

Growing Irish Philanthropy

Submission to Government

June 2023



Content

01

Pg. 1 - 4

Introduction/Overview

Submission summary including outline of our four key recommendations.

02

Pg. 5 - 6

About Community Foundation

Community Foundation Ireland, our Strategic Plan and our approach to national policy

03

Pg. 6 - 14

Our Recommendations

Our four key recommendations in detail

04

Pg. 15

What Next

Next steps as we recommit to a partnership approach to deliver a meaningful National Policy

For change. For better. For all.

1. Introduction



Introduction/Overview

An effective National Policy on Philanthropy needs to recognise the unique role of private giving in responding to major challenges, including climate change, poverty and inequality in all its forms. The Policy must commit to grow that philanthropic giving.

Forthcoming research which will be published by the Foundation in the coming weeks reconfirms the significant opportunity to grow philanthropy in Ireland. The first report which revisits Entrepreneurs engagement in Philanthropy 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.

A second report which revisits the potential to grow charitable legacies and identifies that the amount of wealth available for inter-generational transfer on an annual basis, is now running at an annual rate of around €9bn up from €5.7bn in 2018 which is a staggering increase.

Community Foundation Ireland, as a philanthropic hub on a mission to achieve Equality for All in Thriving Communities, welcomes the opportunity to make recommendations. Each is informed by insights from our 5,000 voluntary, community and charitable partners as well as donors who have provided more than €120 Million in grant-making since 2000.

The Foundation is making four recommendations which recognise philanthropic giving as agile, innovative, and brave. They acknowledge the national policy as a framework for action for philanthropists, beneficiaries, and government to work more collaboratively and effectively.

A new 'Sustainable Futures Endowment Fund'

With Government seed funding of €10M. Combined with existing grant-making this recommendation would see climate and biodiversity grant-making for communities guaranteed in perpetuity. This proven model would follow the development of the Community Foundation itself which was started with €1M Government seed funding in 2000 which has grown to provide over €120M in grants.



Cross Government Commitment to Match Funding.

Whether responding to Covid, the impact of the war in Ukraine, biodiversity mapping, ground-breaking gender equality research Community Foundation Ireland has shown that match-funding (with private and public money invested in joint projects) works. An important dimension of the Government policy should be to ensure that all Government Departments and Agencies are open to the prospect of match-funding and that there is a framework to determine how and when such an approach is relevant and should be considered.



Promoting and Growing Legacy Giving.

A national awareness campaign to bring Ireland into line with other countries (notably UK and US) in terms of levels of Legacy Giving. Practical measures previously proposed including reform of Capital Acquisition Tax to encourage giving from inherited wealth. Further research in this area will be published by the Foundation in July 2023 and will confirm that in terms of the amount of wealth available for inter-generational transfer on an annual basis, our 2018 analysis produced a figure of about €5.7bn, some 1% of the contemporaneous estimate of total transferable household wealth. Applying the same proportion to the corresponding current measure of household wealth suggests that the inter-generational transfer is now running at an annual rate of around €9bn.

Placed Based Giving

Is a well-known and established form of philanthropy, in particular amongst 1800 community foundations globally, whereby donors give to meet challenges in a geographical area where they have a personal or professional attachment. We believe that as an Irish style of philanthropy and giving emerges, place-based giving aligns closely with Irish values and culture and could be a key way to unlock potential for increased giving and impactful grant making supporting communities throughout Ireland. We have a strong track record in place based giving ranging from our long-established Monaghan Fund to the more recent Dun Laoghaire Rathdown Community Fund. Working with donors, the Foundation is also currently undertaking ground-breaking research in several local authority areas. There is a significant opportunity for Government at both a National and Local level to develop a number of pilot funds and initiatives which will demonstrate the particular effectiveness of a place based approach in an Irish context.

The recommendations are in line with commitments made in the draft National Policy. The Foundation's approach to the formulation of the policy remains one of partnership.

Denise Charlton,
Chief Executive



2. About Community Foundation Ireland



Community Foundation Ireland

Community Foundation Ireland and its donors are on a shared mission of equality for all in thriving communities. Together with 5,000 voluntary, community and charitable partners we are a philanthropic hub for Ireland which is a source of knowledge, expertise and information to ensure effective and strategic giving.

We link the generosity and vision of donors with the energy, ideas, and time of people in the community. Our unique connectivity with communities allows us to do this.

Established in 2000 with seed funding of €1M from Government, the Foundation and its donors have to date provided more than €120M to communities.

Our mission is guided by our [Strategic Plan](#).

Approach to National Policy

Community Foundation Ireland welcomed a 2020 Government re-commitment to publish a National Strategy on Philanthropy. The Foundation has been working with Government and other stakeholders towards the formation of the strategy.

Represented on the Government established Working Group at Chief Executive level, the process has involved other senior members of the team including the Director of Communications, Engagement and Public Affairs and the Director of Philanthropy.

Following the publication of the draft of the policy and the commencement of a public consultation the Community Foundation issued a statement of welcome [‘Brave’ Philanthropy needs Meaningful Policy – Community Foundation Ireland](#). As part of the consultation the Foundation is now making four recommendations which elaborate and develop commitments already made in the draft. Each is developed in the pages that follow

3. Our Recommendations



A Sustainable Futures Fund

Community Foundation Ireland in partnership with Government and informed by a panel of leading experts is providing leadership for communities in developing biodiversity action plans, national mapping on biodiversity as well as development of the circular economy to eliminate waste.

Partnerships with the National Parks and Wildlife Service and the Environmental Protection Agency have been impactful but in terms of scale do not reflect the enormity of the challenges to be met.

Using the commitment to Match Funding the Draft National Policy on Philanthropy and after consulting local communities, experts in the field and advocates the Foundation wishes to suggest a two-pronged approach which combined would deliver grant-making for communities in perpetuity.

- Growing climate grant making as a short-term priority. Continuing the work of the past 5 years, investing available resources of the Foundation and working with our donors to fund progressive and strategic grant making initiatives. In particular, grow the existing partnerships with the National Parks and Wildlife Service to ensure communities remain supported to develop strategic local action plans informed by access to expertise both in terms of biodiversity and the circular economy.
- Establish a national 'Sustainable Futures Endowment Fund' with €10M in seed funding from Government and €2.5m in private funding (which would increase in subsequent years). Using the model which originally established the Foundation with €1M in seed funding in 2000, this will offer communities support on levels not seen before.



The combination of these two strands would make €6.5m available in grant-making over the next three years, with a long-term endowed fund of €12.5m in place by the end of the three years.

Using the grant-making expertise of the Foundation funding would be provided across a number of areas including:

- Environment NGO's play a key role in ensuring that we meet our climate obligations and in supporting a just transition for communities. In recognition of the current under funding and low level of investment in environment NGO's, provide multiannual support for advocacy and capacity building amongst Irish environmental NGO's, including core costs.
- Supporting the community and voluntary sector to pivot towards climate justice
- Support for research, education and knowledge sharing
- Support for biodiversity, conservation and rewilding
- Supporting the circular economy



Cross Government Approach to Match Funding

Philanthropy can be at its most impactful when it works in tandem with public funding. Whether responding in times of national emergency or ensuring investment to combat emerging challenges the Community Foundation has demonstrated the value of such an approach.

High profile responses such as RTÉ Does Comic Relief (June 2020) when Government, Corporate Donors and TV Viewers came together to provide €6M to enable vital supports for communities, shows how in times of crisis the partnership approach delivers.

This was seen again when the Foundation, Media Partners and Government worked in partnership in response to the needs of people fleeing the war in Ukraine both on the ground and in communities here to deliver over €7.5M in support. This funding was unique in that it was informed by the experience of the Ukrainian community, local communities in Ireland and leading international aid agencies.

Our work with Government agencies has provided leadership both in terms of biodiversity and the circular economy which otherwise would not happen. Recent partnerships with the Department of Justice in the area of gender-based violence are also ground-breaking in nature.

Despite these successes there are Departments and agencies in both national and local Government who are not engaged with or do not consider philanthropy in terms of delivering projects which for a variety of reasons can not go ahead with public funding alone.

Cross Government Approach to Match Funding

The National Policy needs to make a number of commitments.

- An open-ness across Government (National and local), its Departments and Agencies to consider match-funding both in times of emergency and when seeking to advance longer term and strategic projects.
- A resourced national office to promote the opportunities for match funding with philanthropy with all policymakers and to report to the Oireachtas annually on trends and successful partnership.
- The national office to report regularly on levels of match-funding, successful areas of partnership and trends which may identify policy areas for future partnerships.



Promoting and Growing Legacy Giving

As a philanthropic hub Community Foundation Ireland is committed through its strategy to grow and promote philanthropy. Using best in class research, connectivity with the 1,800 community foundations worldwide as well as feedback from donors the Foundation identifies giving trends and areas for potential growth.

Research commissioned by Community Foundation Ireland in 2018, and acknowledged in the Government's draft national policy, shows that legacy giving here lags behind other countries.

The estimated €50M in annual charitable bequests in Ireland representing less than 1% of annual inter-generational wealth transfer was three and half times behind the figures for the UK.

In terms of the amount of wealth available for inter-generational transfer on an annual basis, our 2018 analysis produced a figure of about €5.7bn, some 1% of the contemporaneous estimate of total transferable household wealth. Applying the same proportion to the corresponding current measure of household wealth suggests that the inter-generational transfer is now running at an annual rate of around €9bn.[1]

In order to inform the National Policy these revised findings will be completed and published in July.

The Foundation makes a number of recommendations for the National Policy.

- A national awareness campaign to highlight the importance of people drawing up wills. Such a campaign would also highlight the opportunity that making a will affords to 'give back', to donate to a charitable cause.
- Reform of the Capital Acquisitions Tax regime to encourage charitable donations out of inherited wealth, namely to allow such donations as a €-for-€ deduction from the amount of the overall inheritance liable to CAT. This would be equivalent to adding the amount of any charitable donation to the relevant CAT threshold.

[1] Note the correspondence between this figure and the estimate from the Probate Office.

Placed Based Giving

Community Foundation Ireland has identified a sense of place of being a major driver in Irish Philanthropy. Donors tend to give to geographical areas where they have a sense of connection such as birth, family connection or a location in which they do business.

Place based giving is a partnership between communities, philanthropists, corporate donors, and local organisations (e.g., businesses, civil society organisations), local authorities, and national funders that bring together resources in a collaborative way to benefit the community in a defined geographic area.

They will ordinarily be led by a local authority, a charitable trust, or a community anchor organisation, such as Community Foundation Ireland.

The schemes engage communities as donors and volunteers, and also crucially as partners with a voice in what priorities and projects the scheme supports, promotes and funds.



Placed Based Giving

The Community Foundation is working with partnerships across a number of local authority areas including forthcoming research which will consider the potential for greater place based giving in Munster.

The Foundation believes the National Policy is an opportunity to introduce a model for such giving which can benefit communities across the country and is making recommendations in this regard.



- The piloting of Five Placed Based Giving Schemes which will involve both local and national Government. Such pilots should be based on local authority areas and build on work already under way by the Community Foundation.
- Engagement by Government with local authorities to promote the concept of Placed Based Giving and to encourage engagement with philanthropy.
- Identify critical success factors for place based giving which may include, Leadership, Fundraising, Resources, Governance, Ability to Meet Local Needs and Long Term Commitment of All Participants.

4. Next Steps

Community Foundation Ireland believes the National Policy needs to be finalised and approved by Government prior to Budget 2024.

The Foundation is committed to a partnership approach to the policy and remains available to policymakers as a philanthropic hub which is a source of insight, expertise and research.

In order to inform the continued development of the policy the Foundation will publish insights into Irish Philanthropy, commencing with updated research on legacy giving in July 2023.

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For change. For better. For all.