the subject of debate not just in Ireland but globally, as referenced in the OECD report[3].

It is 10 years since the last significant change to fiscal measures, when the Charitable Donations Scheme was introduced to simplify the administration of the tax relief on donations. This had been recommended by the Forum on Philanthropy and Fundraising. At that time the Forum raised its concern that taking the taxable benefit from the donor and giving it to the charity in all cases may adversely impact the number and level of larger donations. To offset this, it recommended a separate scheme to encourage major gift philanthropy to be established. This has not happened.

A 2018 review of the impact of the tax change Introduced suggests the concern as voiced at the time, was justified[4] noting it did not have the desired impact on giving. The government report of 2021 stated that “Taxation policy was highlighted in our consultations as a factor influencing the motivation for philanthropy”[5]. The need for an enabling environment for the growth of philanthropy is further noted in the Global Philanthropy Environment Index 2022[6].

Now is the time to undertake an integrated, holistic analysis of measures that could be activated to provide strategic support for the quantifiable growth of philanthropy in support of projects in the public interest, impacting social needs. By addressing fiscal barriers to philanthropy through an examination of diverse policy, regulatory, and legislative issues, a White Paper would aim to develop actionable fiscal measures and policy levers that could encourage more substantial and sustained philanthropic contributions.

## **2. Development of a White Paper on Fiscal Framework for Philanthropy in Ireland**

### **Why is this important?**

- It acts on relevant recommendations of the 2021 report "[The Landscape of Philanthropic Giving in Ireland](#)".
- It analyses the range of opinions in the debate on strategic measures for maximum return.
- It provides considered analysis of the range of fiscal measures available to effect change.
- It identifies appropriate fiscal measures and policy levers to overcome barriers to philanthropy and stimulate increased strategic giving.

The White Paper can provide a framework for essential recommendations to the Government and wider sector stakeholders, guiding the creation of an optimal fiscal policy that advances philanthropic giving in Ireland.

***Our Ask: That the Department of Finance develop a White Paper on the fiscal framework for philanthropic giving in Ireland.***



# BUDGET ASKS

## 3. Invest in Data Collection

Data collection is fundamental for the operation, development, and growth of philanthropy in Ireland. The collection and provision of timely, accurate and in-depth data on philanthropy and the wider non-profit sector is an essential element of infrastructural support for government, donors, and the broader philanthropic community.

Trusted data, research and analysis about philanthropy, the wider voluntary sector, and the individual organisations in it, is essential in supporting key decisions on allocation of philanthropic funds to ensure integrity in decision-making.

The work previously undertaken by [Benefacts legacy](#) and the ongoing research from the [Centre of Philanthropy at the University of Kent](#), are examples of employing open data-driven approaches for measurable community impact. A positive culture of philanthropy is dependent on trust and transparency with access to reliable information. International evidence points to credible publicly available data being a key factor in building the confidence of philanthropists to allocate funding and to increase their strategic contributions[7].

Activation of measures to undertake an annual or bi-annual comprehensive survey of the scale of philanthropic giving in Ireland by the Central Statistics Office would aid the sector. The census holds significant importance for philanthropy as it provides a comprehensive and accurate demographic and socioeconomic understanding of populations to inform decisions supporting the ongoing development of philanthropy.

Robust data informs philanthropic organisations about the needs and challenges within communities, aiding the targeted allocation of resources to create more impactful and tailored initiatives in support of key social issues.

# BUDGET ASKS

## 3. Invest in Data Collection

### Why is this important?

Trusted open data source(s), data that anyone can access, use and share, is key to providing crucial analytical insights fundamental to any policy planning. Trend data for improved policy making, and greater transparency and public accountability for government, philanthropies, and charities alike is an essential investment[8]. Effective measurement is a vital element for driving positive change.

***Our Ask: The collection by government, on an ongoing basis, of robust and trusted data that is available to anyone to access, use and share. This is essential for informed decision-making, transparency, and targeted resource allocation to address community needs.***

# PHILANTHROPY IRELAND AND OUR COMMITMENT

Philanthropy Ireland (PI) is the representative body for the philanthropic sector in Ireland. Previously known as the Funders' Forum, PI was established in 1998 as a company and obtained charitable status in 2004. With a strong commitment to promoting diversity and engagement, we actively advocate for best practices, seek to inform policy, and raise awareness about the transformative power of strategic giving for social change. Our goal is to advance philanthropy in Ireland by expanding the network of dedicated, strategic, and long-term donors who consistently contribute to meaningful causes.

Our membership comprises independent grant-making Trusts and Foundations, including private, corporate, family and community structures. Our vibrant community supports 2,000+ projects that provide solutions to social issues.

As the independent representative body for grant makers, for more than 20 years, we have witnessed the value of philanthropy in enabling and supporting projects for social impact. Philanthropy can take risks, collaborate for innovation, support proofs of concept and respond swiftly.

# MEMBERSHIP

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Philanthropy Ireland's membership is made up of over 50 individuals and organisations who believe in the value and power of philanthropy to make real and lasting change. Our members are representative of the third pillar for change, alongside government and the private sector. The ability of philanthropy to pivot as needs change is an invaluable force in building a more equitable, inclusive, and sustainable world.

Notable examples span a range of areas, including early childhood support, children's rights, marginalised youth, equality, older people, vulnerable women, climate, development overseas, support of travellers, social justice issues, disadvantaged communities, to name but a few.

In the lead-up to Budget 2024, many of our members have made individual submissions noting areas of interest, advocating for measures, and recommending additional ideas for change. These include:

- Advancing changes to unlock the potential in Legacy Giving.
- Advancing Match Funding mechanisms to leverage private donations.
- Creation of a Sustainable Futures Fund.
- Activation of further measures to support growth in Social Innovation funds.

We fully support these calls in partnership and collaboration with our member organisations.

[1] 'Analysis and Insights on Funding of the Non-Profit Sector in 2020', Giving Ireland 2022

[2] 'Philanthropic and Charitable Giving in Ireland 2021', Benefacts 2021

[3] 'Taxation and Philanthropy', 2020, OECD

[4] 'The Impact of the 2013 Tax Change in Treatment of Charitable Donations', December 2018, BDO

[5] 'The Landscape of Philanthropic Giving', November 2021, Indecon

[6] A global report prepared by more than 100 country-level experts who have assessed the environment for philanthropy in 91 countries and economies, including Ireland, examining the incentives and barriers to giving <https://scholarworks.iupui.edu/handle/1805/28098>

[7] 'The Landscape of Philanthropic Giving', November 2021, Indecon

[8] 'Using Data for Action and for Impact Summer 2016', Stand Social Innovation Review

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