

GIVING IRELAND

2023

ANALYSIS & INSIGHTS ON FUNDING OF THE NONPROFIT SECTOR IN 2021



Community
Foundation
Ireland



QUILTER CHEVIOT
INVESTMENT MANAGEMENT

 ecclesiastical

Contents

About Giving Ireland	3
Our Partners.....	5
Forewords	6
Introduction	7
Methodology.....	8
Context.....	9
Findings	10
Conclusions	31
References.....	33

About Giving Ireland

Giving Ireland is a collaboration between 2into3, TU Dublin and Philanthropy Ireland, started in 2020. It seeks to provide a platform for the Sector that will foster collaboration, provide insights and encourage collective action. Giving Ireland's objective is to provide insights into charitable giving in Ireland and support informed decision-making. The Report is intended to stimulate dialogue while encouraging more detailed and transparent reporting of fundraising and philanthropic data.



Niamh Carruthers | Author & Coordinator, Giving Ireland



Niamh is a Ph.D. candidate in the TU Dublin School of Marketing & Entrepreneurship. Her research focuses on conceptualising Ireland's philanthropic DNA through an exploration of giving culture and philanthropic infrastructure. She is an Associate Consultant at 2into3 specialising in research and strategic development for nonprofits. Niamh has been involved in the coordination and authoring of the Giving Ireland Report since 2018. Niamh has a B.A. Hons from Trinity College Dublin and an M.Sc. from Erasmus University Rotterdam, both in Sociology.

Dr. Lorraine Sweeney | Senior Lecturer, Faculty of Business | TU Dublin

Dr. Lorraine Sweeney supervises and supports the Giving Ireland research. Lorraine has a Ph.D. in Corporate Social Responsibility and has supervised several Ph.Ds in the area. Lorraine has a Master's Degree in Data Analytics from TU Dublin and specialises in Analytics, Corporate Finance and Management Science with a research focus in Corporate Social Responsibility, Stakeholder Theory and Business Ethics.





At 2into3, our mission is to “build the capacity of organisations to have a transformative social impact.” We are passionate about supporting organisations to have a greater impact in their community, from charities and social enterprises, to sporting organisations, government bodies, and private companies. Since 2006, we have worked with over 450 organisations, helping them to enhance their influence in their communities and create lasting social change. We offer support within funding, advisory and talent management, and also provide sector research and insights.

TU Dublin's campuses are strategically located throughout Dublin, with a significant €500 million investment in cutting-edge facilities. TU Dublin nurture talent in business, media, culinary arts, and the creative and performing arts. As Ireland's leading part-time education provider, TU Dublin contributes significantly to the nation's economic growth. Their renowned researchers drive innovation, shaping policy and enriching Ireland's cultural scene. Their international perspective fosters global partnerships, offering exchange programs, research collaborations, and job prospects. With a vast network of 100,000+ graduates, TU Dublin is poised for an exciting future—Infinite Possibilities



Philanthropy Ireland champions the power of strategic giving to effect real and lasting change. They are the independent body supporting philanthropy in Ireland. Representing a diverse and engaged membership, they promote best practice, inform government policy, and raise awareness of strategic giving as an effective driver of social change. Their vibrant community disburses over €200m a year to 2,000+ projects that improve social mobility, care for the vulnerable, inspire the next generation, and much more. While their membership is diverse, they all share the same mission: to strengthen the social sector by advancing knowledge, practice and understanding of philanthropy.

Our Partners



QUILTER CHEVIOT
INVESTMENT MANAGEMENT

Quilter Cheviot is one of Ireland’s largest discretionary investment management firms offering bespoke portfolio management for charities and private clients. Quilter Cheviot has developed investment solutions to meet the needs of more than 36,000 clients (across Ireland, UK and Jersey) and designs portfolios which are tailored specifically to their requirements and risk profile.

They assist charities and their trustees in many additional aspects of their organisation, through their educational programme. Increasingly, they have helped organisations review their investment or ethical policies to ensure they are appropriate for the charity. Their experience has been built up over many years of working with clients, as well as applying best practice from other jurisdictions. They have developed several knowledge guides to support charities undertaking these reviews.

For more information visit www.quiltercheviot.com/ie/charities/.

From modest beginnings as an insurer of parish churches, Ecclesiastical Insurance has grown to be a multi-award-winning business, protecting some of the most loved and important buildings in the world. Today, they offer insurance and risk management, across a broad range of specialisms, including faith, charity, heritage, education, art and private client, real estate and schemes, across Ireland, Canada and the UK. Ecclesiastical Insurance has always had a tradition of giving back and today, together with other businesses in their family, their success has enabled a transformative scale of giving. Ecclesiastical Insurance can now redefine themselves as a unique, purpose-driven company with the highest of ethical standards and unrivalled expertise.



ecclesiastical

For further information visit www.ecclesiastical.ie.



Community Foundation Ireland and its donors share a mission of equality for all in thriving communities. Partnered with 5,000 voluntary, community and charitable groups, The Foundation has a unique ability to identify and respond to emerging issues within communities. By empowering generations, accelerating change and through inclusive communities, the focus of The Foundation, is to respond to the experiences, testimonies and research of those working on the ground. The expertise of the team at The Foundation has been used by donors to ensure that funds are used effectively and strategically in identifying and implementing solutions. This long-term vision is what makes philanthropy unique. More than €75 Million has already been provided to support communities. Find out how you can get involved at www.communityfoundation.ie.

Forewords



Dennis O'Connor | CEO | 2into3

This report is part of a series dating back to 2010 and serves as the most reliable estimate of total giving in Ireland, along with the trends in that giving. The 2023 report marks the second edition produced by TU Dublin and is notably the first to be authored by a Ph.D. candidate in Philanthropy. The pressing need for effective measurement to advance and foster philanthropy is expected to be a prominent aspect of the upcoming National Philanthropy Policy. In this context, Giving Ireland represents a platform with the potential for further enhancement to provide comprehensive measurement of the fundraised income received by the nonprofit sector as a whole.

Two specific gaps require addressing: the first pertains to organisations that submit abridged accounts, which should not be deemed acceptable for any entity receiving funding from the State. The second involves organisations that fall outside the purview of the charity regulator, with a notable example being sport organisations. As these gaps are addressed and resolved, Giving Ireland will capture a more comprehensive picture of the giving landscape in Ireland.



Dr. Etain Kidney | Head of School, Marketing & Entrepreneurship | TU Dublin

TU Dublin takes great pride in our commitment to the work of this report and our exciting collaboration with 2into3 and Philanthropy Ireland. This year, the Giving Ireland report tells the story of a nation on the path to recovery from the global pandemic. However, looking forward, we now know the realities of the cost of living crisis and the ongoing war in Ukraine will have left their mark on the giving landscape in Ireland.

The non-profit sector in Ireland employed 164,922 individuals and had a gross turnover of 18 billion euros in 2021, underscoring the sector's size and significance. Giving Ireland serves as a platform for fostering discussions on this nonprofit funding, offering transparency and valuable context to help us collectively create a stronger and more robust sector.



Éilis Murray | CEO | Philanthropy Ireland

We welcome the publication of this report, which provides insights on the nature of giving as the country continued to struggle with the impact of the pandemic. Research and data are critical to build understanding of the nonprofit sector and inform responses to social needs. As we continue to grapple with emerging crises, strategic planned giving is an increasingly important element of the funding mix.

We are at a time of both opportunity and challenge to grow strategic giving in Ireland for social benefit. This report contributes to much needed ongoing analysis and debate on how this can be achieved. In addition to the analysis on giving, it highlights some of the outstanding gaps in data, which is vitally important for future development in the sector

Introduction

This year's instalment of the Giving Ireland Report examines the state of Ireland's nonprofit sector in 2021, capturing the income trends and changing funding patterns between 2020 and 2021. Giving Ireland began with the First Annual Report on Fundraising in Ireland, published in 2010. Since then, the Report has evolved significantly. Today, the research focuses almost exclusively on the funding of the nonprofit sector and has moved away from more compositional elements which are explored in other civil society publications.

From its inception and through its first 10 years, the research was conducted and published by 2into3. In 2020, the Irish Not-For-Profit Sector: Annual Fundraising Performance Report became Giving Ireland, partnering with Philanthropy Ireland and establishing itself as more than a report, but as a platform for data sharing and knowledge production for the sector.

In 2022, Giving Ireland found its academic home at the Technological University of Dublin. This partnership has allowed access to invaluable resources and expert guidance, with the aim of strengthening the credibility, influence, and lasting impact of our research. Today, in 2023, the Department of Rural and Community Development is set to publish the Irish Government's first National Strategy on Philanthropy. The strategy's upcoming release is an important step and is hoped to foster a culture of giving, encourage effective collaboration, and signal Ireland's commitment to philanthropy, setting an example for other countries in the EU.

Looking back, 2021 saw Ireland still very much in the midst of the Covid-19 Pandemic. Certain aspects of 'normal life' had resumed, albeit cautiously. The rollout of the Covid-19 vaccine continued, while climate and energy issues gained increasing urgency in the public discourse. The end of 2021 then saw the cost of living crisis come to the forefront of our collective consciousness, where it has remained.

This report sets out to explore how nonprofits in Ireland fared in 2021 compared to 2020. The findings suggest that 2021 was a year of modest recovery. Funding remained a challenge for many organisations, while the struggle faced by organisations of all shapes and sizes to attract and retain staff intensified (Wheel 2023).

Total funding in the sector increased slightly, while earned revenue stagnated and fundraising declined for the second year in a row. For a second year, the State stepped in to fill the funding gap, stabilising the sector.

In 2021, we witnessed the lead-up to the war in Ukraine. As we prepare for next year's report, we predict that it will showcase the sector's ability to adapt and respond to new challenges, as many organisations made adjustments to assist incoming Ukrainian refugees, not to mention the international response led by our aid organizations. 2021, however, was a year for regrouping and refocusing in the pandemic's wake.

With Giving Ireland 2023, we hope to provide a clear picture of the key challenges, opportunities and changes that took place within the fabric of Ireland’s third sector. Equally importantly, we hope to demonstrate the sector’s flexibility and ability to adapt to in the face of obstacles. Despite challenges, tens of thousands of nonprofits worked tirelessly to provide essential services to our communities. Ireland’s nonprofits are a testament to our society’s ability to improvise and overcome in the face of obstacles.

Methodology

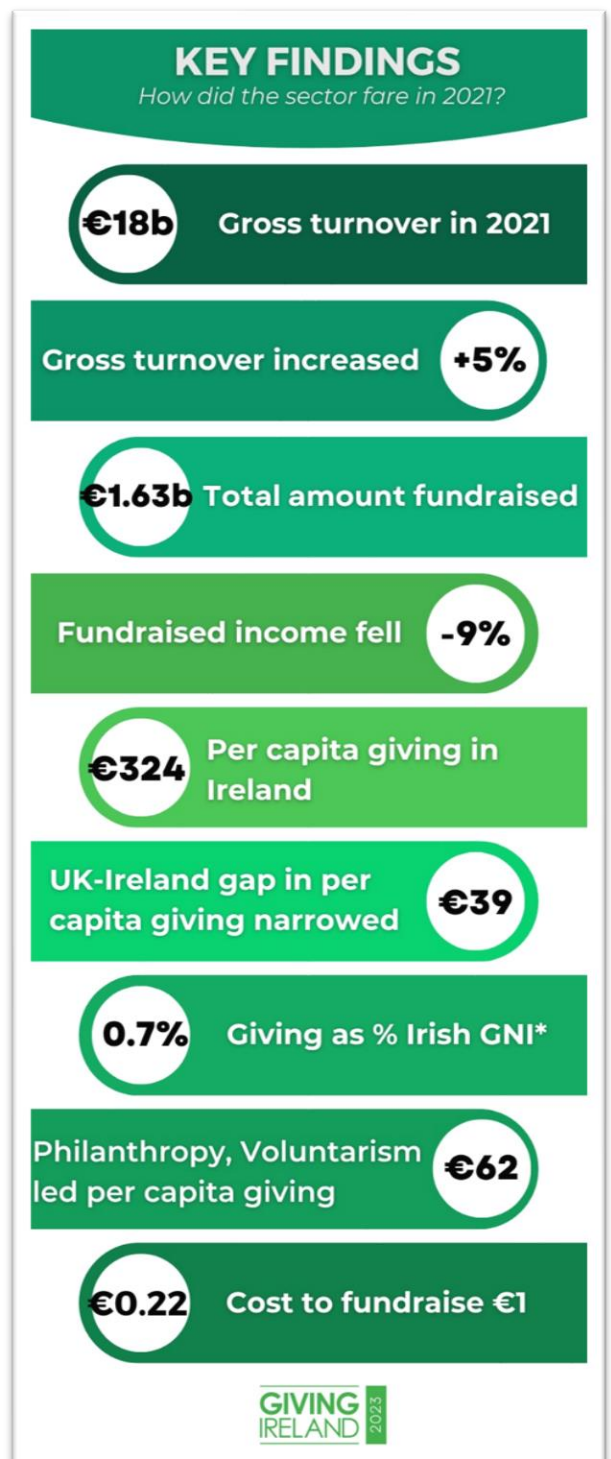
This year’s report introduces several changes to the methodology to account for the evolving nature of the nonprofit sector, as it continues to expand, professionalise, and become increasingly transparent. As the addressable population of organisations grows more comprehensive, we have taken steps to ensure that our research accurately reflects the true state of the sector. Below is an overview of our methodology. For a full list of organisations in the sample and more information, Giving Ireland’s website: <https://givingireland.ie/about/>

Data Sources

In the past, Giving Ireland availed of data purchased from Benefacts. Following the closure of Benefacts in 2021, data was acquired from a number of sources. Datasets made publicly available by the Benefacts Legacy DAC and the Charities Regulator’s Charity Register along with a purchased dataset from VisionNet were compiled to form a composite from which the sample was selected.

For more information, see <https://givingireland.ie/about/>

Figure 1: Key Findings



Sample Selection

The sample includes 1,037 organizations, representing 5% of registered organizations reporting their income. See Figure 2 for subsectoral strata representation.

A stratified, random sample of Irish nonprofits was used for analysis. Data cleaning criteria excluded organizations with no accounts, those removed from charity registers, and those with accounts not aligning with the year in question. A semi-random sample was chosen for balanced income representation. This year, strata were selected based on income. Data extrapolation allowed sector-wide financial insights by applying multipliers. Outliers were temporarily removed and reintroduced after extrapolation to improve income distribution accuracy. Comparative analysis was conducted to track year-on-year sector trends. However, it's important to note certain limitations, such as the potential lag in data and the primary focus on comprehending funding dynamics, even in the presence of certain inaccuracies in extrapolation.

Figure 2: Stratification of sample

Subsector Strata	Number of Organisations in Sample	Percentage of sample
Arts, Culture, Media	26	2.49%
Recreation, Sport	29	2.78%
Education, Research	288	27.85%
Health	246	23.79%
Social Services	179	17.34%
Local Development, Housing	91	8.74%
Environment	11	1.02%
Advocacy, Law, Politics	14	1.31%
Philanthropy, Voluntarism	20	1.91%
International	44	4.23%
Religion	62	5.98%
Professional, Vocational	27	2.56%
Total	1,037	100%

Context

Composition of the nonprofit sector

In 2021, there were 34,331 reported nonprofit organisations and 164,922 people employed by the sector, accounting for almost 13% of total organisations and contributing 7% of the workforce in Ireland (Central Statistics Office 2021; Benefacts 2021). This figure excludes unpaid volunteers and teachers who are paid directly by the State. The sector reported 93,451 directors or charity trustees (Benefacts 2021).

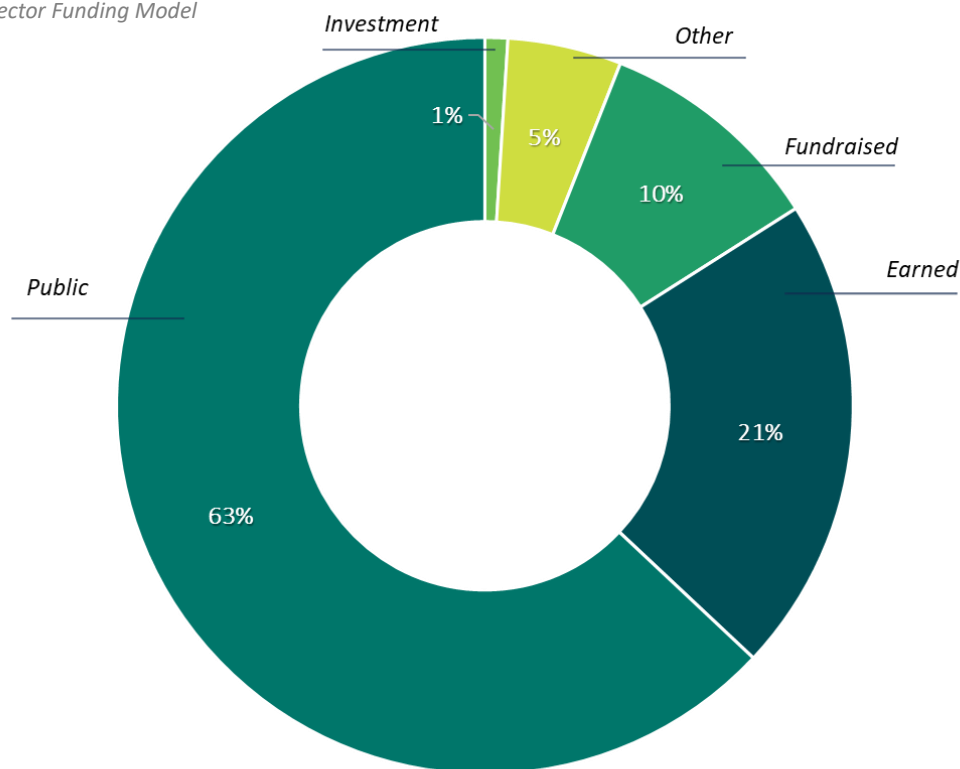
While this report focuses on the funding of the nonprofit sector, these figures contextualise this research, highlighting the key role the third sector plays in Irish society and the economy. Capturing the makeup of the Irish nonprofit sector, its scale, and the experiences of its organisations, as well as its funding, is crucial to developing policies and practices that allow the sector to thrive.

Findings

Funding Models

In 2021, the nonprofit sector’s aggregate funding model, or breakdown of total turnover by funding source, heavily comprised public income. In most years, State funding represents a significant proportion of the sectoral funding model. The effects of Covid-19 on the funding model is visible in 2021, as more organisations availed of public funds and those with public funding in their models leaned more heavily on Stability Funding.

Figure 3: Sector Funding Model

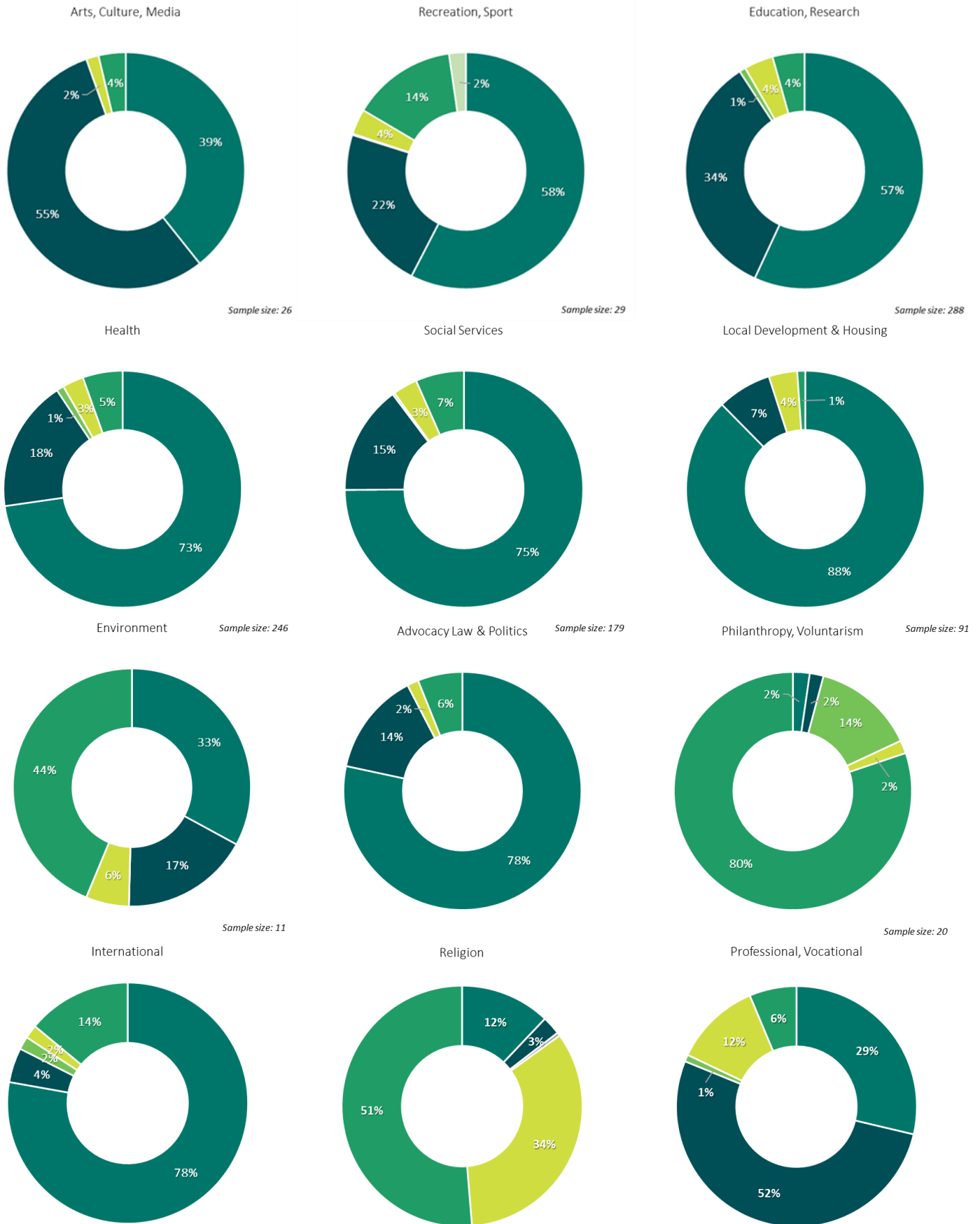


Despite an increased proportion of Public funding, Earned income represented almost a quarter of the sector’s income, while Fundraised income accounted for 10%. While this aggregate view allows us to take a bird’s eye view of the sector, there was significant variation between subsectors, as seen in Figure 4.

Seven of twelve subsectors had a funding model with over half of their income derived from public funding, while just two (Arts, Culture, Media and Professional, Vocational) relied mostly on earned revenue. Only Religion and Philanthropy, Voluntarism had fundraising-dominant models, though Environment derived nearly half of its income from fundraising. These variations underscore the diverse funding landscape within the non-profit sector, reflecting the unique financial challenges and opportunities each subsector faces.

Figure 4: Subsectoral Funding Models

Public Funding Earned Revenue Investment
Other Fundraised Sponsorship



Total Turnover

This report measures gross turnover in a given year. In 2021, Irish nonprofits brought in a collective €18.00 billion (2020: €17.19 billion), increasing modestly from the previous year, with an increase of just under 5%. Given the drop of 5% recorded in last year’s report, this signifies a levelling out and modest recovery from the effects of Covid-19. Figure 5 reveals that most organisations saw their total income increase, while approximately one third experienced a decrease in income. This demonstrates that the overall income growth experienced in 2021 is not disproportionately driven by a minority of organizations with exceptionally large increases; instead, it reflects a more widespread trend of improved financial performance.

Figure 5: Changes in gross turnover 2021

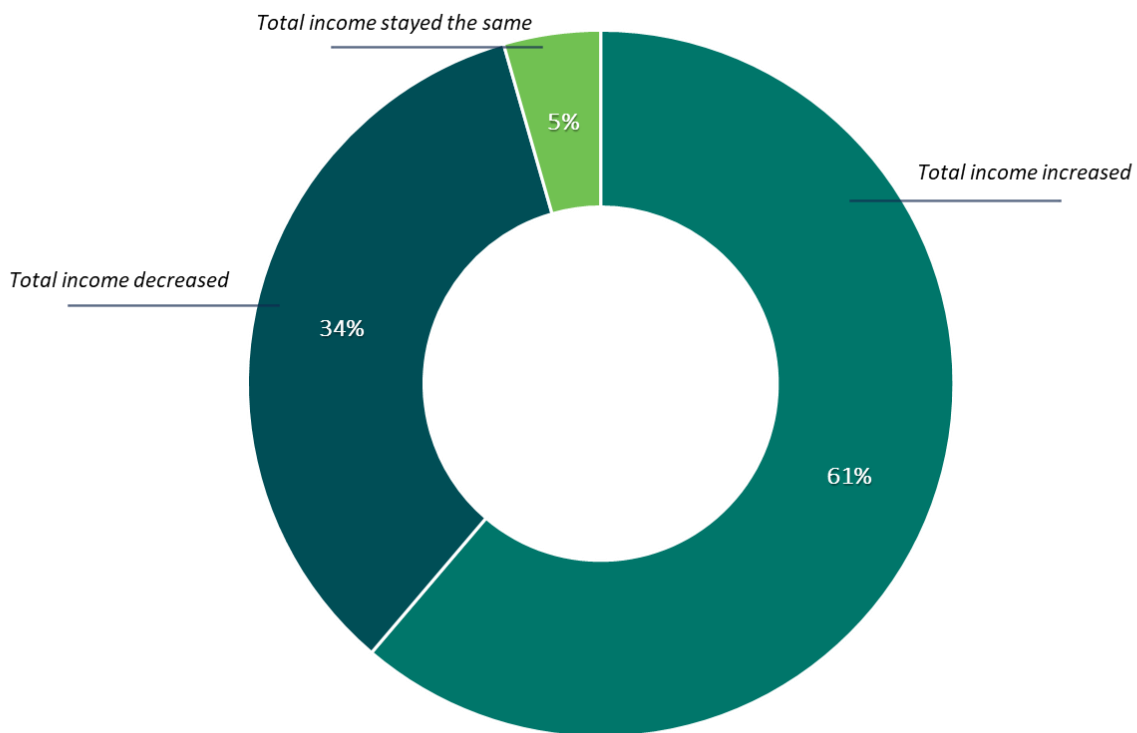


Figure 6 breaks down year-on-year changes in total income, by subsector. Notable variations are visible in the Philanthropy, Voluntarism and Professional, Vocational sectors. It is possible that philanthropic or voluntary organisations saw the slowing of Covid-related influxes, while professional vocational organisations may have begun to recover their earned revenue from memberships as activity resumed. Notable growth in gross income can also be seen in the Local Development & Housing and Social Services sectors.

Figure 6: Gross turnover by subsector in millions, 2020-2021

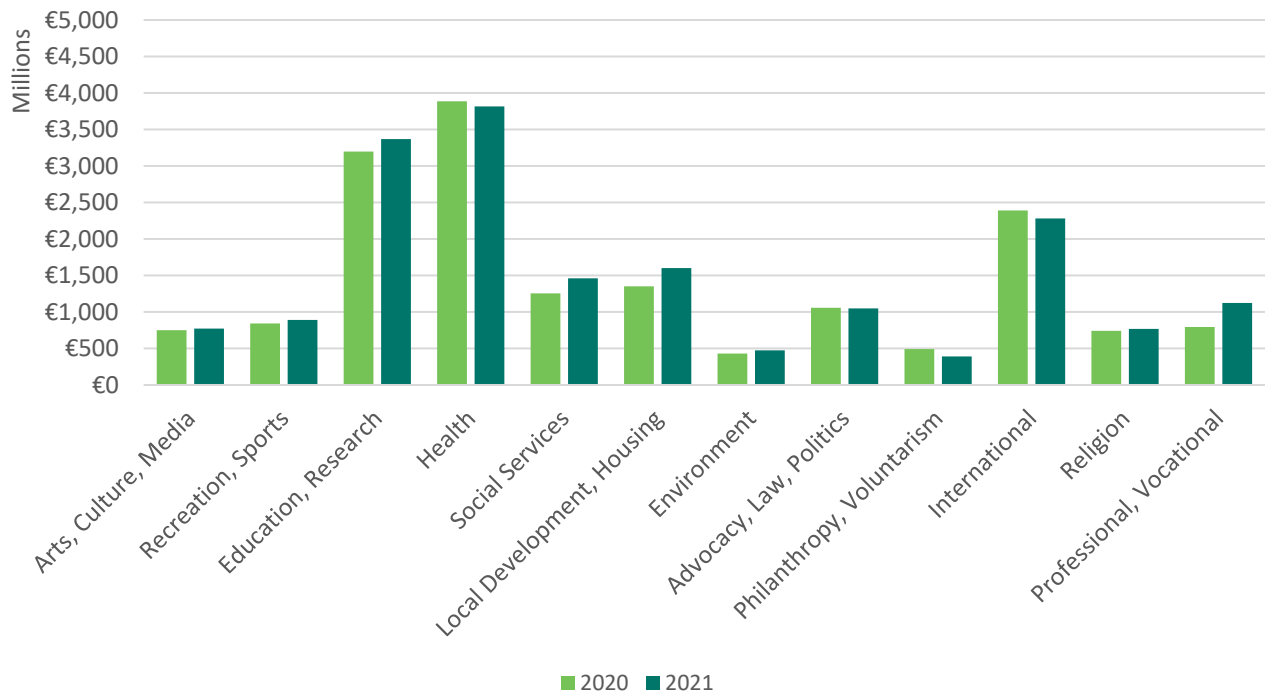
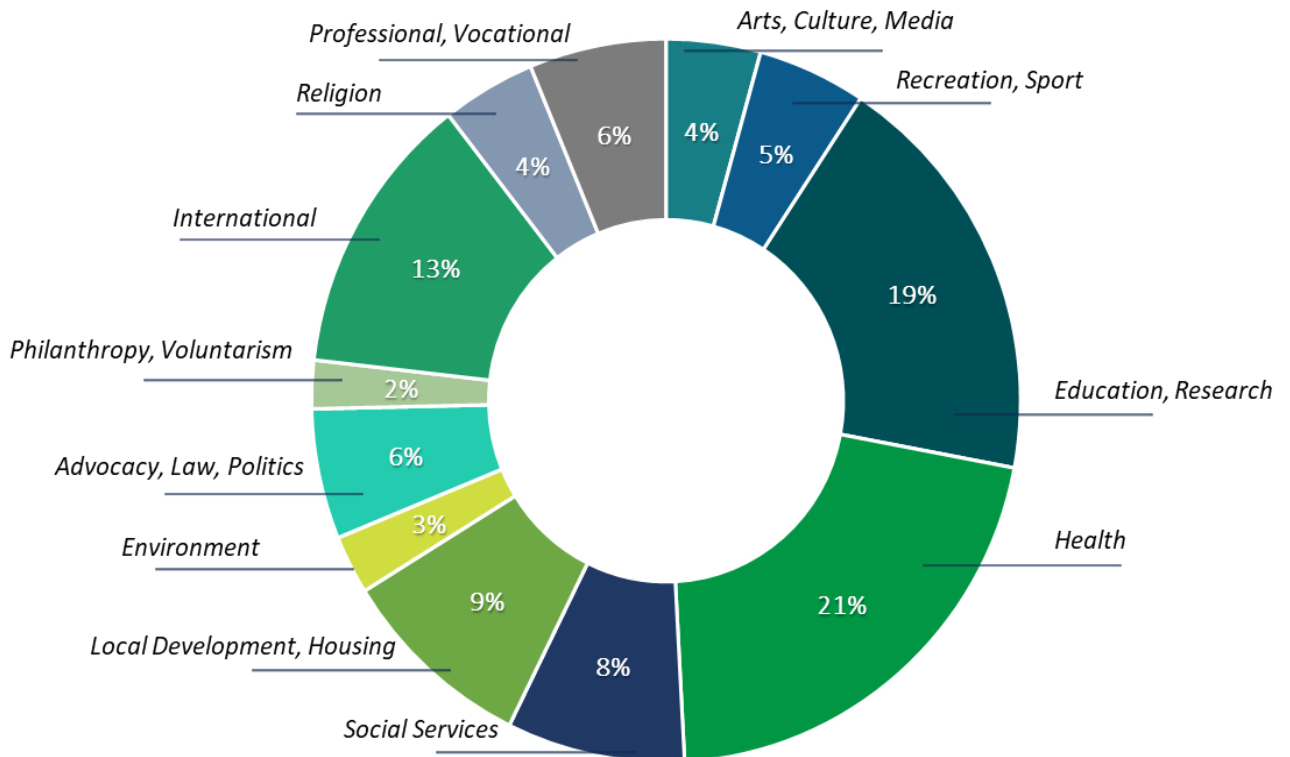


Figure 7 shows the distribution of the sector’s gross income by subsector in 2021:

Figure 7: Proportional breakdown of gross income by subsector 2021



The majority of gross income was received by Health organisations (21%), followed closely by Education & Research (19%) and International organisations (13%). This breakdown reflects the shift in methodology from previous reports, where Health, which is a smaller subsector in terms of population size, was underrepresented. This year’s report has adjusted the sample selection in order to more accurately capture the true size (in terms of income) of each subsector. Notably, Social Services and Local Development & Housing, which are two of the most populous subsectors, represented only 8 and 9% of the sector’s gross income. Despite best efforts to remove outliers which skew the findings, this report acknowledges the presence of some particularly large Health and Education organisations which may impact the results. However, it was considered necessary to include some larger organisations in the sample, while removing them for extrapolation, to accurately capture the sector’s true character. The breakdown for 2020 is not shown as little change is visible, though datasets can be made available upon request.

Figure 8: Distribution of organisations across total income brackets 2021

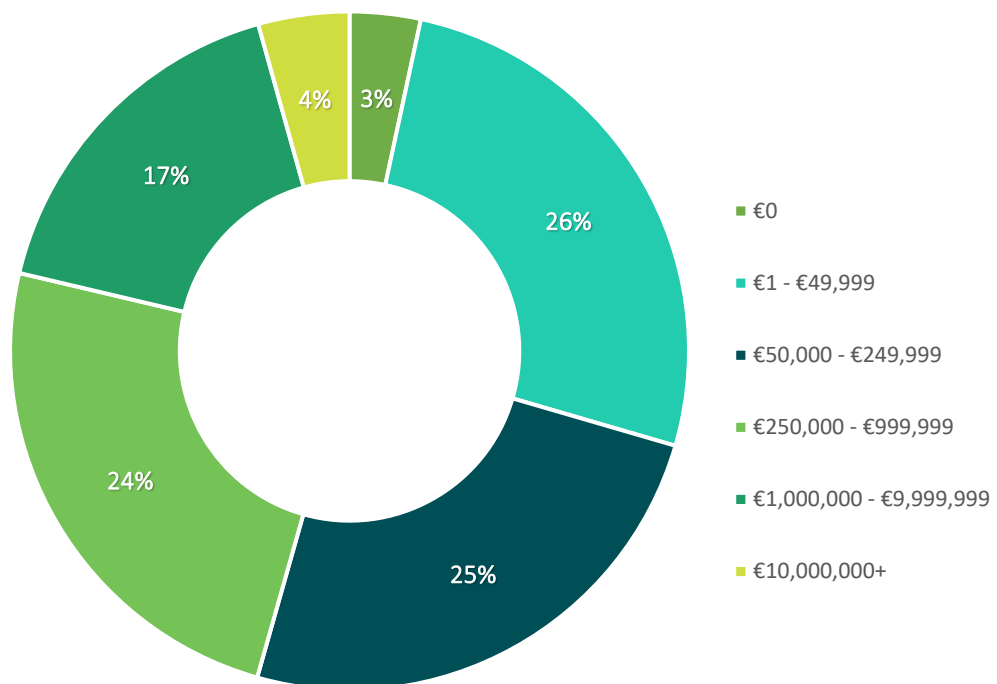


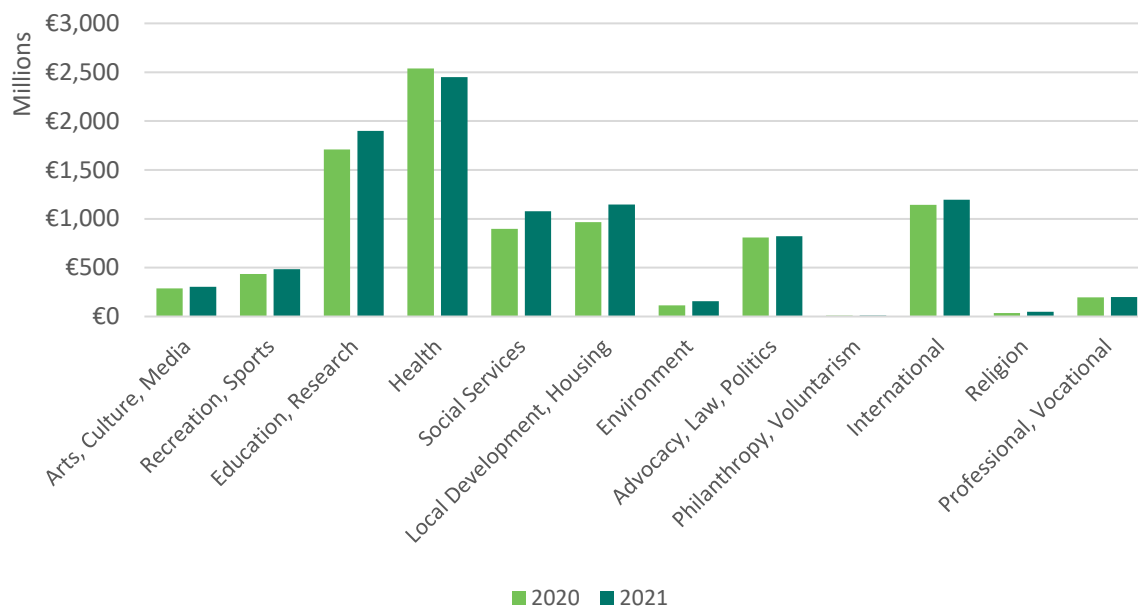
Figure 8 shows the distribution of the sample across total income brackets. The findings indicate that 54% of the sector had an income of under €250,000 in 2021, whereas 21% had an income of over €1 million. The 29% of organisations with an income of under €50,000 signify the continued presence of volunteer-led and operated efforts in a bottom-heavy sector. Minimal differences were found in the composition of the sector by total income bracket for 2020.

Public income

The Irish nonprofit sector maintains a close and symbiotic relationship with the State, with almost two thirds of all funding coming from public sources. This section further explores the role public funding played in 2020-2021.

In 2021, Irish nonprofits reported an estimated €9.8 billion in funding from public sources, up 7% from 2020. This includes grants and contracted income from Irish governmental bodies and agencies, as well as EU funds and income from other governments. While the Charities Register breaks public funding down further into income from “Government or Local Authorities” and “Other Public

Figure 9: Public funding by subsector, 2020-2021

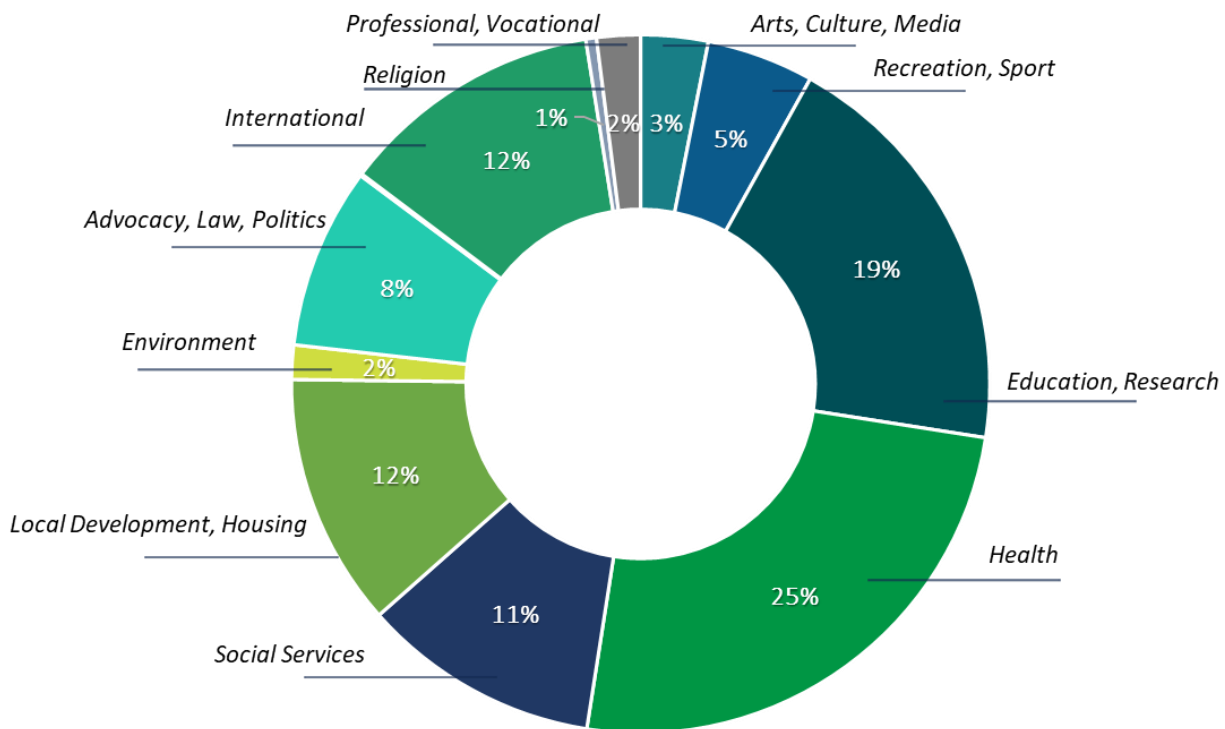


Bodies”, there was insufficient data to allow for such a breakdown in this report, though future reports will aim to explore public funds in more depth.

Figure 9 (above) shows public income by subsector for 2020-2021, highlighting changes in public income year-on-year. While Philanthropy & Voluntarism saw a drop, most other subsectors received increased public funds in 2021, suggesting a continued reliance on the State to support the sector through the ongoing pandemic. Subsectors not usually reliant on public funding in their models, like religion, saw notable growth.

Health, followed by Education & Research reported the most public funding in both 2020 and 2021, with Health receiving a quarter of reported public funds and Education & Research receiving 19% (Figure 10). This is in line with the semi-public nature of universities in Ireland and the presence of Section 38 and Section 39 organisations within the sector.

Figure 10: Distribution of public income by subsector, 2021



Earned income

Earned income represents a significant portion of the nonprofit sector’s total income model, comprising mission-related business activities which generate revenue. This may include event tickets, fees for training or facilities, or sale of merchandise.

In 2021, earned income remained stable at €3.35b up 1% from 2020 (€3.31b). This indicates a levelling out from the impacts of the pandemic, which hit earned and fundraised income streams the severely.

Figure 11 shows changes in earned income by subsector year on year. Despite recovery for the Professional, Vocational, International and Local Development & Housing sectors, Advocacy, Law & Politics saw a drop in earned income, as did Education & Research, although a more modest one. This suggests that recovery of earned revenue was not uniform across the sector. Moreover, most subsectors experienced a drop in earned revenue, likely reflective of persisting effects from the pandemic.

Figure 11: Earned revenue by subsector, 2020-2021

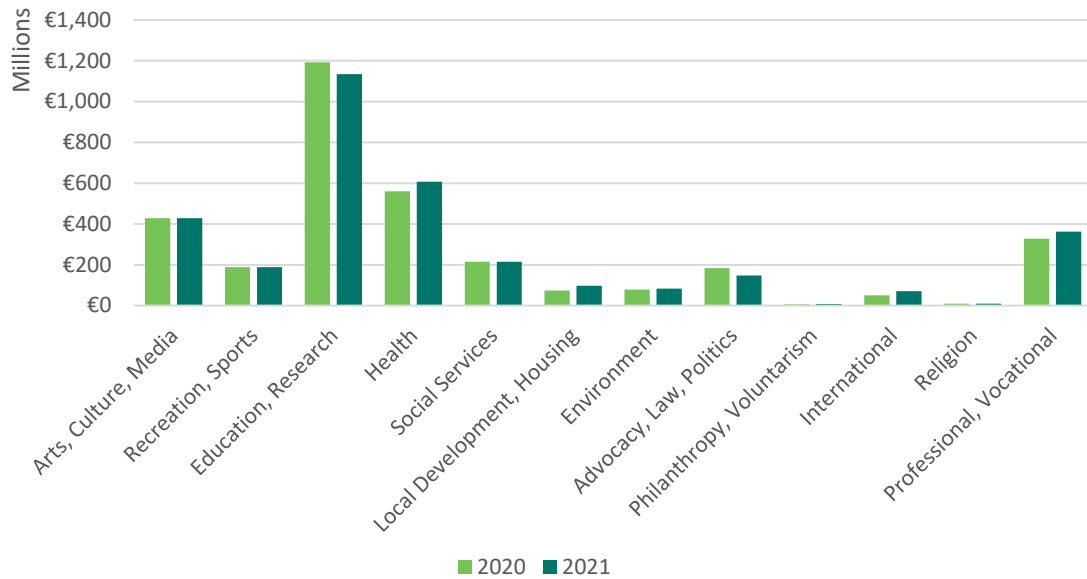
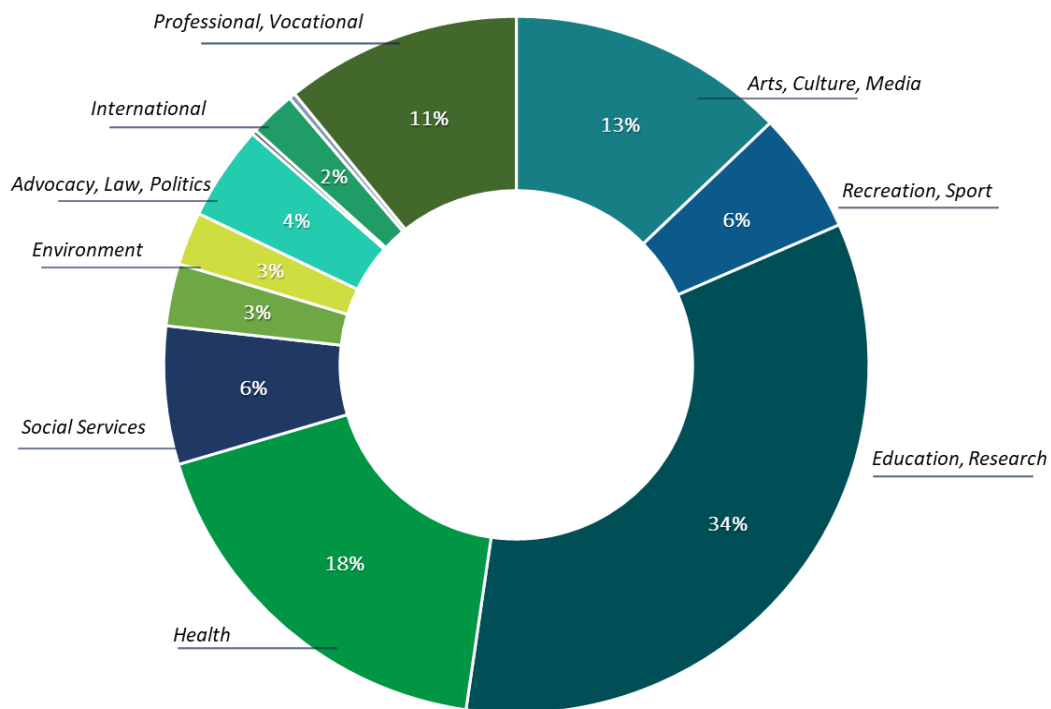


Figure 12 illustrates the distribution of earned income across the sector, showing a concentration in Education & Research, accounting for over one third of all earned revenue. This includes tuition fees. Likewise, Health organisations charging patient fees earned 18% of all revenue. Best efforts have been made to extract fees covered by the State in both cases.

Figure 12: Distribution of earned income by subsector, 2021



Earned income's stability and slight increase in 2021 amid pandemic challenges underscore its vital role in the nonprofit sector's financial model. Its varied revenue streams encourage innovation and competition, pushing nonprofits to find inventive ways to fulfill their missions. Differential impacts

across subsectors emphasize the need for adaptability and diversification. Earned income acts as a driving force, ensuring sustainability, and fostering creativity within the sector.

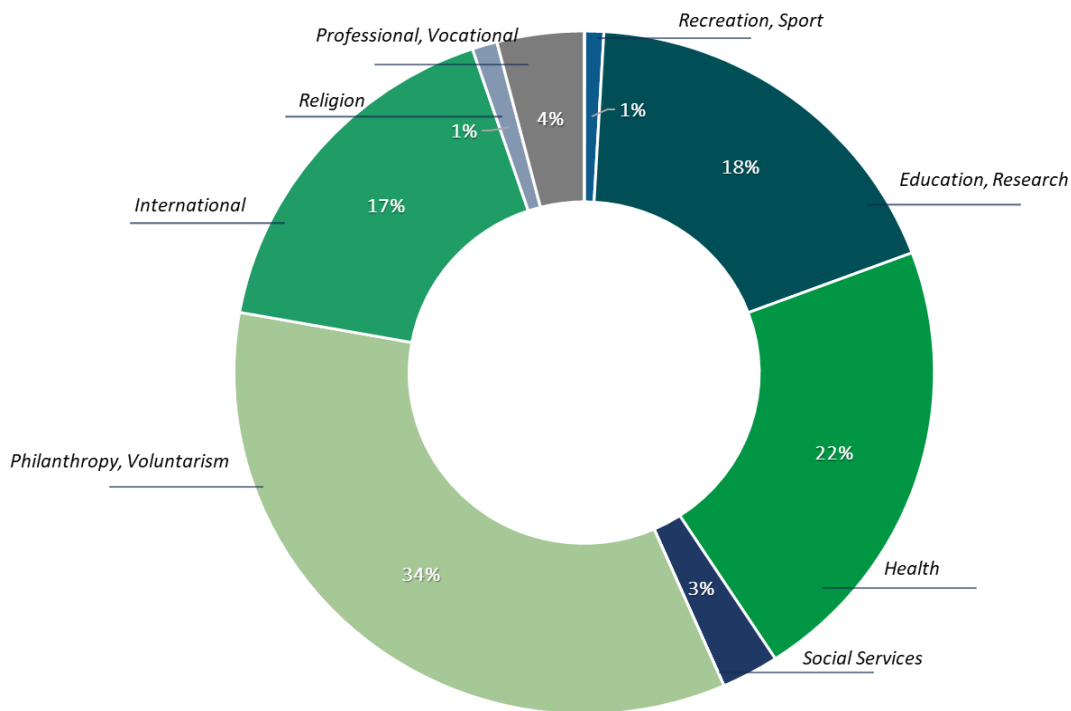
Investment

In 2021, the sector reported an estimated €157.68 million in income coming from investments. This was up 54%, from €102.1 million in 2020. It should be noted that investment income is more prone to significant variations year to year, due to factors including asset allocation, interest rates and investment duration. Investment income is particularly vulnerable to market changes and external events. For this reason, Subsectoral changes for 2020-2021 are not displayed as the results may be misleading. Even as investment income grew year-on-year, it accounted for just 1% of the sector’s total income.

It is likely that the total income from investments is, in actuality, higher than the estimate in this report. Many organisations continue to report only bank interest and modest dividend income. While this reflects a gap in reporting, the investment income trend captured may signify hesitation by Irish nonprofits to engage in investment practices.

Figure 13, below, shows a concentration of reported investment income in the Philanthropy & Voluntarism, Health and Education & Research subsectors, at 34%, 22% and 18%, respectively. Surprisingly, virtually no investment income was captured in this year’s Local Development & Housing subsample. Ordinarily, Local Development & Housing organisations would report higher investment income, in line with sinking funds and the nature of the activity undertaken by housing associations. While this may be a simple limitation of the data, the changing distribution of investment income may also reflect broader market trends during the second year of the pandemic.

Figure 13: Distribution of investment income by subsector, 2021



Likewise, religious organisations, who tend to be ‘older’ and with more mature investment practices, did not account for a notable portion of investment income. This is more likely a reporting gap linked

to this year’s sample, which featured a number of diocesan or umbrella entities, who were more likely to report high levels of ‘other’ income. This is discussed further in the following section.

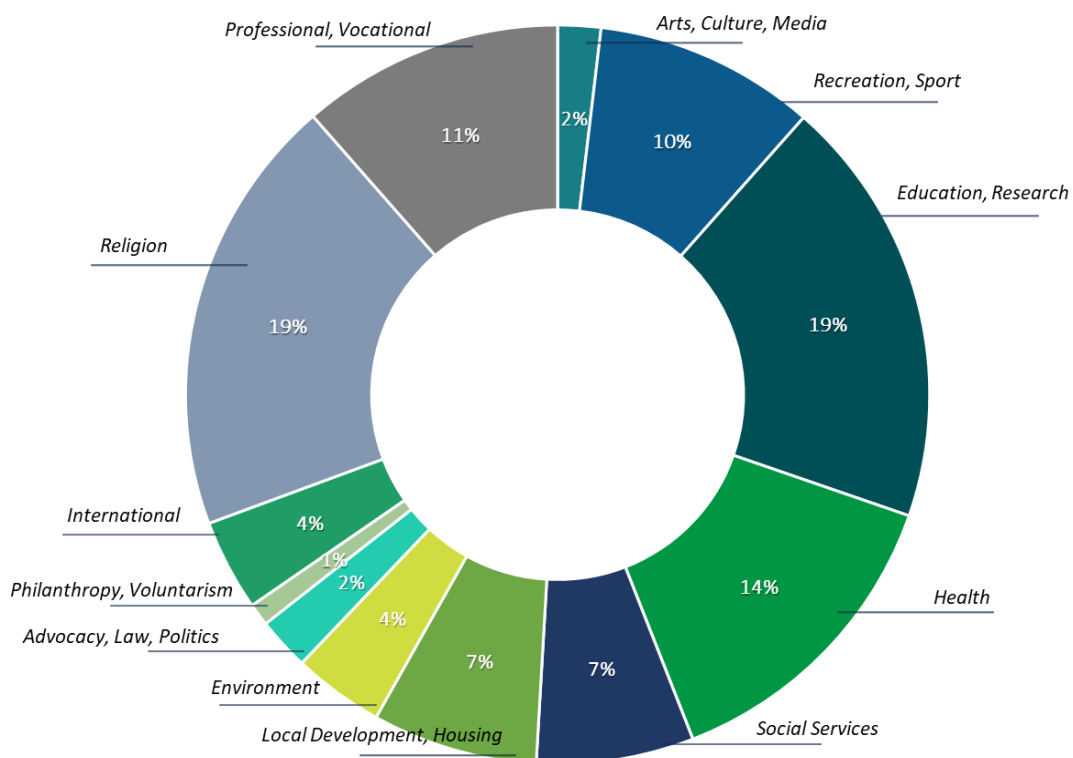
Other income

“Other” income mainly constitutes reported income that was miscellaneous or uncategorised (e.g., “sundry income”). However, a small amount of “other” income was income presented in aggregate (e.g., “Fees and grants”). This income may contain public, earned, investment or fundraised income, but does not sufficiently distinguish between income sources. This is one of the key challenges posed to the transparency of the nonprofit sector and our ability to gain a full picture of the sector’s funding model. Standardised definitions and more contextualised accounting practices for nonprofits would mitigate the impact of the “other” category on our view of the sector.

The “Other” category also encompasses sponsorship income. While some organisations consider sponsorship income to be fundraised income, Giving Ireland currently defines sponsorship as a type of *private income* outside of both earned revenue and fundraising, due to its mutually beneficial nature of mutual benefit for both the organisation and the sponsor, who may receive a commercial return through promotion.

In 2021, the sector reported €702.49 million of ‘other’ income, remaining stable (-1%) from the previous year (2020: €710.64 million). Of this, aggregated income accounted for 2%, and sponsorship for 4%. The remaining 94% of other income was simply uncategorised or miscellaneous, demonstrating key gaps in current reporting practices. As observed previously (Giving Ireland 2022), Religious organisations reported a significant proportion of “other” income (19%). This may reflect contrasting experiences within religious organisations. Smaller, or newer organisations may have

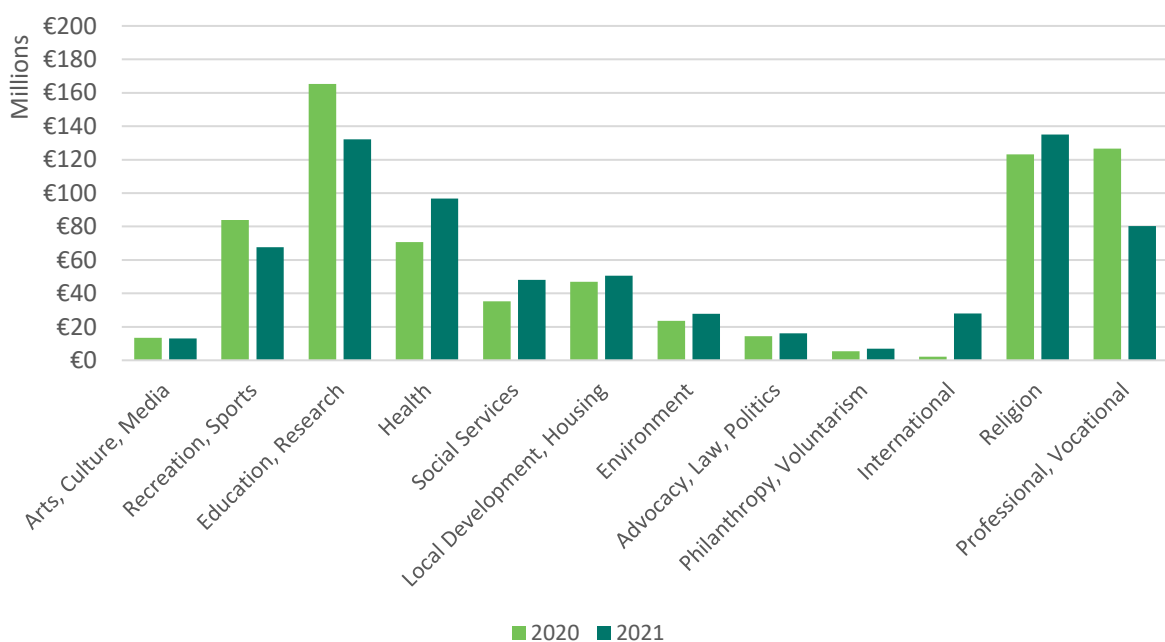
Figure 14: Distribution of “Other” income by subsector, 2021



adopted less mature reporting practices. In contrast, larger, well-established religious institutions traditionally seek to maintain confidentiality surrounding their finances (Robbins & Lapsley 2015; Loughlin 1990). Likewise, Education & Research, also accounting for 19% of “other” income, often include superannuation schemes and pension income in their gross income breakdowns.

Giving Ireland classifies such entries as “other” as they cannot be neatly categorised as public, private or voluntary. 2021 also saw the start of several mergers as part of the Technological University movement in Ireland. While several new, merged universities were established during 2022, Munster Technological University (MTU) and the Technological University of the Shannon (TUS) were formally established in 2021. It is possible that the scale of these mergers may have caused some discrepancies and an increase in 'other' income due to the adjustment of accounting practices during transitions.

Figure 15: Other income by subsector, 2020-2021



Aggregate income

Income presented in aggregate (across public, private and voluntary streams) came to €17.44 million in 2021, down 9% from 2020 (€19.18 million). Income presented in aggregate, across funding streams, was most commonly observed in the Health sector. Health nonprofits are often funded by a mixture of public Service Level Agreements, earned patient income and fundraising. However, larger organisations may tend to group income programmatically rather than by income stream. Overall, this aggregate figure accounts for under 1% of the sector’s total income but helps to illuminate where the true gaps in reporting are.

Sponsorship

€27.72 million of “Other income” can be attributed to sponsorships, down 15% from 2020 (€32.53 million). The large majority (69%) of sponsorships were received by Recreation & Sport organisations, while Education & Research received 17% and Professional Vocation received 10% of sponsorship income. Sponsorship income, while a relatively small portion of reported income, is likely understated. Sponsorship may comprise cash or in-kind support, the latter of which may be more difficult to quantify and therefore report. While representing a small piece of the sector’s income,

sponsorship is a prime example of private and voluntary collaboration and the potential for cooperation.

Fundraising

Fundraising is a vital mechanism of the nonprofit sector. Organisations may rely partly or entirely on fundraised income, connecting donations, grants and other gifts to vital causes.

Fundraising has the potential to provide organisations with a degree of independence through unrestricted funding. Unlike public funding, which often comes with restrictions, funds generated through fundraising efforts offer organisations the freedom to allocate resources as they see fit. This autonomy enables them to innovate, experiment, and take calculated risks to drive positive change. Additionally, fundraising allows organizations to act swiftly, responding to emerging needs and opportunities without the delays often associated with other funding sources. Beyond financial support, fundraising also fosters a sense of community involvement and engagement, forging stronger connections with supporters who believe in the organisation's mission and vision.

This report measures fundraising to capture an estimated figure for giving in Ireland. This estimate, however, is limited to fundraised income reported by registered nonprofits, which constitutes 'formal', or visible, giving. Informal giving may include individual crowdfunding, community fundraising by unregistered grassroots entities and financial supports to loved ones, such as cross-border remittances (GivingTuesday 2022, GPT 2023). The Global Philanthropy Tracker (GPT) highlights (GPT 2023) While these invisible forms of giving are certainly worth including and understanding, their nature makes them difficult to examine. Likewise, in the absence of a dedicated survey which profiles Irish donors, fundraising figures from organisations is currently the best available means of operationalising giving.

It is not possible at this time to capture the true size of informal, or invisible, giving in Ireland. Considering the size and reach of the Irish diaspora, as well as the substantial rural population in Ireland, which is tied to greater reliance on volunteer support and informal giving channels (Gallo & Duffy 2016), dedicated research on informal giving in an Irish context would be welcome.

While domestic data may be lacking, the Global Philanthropy Tracker (GPT) measures cross-border financial flows from individuals and organizations around the world. The Tracker estimates that in 2020, Ireland had €2.84 billion in outward, cross-border flows. €1.9 billion of this was from remittances, while most of the remainder comprised Official Development Aid (ODA). Remittances accounted for 0.69% of Ireland's gross national income. The GPT also measures outward philanthropic flows, which, for Ireland, came to a comparatively low €102.3 million, possibly relating to Ireland's own tradition of inward, diasporic philanthropic flows. The GPT's findings, which highlight remittances as a substantial component of Ireland's outward flows, exemplifies the role of 'informal' giving.

In 2021, the nonprofit sector reported an estimated €1.63 billion in fundraised income. This was a decrease of 9% from 2020 (€1.78 billion). Philanthropy & Voluntarism organisations accounted for the largest portion of fundraised income, at 19%. This was followed by the International and Environmental subsectors at 13%, and Religion at 12%. This composition differs from previous reports, whether due to sampling or shifting societal and economic trends. Regardless, Philanthropy & Voluntarism’s performance in fundraising may signal an increasing reliance on institutional philanthropy in Ireland and a positive shift in Ireland’s giving practices. It is likely that the Covid-19 pandemic is partially responsible for this change, as resilience funds and grants were established to mitigate against the pandemic’s negative effects. Likewise, Environment’s prominence can be linked to an increasingly environmentally conscious population. However, this year’s sample included a number of animal welfare organisations, which tend to have well-developed fundraising practices.

Figure 16: Fundraised income by subsector, 2021

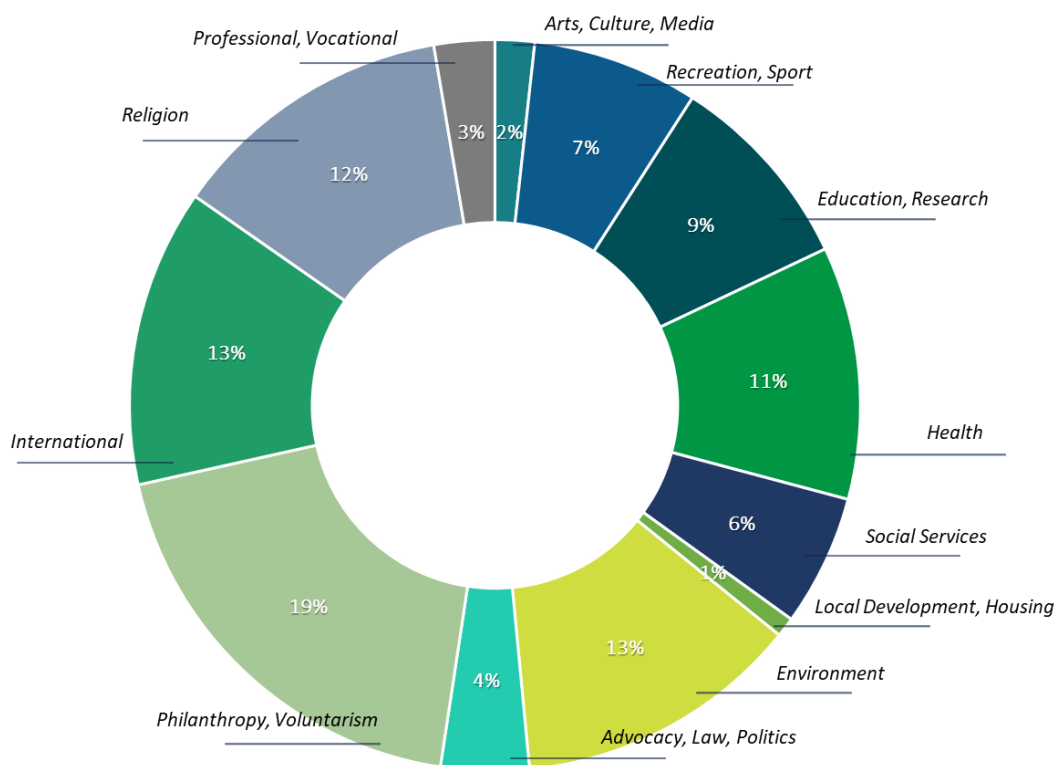
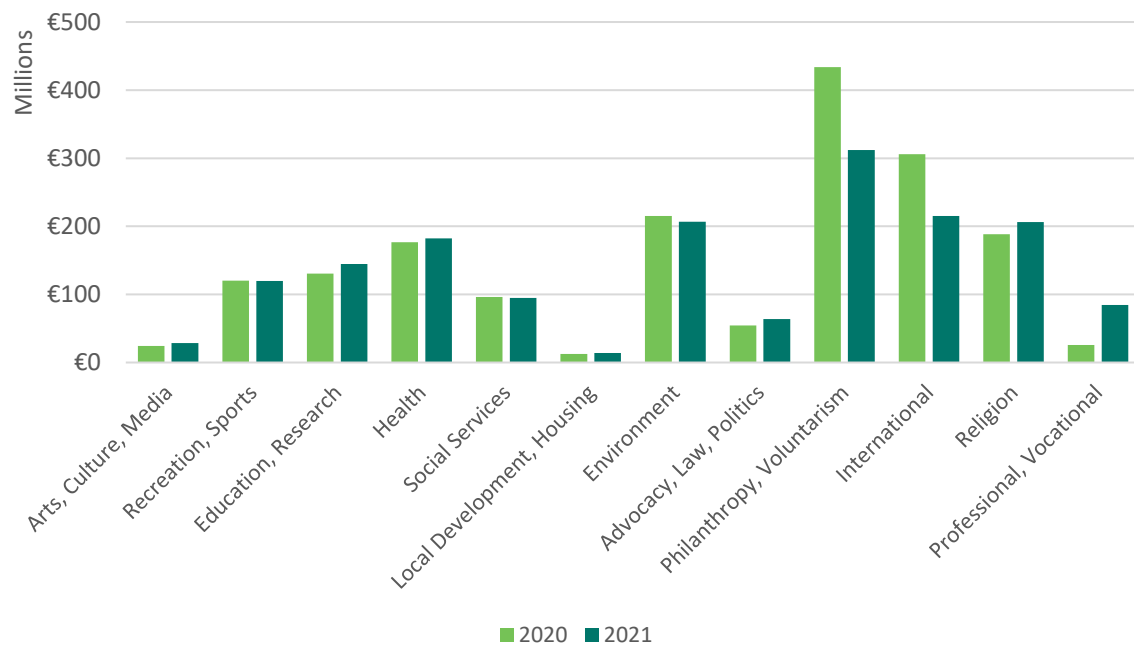


Figure 17: Fundraised income by subsector 2020-2021

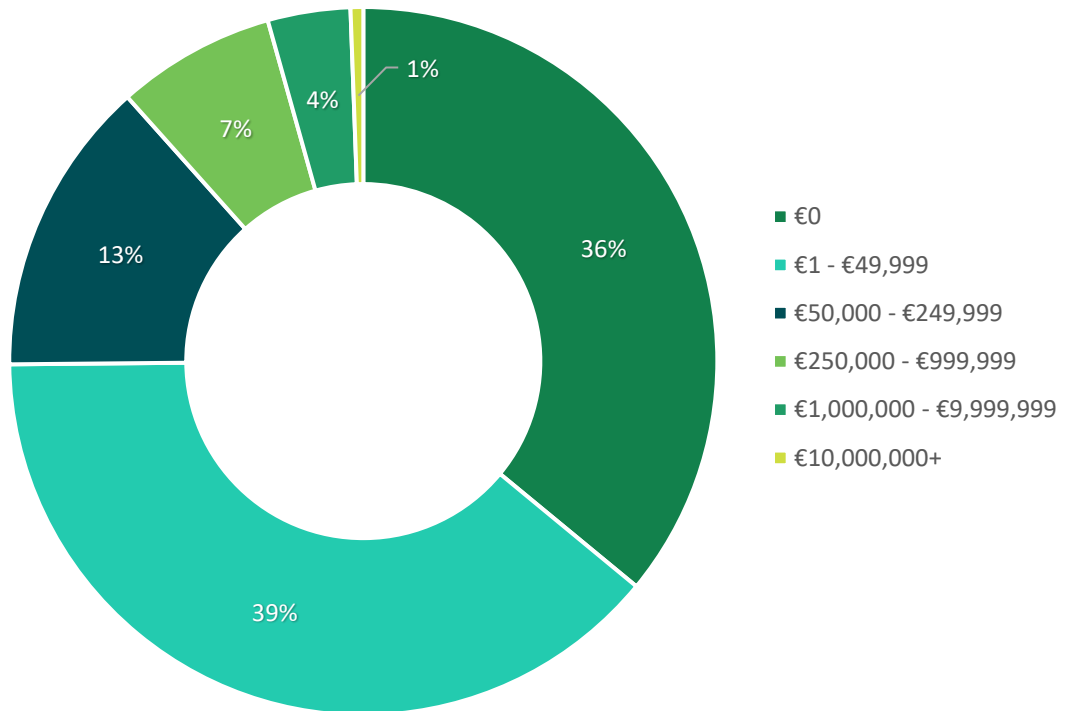


Despite leading in proportional fundraised income, the Philanthropy & Voluntarism subsector saw a decrease of 30% year-on-year. This may signal a winding down of some of the Covid supports rolled out in 2020. The international sector also saw a proportional drop in fundraised income from 2020. This may reflect the end of several large-scale emergency appeals taking place in response to Covid-19 in 2020. However, the outbreak of the war in Ukraine in early 2022 is likely to result in an uptake in next year’s report. Conversely, Professional & Vocational organisations saw an increase in fundraising, which may reflect additional recovery efforts by benevolent associations and other representative associations.

Fundraised income by bracket

Figure 18, below, displays the distribution of organisations in the sample across fundraised income brackets in 2021. The results for 2020 are consistent with the findings for 2021 and therefore not displayed. Organisations reporting under €50,000 of fundraised income (€0 or €1-€49,999) formed 75% of the sample. Just 5% reported fundraised income of over €1 million.

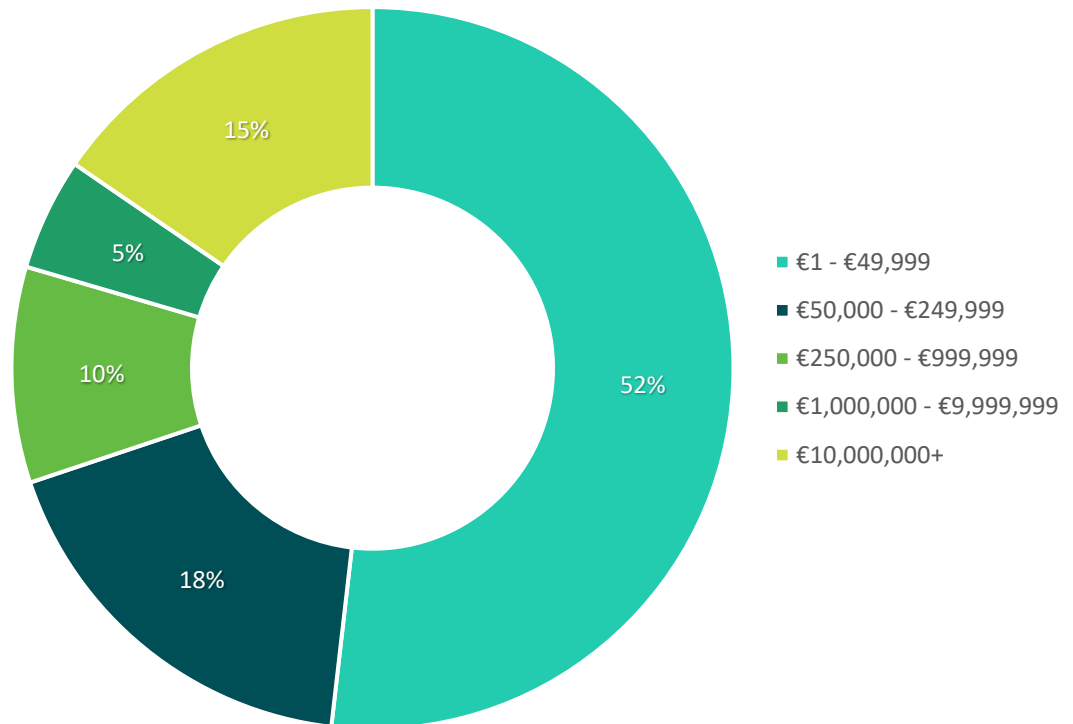
Figure 18: Distribution of organisations across fundraised income brackets, 2021



When looking at the distribution of fundraised income itself, it should be noted that over half (52%) of all reported fundraised income came from organisations reporting under €50,000 in fundraising. While larger organisations may have dedicated fundraising departments, smaller organisations often have fewer resources at hand despite frequently being completely reliant on voluntary funding (Benefacts 2021).

This lends itself to the broader narrative of the Irish nonprofit sector: small does not negate mighty. The distribution of fundraised income across brackets in Figure 18, above, further highlights the bottom-heavy nature of the sector and the collective power of smaller fundraising organisations.

Figure 19: Distribution of fundraised income by bracket, 2021



The table below reverts to total income brackets in order to highlight the variances in fundraising performance by size.

Figure 20: Table Showing Fundraised Income Analysis by Total Income Bracket

Total income bracket	Average fundraised income	Average fundraised income (% of total)
€1-€49,999	€8,238	49%
€50,000-249,999	€30,606	27%
€250,000-€999,999	€97,745	20%
€1,000,000-€9,999,999	€451,790	16%
€10m+	€2,671,227	9%

Figure 20 displays the average fundraised income for each total income bracket, in order to determine the extent to which overall organisation size correlates with total fundraised income. While there is a clear positive correlation as expected, a pattern of diminishing returns is revealed. While it is evident that larger organisations tend to raise more income through fundraising, the rate of increase in average fundraised income is not proportional to the growth in total income.

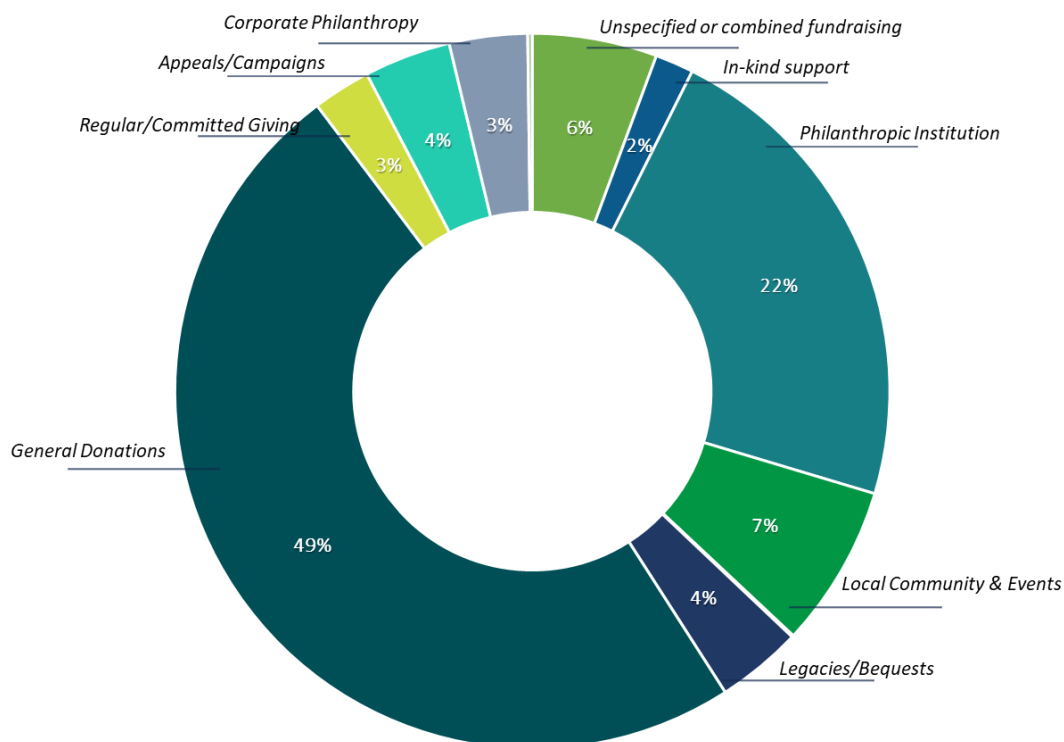
Smaller organizations experience substantial growth in fundraising as they move from lower to mid-level income brackets. However, as organisations become larger, the growth in average fundraised income becomes less pronounced. This phenomenon of diminishing returns underscores the need for larger organisations to employ more advanced fundraising strategies and diversify their efforts to maintain the efficiency of their fundraising activities and ensure continued growth despite their increased size. Likewise, this analysis highlights the crucial role played by fundraising in smaller organisations and the importance of tailored fundraising supports for smaller organisations.

Fundraising mix

Fundraising mix refers to the various fundraising methods employed by an organisation. As with a funding model, a varied fundraising mix may ensure better fundraising returns over time. Due to the limited detail to be gleaned from annual financial statements, this report draws on analysis from the Irish Giving Index to offer greater insight into the sector’s fundraising mix. Figure 20 shows a breakdown of fundraising by method for 2021 taken from the Giving Ireland dataset, while Figure 21 presents the aggregate fundraising mix of 21 self-reporting organisations. The Irish Giving Index, while a useful benchmarking tool, has not yet reached the critical mass necessary to draw representative insights. Some subsectors are not included, and organisations of varying sizes are represented. Therefore, Figure 21 should be viewed with some caution. The breakdowns by method vary slightly, with Giving Ireland tracking in-kind support where the Index does not and vice-a-versa. This suggests that Ireland may benefit from a standardisation of fundraising language.

Figure 20, below, has not been extrapolated and therefore is not fully representative. However, it is clear that general donations lead the mix: these consist largely of individual donations, but the category is also used by organisations as a catch-all for a range of individual gifts. 6% of the mix is derived from unspecified or combined fundraising methods, which may also include individual donations. After general donations, the leading means of fundraising is income from philanthropic institutions, namely, philanthropic grants.

Figure 21: Fundraising mix, Giving Ireland sample, 2021

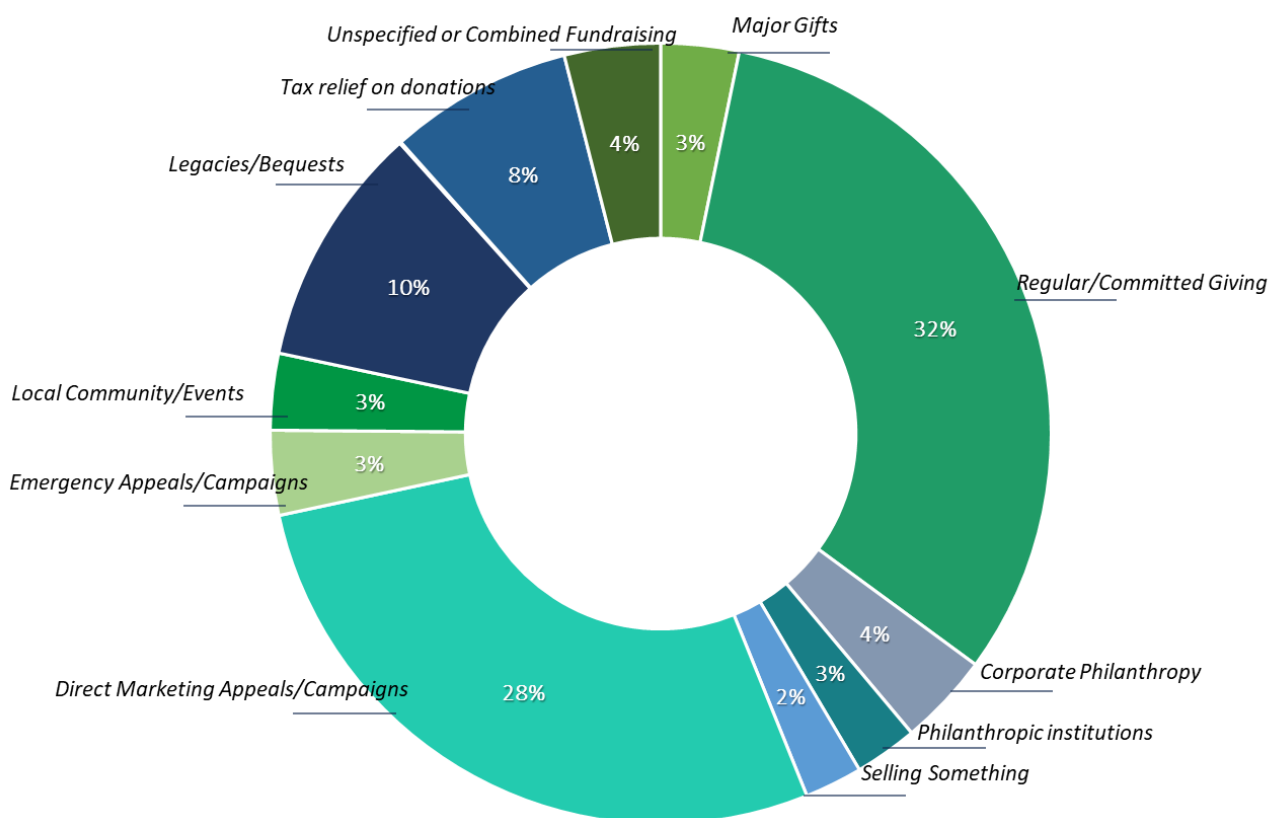


This suggests a few possibilities: one is that institutional philanthropy is on the rise in Ireland, and that the sector is increasingly applying for grants from trusts and foundations. It is also likely that philanthropic grants always comprised more than 1% of the mix but were not captured in financial reporting: organisations often simply report “grants” in their statements, not indicating whether these were public or philanthropic in nature. The release of the Charities Regulator’s Charities

Register dataset has helped to close this gap. Finally, new philanthropic supports were put in place during the pandemic, such as the RTE Comic Relief Fund. Major gifts are not often reported as such and therefore they are likely subsumed into general donations and philanthropic institutions, where donations are filtered through the likes of donor-advised funds. In this vein, Philanthropy Ireland reported that “more than €28m in philanthropic funds were raised in the immediate aftermath of the lockdown”, and that of that, 60% came from private sources channelled through Trusts and Foundations (2020).

Just 2% of reported fundraising came from in-kind support. It is likely that this figure is higher, however in-kind support may be more difficult to measure and track as it requires the monetary valuation of time or non-financial assets. Despite this, in-kind donations are a valuable means of support for organisations as they contribute to organisations’ bottom-line and contribute to a sense of community (De la Torre Pacheco et al 2023). The sector would benefit from dedicated research into the dynamics of in-kind giving in Ireland. Legacy giving accounts for 4% of the overall fundraising mix, though this is likely higher as legacy gifts may have been subsumed into general donations and unspecified fundraising. They are more prevalent in the Irish Giving Index breakdown, in Figure 21.

Figure 21: Fundraising Mix 2021, Irish Giving Index



As in other years, organisations in the Giving Index relied heavily on relationship-based fundraising methods. This is in line with best practice: people give to people, not organisations. Relationship fundraising remains a critical means of cultivating and stewarding loyal donors (Sargeant 2001; Waters 2010). The Index shows a higher reporting of legacies at 10%, while Trusts & Foundations (philanthropic institutions) represents just 3% of the mix. This suggests that trust and foundation grants may be overreported relative to other methods in annual financial statements, due to the unique compliance standards that go with receiving a philanthropic grant.

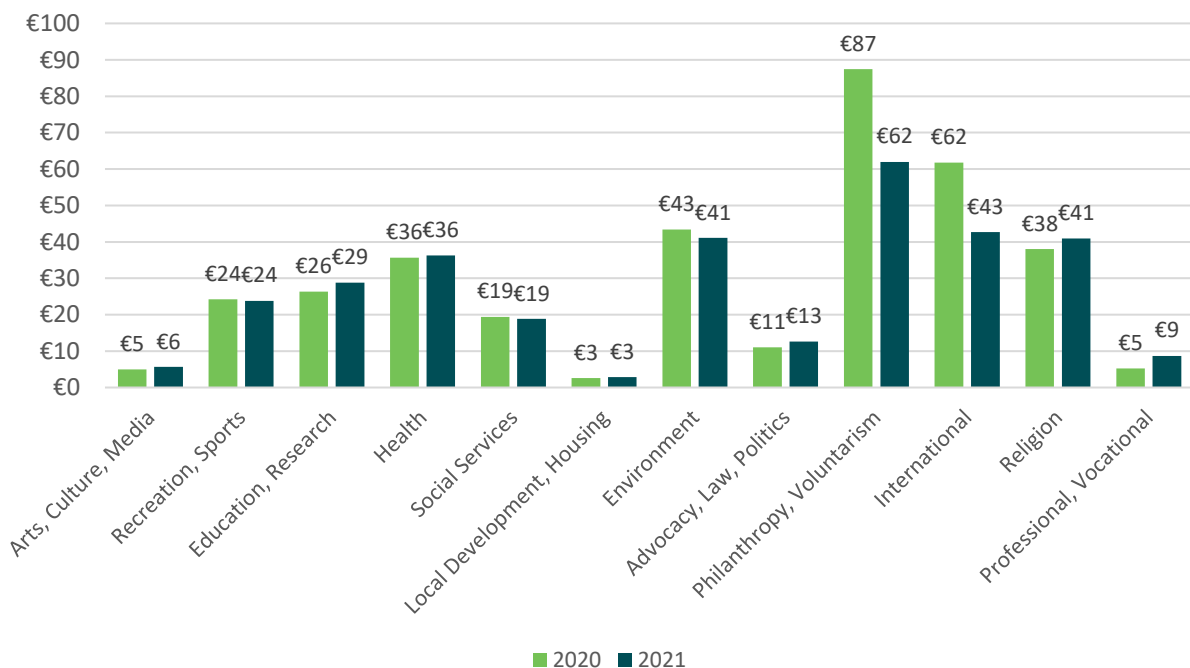
An update to the 2018 *Legacies for Good* report, commissioned by Community Foundation Ireland, estimates inter-generational wealth transfer to be at €9 billion, up more than €3 billion from 2018 (O’Leary 2023). The report highlights “a doubling of charitable bequests, albeit from a low base,” and notes an annual increase in legacy giving of 15-16%. For 2021, the total charitable bequest income for the sector in 2021 could have been in the vicinity of €120 million. (Charities Regulator 2023; O’Leary 2023). These results indicate a promising trend in legacy giving, with the potential to greatly bolster the financial sustainability of charitable organisations in the future.

Per capita giving in Ireland and by subsector

Based on Ireland’s population in 2021 and the total estimated fundraising figure, Giving Ireland approximates that Irish people gave an average of €324 per capita (2020: €360). This is a decrease of €36 year-on-year, or 10%, suggesting that donations may have tapered off following the direct aftermath of the pandemic’s outbreak. This is reflective of the 9% drop in fundraising year-on-year.

In line with this report’s findings, Philanthropy and Voluntarism received the most fundraising (€62) per capita, followed at some length by International, Environment and Religion (at €43, €41 and €41, respectively). Figure 22 shows changes in subsectoral per capita fundraising between 2020 and 2021.

Figure 23: Per capita giving by subsector, 2020-2021



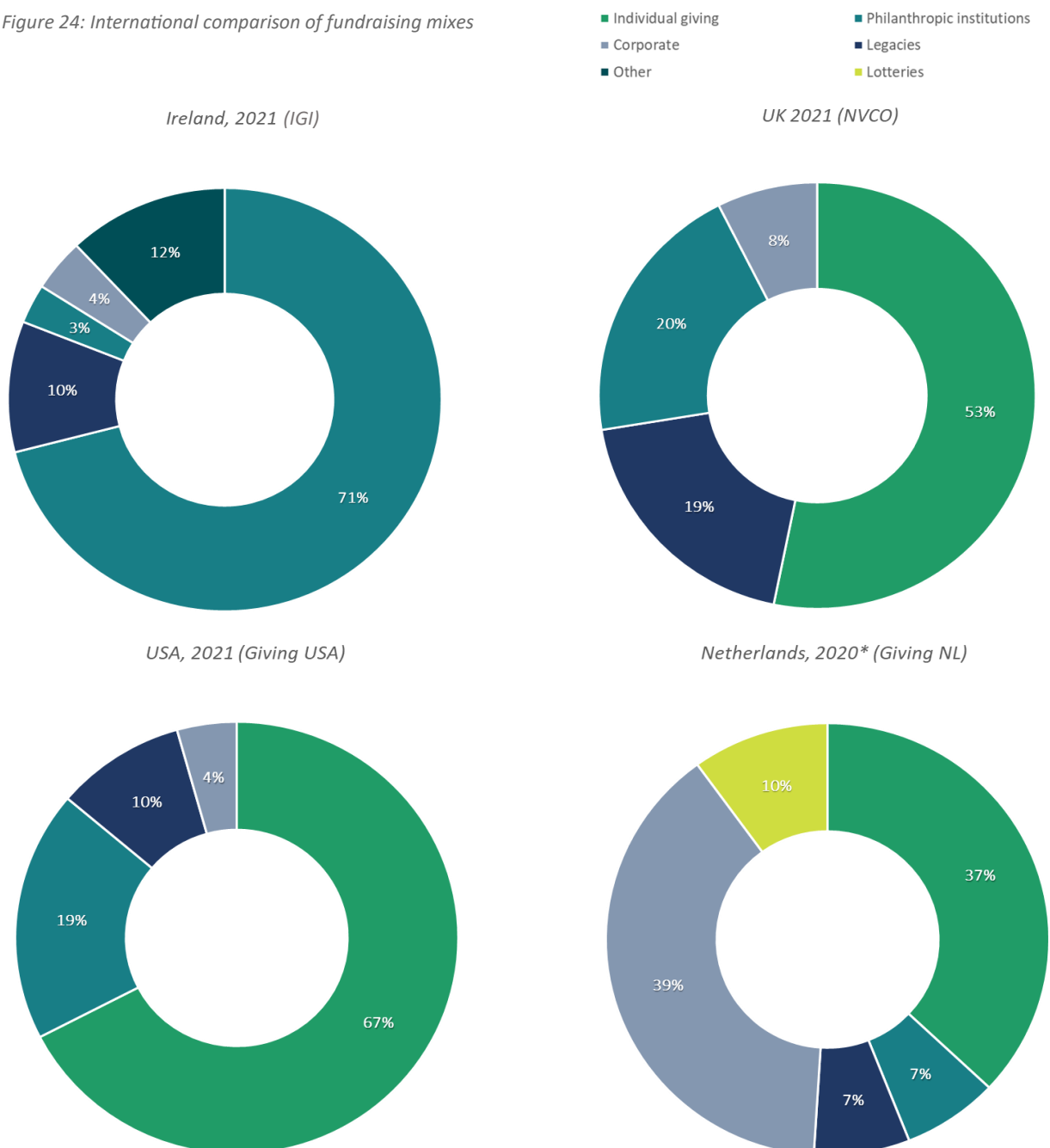
International Comparisons

UK

Giving Ireland benchmarks Ireland’s fundraising performance against that of other countries each year. GI gives particular attention to Ireland’s performance relative to the UK each year, using data from the NCVO Civil Society Almanac. This comparison, noting the UK's larger market size and more mature nonprofit sector, as well as its cultural and economic similarities, provides Ireland with a unique opportunity to benchmark itself. This benchmark enables us to systematically evaluate Ireland’s performance, identify best practices and adapt to broader trends.

In 2021, the UK’s funding model differed from the Irish one, with greater reliance on fundraising and less on the State (see below). UK data is more complete, and nonprofits adhere to the Charities SORP code, explaining the absence of ‘other’ income in the model.

Figure 24: International comparison of fundraising mixes

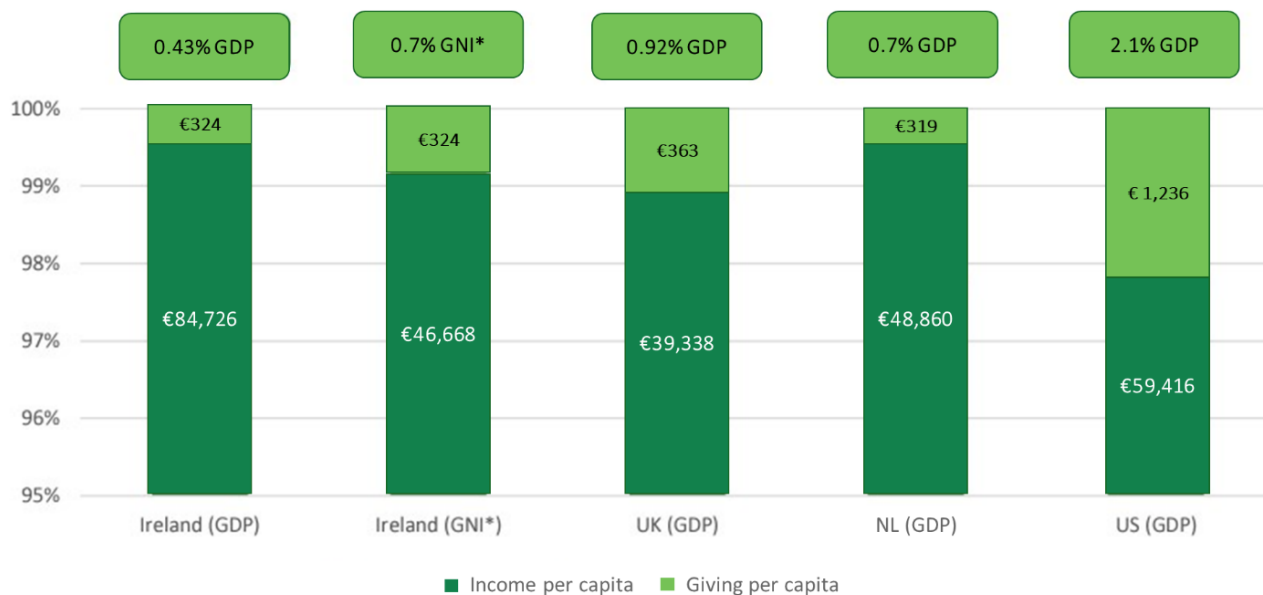


The figures above show international differences in fundraising. While the UK includes National Lottery funding in its fundraised figure, Giving Ireland excludes Public funding from the fundraising total. However, lotteries are included in the Netherlands’ breakdown as these lotteries are usually not nationally operated or owned. The most recent data for the Netherlands is from 2020, with 2021 data forthcoming. While the sheer scale of US’s fundraising landscape is not comparable with that of Ireland, there are learnings to be taken from the US approach to measuring and researching giving. In particular, the US and UK both have a greater reliance on foundation giving, demonstrating a maturity and strategic outlook on fundraising.

The figure for Ireland includes “other”, which is partially comprised of tax relief on donations. Ordinarily, this information is included for the UK but was not available for 2021.

Few countries currently offer consistent and up-to-date aggregate figures on fundraising. However, it is hoped that future reports may see an expanded international comparison as countries increasingly invest in fundraising research.

Figure 25: International Benchmark of Irish Giving per capita



<p>Ireland</p> <p>€1.63 billion fundraised</p> <p>€324.19 per capita</p> <p>0.43% GDP (0.70% GNI*)</p>	<p>UK</p> <p>€24.47 billion fundraised</p> <p>€363.36 per capita</p> <p>0.92% GDP</p>
<p>Netherlands* 2020</p> <p>€5.6 billion fundraised</p> <p>€319.45 per capita</p> <p>0.7% GDP</p>	<p>USA</p> <p>€410.09 billion fundraised</p> <p>€1,235.57 per capita</p> <p>2.1% GDP</p>

Ireland surpassed the Netherlands in terms of giving per capita slightly and matched Dutch giving as a percentage of GDP when taking giving as a percentage of GNI*. Modified Gross National Income (GNI*) is an indicator specifically designed for assessing the Irish economy's scale while removing the impact of global factors or influences (CSO 2023). A €39 gap exists between per capita giving in the UK and Ireland. This indicates a significant narrowing in the per capita gap from

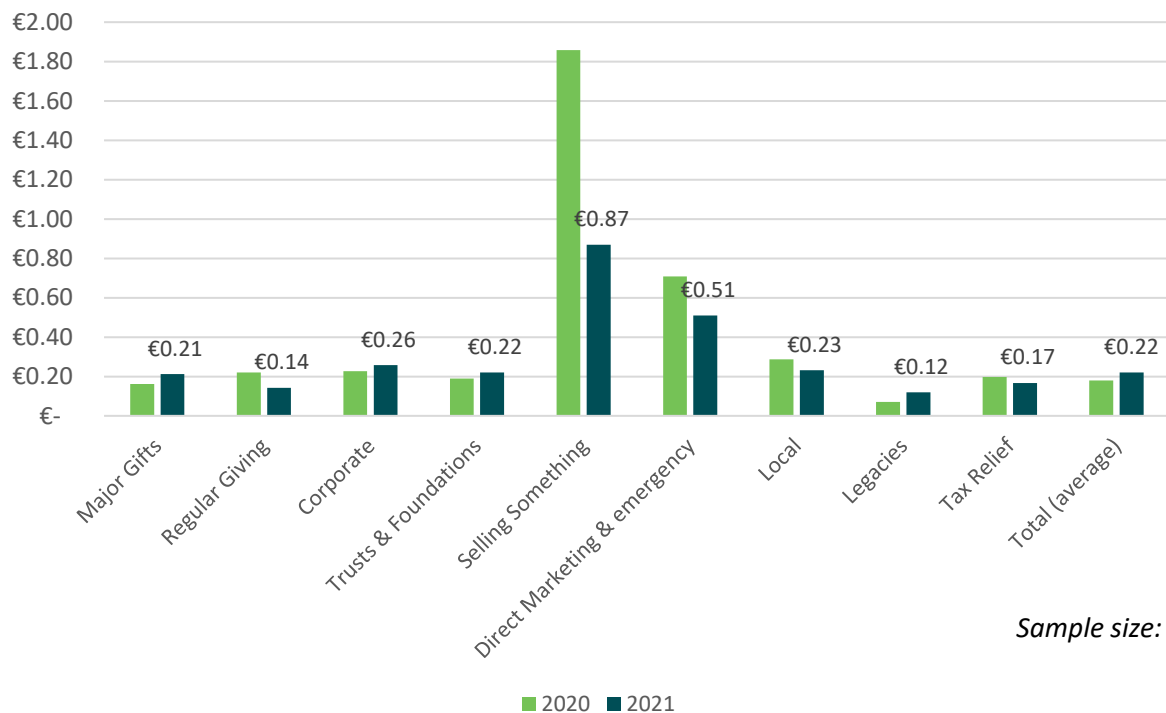
2020, when the UK led Ireland by €87 (Giving Ireland 2022). This can be attributed to a stagnation in giving in the UK rather than growth on Ireland’s part (NCVO 2023).

Cost to raise €1

On average, it cost €0.22 to raise €1 in 2021, up from €0.18 in 2020. Selling something remained the most ‘expensive’ method, though this was down from 2020, when it cost more than the method made to sell something, likely attributable to the pandemic.

Usually, an increase in cost to raise €1 can signal increased investment in fundraising, which has delayed returns. Notably in 2021, Direct Marketing Appeals and Campaigns increased €0.29 on the euro, suggesting that organisations in the Irish Giving Index sample invested considerably in this method. Fundraising costs can be difficult for organisations to calculate, as they must combine staff and non-staff costs, which may involve dividing a fundraiser’s time. This is particularly challenging for smaller organisations. However, tracking fundraising costs is a useful exercise for nonprofits in order to monitor returns on investment, which may vary significantly in time by method.

Figure 26: Cost to raise €1 by method, 2020-2021



Conclusions

Summary

This year’s report seeks to capture the state of the nonprofit sector and its shifting funding dynamics against the backdrop of the pandemic’s second year, as well as evolving societal, economic and political contexts in Ireland.

From its inception in 2010 to its current role as a dynamic platform for data sharing and knowledge generation, Giving Ireland has witnessed the Irish nonprofit sector transform. Our recent academic affiliation with the Technological University of Dublin has further strengthened our commitment to producing credible, influential, and enduring research that supports the sector’s growth.

In 2021, much like the preceding year, some key challenges persisted. While we cautiously embraced a return to life ‘in person’, the nonprofit sector grappled with ongoing funding hurdles carried over from the previous year. The challenge of attracting and retaining staff remained a consistent theme, while the cost of living crisis posed and continues to pose new challenges.

The findings reveal complexity: increased public contributed to the sector's stability and resilience. The 2020 and 2021 Covid Stability Funds therefore had a tangible impact, successfully enabling many organisations to continue to operate. Meanwhile, earned and fundraised income encountered a second year of decline, though tempered. Throughout these challenges, the support of the State played a crucial role in stabilizing the sector and bridging funding gaps during uncertain times. Most importantly, the sector’s ability to pivot and adapt was key to its continued resilience.

Looking forward, we anticipate the sector's partnership with the State may strengthen further, especially with the publication of the National Strategy on Philanthropy, which signals the Government’s commitment to improving conditions for philanthropy. In 2022, we aspire to see the sector, having weathered the storm, rebound and thrive.

Recommendations

The findings underscore the importance of proactive financial planning for nonprofit organizations. We recommend that organizations prioritize income diversification and develop multiyear financial plans that safeguard their sustainability. Moreover, tailored supports for smaller organizations should continue to be rolled out, in recognition of their unique needs and the challenges they face. Investing in digital transformation will continue to be vital for nonprofits wishing to remain competitive. Although this report does not measure the impact of volunteerism in Ireland, strong volunteer engagement is a critical means of cultivating and stewarding communities. Volunteers are a critical asset, especially to smaller organisations.

Future Research

Giving Ireland is committed to producing knowledge that is practical and bridges the voluntary, private and public sectors. As we look forward, several gaps emerge in the research landscape. These include the need for an in-depth exploration of the geographic spread of philanthropic activities within Ireland, allowing for a more nuanced understanding of regional dynamics. Additionally, a current and comprehensive donor profile is needed, which delves into the motivations, potential barriers, and giving behaviours unique to the Irish context. Future research will need to reflect the cost of living crisis and capture the impact of inflation on the nonprofit sector. Finally, fundraising, as most things, is in the midst of a digital transformation. Dedicated research and mapping of digital trends, including crowdfunding and other fundraising toolkits is key to gaining an accurate view of the sector’s funding and to understanding giving practices in Ireland. GI is determined to address these gaps in the future.

Conclusion

Giving Ireland works to facilitate discourse on nonprofit funding, transparency, and giving practices in Ireland. It is hoped that with this research, we can continue to advocate for more, high-quality data and legislative changes that will enable our sector to thrive. We believe that giving of all levels is important to a vibrant society and that philanthropy, at high levels, can effect transformative change in Ireland. We look toward next year’s report which will reveal to what extent the sector’s recovery continued and hopefully accelerated in 2022.

A final thank you to the sector for your commitment to making a difference in our communities.

References

- Benefacts. (2021). Sector Analysis 2021. <https://benefactslegacy.ie/wp-content/uploads/2022/03/benefacts-nonprofit-sector-analysis-2021.pdf>
- Central Statistics Office. (2023). Modified GNI 2023. <https://www.cso.ie/en/interactivezone/statisticsexplained/nationalaccountsexplained/modifieldgni/>
- Charities Regulator. (2023). Charitable Bequests. <https://www.charitiesregulator.ie/media/4718/charitable-bequests-report.pdf>
- De La Torre Pacheco, S., Eftekhar, M., & Wu, C. (2023). Improving the Quality of In-Kind Donations: A Field Experiment. *Manufacturing & Service Operations Management*.
- Gallo, M. L., & Duffy, L. (2016). The rural giving difference? Volunteering as philanthropy in an Irish community *The Journal of Rural and Community Development*, 11(1), 1-15.
- Giving Ireland Reports (2020, 2021, 2022). <http://www.givingireland.ie>
- Giving in the Netherlands (2022). <https://doi.org/10.17605/OSF.IO/4UNF9>
- GivingTuesday. (2022). Informal Giving: Community Care and Mutual Aid. <https://www.givingtuesday.org/informal-giving-community-care-and-mutual-aid/>
- Giving USA (2022). <https://givingusa.org/giving-usa-limited-data-tableau-visualization/>
- Global Philanthropy Tracker. (2023). INDIANA UNIVERSITY Lilly Family School of Philanthropy. [https://globalindices.iupui.edu/tracker/index.html]
- NCVO. (2023). Civil Society Almanac 2023. <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2023/#/>
- O’Leary, J. (2023). Legacies for Good. Community Foundation Ireland. <https://www.communityfoundation.ie/resource/legacies-for-good-by-economist-jim-oleary/>
- Philanthropy Ireland. (2020). Mapping the Emergency Response of Philanthropy to COVID-19. <https://philanthropy.ie/wp-content/uploads/2020/12/Mapping-the-Philanthropic-Response-to-COVID-19.pdf>
- Robbins, G., & Lapsley, I. (2015). From secrecy to transparency: accounting and the transition from religious charity to publicly-owned hospital. *The British Accounting Review*, 47(1), 19-32.
- Sargeant, A. (2001). Relationship Fundraising: How to Keep Donors Loyal. *Nonprofit Management and Leadership*, 12(2), 177-192. <https://doi.org/10.1002/nml.12204>
- Waters, R. D. (2010). The value of relationship and communication management in fundraising: Comparing donors' and practitioners' views of stewardship. *Prism*, 7(1).
- Wheel. (2023). Pre-Budget Submission 2023. 2023 <https://www.wheel.ie/sites/default/files/media/file-uploads/2023-07/Pre-Budget%20Submission%20-%20July%202023%20-%20Web%20Version.pdf>