



philanthropy matters

SPRING 2008



His Excellency Thomas C. Foley, Ambassador of the United States of America

'A Dialogue on Philanthropy'

In February, US Ambassador Thomas C. Foley held a unique philanthropy symposium. Attending were Irish donors, philanthropy organisations, professional advisors and government officials as well as experts from a diverse range of relevant organisations from the USA.

Ambassador Foley addressed those present. "I am often asked what the difference is between charitable giving and philanthropy. I describe the difference as ad-hoc cheque writing versus sustained giving with a defined goal. Within the arena of philanthropy, participants vary from people with vast resources looking for a public interest to serve, to people with a strong impulse to address a problem but looking for vast resources, to, in the best case, a person with a strong impulse to address a problem and vast resources."

For philanthropy to thrive, five things must be present -

- a generous culture
- financial capacity
- philanthropic infrastructure
- supportive public policy and
- supportive public attitudes.

"Generosity and capacity are already very much present in Ireland. Philanthropic infrastructure is developing rapidly. The challenge we hope to address is what initiatives can be undertaken to design policies and develop public opinion in ways that will best support growth of philanthropy in Ireland."

To read the full text from the Ambassador's speech - please log onto www.foundation.ie/news



His Excellency Thomas C. Foley, Ambassador of the United States of America (sitting centre) with attending delegates at the 'Symposium on Philanthropy' which took place in the US Ambassador's residence in the Phoenix Park.

Significant New Family Fund Established at The Community Foundation

In early 2008 a significant family fund (in excess of €7 million) was established at The Community Foundation for Ireland. Welcoming the fund, Tina Roche, Chief Executive at The Community Foundation said 'family philanthropy is a huge part of philanthropy internationally. Families who have done well increasingly want to put something back into their community and to charitable areas of interest to them. Philanthropy is a great mechanism for bonding families through a common cause; to meet regularly and to enjoy the process of allocating monies from their charitable fund as a family. We are delighted to be working with this family who have now allocated a significant portion of their wealth for charitable purposes. We work with donors to make it as easy as possible to become engaged in giving in a strategic and planned manner'.

The fund will remain anonymous for the immediate future. The family has outlined thematic areas to support and The Community Foundation for Ireland will help identify relevant applicants on their behalf. The family will then recommend the projects of most interest to them. Both the parents and children will be actively involved. Looking to the longer term, the fund has been structured to facilitate the next generations - if they so wish - to potentially take up the mantle also. 'It is very similar to having your own family foundation except that the structure is housed under the umbrella of The Community Foundation' said Tina Roche.

LEAVE A LEGACY FOR IRELAND

You can include The Community Foundation for Ireland in your **will** and help us establish a permanent charitable fund for our community, our environment and the important causes we all care about.

The Community Foundation - for good, for ever!

www.communityfoundation.ie/giving/

8 SIMPLE STEPS TO SETTING UP A CHARITABLE FUND

You can set up your own family or company fund in just a few simple steps:

1. Discuss your goals with your family or directors and your professional advisors.
2. Decide what to give - eg. cash, shares, property.
3. Select issues and organisations that are close to your heart.
4. Meet with The Community Foundation for Ireland staff to discuss your vision.
5. Choose a fund type: Donor Advised, Field of Interest, Designated, or Unrestricted.
6. Complete the paperwork.
7. Select a name for your fund, e.g. recognising your family or the issues you support.
8. Send your gift to the Foundation for management and administration.

For more information call our Donor Services staff on 01 874 7354.

Planning Your Philanthropy

The Community Foundation has pleasure in announcing its next philanthropy seminar. A greater than ever interest in the topic is reflected in a steady increase in numbers attending since we held our first seminar in November 2006. **This seminar will focus on how 'Planning Your Philanthropy' can lead to more impactful results and better use of your money.** We are pleased to include more case studies and donor testimony.

- What:** Breakfast Seminar - Planning Your Philanthropy
- Where:** Radisson SAS, St. Helen's Hotel, Stillorgan Road, (South of UCD)
- When:** Tuesday, May 13th
7.30am for 8, finishing by 9.15am
- RSVP:** To Niall O'Sullivan 01 874 7354
email: nosullivan@foundation.ie by May 7th

Running Order

- Welcome and Introduction: **Brian Wilson**, Chairman, The Community Foundation
- Family Businesses - Philanthropy and Inheritance Issues: **Mike Gaffney**, Partner, KPMG
- Case Study - The Impact of Philanthropy, **Emma J. Murphy**, National Fundraising Manager, The Carers Association
- A Virtual Donor - Learn over a 15 minute interactive session what it is like to have your own Donor Advised Fund, **Niall O'Sullivan**, Head of Fund Development, The Community Foundation
- Q&A: **Tina Roche**, Chief Executive, The Community Foundation
- Buffet Breakfast will be served from 7:30am to 8:00am
- The presentation will start at 8:00am and finish by 9.15am

The Community Foundation/Barclays Wealth Seminar

An intimate philanthropy dinner, hosted by Barclays Wealth, took place in mid February. Heather Maizels from the UK, joined her Irish colleagues to explain how many private clients benefit significantly at a personal level from engaging in philanthropy and how an increasing number are availing of community foundations there. Tina Roche, Chief Executive of The Community Foundation spoke about the wonderful opportunities that philanthropy opens up for families.

To Pass on the Family Silver - Or Not!

Barron Hilton, 80, grandfather of the (in)famous Paris, revealed recently that he would be giving most of his \$2.3 billion empire to charity. This amounts to 97% of the cash and assets that he has acquired since founding the Hilton hotel chain in 1919. The billionaire will place the windfall into a charitable trust upon his death. He supports projects that provide clean water in Africa and housing for the mentally ill. In light of this grand act of philanthropy, he is now intent only leaving a 'paltry' \$69million to his eight children and 23 grandchildren. Reports suggest he may have been more than a tad miffed at his glamorous grandchild's notoriety.

Anita Roddick, the founder of the Body Shop, who passed away last September, had told her children before she died that "they would not inherit a penny". Instead, her cash went straight to The Body Shop Foundation, whose ultimate goal is to give money away. Roddick had boasted that her kids had received "a huge dose' of reality... they're not in bloody Hello! magazine," she declared triumphantly. "They work. They're real".

While the Anita Roddick approach may have been a bit extreme, it is indicative of an issue that is of increasing relevance in Ireland. In an Irish context it has been conservatively estimated that inherited wealth is running at €3billion+ per annum. Says **Adrian Crawford**, Tax Partner with KPMG "Many people have made a lot of money in the last 15 years, and many come from quite humble backgrounds. When they step back for a minute and consider the wealth and assets their children could inherit, it makes them suddenly wonder what the best options may be. This has become a huge issue in the USA and many wealthy people there are now diverting additional funds into philanthropy as they feel their children may not always benefit from receiving large inheritances".



Paris Hilton



Anita Roddick

Introducing Donor Advised Funds - A New Concept in Irish Philanthropy

Donor Advised Funds are a new option for donors on the Irish legal and charitable scene. They can be defined as funds held by a community foundation or other public charity, where the donor, or a committee appointed by the donor, may recommend eligible charitable recipients for grants from the fund. The public charity's governing body must be free to accept or reject the recommendations. There are **107,250** such donor-advised fund holders collectively **holding \$21.65 billion in assets in the USA**. In 2006, these funds recommended \$4.95 billion in grants. Donor Advised Funds are becoming increasingly popular due to their flexibility, low cost and the increasing amount of red tape and bureaucracy with foundations. Families in the USA have set up such funds from the thousands of dollars up to \$100million in recent times.

If we in Ireland set a target of achieving these levels of giving by 2050, Irish philanthropists would need to create just 1,500 donor-advised fund holders with \$300 million in assets. Surely this is achievable!

Community foundations are well known for hosting such Donor Advised Funds. A community foundation is defined as a tax-exempt, nonprofit, autonomous, publicly supported, philanthropic institution. It is composed primarily of permanent funds. These are established by many separate donors for the long-term diverse, charitable benefit of the residents of a defined geographic area. Community foundations provide an array of services to donors who wish to establish endowed and non-endowed funds without incurring the administrative and legal costs of starting independent foundations.



*Brian Wilson, new Chair
of The Community
Foundation for Ireland.*

Why not find out more, call The Community Foundation for Ireland on 01: 874 7354 or log onto www.communityfoundation.ie

COMMUNITY FOUNDATION LAUNCHES NEW RAY MURPHY FUND

The Community Foundation for Ireland has announced the establishment of The Ray Murphy Fund. The fund has been set up to assist and encourage managers within the community and voluntary sectors to access leadership education and training.

The fund was named after the late Ray Murphy of The Mott Foundation, and formerly of Atlantic Philanthropies, to acknowledge the support he gave to both the philanthropic sector and to the Community Foundation itself during his lifetime.

The fund will make grants available to build leadership within the community sector for the next 10 years to the fund and the first grants have already been agreed. It will be particularly focused on senior management and key volunteers in the community. The Community Foundation will contribute €20,000 a year for 10 years to the fund.

For further information please contact: Helen Beatty, hbeatty@foundation.ie

Boston Doubles Donations - Lessons for Ireland

The Boston Foundation is one of the USA's most successful community foundations with many, many fund holders including families, individuals, companies and others. It more than doubled the amount of donations it received in 2007, to about \$155 million bringing its total assets to nearly \$1 billion. As a result it gave away \$92 million in 2007.

Ireland has a limited tax system for supporting philanthropy. Indeed no amendments were made in the recent Finance Bill or Budget to support philanthropy. Boston's fund development success is largely attributed to its willingness to accept donations in unusual, illiquid forms, not just the cash and stock usually preferred. Irish donors are less flexible, largely as a result of less well developed tax laws around philanthropy. In 2007, half the donations to The Boston Foundation were so-called complex financial instruments, such as business partnerships, real estate holdings, and artworks. Their 'funky' gifts included a Mark Rothko painting, and a collection of ceramics worth \$15 million. An Internet address, farm.com, was donated to the foundation in 2006; within a week it had sold for \$200,000. For more information see www.tbf.org

The New York Trust had an even more successful 2007, with over \$175m in new donor funds, including new Donor Advised Funds for \$100m and another for \$45m.

Household Wealth in Ireland Surpassed €1 trillion in 2008: National Irish Bank Report

A new report from National Irish Bank, 'The Emerald Isle - The Wealth of Modern Ireland' shows that aggregate wealth in Ireland has surpassed €1 trillion for the first time in 2008. By the start of 2008, the average Irish household had a wealth holding of €674,000. Excluding owner-occupied housing, the figure is €352,000. The corresponding level of household debt is €127,000. According to Garvan Callan, Head of Wealth Management, National Irish Bank, "There has been a transformation in Ireland's aggregate wealth holdings over the last decade." The report also found that as a country, many aspects of Irish households' management of wealth tend to be unplanned (like philanthropy), which could potentially lead to significant problems, particularly the lack of diversification that typifies many households' assets.

County Durham Foundation to run Tony Blair's foundation

There is a growing trend of former political leaders engaging in strategic philanthropy. Tony Blair recently launched the **Tony Blair Sports Foundation** which will be part of County Durham Foundation - a similar type of organisation to The Community Foundation for Ireland. It will be providing governance and management support to his staff, who are employed by the community foundation. The Tony Blair Sports Foundation will increase participation in sport by young

Professional Advisors Breakfast Seminar

The Community Foundation for Ireland hosted a specialist breakfast seminar for professional advisors in February. Hosted by Ulster Bank Wealth, almost 40 people attended. "We believe this was the first dedicated presentation of its kind in Ireland and we expect to do a lot more work with accountants, wealth management professionals and solicitors (especially those involved in estate planning) over the coming months and years" said Niall O'Sullivan, Head of Fund Development at The Community Foundation for Ireland.



Nora Lillis, Partner, William Fry presenting at the seminar.

people, particularly those who are currently socially excluded, by inspiring more adults to become trained coaches; by providing access to training, and matching coaches with sports clubs and schools. On leaving office, Bill Clinton established the **William J Clinton Foundation** which is tackling amongst other issues, climate change and Aids in Africa.

Family Businesses and Family Philanthropy in Ireland

The first official statistics for family businesses was published recently by the CSO. In 2005, family businesses accounted for 46% of all firms and 39% of all employees. In 2005, there were just under 40,000 family businesses trading in the services sector. However they accounted for just 29% of total turnover. The vast majority were small, with 98% having less than 50 employees. Family businesses often have a longer term perspective and are an ideal sector to look at family funds with a focus on the intergenerational element to their work. A number of families have set up philanthropic funds in recent times at The Community Foundation for Ireland and this is a key area of development for The Community Foundation. At our **'Planning Your Philanthropy' Seminar on May 13, Mike Gaffney, Partner, KPMG** will look at philanthropy and inheritance issues for business owners following recent research by KPMG in this sector. Plans are also at an advanced stage for a **Family Philanthropy Symposium in October 2008**. Anyone seeking details on either event can contact Niall O'Sullivan on 01 874 7354.



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If you would prefer not to receive further copies of "Philanthropy Matters", please contact us and we will amend our mailing list accordingly.

Small Grants Programme Supporting Communities

Grants of €130k were made to 147 organisations in the most recent Small Grants programme. In recent times, a number of people and organisations are helping to support this important programme by providing donations to cover some of the projects. The following are some examples from our most recent Grants round.

Munster

Co Clare	Eiri Corca Boiscinn	To fund a respite weekend for 20 members of the carers network	€2,000
Co Cork	Killeagh Inch Monday Club	To run an introductory course in crafts for the older age group in our community	€600
Co Limerick	Latvian Society of Limerick	To hold a family sports day to help families from the Latvian community in Limerick to integrate	€705

Connaught/Ulster

Co Galway	All Ireland Open Dancing Championships	To help fund the 2008 All Ireland Festival of Dancing Championships for older people	€1,000
Co Donegal	Moville Men's Group	To run four evenings with new ethnic communities in Moville, sharing cultures, histories and food, to reduce social isolation	€1,000

Leinster/Dublin

Dublin 5	KARE Social Services & Citizens Information Centre Ltd.	To fund a one year pilot scheme where older people are visited in their homes at least once a fortnight	€2,000
Dublin 7	Huntington's Disease Association of Ireland (HDAI)	To provide supervised activities for 100 young people with a HD parent who have a 50% chance of inheriting HD themselves	€2,000
Co Kildare	Platinum Clubhouse	To provide classes in personal development, interview skills, literacy & art to people who have been institutionalised	€1,000
Co Meath	Third Age Foundation	To develop a tutor's manual for an initiative which involves older people teaching English to new migrants	€1,000