

Giving in Europe

The state of research on giving in 20 European countries

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Research on Giving in Ireland

The state of research on giving by households, corporations, foundations and charity lotteries to charitable organisations in Ireland



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Research on Giving in Ireland

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Introduction on Giving Research in Ireland

In this report on the state of giving research in Ireland, we provide a qualitative picture of the philanthropic landscape that reflects the paucity of data and published giving research for the period 2010-2015. Rather ironically, in spite of the limited information available, the profile of philanthropy in Ireland in the public sphere has increased substantially over the past five to seven years. A number of researchers have published papers and chapters concerned with the ‘philanthropic infrastructure’ of the country⁶⁸. Topics have included the impact of the financial crisis on philanthropy, fundraising, corporate philanthropy, community philanthropy and giving circles, and the foundation sector. None of these, however, have conducted giving research, and at present the data sources for systematic research on giving are limited.

In the same period, there has been a concerted effort to raise the profile of philanthropic giving. Two bodies, the Forum on Fundraising and Philanthropy (a state-appointed committee) and Philanthropy Ireland (a nonprofit membership association for philanthropic entities) have worked to raise public understanding of and commitment to philanthropic giving. In 2013, the One Percent Difference Campaign was launched jointly by the Forum and Philanthropy Ireland. This national, year-long campaign to raise awareness of philanthropy—including volunteering and giving—challenged Irish citizens to give 1 per cent of their time or money to the wider Irish community. While this campaign was successful in attracting high profile celebrity spokespeople, there has been no formal assessment of the campaign’s effectiveness/impact. In 2015, there was limited publicly-accessible research on giving in Ireland. The research on giving that does emerge on giving in Ireland tends to be from various private sources, in ad hoc studies and lacks the potential for long-term comparability or reliability.

The Forum on Philanthropy and Fundraising with Philanthropy Ireland presented a report to the Irish government in 2012 outlining an ambitious action plan to increase philanthropy, in particular giving, in Ireland. One of the key recommendations from this report includes investing in the research data on giving, including the improvement and centralisation of data collection on philanthropy giving through the Central Statistics Office (CSO) quarterly household survey. Moreover, it recommended that the State bodies, such as the CSO and Revenue also ‘...be mandated to provide an annual report on vital statistics for the charity sector in Ireland, including trends in charitable giving, employment, economics contribution etc., using data from all relevant sources’ (Forum on Philanthropy and Fundraising 2012, p. 17). At the time of print, in 2015, the collation and dissemination of such central statistics and the potential for longitudinal comparisons had not yet come to fruition.

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⁶⁸ See, for example, Donoghue et al., 2007 (fundraising); Daly, 2008 (nonprofit landscape); Prizeman and McGee, 2009 (fundraising); Donnelly-Cox and Cannon, 2010 (impact of financial crisis on philanthropy); Donnelly-Cox, O’Regan and McHugh, 2012 (corporate philanthropy); INKEx, 2012 (analysis of nonprofit annual reports); Eikenberry and Breeze, 2014 (giving circles); Kelleher and Millar, 2013 (fundraising); The Wheel, 2014 (Irish nonprofits landscape); Russell Brennan Keane, 2012 (analysis of Irish nonprofits survey on challenges facing the sector).

The Charities Act 2009 provides a regulatory framework for charities in Ireland, and with the establishment of the Charities Regulatory Authority in 2014 still in its infancy, it is anticipated that an aspect of this role will also include the gathering of statistical information from registered charitable organisations on their donations, fundraising and philanthropic activity. As an all-encompassing role on charity regulation, the Charities Regulatory Authority will monitor the compliance of charitable organisations in Ireland and the functions of the Commissioners of Charitable Donations and Bequests transfer to this Authority from the end of 2014. While this is a promising development, it will improve access to data on the income of charitable organisations, but is less likely to elaborate on the sources of those funds.

Overall, the research related to Irish philanthropy remains disparate and includes a few key researchers examining the concept in terms of its potential economic value and its relationship to non-profit management and public goods, such as in higher education. The new state infrastructure in place for charities, the interest emerging at a postgraduate level study and the political will to keep philanthropy on the national agenda will hopefully enable further development of philanthropic research over the next decade. Since Prizeman and O'Regan (2009) presented the latest edition of this publication, some positive developments related to philanthropy and promoting giving in Ireland have emerged, although the context and the challenges in conducting research due to the limited data available remain half a decade later.

Giving by individuals

Descriptive statistics of giving by individuals in vivo

The Central Statistics Office collected information on charitable donations and subscriptions through the Household Budget Survey (HBS), based on a representative random sample of households. The most current information available is 2009-2010, with a new survey 2015-2016 currently in process. While these statistics provide some insight into the average weekly giving by households for charitable causes, the data are limited to households and not individuals, and the survey provides respondents with a limited definition of what a charitable cause is. On average, households in Ireland give € 4.40 per week in charitable donations (CSO 2012, p.12), which would equate to € 228.80 per annum, equivalent to 1.7 per cent of household income (Ibid, p. 13). The survey results break down donations by location (urban and rural and also by region) as well as by gross household income. Based on these figures, it is possible to estimate the total giving by private households in 2009-2010 from all sources is circa € 378 million.

Comparison with the 2004-2005 version of the HBS, as was previously noted by Prizeman and O'Regan (2009) is difficult, as the survey questions and the units of measurement differed. The respondents were asked to include volunteer subscriptions, including giving to schools for extra-curricular activity, club memberships and religious giving.

While the tax system provides a tax return to charity on individual charitable donations totalling more than € 220, the threshold only applies if that amount is given to a single charity. Thus, if a taxpayer gives € 500 to five charities at € 100 each, there is no tax benefit to any of the charities. The tax arrangements also make it more difficult to trace individual giving to charitable organisations.

Donations from an individual who gives to multiple causes and/or multiple organisations under this threshold of € 220 for any one donation even achieving or exceeding this threshold amount will not be recorded. The Forum on Philanthropy and Fundraising has recommended modifications to the system of tax efficient giving to address these anomalies.

Fundraising Ireland, a development body / membership organisation for professional fundraisers, recently commissioned a series of surveys on individual giving. It was conducted by Amárach, a private consultancy firm (2015). Three years of comparable data are available on individual giving, although the focus is on all types of giving, including informal ad hoc or one-off donations, such as to charity shops and church gate collections, noting only 3 per cent were donations by post with the average donation of this kind being just under € 40 (ibid). The data analysis comparisons are primarily to understand changes to donor behaviour and attitudes to different methods of donation solicitation. For example, the survey illustrates that the average donation for a Christmas appeal increased from € 10 in 2013 to € 12.50 in 2014.

A series of organisational studies exist in Ireland historically that examine non-profit organisations, including donations from individuals. In the previous edition of this publication, Prizeman and O'Regan (2009) cite the Centre for Nonprofit Management, the Trinity College Dublin survey in 2005 (Donoghue et al., 2006) examining 4 214 nonprofit organisations, and noting their diverse income streams including from individual donors. Research on organisations such as this one include a focus on the organisation over the individual donation, and thus are useful in further understanding the culture of giving in Ireland over offering a data set to shed light on individual giving in Ireland. Other research studies focus on organisations, such as Donoghue et al. (2007), a study that examined the scale of fundraising in charitable organisations in Ireland with the aim of informing the regulation of such fundraising practice. Thus, it may be argued that the extant giving research in Ireland is oriented towards building a culture and infrastructure for philanthropy, fundraising and giving. However, as the research studies cited above were conducted once and the authors were unable to repeat them on a regular basis as initially planned, it is not possible to use such sources to provide further insight into the status quo.

There is other research related to individual giving in Ireland that demonstrates the dissimilar nature of the data available and the focus primarily on the organisations receiving individual donations instead of the individual donors themselves. In addition, the definition of individual giving is wider than simply a donation to a charitable cause. For example, the recent report by the Wheel (2014), which includes the results of a survey of over 500 non-profit organisations across Ireland, states that individual giving represents 25 per cent of income for these organisations (p.11), although individual giving is all-encompassing, from individual donations and wills/legacies to all types of fundraising activity, including receipts from events, community-based collections and lotteries.

Until the charities regulator requires returns from all organisations with charitable status, the most accessible source of nonprofit income data is that available in annual returns of nonprofit organisations with a charity number that are also companies limited by guarantee, as this group of non-profits must lodge their annual report with the Companies Registration Office (CRO).⁶⁹ A number

⁶⁹ This statement is based on the assumption that the researchers will be able to access this data. While it is currently possible to access CRO data, building a sufficient database is both time-consuming and expensive.

of studies have turned to the CRO for non-profit data. For example, INKEx demonstrated that it would be possible to extract, and organise in a searchable database, annual report data from the more than 7 000 CRO-registered non-profit organisations in Ireland (INKEx, 2012). INKEX data were used by Kelleher and Millar (2013) to analyse the fundraising activity of these organisations. The authors of both reports note the challenges they faced in using the data extracted from annual accounts, as for CRO accounting purposes it is required only to be included in a single income line item (Kelleher & Millar, 2013; INKEx, 2012).

Data sources of giving by individuals in vivo

Data sets on individual giving in Ireland is limited. The Household Budget Survey (HBS), outlined in the previous section, is conducted every six years, and provides some data related to charitable giving and volunteer subscriptions. Despite the longitudinal nature of the HBS as a representative randomised sample of households running since 1951, the nature of the questions related to donations by households to charitable causes has varied and is not comparable (Prizeman and Regan, 2009). Privately commissioned data sets, such as Fundraising Ireland/Amárach, can provide a representative sample and comparability over a number of years. However, the research focus of the questions employed differs from the objective of understanding sustained, philanthropic giving in depth. Moreover, there is no guarantee that these private data would become available for public use and analysis.

Descriptive statistics on giving by bequest

There are limited data available on giving by bequest in Ireland. In 2010, the Community Foundation for Ireland commissioned a report promoting charitable bequests in Ireland. According to the background research for this report, which was based on data accessed from The Commissioners for Charitable Bequests (now a function of the new Charities Regulator), in 2009 about € 26 million was donated through bequests to Irish charitable causes (CFI, 2010, p. 7).

To promote bequests and legacy giving in Ireland, MyLegacy.ie was established in 2003 as a partnership between 60 nonprofit organisations in Ireland (MyLegacy.ie Website).

Giving by corporations

Descriptive statistics of giving by corporations

The past two decades has seen the development of the Irish philanthropic infrastructure, including the establishment of two key organisations Philanthropy Ireland and Fundraising Ireland, which has contributed to encouraging corporate giving (Donnelly-Cox, O'Regan, McHugh, 2010).

Philanthropy Ireland commissioned research related to corporate giving with the aim to: 'Investigate the Landscape of Corporate Giving in Ireland and to Gain an Understanding of Attitudes Towards Philanthropy with a View to Providing Philanthropy Ireland with Insights to Encourage more Businesses to become Involved in the 1% Difference Campaign' (PI 2014, p.2). This research concentrates on interviews of 150 companies in Ireland from multi-nationals to small and medium-sized businesses spanning a range of industry sectors.

On average, the research findings show 80 per cent of companies engage in corporate philanthropy of some kind (ibid, p.8). Citing the importance of 'giving back' as the main purpose for engaging in

Corporate philanthropy, these companies supported multiple causes, including Health (38 per cent), Poverty (34 per cent), Young People (34 per cent) and Children (33 per cent) (ibid, p.9). With little data available on corporate giving in Ireland, this research contributes to understanding this segment of giving. This research also demonstrates the need for comprehensive and perhaps nationally derived data to provide further depth into corporate giving.

Giving by foundations

The EURFORI study (European Foundations for Research and Innovation) provides a comprehensive overview of the very small population of R&I foundations, and an outline of the minute foundation sector in Ireland (Donnelly-Cox, Cannon & Harrison, 2014).

Donoghue (2007) offers a summary of the unique nature of foundations operating in Ireland:

‘...fundraising is an important defining characteristic of Irish foundations. Playing a complementary role to the state was regarded as important, although if foundations were greater in number they might have more opportunities to adopt a social change role, which was seen as a vision for the future. What is most apparent about Irish foundations, however, is their relative lack of visibility and awareness of their potential as vehicles of philanthropy’ (p.212).

In a comparative analysis of foundations Anheier and Daly (2007), Ireland is categorised as a peripheral statist model, with few foundations with a role as ‘...service providers to compensate for public sector short-fall’ (p.19).

The reliance on a few foundations who provide significant donations will leave Ireland in a difficult position after 2016. In 2013, after investing over € 800 million, (\$1.2 billion), Atlantic Philanthropies (AP) announced an exit from investing in Irish charitable causes since 1987. A review of AP investment describes the foundation’s ‘...catalytic role in Ireland, from stimulating a knowledge economy by re-invigorating the higher education system, to protecting and expanding human and civil rights, to fundamentally transforming the design and delivery of services for children, older adults and people with disabilities’ (Atlantic Philanthropies, 2015, p.3). The development of the Irish philanthropic infrastructure in higher education institutions, including the establishment of university trusts, can be attributed to Atlantic Philanthropies wishing to invest in the sector without directly replacing State funding (Gallo 2014). Along with the One Foundation, Atlantic Philanthropy will cease grant-making activity in Ireland in 2016, leaving a significant void in a country with a limited number of philanthropic foundations.

Giving by charity lotteries

According to the Association on Charity Lotteries in the European Union the Irish charity lottery sector is quite small. The National Lottery and a number of smaller lotteries for charitable purposes operate in Ireland (ACLEU, 2015). In 2012, the government announced the phasing out over three years of

the Charities Lottery Scheme, a subsidised scheme for smaller lotteries. The Rehab Group lottery and other charitable organisations benefitted from this Exchequer funded scheme, and in 2014 it emerged in the public domain the small profits yielded by these smaller lotteries due to the Scheme, thus leading to an examination of fundraising practices in the charitable sector and a perceived loss in confidence by the public in charitable fundraising activity (Wheel, 2014).

There are little detailed data recorded on the use of funding from the National Lottery and smaller charitable lotteries. The National Lottery reports '€ 205.9 million or 30.1 per cent of sales was raised for good causes...for distribution by the Government to projects and communities throughout Ireland' (National Lottery, 2014, p. 6). Despite this commitment to giving through this main lottery fund, the funding is distributed to government departments and agencies (National Lottery Beneficiary Fund, ND); thus, a clear picture of the use of funding is not available.

Conclusion

In 2014, Ireland ranked 4th in the World Giving Index (CAF 2014) leading to several media headlines purporting Irish generosity. In addition, the Irish government has recognised the importance of the development of the philanthropic sector and fundraising, stating a target of increasing philanthropic giving by 60 per cent by 2016, from € 500 million to € 800 million (Forum on Philanthropy and Fundraising, 2012, p. 9). To achieve this ambitious target, there is recognition of the importance of changing the Irish culture on philanthropy and giving, from informal giving practices to more sustainable, long-term investment. Moreover, the need for tax simplification to reform the complicated and cumbersome tax system is also noted. Most importantly for the purposes of this research is the recognition of the importance of creating and maintaining data and data sets on giving in Ireland. There is an appetite to explore and expand the State statistics on charitable giving, such as collecting more data on charitable giving through the Household Budget Survey (Forum on Philanthropy and Fundraising, 2012).

There are some limited data sets on fundraising in an organisational context and on various giving groups, including individuals and corporations. The data on philanthropy, fundraising and giving remain disparate and uncoordinated. There is great interest in building giving data sets in Ireland to contribute to understanding and enhancing philanthropic giving in Ireland. A promising development to improve the data on philanthropy in Ireland was launched in June 2015. Benefacts, reports to be 'Ireland's Nonprofit Data Portal' (Benefacts Web site, 2015) and aimed to bring together data from multiple public sources in an accessible format. Funded through a multiple of private philanthropic sources along with the Department of Public Expenditure and Reform, Benefacts may prove to offer a clear and comparable picture of philanthropy in the Irish nonprofit sector.

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A stylized map of Europe in white with a drop shadow, set against a blue background. The map shows the outlines of the continents and major islands.

About Giving in Europe

Philanthropy is not an American, but a European invention. 'Giving in Europe' shows: European philanthropy takes itself seriously.

This study is an initial attempt by members of the European Research Network On Philanthropy (ERNOP) to map philanthropy in Europe and presents a first overall estimation of the European philanthropic sector. Containing an overview of what we know about research on the philanthropy sector, it provides data and an assessment of the data on giving by households, bequests, foundations, corporations and charity lotteries in 20 European countries.

Despite the promising signs of an emerging philanthropy sector in Europe, it is still a phenomenon and a sector that is not very well understood. As a matter of fact, besides the anecdotal glimpses from national researchers and the great work that has been carried out on the subdomains of philanthropy, we know little about its actual scope, size and forms in Europe. For a better discussion and assessment of the (potential) role that philanthropy can play in solving societal problems, we need a clear picture of the size and scope of philanthropy. What amounts are donated by households, through bequests, corporations, foundations and charity lotteries, and to what goals? To what extent can we draw a picture of the philanthropy sector in Europe, what is the quality of the data involved?

In answering these questions, this publication aims to stimulate researchers, policy makers and philanthropy professionals in fostering research on philanthropy and to inspire to exchange knowledge and information. For more information visit www.ernop.eu.