

Philanthropy in Ireland

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“To give away money is an easy matter and in any man’s power. But to decide to whom to give it, and how large, and when, and for what purpose and how, is neither in every man’s power nor an easy matter.”

Aristotle (384-322 B.C.)

Presentation

- Overview
 - Introducing CFI
 - Philanthropy in Ireland
 - The role of professional advisers in philanthropy
- Why philanthropy is likely to grow in the coming years
- Donor advised funds – as a charitable giving vehicle
- How CFI is working with donors
- How to find out more/ additional resources



Introducing CFI

Part of a global
movement of
1,800
foundations

First
Community
Foundation
set up in 1914

Established 15
years in
Ireland

Intermediary
between
donors and the
community

Over 60 donor
advised funds

Working
relationship
with over
3,000 non-
profits

Introducing CFI

Endowed funds
of over €40m

Cumulative
grants of over
€22.5m

Target to
exceed €5m in
grants in 2015

Works closely
with
professional
advisers

Model of
philanthropy
based on trust,
effectiveness
and impact

Overarching
framework
governance
and
accountability

Philanthropy in Ireland

- Strong tradition of charitable giving
- Strategic, engaged, purposeful giving less frequent, also low levels of giving
- Small number of charitable trusts and foundations
- One Foundation, The Atlantic Philanthropies and JRCT all ceasing funding
- Some wariness around 'philanthropy'/'philanthropist'

The role of professional advisers

- Working with professional advisers intrinsic part of community foundation model globally
- Philanthropy part of wider – ‘trusted adviser’ offering
- Past 10 years significant increase in involvement in the UK
- Irish research – interest amongst Irish entrepreneurs
- Increasing complexity, legacy/estate planning

Why philanthropy is likely to grow

- Significant wealth creation and increased polarisation of wealth
- Inter-generational transfers of wealth \$59 trillion in US - \$6.3 trillion bequeathed to charity and \$20.6 trillion life time giving
- Move away from “arm chair philanthropists” – earlier and more active engagement
- Wish to involve next generation

Why philanthropy is likely to grow

- Ireland likely to mirror such global trends
- Notwithstanding recession, significant and recovering wealth – strongly entrepreneurial vs inherited wealth
- Giving and Gaining – How Entrepreneurs view philanthropy in Ireland – CFI research – 50+ surveys and 15 interviews [April 2015]
- Despite relatively low engagement in structured/ strategic giving – appetite to engage more in philanthropy

Why philanthropy is likely to grow

- 66% understand ‘philanthropy’ only 33% give in strategic and planned way
- Strongly motivated “to give back”
- Recession a key motivator
- Believe environment could be more supportive
- 62% interested in philanthropy guidance through professional advisers/ specialist intermediaries
- Also interest in being kept informed about philanthropy from advisers
- Would like to see a more supportive environment including tax and facilitation of complex gifts

Donor advised funds

- Charitable giving vehicle administered by a third party
- Community foundations pioneers in donor advised funds
- Fastest growing charitable vehicle in the USA
- As name suggests “**Donor Advised**” within governance framework of CFI
- €25,000 usual starting point for a fund

How do they work?

1. Set up a fund in a chosen name (in a matter of weeks)
2. Donor advises what causes/ projects they wish to support (CFI can provide advice)
3. CFI handles administration and governance, grants issued in name of fund or anonymously
4. Donor receives agreed feedback and outcome reports
5. CFI facilitates site visits and other donor events
6. CFI administers eligible (income) tax relief

Tax relief on donations to charity

Revised Scheme in relation to tax relief on donations to charity (from 1st January 2013)

- Tax relief (PAYE or self assessed) is allowed to approved body (not donor) at blended rate of 31%
- Annual limit of €1m per individual
- In the case of a donor advised fund at CFI eligible tax relief accrues directly to the fund e.g. €10,000 donation - revised balance of €14,493 in fund if eligible for full relief (but time lag of up to two years)

Examples of how CFI is working with donors

- Family with long term endowed fund, spending €250,000 pa – Parents, 3 adult children, 6 portions; Kid's Classics, Autism Action, Hope Foundation
- Family fund – 3 siblings, individual projects and shared project – young men and homelessness
- Family fund channelled through holding company
- Corporate funds e.g. Medtronic, community benefit
- Collaborative funding opportunities e.g. mental health reform, First 1000 Days, domestic violence

Examples of working with professional advisers

- Forthcoming family fund – donation is share transfer to CFI – dealing with accountant, solicitor and liquidator
- Recent Family Fund – also share transfer – entailed working with accountant and tax adviser
- Referrals from professional advisers – where they see DAF as good fit
- Professional Advisers Advisory Group

Resources

How to find out more:

- Giving and Gaining – How entrepreneurs view philanthropy in Ireland – includes *Philanthropy at a glance* and list of websites and reports
- www.communityfoundation.ie
- Philanthropy Ireland www.philanthropy.ie
- New Philanthropy Capital www.thinknpc.org
- Philanthropy Impact www.philanthropy-impact.org
- jharrison@foundation.ie or 087 2940842