

Opening Statement of Éilis Murray, CEO of Philanthropy Ireland, to the Joint Committee on Social Protection, Community and Rural Development and the Islands on grants and community groups acquiring bridging finance.

Good Morning Chairman, Committee members and thank you for the invitation to attend this meeting.

I am joined by Hazel Hennessy, Communications Lead with Philanthropy Ireland, and Donal Traynor, CEO of Community Finance Ireland, who are members of Philanthropy Ireland.

Formally established in 2004 Philanthropy Ireland is the independent organisation providing a collective voice for philanthropy in Ireland. Our purpose is to advance knowledge, understanding and practice of philanthropy for social benefit.

We do this by engaging in 3 key pillars of activity:

- **Promotion** of the concept and value of philanthropy.
- **Policy** input to support the development of an enabling environment for philanthropy.
- **Practice** building capability in support of best practice in grant making.

Philanthropy Ireland's over 50 members provide grants and investment funding to a broad spectrum of over 5000 causes and initiatives, in Ireland and overseas. In doing so, they make a significant contribution to Irish and global society.

Philanthropy is quite simply, private giving for public benefit. It is a form of giving - usually in the form of grants or donations of money - that seeks to be planned, thoughtful and intentional in approach, taking account of those delivering social change and the communities they serve.

It is generally done by families, individuals, companies, or a combination of all, via private, corporate and community foundations, family trusts, and philanthropic intermediary organisations. It is collaborative in nature, working in partnership with stakeholders, including communities and/or government.

There is no single measure that captures the scale and scope of philanthropy in Ireland. We know that almost €80m was disbursed by philanthropic institutions in 2020, an increase of >20% over 2019. However, as much individual philanthropy in Ireland is done privately, it is fair to assume this is an underestimation. Social services, education and research, health, and environment are cause receiving most funding.

The publication in June of a Draft National Policy for Philanthropy by Minister of State Joe O'Brien is a significant and very welcome development. We congratulate the Minister and the departmental team on taking this step. We understand submissions are under consideration by the Department to inform a final draft for adoption by government before year end.

Why is this important? Philanthropy is underdeveloped in Ireland. In relation to the number of active grant-making trusts, Ireland lags significantly by comparison to other countries, estimated at 30 times lower than the European average. Community projects in the UK have access to 8000 grant-making trusts. Here, we have less than 100 active grant-making trusts. Giving by way of legacies and bequests in Ireland, another source of philanthropic giving, is modest. 2023 research by the Community Foundation Ireland identifies legacies and bequests are increasing by up to 17% per year albeit from a low base. With an estimated inter-generational wealth exchange of €9 Billion annually, the same research identifies that benefits from legacies for communities could double to over €300m with increased awareness and incentives.

So, we know there is capacity to grow philanthropy and through this to benefit more communities. Policy provides a framework for action for philanthropists, beneficiaries, and government to work more collaboratively and effectively and put in place an environment to encourage planned giving.

Philanthropy as a form of independent funding, can support innovation, test models of intervention, and take risks. For example, the DCU exoskeleton program aims to provide individuals with access to cutting edge Eksobionics technology to address mobility issues. Philanthropy can support initiatives in communities that might not otherwise receive attention. For example, the Kids' Own Publishing Partnership, helps children and their parents from the Traveller community to engage in long-term, arts-based interventions that build confidence, resilience, and address educational inequalities. Similarly, MyMind a unique movement for community-based mental health services, works towards giving every person in Ireland equal access to mental health support early, affordably, directly, without stigma or delay. It's important to note that philanthropy is not seen as a replacement for public service provision, nor should it diminish existing government funding levels. Instead, it should complement and enhance services.

Philanthropy seeks to complement and align with other sources of finance available to communities. This includes bridging finance, mostly used by community organisations to

unlock the retrospective nature of many statutory grants such as those from the Sports Capital, LEADER, and SEAI to name but a few. Such loans have proved vital for many community projects to get started.

In many cases bridging loans follow grants to organisations who may have no sustainable income streams. With this in mind, and thanks to WDC and Community Finance Ireland, volunteer led groups no longer need to pay arrangement fees to access bridging finance across the state.

Whilst bridging finance is deemed a necessary tool to allow voluntary bodies access many grant supports, there are ways in which this process can be improved, for example:

- Standardise the mandating of all state grants directly to the lender where a bridging facility is required by a voluntary led group.
- Ensure all state funded grant programmes, where appropriate, clearly highlight the fact that the support is retrospective in nature.

In conclusion, while there is a real opportunity to advance philanthropy in Ireland for public benefit, it will not just happen without a policy framework. To successfully engage people in philanthropy, we need to raise awareness, create better understanding of philanthropy, and proactively stimulate engagement.

To achieve this, we invite this Committee to assist by:

1. **Supporting the adoption of the National Philanthropy Policy** by government thereby acknowledging the role of philanthropy in support of civil society and local communities.
2. Providing an enabling environment, **supporting our proposal for a white paper to review fiscal measures** that could support the growth of philanthropy. Recent independent research commissioned by Philanthropy Ireland, indicates that 66% of those aged 55+ agree that the tax system should include incentives for individuals who give to charity, with 18% saying they don't know. A white paper can identify the right fiscal measures to stimulate greater and more sustained giving.

Again, I would like to thank the Committee for this engagement. My colleagues and I would be happy to answer any questions you may have.

Thank You.