

Irish Philanthropy

An Entrepreneurs View

Research by Community Foundation Ireland and
Community Foundation for Northern Ireland

For change. For better. For all.

Introduction

The forthcoming publication of a new National Policy by the Government represents an opportunity to grow an Irish model of Philanthropy.

This latest research capturing the views of entrepreneurs operating on the island of Ireland underlines the demand for such an approach not only exists but is strongly endorsed.

Commissioned by Community Foundation Ireland and the Community Foundation Northern Ireland, the research is informed by interviews with entrepreneurs with a strong interest in giving back for the benefit of wider society. Capturing these views is essential for the Government to achieve its goal of growing philanthropy for greater good.

There are a number of key findings which are worthy of reflection. Each shows the need to develop a new model for philanthropy rather than transplanting those in the US, Europe or other parts of the world.

Clearly identified is giving with a sense of place. This Placed Based Giving comes through very strong and is in line with trends both Community Foundations have identified in recent years. Giving to a community where a donor lives or works, or to where they grew up, is a very strong motivator.

While many entrepreneurs have a willingness and openness to giving there is a lack of awareness and knowledge about how to make a start. What is encouraging is the widely held view that philanthropy is a journey rather than a one-off occurrence.

Philanthropy itself requires an entrepreneurial spirit, making strategic gifts which have a lasting impact. It is therefore no surprise that it is viewed as a way to continue to innovate, make a difference and apply funds productively. Entrepreneurs seek to see that the money invested has been used wisely and has 'moved the dial'. There is a strong desire to tackle root causes rather than the more traditional approach of charitable giving.

The findings of this report provide a roadmap to inform future policies to build on the growth in philanthropy which has been occurring in recent years. The Community Foundation model has played a significant role in achieving that growth.

This research by Jane Williams of SIA Partners shows that there is a particular Irish form of giving, one which requires its own policies and supports in order to flourish. On behalf of both Foundations I thank Jane for her work. We publish these findings as part of our continuing partnership approach to the new National Policy on Philanthropy.

Denise Charlton,
Chief Executive,
Community Foundation Ireland.

Understanding Motivation

The development of a National Philanthropy Policy by the Irish Government in collaboration with key stakeholders is intended to deepen understanding and knowledge, create an enabling environment and accelerate engagement with philanthropy in Ireland for social good.

Research undertaken by Community Foundation Ireland and Community Foundation Northern Ireland in relation to Entrepreneurs and Philanthropy highlights the potential to increase private giving and philanthropy.

Positively, it also identifies a growing interest and engagement in philanthropic giving on the part of entrepreneurs in Ireland and Northern Ireland and ways in which the environment for philanthropy could be more supportive.

This study, sees the emergence of a distinctly Irish Entrepreneur/Philanthropist, for whom 'giving back', often in relation to the place they came from or live and work, is a significant motivation.

Community Foundation Ireland published the first report on Irish entrepreneurs and their philanthropic giving in 2014.

Now Community Foundation Ireland in partnership with Community Foundation Northern Ireland are returning to the topic of Entrepreneurs and Philanthropy. The approach this time was through personal interviews with successful entrepreneurs about their perceptions of philanthropy in Ireland (North and South), their experiences in engaging in philanthropy and their reflections on the environment that exists for retaining and increasing that activity on the island of Ireland.

The community foundation model has flourished on the island of Ireland over the past decade, with a significant surge in donations, grant making and influence. We have seen this through the All-Island Fund, established in 2021 and which has seen 30 cross border civil society partnerships commence and grow.

Philanthropy as a journey

For many, the metaphor of a journey was very apt. The concept of being on the early stages of a journey in relation to philanthropy with much to be learned and trialled underpinned many contributions.

In engaging in philanthropy, they identified a starting point, the influencers and influences that shaped their journey and most see that journey continuing. Family was a strong influence on many. A value system in the family towards giving back to the community that had supported the success of the business was evident.

Many described the challenges of engaging in philanthropy with a particular emphasis on 'finding the route'.

Finding the route takes many forms with some working with their Community Foundation to access knowledge and support in deciding where they would focus, how to structure the giving and identifying projects that suited their interests.

Others preferred to work out their own route, using their experience and talent. Many had always given to charity and their local community so when they realised significant amounts of money, they started to look at giving in a more structured way. Still others have designed their business so that it benefits a particular cause such as inclusion or helping others in education or into their own businesses.

Why do entrepreneurs engage in philanthropy?

Those freed of the day-to-day responsibility through the sale of a business or handing over to the next generation, now have the time to do new things. After making provision for the lifestyle, they want to enjoy and their children are taken care of, they have to choose what to do with the rest.

A number commented on the application of their problem-solving skills and experiences from business, applied to social problems and innovating new ways of tackling these, as a key motivator for them. Giving money is only part of their giving.

The concept of investing entrepreneurial success in the form of money and expertise to addressing social issues, in ways and at a speed and flexibility unavailable to the Government, is viewed as a very attractive channel by many of the entrepreneurs who participated.

Interviewees had proof of their abilities in starting and growing a successful business. They are excited to have a channel for their expertise that can make a difference in society through their philanthropic giving, in all its forms. Philanthropic giving is becoming a chosen way to continue to innovate, make a difference and apply the funds productively. Entrepreneurs seek to see that the money invested has been used wisely and has 'moved the dial'.

There were many motivations cited:

- Feeling privileged and wanting to give back
- Wanting to right injustice and having the wherewithal to do that
- Apply problem solving skills to social problems; to make a positive difference
- To help response issues in countries trying to develop
- Giving back to the communities that supported them or where they grew up

Bringing an ‘investor’ lens to philanthropy

A significant and unprompted theme that emerged was the concept of entrepreneurial philanthropy being a form of investing, rather than donating. The interviewees had a definite perception of their giving being a different type of investment in change and making society better.

Bringing an entrepreneurial mindset to social issues can solve them in a different way. This was given as one of the key differentiators between charitable giving and entrepreneurial philanthropy.

They saw the difference coming from their viewpoint as entrepreneurs, with value seen as the contribution of skills and ideas as well as money.

Their capacity to look in a different way at an issue and to innovate new solutions and ways of tackling that issue featured strongly. The investor approach brings an eye on the return and the efficacy of the investment, plus a different way of effecting implementation with a greater tolerance for risk in pursuit of a successful outcome.

This was contrasted with their perception that charities tend to focus on alleviating problems but perhaps not addressing the root cause of the problems or defining and looking for a return.

Entrepreneurs also often seek to see that the money invested has been used wisely and has ‘moved the dial’ in relation to societal issues.

Placed Based Giving

The well understood Irish trait of being rooted in place, no matter how far you travel, comes through in relation to entrepreneurs’ approach to philanthropy.

Through the interviews, the propensity of entrepreneurs to donate/invest back into the place they came was highlighted.

Almost all interviewees spoke of the draw of place— where they grew up, where they had established their business, where their families had developed connections and sometimes a sense of gratitude to the communities who supported them—in the consideration of why or how they engaged in philanthropy and often a commitment to give back ‘where you came from’.

Giving as a family and engaging the Next Generation

Entrepreneurs often involve their family in their philanthropy. Many have woven their children into their philanthropic practice. This takes many different forms. Many involve their children in the decision-making process around their giving.

Some have a Donor Advised Fund and have blended the (often differing) views of their children into the strategic focus of the Fund's giving. Others were brought into charitable giving by their own parents and continued the family tradition with their own children.

Adult siblings continued their parents practice of giving as a family group, with different members taking different roles in the management of the work of the family giving.

Giving as a maturing experience for children, teaching them of their privilege, allowing them to understand that there is a responsibility for others and for community that wealth brings, ensuring that their position is not taken for granted were frequently mentioned.

A sense of philanthropy as a family practice, across the generations, that brings understanding and benefits to the family ran through most interviews.

Many of the male respondents cited the leadership of women in their business or family that brought the members to philanthropy or shaped and formed the way they engaged in philanthropy.

There was some input to suggest that the women were taking the role of leading innovation and developing new insights and models of decision-making. Some indications were available that women are better at the complexity and unfamiliarity of philanthropy than male members of the family/team.

Family businesses displayed similar characteristics and attitudes to other entrepreneurs with a more frequent emphasis on community and locality when deciding where to commit philanthropic funds.

They displayed a keener concern about the corruption in some charities. They were more likely to include family in considering and acting in philanthropy because of the family's involvement in the business.

Recommendations for action

The research is the result of interviews with the very people who are driving the increase levels of philanthropy happening in Ireland, albeit for a relatively low base. It offers an insight into their thinking, their motivations and their desire to do more.

In the context of the forthcoming National Policy on Philanthropy which is expected to be approved and published by Government in the coming weeks the research informs a number of areas of action which could be effective in growing philanthropy.

1) Government open-ness to Philanthropy

A frequently expressed viewpoint was of a public service that is suspicious of entrepreneurs and of philanthropic giving, with little appreciation of the capacity of successful entrepreneurs to contribute innovative and successful solutions to problems.

There is a need to educate policy makers about the reality of philanthropy as a different source of funding focused on improving society or addressing issues that Government finds hard to tackle quickly.

Community Foundation Ireland argues strongly that an increased open-ness to match-funding by Government Departments and Agencies, with public and private money working together, can grow Irish Philanthropy.

2) Placed Based Giving

Recognise that a sense of place is central to philanthropy in Ireland. Developing a model which recognises this connectivity to place will determine the level of success for the new National Policy on Philanthropy.

Community Foundation Ireland supports the establishment of pilot locally based funds to grow this form of giving. The Foundation is currently working with local authorities and donors in parts of the country to identify local areas for such pilots.

3) Awareness Raising

Many entrepreneurs reflected on how difficult it is to find how to engage in philanthropy.

The research identified a continuing role for the Community Foundations in assisting new and continuing entrepreneurs as well as the potential for an increased role for Professional advisors in terms of providing advice and support.

Entrepreneurs also welcome the opportunity of sharing experiences, learning from peers and doing better as a result; and in this regard would welcome more opportunities for peer engagement.

As part of wider awareness building Government should consider increasing information, support and guidance for entrepreneurs who wish to begin engaging in philanthropy.

4) Incentivise Philanthropy

Some entrepreneurs suggest incentivising philanthropic giving to make it more attractive. Measures could include mechanisms to ensure donor see their generosity being used for an intended result or cause rather than to tax.

Other forms of giving that could be incentivised include legacy giving as well as the tax treatment of gifts from inheritances.

Community Foundation Ireland welcomes the commitment by Government in Budget 2024 to engage all stakeholders to see how philanthropic giving can be incentivised. The Foundation is ready take a partnership approach in identifying such incentives.

Irish Philanthropy

This research builds a greater understanding of how entrepreneurs in Ireland approach their giving.

Community Foundation Ireland and Community Foundation Northern Ireland consider there is a significant opportunity to increase private philanthropy in both jurisdictions and on an all-island basis as well.

The over-riding conclusion is that philanthropy in Ireland is different and unique. It is often private or anonymous, has a deep connectivity to a sense of place and to date has been a journey which philanthropists often feel they do not have enough information or support to embark upon.

The delivery of an effective National Policy which recognises this uniqueness will grow Irish Philanthropy so it can deliver even more benefits for all.

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