

# Fundraising Performance: The Second Annual Report on Fundraising in Ireland



 **Ulster Bank**  
Help for what matters

MASON  
HAYES &  
CURRAN

## 2011

Sinéad Kelleher

*2into3,  
Benson Street,  
77 Sir John Rogerson's Quay,  
Dublin 2.  
+353 1 640 1823  
[www.2into3.com](http://www.2into3.com)*



## Contents

Foreword .....	4
Executive Summary .....	6
1 Introduction.....	7
2 Introduction to the Data and Research Methodology .....	8
3 Overview of the Sample .....	10
3.1 Division into Subsectors .....	10
3.2 Age of Organisations in the Sample .....	12
3.3 Skewness within the Sample .....	12
3.3.1 Income Data .....	13
3.3.2 Staff Data .....	16
4 Trends in the Irish Not-for-Profit Sector .....	17
4.1 Income Expenditure Gap (2008-2010) .....	17
4.2 Staff Numbers (2009 – 2010) .....	18
4.3 State Income (2009-2010).....	20
5 Fundraising .....	22
5.1 Trends in Fundraised Income .....	22
5.2 Fundraising Costs by Subsector.....	27
5.3 Fundraising Composition.....	29
5.4 Fundraising Costs by Technique.....	32
6 Discussion of Results .....	34
6.1 Shortcomings of Analysis.....	34
7 Conclusions.....	36
8 References.....	37
List of Participating Organisations.....	38



About 2into3 and the Author ..... 42

A note from the Sponsors ..... 43

## Figures

Figure 1: Participating Organisations by Subsector (2010) ..... 10

Figure 2: Relative Size of Subsectors by Income (2010) ..... 11

Figure 3: Age Distribution of Sample (2010) ..... 12

Figure 4: Income Distribution of Sample (2010) ..... 14

Figure 5: Scatterplot of Income (2010) ..... 15

Figure 6: Distribution of Staff Numbers (2010) ..... 16

Figure 7: Average Income Expenditure Squeeze (2008, 2009 and 2010) ..... 17

Figure 8: Salaries as a Proportion of Total Expenditure (2010) ..... 19

Figure 9: State Income as a Proportion of Total Income by Subsector (2009 and 2010) ..... 20

Figure 10: Change in State Income by Subsector (2009 to 2010) ..... 21

Figure 11: Change in Fundraised Income (2009 and 2010) ..... 22

Figure 12: Percentage Change in Fundraised Income (2009 and 2010, by Subsector) ..... 23

Figure 13: Change in Fundraised Income (2009 and 2010, by Subsector) ..... 24

Figure 14: Change in Fundraised Income (2009 and 2010, excluding International Development)  
..... 25

Figure 15: Percentage of the UK Adult Population Giving to Overseas Disaster Appeals (2008-  
2010) ..... 26

Figure 16: Change in Fundraised Income in the USA by Subsector (2009- 2010) ..... 27

Figure 17: Fundraising Costs with and without International Development (2010) ..... 28

Figure 18: Fundraising Costs by Subsector (2009) ..... 28

Figure 19: Reported Fundraising Composition, including State (2010) ..... 30

Figure 20: Reported Fundraising Composition, excluding State (2010) ..... 31



Figure 21: Fundraising Costs by Technique (2010)..... 32

Figure 22: UK Public’s Perception of Cost to Raise £1..... 33

## Tables

Table 1: Number of Accounts in the Study..... 9

Table 2: Definitions of Average and Median ..... 13

Table 3: Summary Statistics – Income (2010) ..... 15

Table 4: Summary Statistics – Staff Numbers (2010) ..... 16



## Foreword

This Report, part of a series which 2into3 has prepared on the Irish not-for-profit sector<sup>1</sup>, provides grounds for optimism by demonstrating a recovery in giving and the consequent growth in philanthropic support for the sector. While the findings are welcomed, the data also presents a challenge.

The recovery, as this Report illustrates, is not uniform and is led by a relatively small number of organisations with the International Development and Health sectors, dominating in terms of fundraising performance. The Report highlights the large variances in performance amongst organisations sector wide, posing the significant question for not-for-profit Boards, Philanthropists and the State: how can the gap in performance be addressed?

There are many initiatives, which could improve the overall performance of the not-for-profit sector. Priority could be given, by significant funders of the sector, to ensuring that all of the larger not-for-profits are required to build their capacity to fundraise effectively. This may involve:

- Strengthening of not-for-profit *Boards and Board Structures* to support the Fundraising function.
- Strengthening of *Management teams*.
- Realignment of *Fundraising Strategies* in line with the realities of the Philanthropic Marketplace.
- Effective *resourcing* of the Fundraising function.
- Increased investment in *Research* in the field of not-for-profit management
- Investment in *high-level training & development* initiatives modelled on the successful “Leadership 4 Growth” and “International Selling” programmes developed by Enterprise Ireland and delivered by Stanford University and the Dublin Institute of Technology respectively.

There can be little doubt that if the quality of ‘asking’ can be improved than the level of giving in Ireland could grow significantly with attendant benefits for civil society in Ireland.

---

<sup>1</sup> *Fundraising in a Cold Climate* (2008); *Collaboration for Greater Impact* (2009), *Steering your Non-profit Organisation through the Storm* (2010), *First Annual Report on Fundraising Performance in Ireland* (2010). [www.2into3.com](http://www.2into3.com)



We hope that this Report will encourage civic and private stakeholders to support the endeavours of the sector in advancing fundraising performance.

Dennis O'Connor,  
Director, 2into3.

September 2011



## Executive Summary

The Irish not-for-profit sector is facing a challenging environment with on-going uncertainty regarding funding, increased demands for services and a bleak wider economic landscape. This Report, the second in an annual series, is intended to provide a quantitative insight into the current status of the sector, particularly in relation to fundraising performance and costs. The motivation behind this analysis is to provide objective information, stimulate debate and discussion and encourage more detailed reporting of fundraising data.

Key data on 171 not-for-profit organisations were extracted from their annual accounts for analysis. The key results from this study are presented below:

<ul style="list-style-type: none"><li>• The Irish not-for-profit sector is <b>widely diverse</b> in terms of size, staff numbers, fundraising activities, reliance on State income and experience of the recession.</li></ul>	
<ul style="list-style-type: none"><li>• The sector is characterised by a <b>skewed distribution</b> with a very large number of quite small organisations and a very small number of large groups.</li></ul>	
<ul style="list-style-type: none"><li>• Organisations vary widely in the <b>level of detail</b> they report in their annual accounts regarding fundraising activities and income. Only a very small minority comply with SORP standards.</li></ul>	
<b>% Change in fundraised income between 2009 and 2010</b>	+23.9%
<b>% Change in fundraised income between 2009 and 2010 (excluding outliers)</b>	+9.0%
<b>Salaries as a % of total expenditure in 2010</b>	17.5%
<b>Salaries as a % of total expenditure in 2010 (excluding outliers)</b>	31.3%
<b>State income as a % total income in 2010</b>	34%
<b>Fundraised income as % of total income in 2010</b>	61%
<b>Average cost to raise €1 in 2010</b>	15.4c
<b>Average cost to raise €1 in 2010 (excluding the International Development subsector)</b>	29.9c



## **1 Introduction**

2010 was another challenging year for the Irish not-for-profit sector and Irish society in general. Rising unemployment and cuts to social welfare led to increased demand for social services and housing organisations. Humanitarian crises arising from natural disasters overseas including the Haiti earthquake required major and wide ranging responses from International Development groups. Meanwhile, organisations across the spectrum of the not-for-profit sector, including bodies in sports, arts, health and advocacy, all had to contend with reduced funding and uncertainty about future State income.

The aim of this series of annual Reports is to provide organisations with objective information on the current status of the Irish not-for-profit sector, particularly in relation to fundraising income and expenditure. Our hope is that this Report will lead to dialogue and discussion within and between organisations about their specific challenges in these austere economic times and how they can best continue to fund the services they provide.





## 2 Introduction to the Data and Research Methodology

The sample of organisations in this year's Report is significantly larger than last year, with 171 organisations sampled compared to 80 in the 2009 edition<sup>2</sup>. However, this set still does not comprise a statistically representative sample of the sector. This means that figures within this study are accurate for the sample only, and attempts to extrapolate to the wider sector should be undertaken with great caution – figures will, at best, be only indicative of wider trends.

Figures used in this Report were extracted from sets of annual accounts as filed with the Companies Registration Office. Naturally, the annual accounts used as source data were not compiled specifically with the intention of inclusion in our analysis. In many cases, very little information is presented on fundraising, with fundraised income often presented simply as a single line with fundraising costs either grouped with other expenditure such as advertising, or subsumed completely under another heading. It should be noted that this does not mean that organisations do not hold detailed information on fundraising costs; simply that they do not file these data in their annual accounts. This level of aggregation occurs across so many accounts that even our larger sample set does not allow for full analysis at subsector level or at the level of fundraising type; for many indicators, only the sector wide figure could be computed.

The majority of the sets of accounts used in this analysis were purchased from the Irish Nonprofits Knowledge Exchange (INKEx)<sup>3</sup>. These accounts were supplemented by copies sent to 2into3 following an email request to clients, and by annual accounts found on the websites of organisations.

---

<sup>2</sup> Please note that 2008-09 figures referenced in this document may not correspond exactly with those from last year's Report. This is because the receipt of a larger sample of 2008-09 accounts this year allowed for the figures to be recomputed. However, this larger sample does not change the results in any material way.

<sup>3</sup> INKEx is an independent, not-for-profit company which is currently building a comprehensive, live database of up to 9,000 Irish not-for-profit organisations from data derived from regulatory sources (see [www.inkex.ie](http://www.inkex.ie))



The data in this sample cover three years; 2008, 2009 and 2010. The table below shows the number of accounts held for each year.

<b>Table 1: Number of Accounts in the Study</b>	
<b>Year</b>	<b>Number of Sets of Accounts</b>
2008	91
2009	189
2010	127



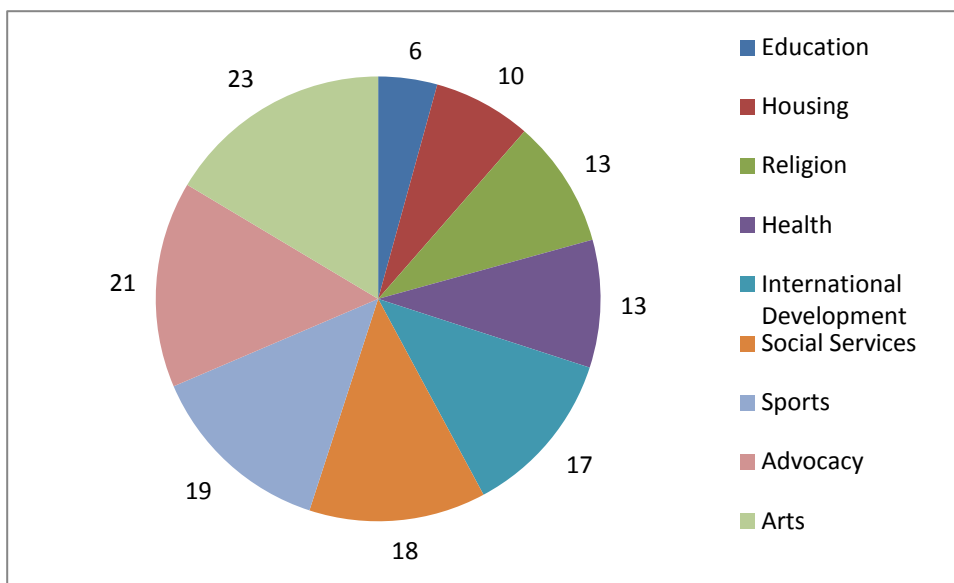
### 3 Overview of the Sample

#### 3.1 Division into Subsectors

For the purpose of analysis, the organisations in this study are split into nine subsectors; Advocacy, Arts, Education, Health, Housing, International Development, Religion, Social Services and Sports and Recreation. Organisations can be categorised under more than one heading; for instance, many Health and Social Services organisations also have a strong advocacy role.

Figure 1 below shows that there are at least six organisations in every subcategory, with the highest numbers in the Arts and Advocacy groups.

**Figure 1: Participating Organisations by Subsector (2010)**

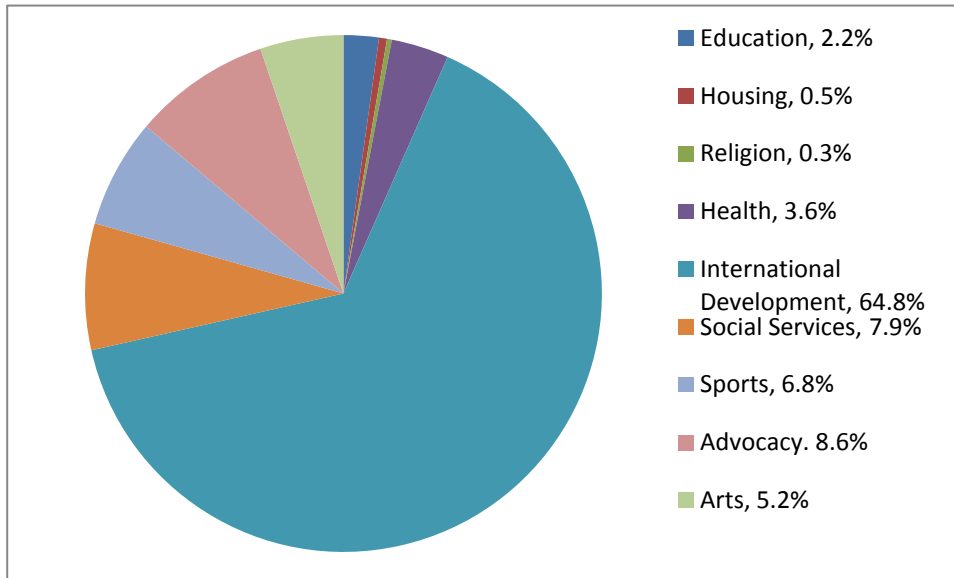


**Sample Size: 127**



However, in terms of size (as measured by income), the International Development subsector is by far the largest in our sample, accounting for almost two thirds of total income. It is clear that at least some of the organisations within the International Development subsector in the sample are particularly large; these organisations make up less than 10% of the total number of groups studied, but comprise over 60% of the total income.

**Figure 2: Relative Size of Subsectors by Income (2010)**



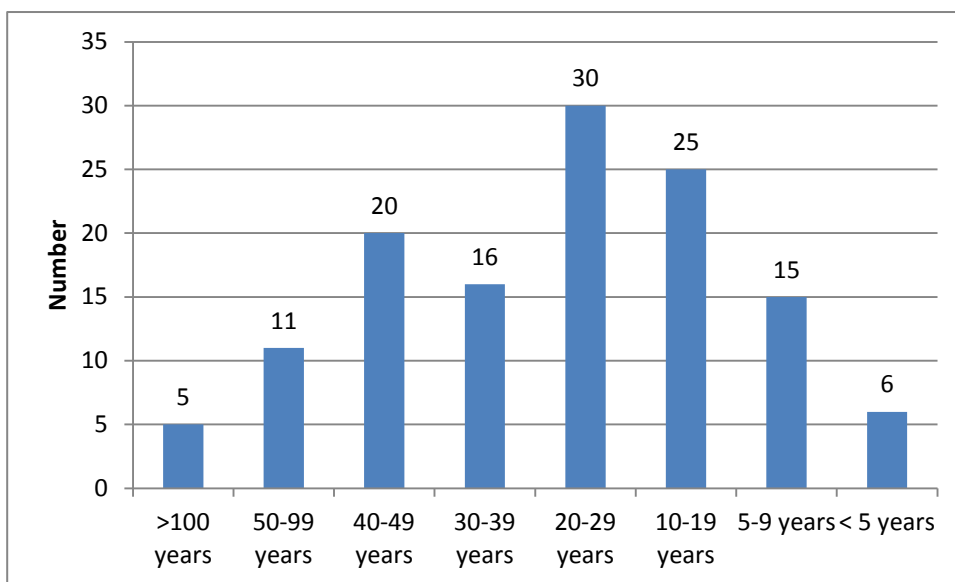
**Sample size: 127**



### 3.2 Age of Organisations in the Sample

There is significant diversity in terms of age with the oldest organisation in our sample having been established in 1823 while three were founded just two years ago.

**Figure 3: Age Distribution of Sample (2010)**



**Sample size: 128**

### 3.3 Skewness within the Sample

A key characteristic of the Irish not-for-profit sector is its particularly skewed nature – it comprises very many small organisations and a very small number of large entities.

This skewness was also observed in last year’s edition of this Report, as well as other reports on the Irish not-for-profit sector such as The Hidden Landscape study carried out by the Centre for Nonprofit Management in Trinity College Dublin in 2006. This skewed distribution results in the use of average figures potentially becoming quite misleading in analysis. Median figures are thus a more appropriate indicator (see Table 2).



<b>Average</b>	To find the average, all of the observations are added up, and divided by the number of observations. However, this means that if a few numbers are particularly high or low ('outliers') they will have a disproportionate effect on the calculated average, pulling it either up or down.
<b>Median</b>	The median is simply the value separating the upper half of a set of numbers from the lower half. It The median is calculated by arranging all of the observations from lowest to highest value and selecting the middle value. As such, it is not affected by especially high or low outliers.

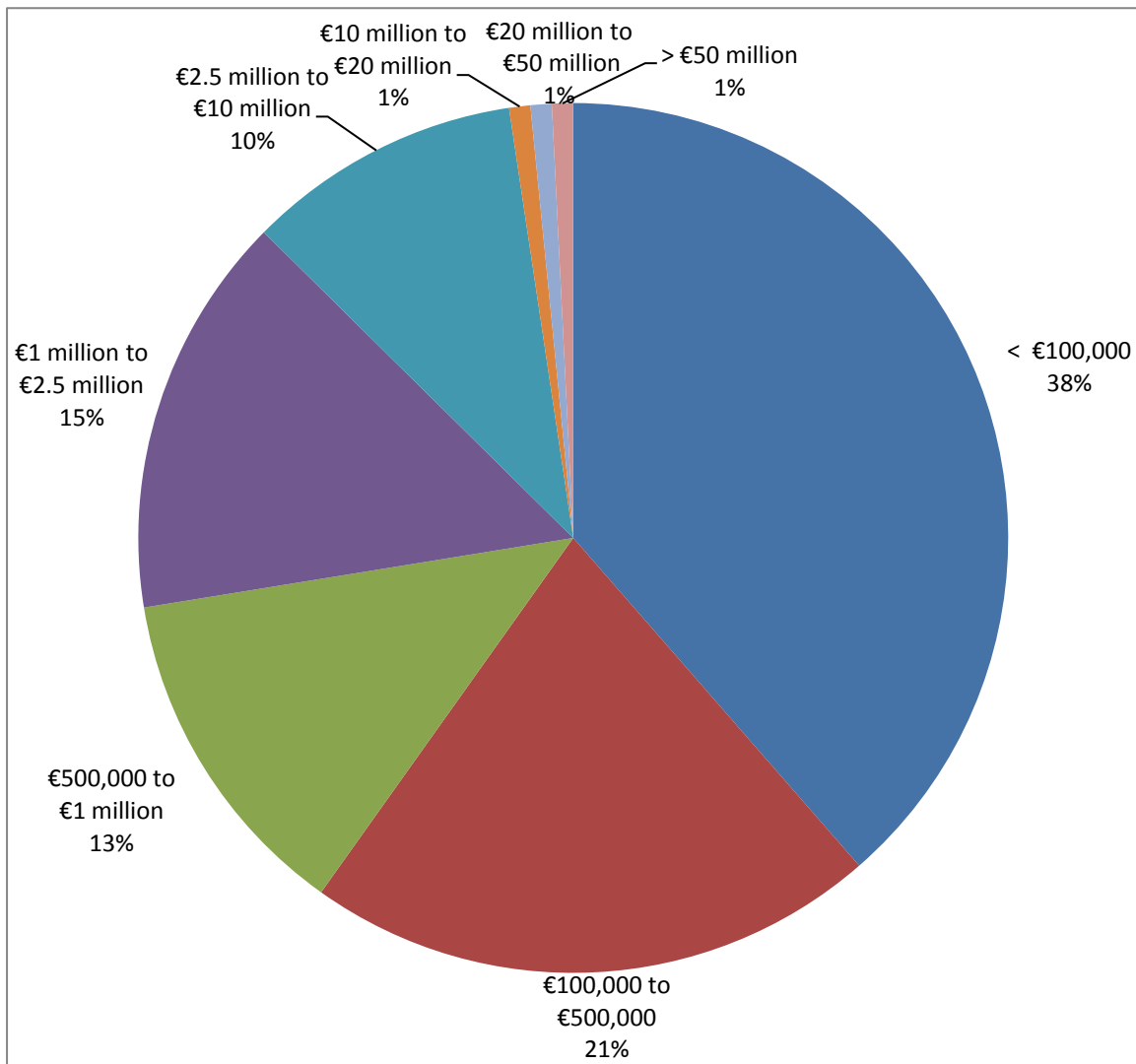
For the sake of completeness, both average and median figures will be reported in this study. The proportion of organisations that lie above and below the average will also be noted. These figures indicate the level of skewness in the data because, in an even distribution, the average figure would cut the distribution in half with 50% of organisations lying above the average and 50% below.

The characteristic of a large number of small groups and small number of large bodies is evident in relation to staff numbers and organisational income, where, in both cases, only 12% of organisations lie above the average (see Section 3.3.1 and 3.3.2).

### 3.3.1 Income Data

The income range of the organisations in the sample is extremely large. The largest had income of over €167 million in 2010 compared to just €539 taken in by the smallest group. However, the vast majority of organisations in the sample are extremely small, with 38% having income of less than €100,000 in 2010, and almost three quarters taking in less than €1 million (see Figure 4).

**Figure 4: Income Distribution of Sample (2010)**



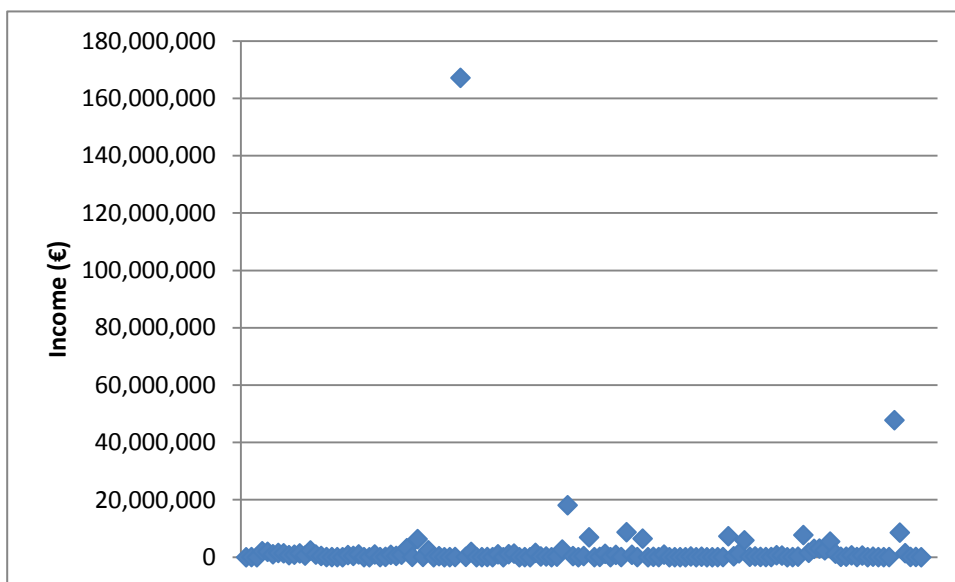
**Sample Size: 127**

However, between them, the largest two organisations had income equivalent to the rest of the sample combined. Their huge size can be seen in the scatter plot of incomes in Figure 5. Most of the organisations are clustered tightly at the bottom of the graph, but these two very large entities clearly stand out. These organisations are both in the International Development subsector and have incomes exceeding €20 million. Their extremely large size makes it possible that they have quite a different profile to the rest of the sample. Thus, for a number of



calculations throughout the paper, these two will be removed to prevent them from artificially driving the results.

**Figure 5: Scatterplot of Income (2010)**



**Sample Size: 127**

The summary statistics below show that the average income of the sample is €2,831,299 but that only 15 organisations, or 12% of the sample, had income above this.

<b>Table 3: Summary Statistics – Income (2010)</b>	
<b>Average</b>	€2,831,299
<b>Median</b>	€199,688
<b>% Above Average</b>	11.8%
<b>% Below Average</b>	88.2%
<b>Range</b>	€539 to €167,158,000
<b>Sample Size</b>	127

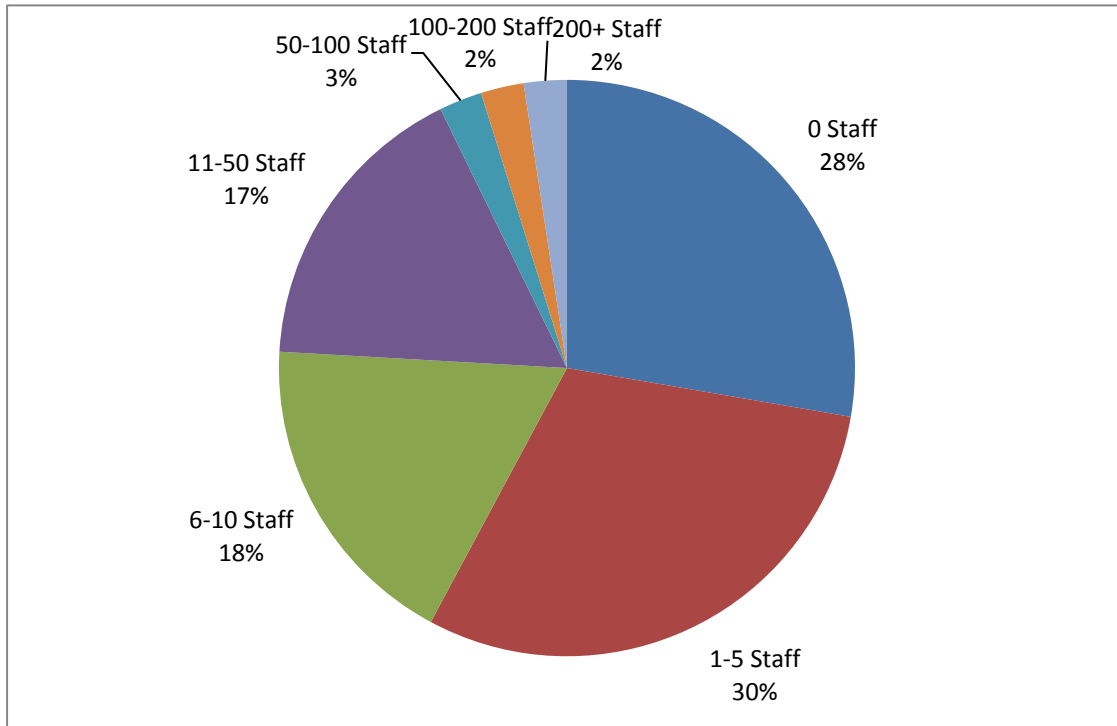




### 3.3.2 Staff Data

Most not-for-profit organisations have very few staff members – of the 83 organisations for which we have data for 2010, 23 (or 28%) have no paid staff, with just 20 (24%) employing over 10 people (See Figure 6).

**Figure 6: Distribution of Staff Numbers (2010)**



**Sample Size: 83**

The summary statistics of staff numbers show that the average figure of 18 staff members is over four times the median figure of just four. Only about 12% of organisations lie above the average figure.

<b>Table 4: Summary Statistics – Staff Numbers (2010)</b>	
<b>Average</b>	18
<b>Median</b>	4
<b>% Above Average</b>	12.0%
<b>% Below Average</b>	88.0%
<b>Range</b>	0 to 294
<b>Sample Size</b>	83

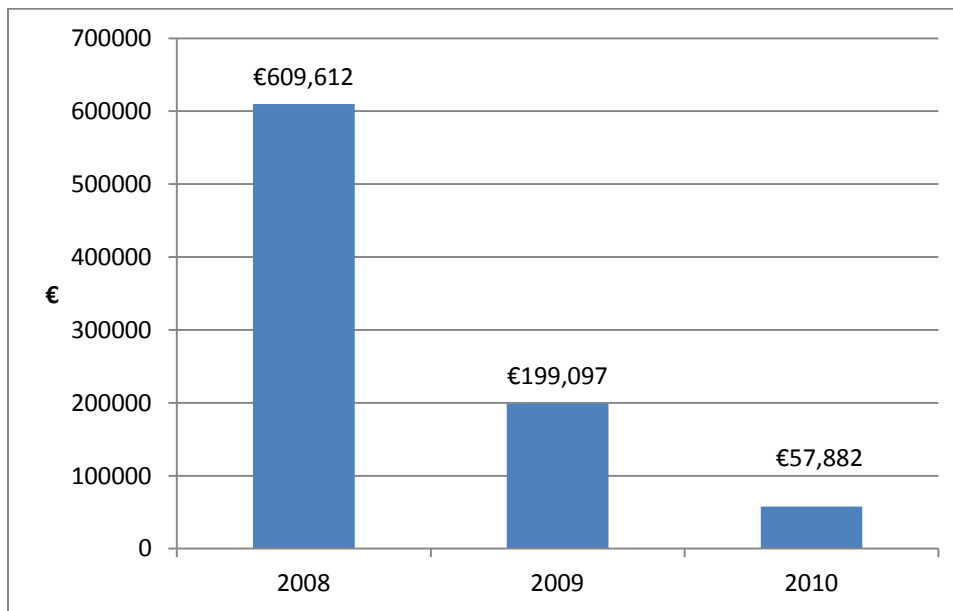


## 4 Trends in the Irish Not-for-Profit Sector

### 4.1 Income Expenditure Gap (2008-2010)

There is evidence of a significant squeeze being experienced in the not-for-profit sector, with the average gap between income and expenditure falling almost across the board between 2008 and 2010. This pattern holds for the various subsectors, except for International Development and Arts, and may be reflective of the increased demand for services.

**Figure 7: Average Income Expenditure Squeeze (2008, 2009 and 2010)**



Sample size: 2010: 127, 2009: 189, 2008: 91



## 4.2 Staff Numbers (2009 – 2010)

One of the key assets of the not-for-profit sector is its staff, and an important issue is to what extent the economic crisis has affected staffing numbers.

In the 71 organisations for which data was available, a net total of 56 jobs were lost between 2009 and 2010; a total of 88 jobs were lost and 32 created. This is a fall in employment of about 4%.

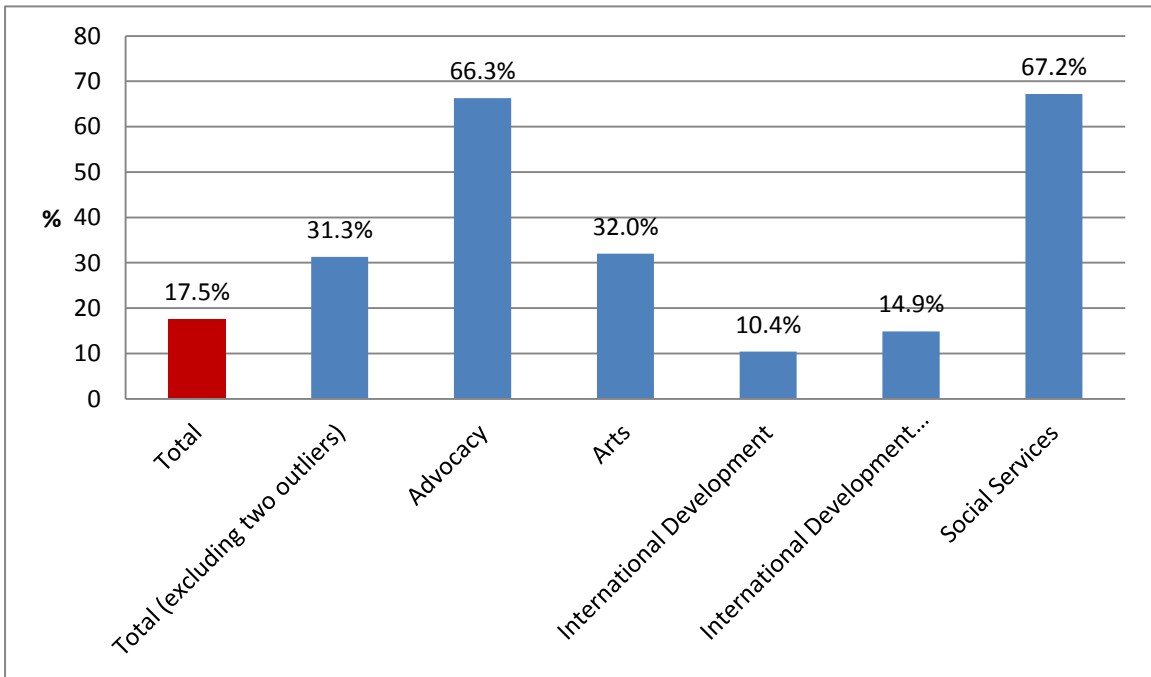
These results are in contrast to the experience in 2008 to 2009 where there was an overall net increase of 106 jobs (141 lost and 247 created) for the 78 organisations for which we have data.

These figures obscure some of the reality for individual not-for-profits and their staff. In particular, information is not available on how many of these newly created positions are part time, and how many existing staff have had their hours cut or workloads increased. In addition, data on volunteers are not typically available in annual accounts. It would, however, be interesting to see if the number of volunteer hours has increased or if the tasks performed by volunteers have altered along with increased demand for services.

Salaries are a major component of not-for-profits' annual expenditure comprising about 17.5% of total outlays. However, larger bodies have scope to avail of economies of scale in relation to staffing and when the two large International Development outliers are excluded from the analysis, the average staff costs figure rises to over 30%. Again, this aggregate figure varies widely across subsectors, with salaries accounting for over half of all expenditure in Advocacy and Social Services. International Development as a whole has a very low salaries to expenditure ratio; even when the two large outliers are excluded their ratio is well below average (see Figure 8).



**Figure 8: Salaries as a Proportion of Total Expenditure (2010)**



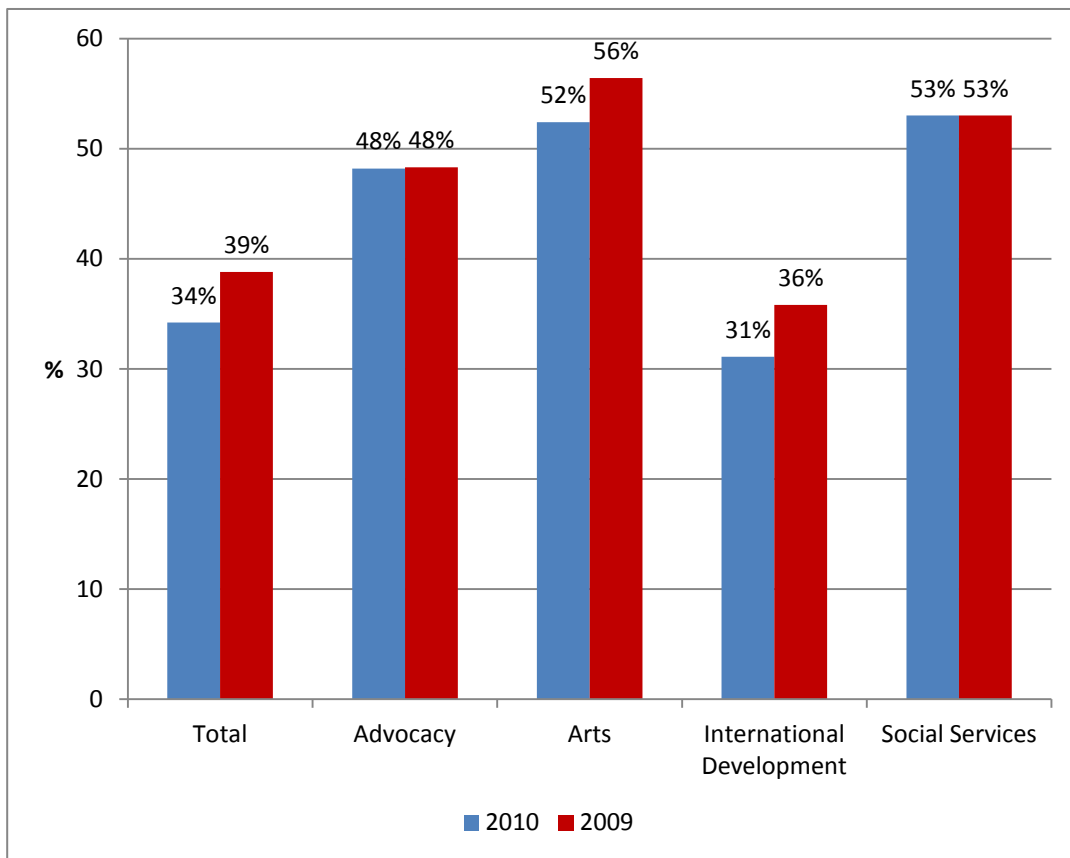
**Sample Size: Total: 88**



### 4.3 State Income (2009-2010)

The State remains a key source of income for the not-for-profit sector but the Government's contribution shrank between 2009 and 2010, both in real terms and as a proportion of overall income. The overall level of State funding as a proportion of total income fell from 39% to 34% over this period (see Figures 9 and 10).

**Figure 9: State Income as a Proportion of Total Income by Subsector (2009 and 2010)**

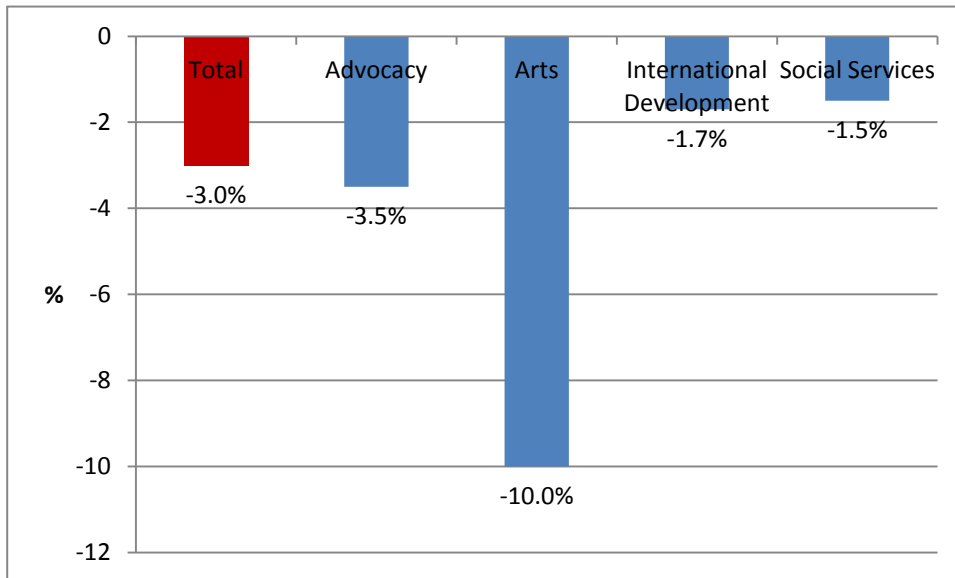


**Sample Size: 47**

There was a 3% fall in State funding for the 47 organisations for which we have data. The subsector most affected was the Arts, which experienced a 10% cut in Government funding between 2009 and 2010. However, the Arts subsector still receives more than half its income from State sources (primarily the Arts Council).



**Figure 10: Change in State Income by Subsector (2009 to 2010)**



**Sample Size: 47**

Such results emphasise the importance of not-for-profits reviewing and diversifying their income streams and ensuring they are not overly reliant on State funding.



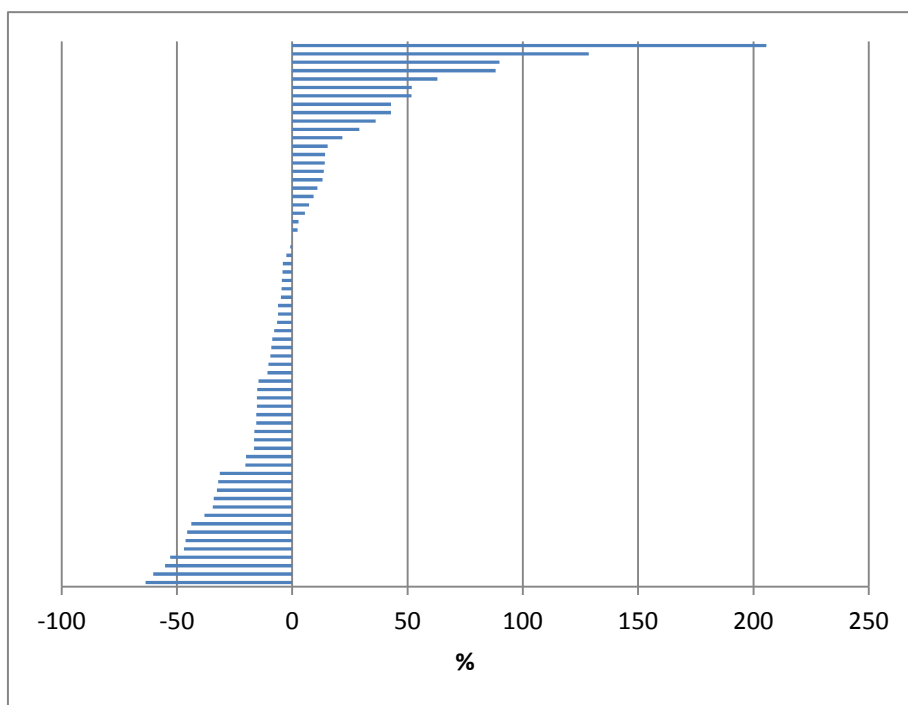
## 5 Fundraising<sup>4</sup>

### 5.1 Trends in Fundraised Income

There is understandable concern about the viability of fundraising in Ireland at a time of high unemployment and financial uncertainty both at individual and State level. Such concerns appeared founded in the previous issue of this Report, which detailed a 12.9% drop in fundraised income between 2008 and 2009.

Figure 11 below shows the change in fundraised income between 2009 and 2010 for 65 organisations. The differing experiences across the sector are very evident, with changes in donations ranging from -64% to +206%. A total of 24 bodies experienced a rise in fundraised income, while 41 recorded a decline.

**Figure 11: Change in Fundraised Income (2009 and 2010)**



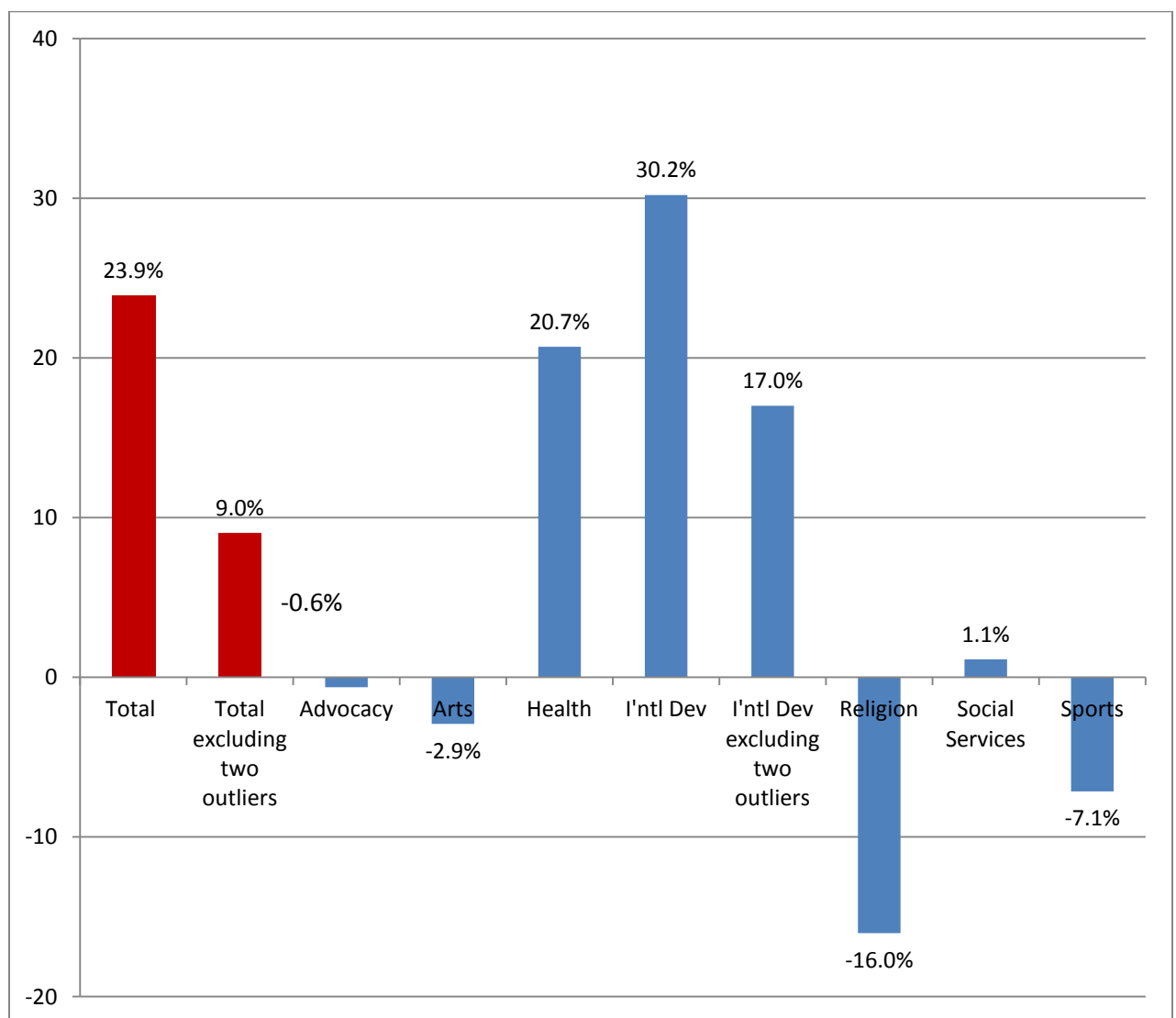
**Sample Size: 65**

<sup>4</sup> Throughout this Report, fundraised income refers to income net of State income.



On average, this year's sample recorded a major recovery, with total fundraised income increasing by 23.9% between 2009 and 2010. Excluding the two major International Development outliers decreases the magnitude of the recovery to a still respectable 9%. This quite surprising result appears to be driven by the exceptional performance of the International Development and Health sectors. By contrast Religious and Sports organisations experienced sharp declines in donations with the Advocacy, Arts and Social services sectors remaining relatively static (see Figures 12 and 13).

**Figure 12: Percentage Change in Fundraised Income (2009 and 2010, by Subsector)**

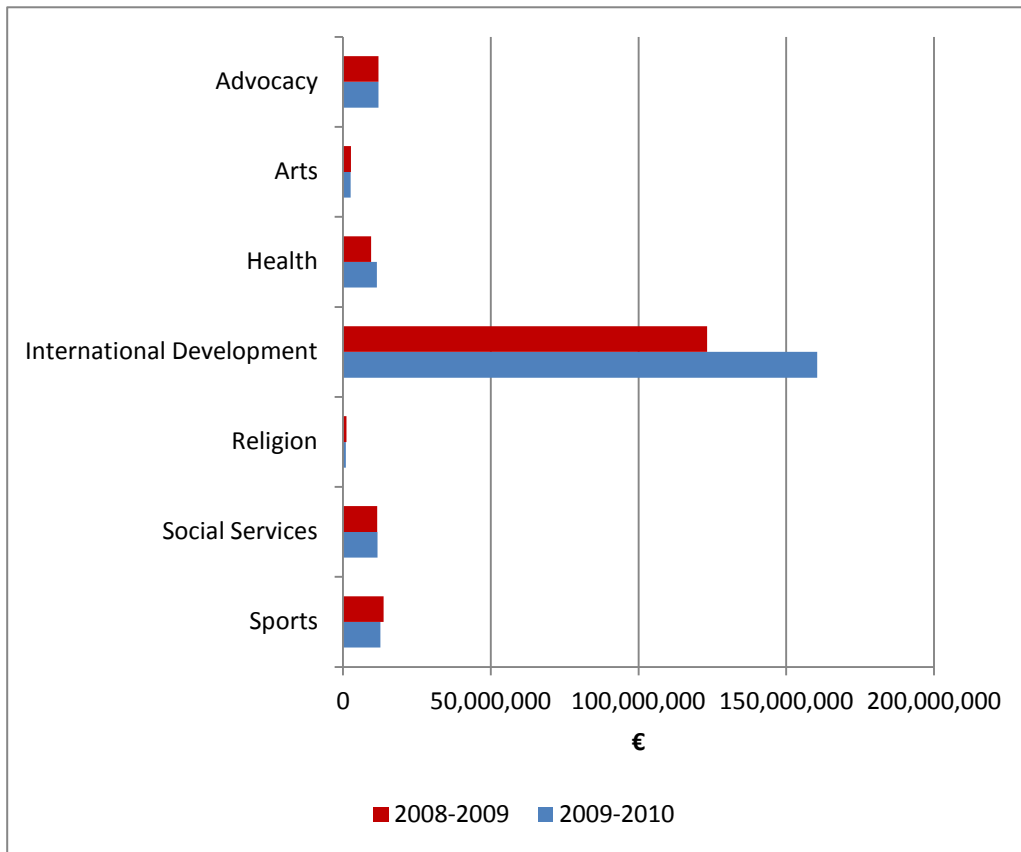


**Sample Size: 108**



Figure 13 shows the actual change in fundraised income between 2009 and 2010, emphasising the large size of the International Development subsector.

**Figure 13: Change in Fundraised Income (2009 and 2010, by Subsector)**

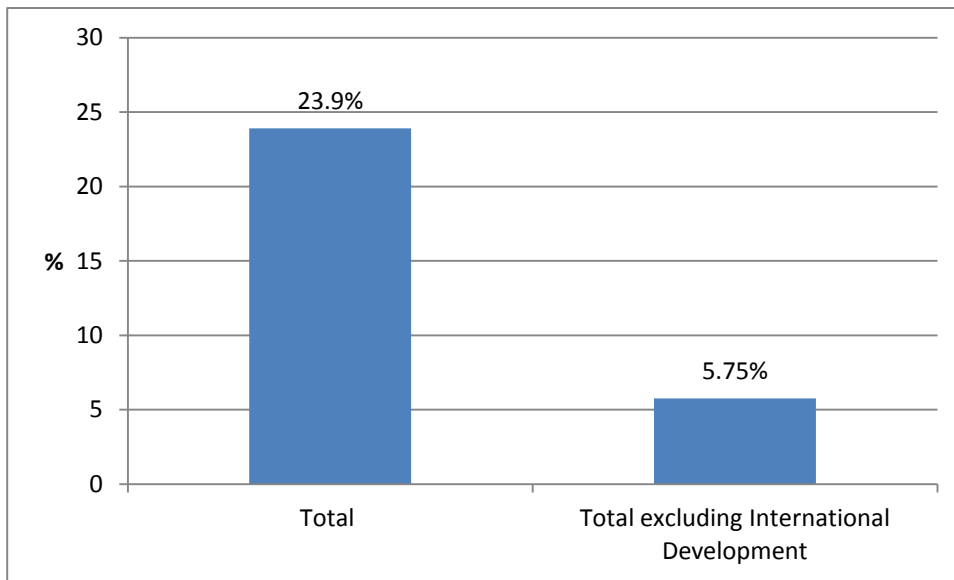


**Sample Size: 110**



Even excluding the International Development category, the Irish not-for-profit sector experienced growth of over 5.7% between 2009 and 2010 (see Figure 14).

**Figure 14: Change in Fundraised Income (2009 and 2010, excluding International Development)**



**Sample Size: 94**

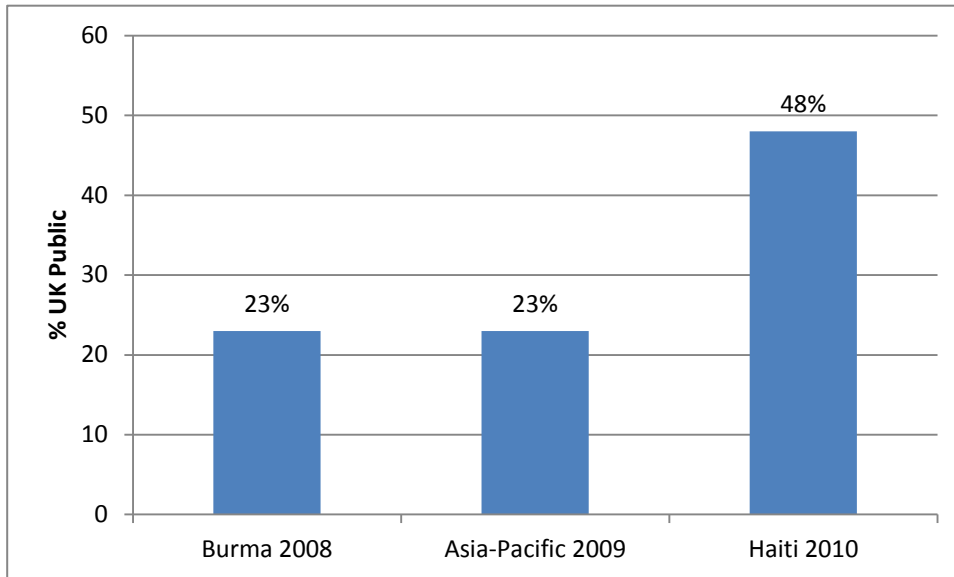
Figures from the USA reflect the Irish experience, with income falling significantly between 2008 and 2009 but recovering between 2009 and 2010. Total charitable giving in the US rose by 3.8% in 2010, with Giving USA attributing this to the modest economic recovery achieved that year (Giving USA 2011).

The remarkable performance of the International Development sector can be attributed to the generous response to the Haiti Earthquake in January 2010. This 'Haiti Effect' is also evident in the UK and USA. For instance, the UK Giving 2010 study by Charities Aid Foundation reports that a much greater proportion of the British public donated to overseas causes in 2010 than in previous years. They report that 48% of adults donated to the Haiti appeal; compared to 23% the previous two appeals (see Figure 15). The CEO of the Disasters Emergency Committee in the UK noted in the 2010 UK Giving report that 'spontaneous giving in repose to major emergencies



has remained extremely robust, political issues, and indeed concerns about corruption, also seem to have little impact on the public's generosity'(23).

**Figure 15: Percentage of the UK Adult Population Giving to Overseas Disaster Appeals (2008-2010)**

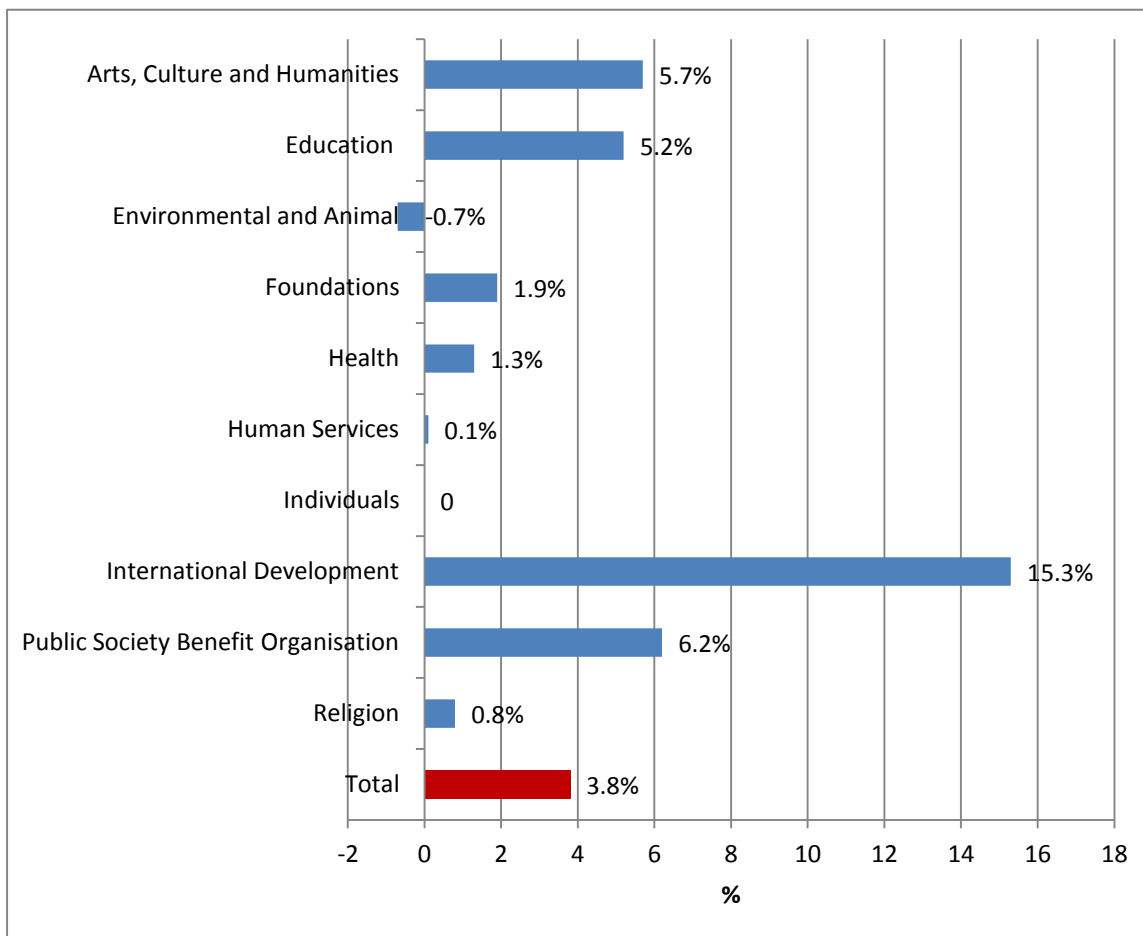


**Source: Charities Aid Foundation, 2010**

In the US, the International Development subsector also witnessed the largest percentage increase between 2009 and 2010 (see Figure 16). Giving USA 2011 attribute this, in part, to 'increasing awareness and interest in global matters resulting from various political and humanitarian crises, including the January 2010 earthquake in Haiti' (3).



**Figure 16: Change in Fundraised Income in the USA by Subsector (2009- 2010)**



Source: Giving USA Foundation, 2011

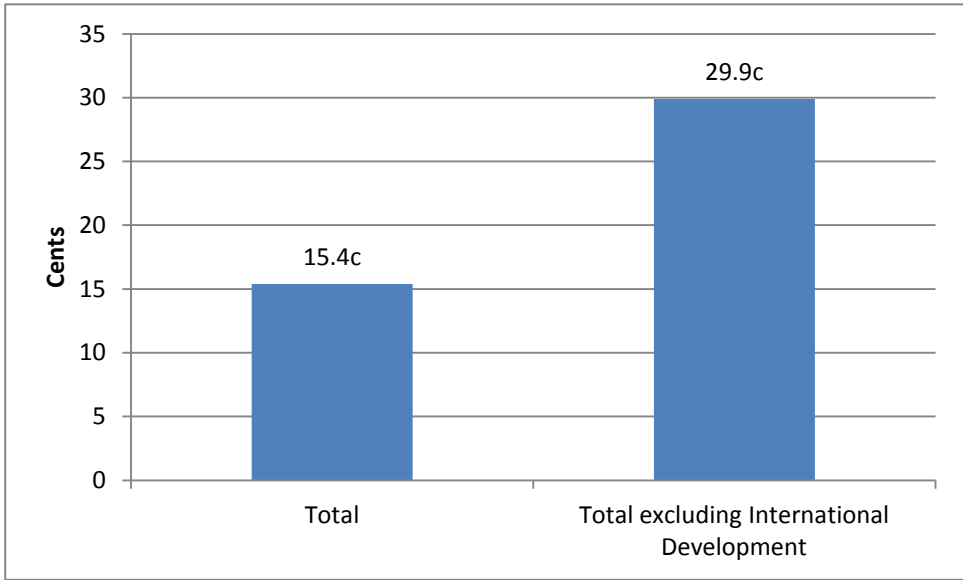
## 5.2 Fundraising Costs by Subsector

This study found that it cost an average of 15.4 cent to raise one euro of fundraised income in Ireland in 2009-2010. This is slightly lower than the 2008-09 figure of 18 cent, but this difference is probably due to the small samples used in the calculation rather than a systematic fall in costs.

The 2009-2010 sample was too small to allow for fundraising costs to be fully disaggregated by subsector – the only sufficiently large sample was for the International Development subsector where the fundraising cost was lower than average at 13.6 cent. Excluding this sector, the average fundraising cost rises to 30 cent.



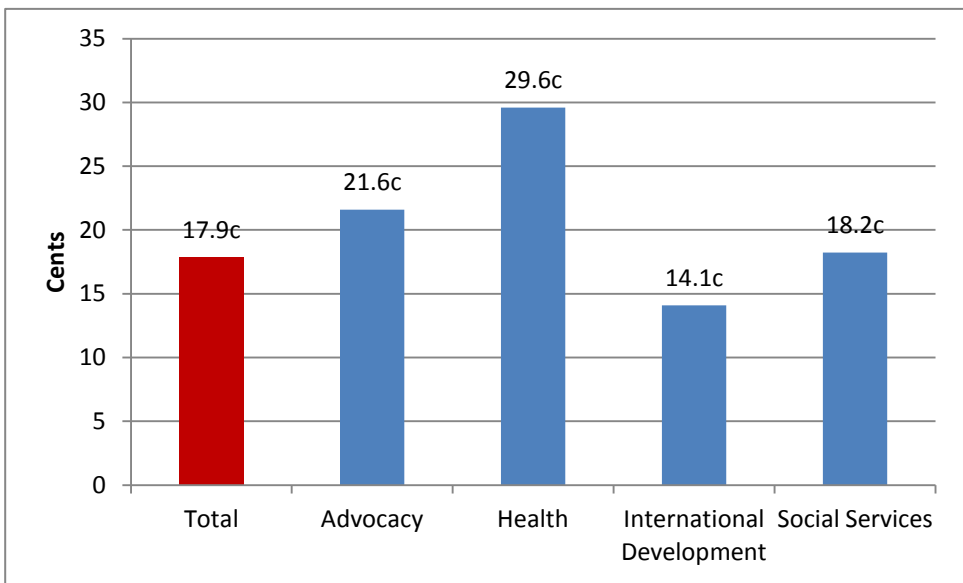
**Figure 17: Fundraising Costs with and without International Development (2010)**



**Sample Size: 25**

However, a greater level of disaggregation was possible with the larger 2008-09 sample. This again showed that the costs of fundraising in the International Development subsector are below average while raising money in the advocacy or health sectors is relatively expensive.

**Figure 18: Fundraising Costs by Subsector (2009)**



**Sample Size: 64**



The Charities Aid Foundation's much larger study found that the cost of raising a pound in the UK rose from 10p in 2007 and 2008, to 12p in 2009. They attribute this to a more difficult economic environment with inflation and the fall in donations resulting in charities having to invest more to raise funds.

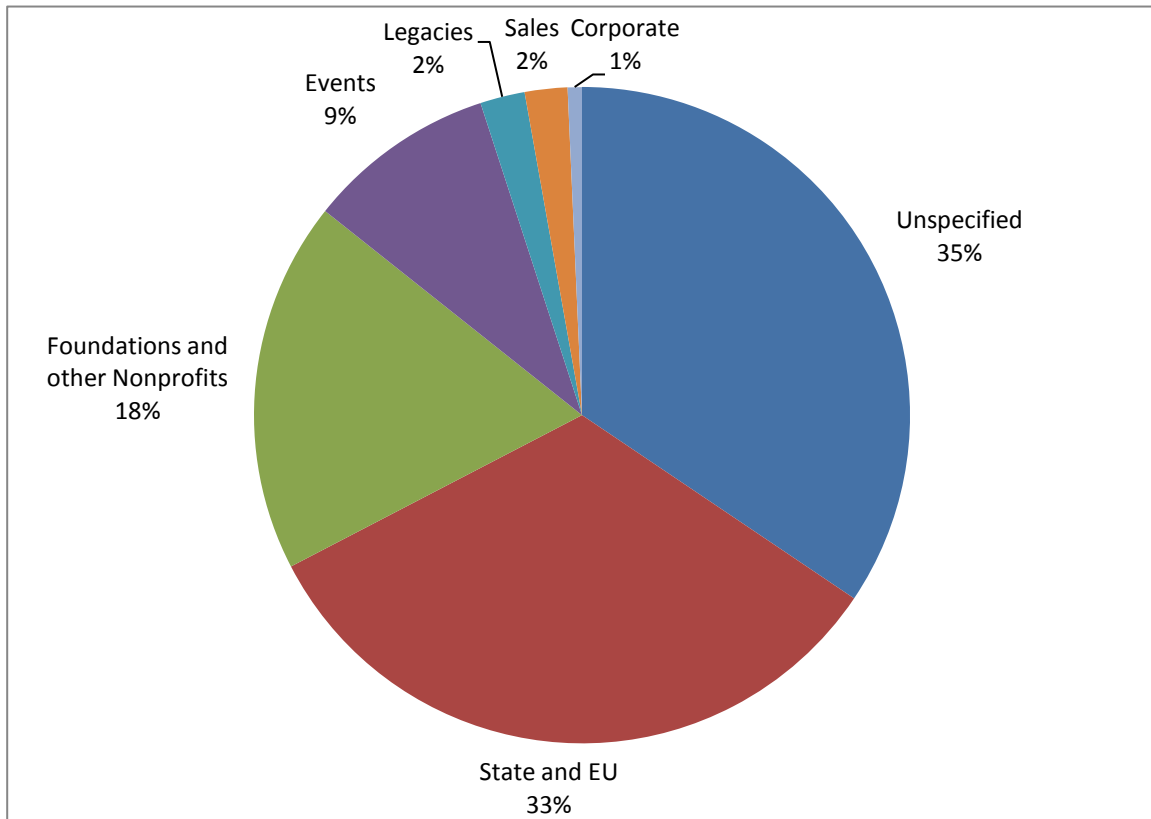
### 5.3 Fundraising Composition

The information provided in the annual accounts was too aggregated to allow for a detailed analysis of the fundraising methods used by Irish not-for-profit organisations. As can be seen in Figures 19 and 20, a major proportion of donations come from unspecified sources. As such, only very general statements can be made about the composition of donations. As discussed earlier, the State is a major source of income for not-for-profits, with the data suggesting that income from foundations and transfers from other not-for-profits is also important. The data show surprisingly little emphasis on activities to attract donations from the public – even when State income is excluded, only about 20% of income comes from events, legacies, sales or corporate sources.

Note that income from commercial activity such as ticket sales or consulting is not deemed fundraised income. The following rule of thumb was used to distinguish (albeit in a rather arbitrary manner) fundraised income from commercial income; if the primary motivation behind the purchase of an item could reasonably be assumed to be charitable, it is categorised as fundraised income. Such transactions include the sale of pens, badges, Christmas cards and lotto tickets as well as sales from charity shops.



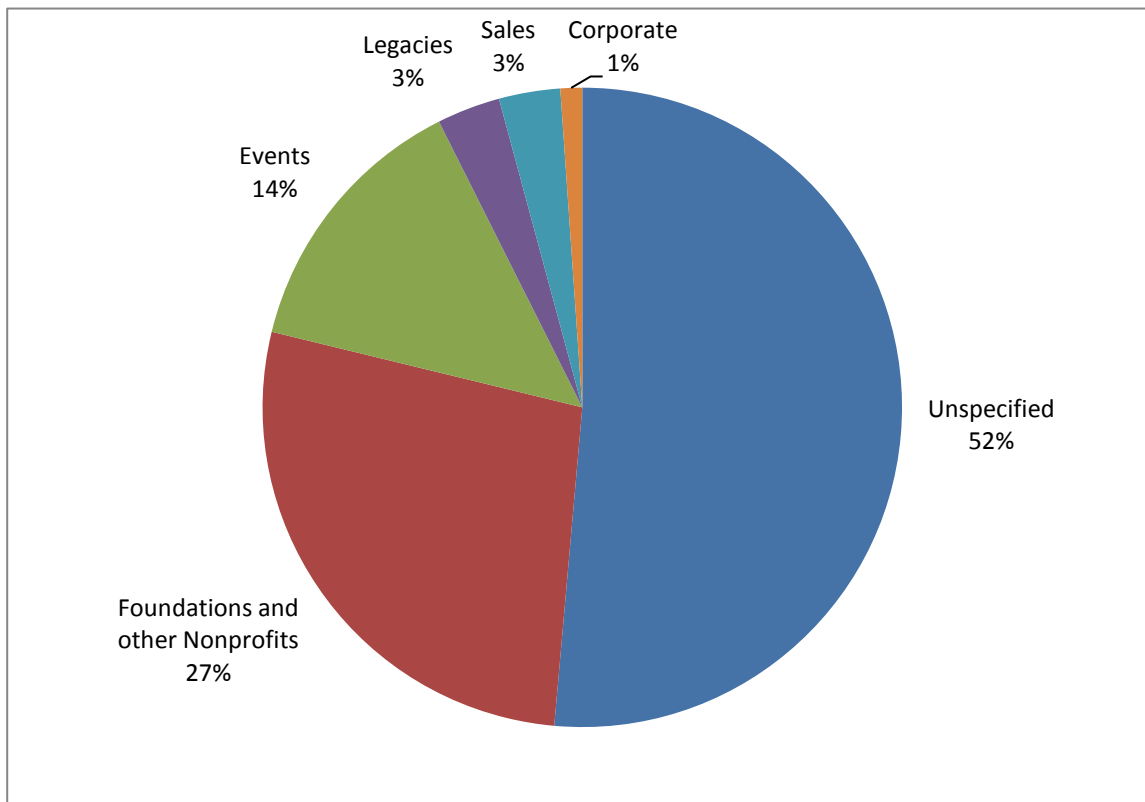
**Figure 19: Reported Fundraising Composition, including State (2010)**



**Sample Size: 80**



**Figure 20: Reported Fundraising Composition, excluding State (2010)**



**Sample Size: 80**

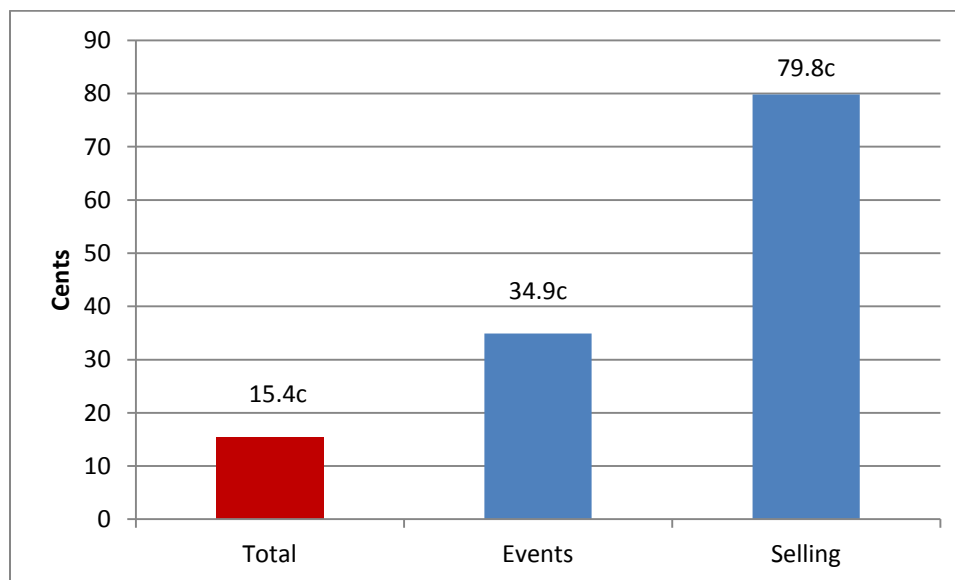




## 5.4 Fundraising Costs by Technique

Unfortunately, most sets of annual accounts analysed do not provided details on the costs of each fundraising technique and the specific costs of only two methods could be extracted; events and sales. As was found in last year's Report, both of these are particularly expensive fundraising techniques (see Figure 21).

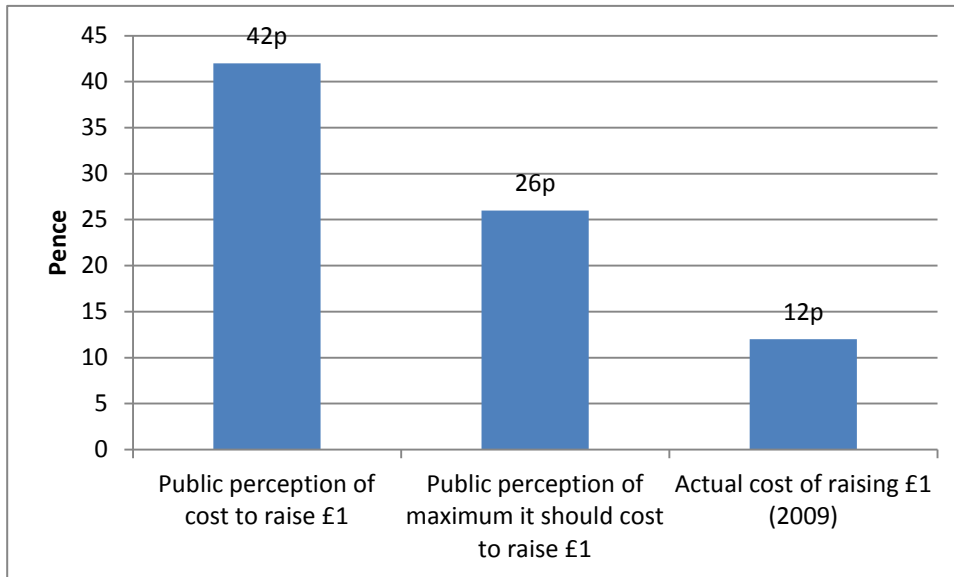
**Figure 21: Fundraising Costs by Technique (2010)**



### Sample Size: 25

The importance of honest communication with the public regarding fundraising costs was highlighted in a report by the Charities Aid Foundation in the UK released in July of this year. A survey of 1,037 individuals found that the British public estimate that charities spend 42p to raise one pound of charitable income, but feel that 26p is the maximum that should be spent. However, CAF's own analysis of 162,500 charities' data shows that in reality charities spent just 12p to raise one pound in 2009 (see Figure 22). Such results indicate the discrepancy that exists between perceptions of charities' fundraising costs and the significantly more efficient reality.

**Figure 22: UK Public's Perception of Cost to Raise £1**



**Source: Charities Aid Foundation, 2011**

A similar result was found in the Netherlands in 2007 when a random sample of the Dutch population estimated that the cost of fundraising was 20%, when in fact the actual figure was around 16%.



## 6 Discussion of Results

The analysis in this Report allows for CEOs and Fundraising Managers to benchmark their organisations' response to the current economic environment of austerity and uncertainty. However, all organisations have unique elements and experiences that cannot be fully appreciated in summary statistics. In relation to fundraising costs, for instance, the stage an organisation is at in their fundraising cycle is important. For example, recruiting donors onto a direct mailing scheme is especially expensive, and can often lead to organisations making an initial loss. However, the acquisition of dedicated donors and the development of on-going relationships can generate a very satisfactory return in the medium to long term.

In addition, fundraising efficiency is inevitably going to vary according to what the organisation does – hospital and university foundations, for example, would be expected to have particularly low fundraising costs as fundraising is their key and often only function. The 2010 fundraising costs for foundations within this study were indeed below the average figure at just over 9%. Other organisations that work with marginal causes, or those with a stigma attached, may find it more difficult to fundraise. This reflects nothing more than the base level of public interest in the cause and is generally outside an individual organisation's control. As such, any discussion of an organisation's fundraising performance needs to recognise the specific context within which they work.

### 6.1 Shortcomings of Analysis

- This is not a survey of all not-for-profit organisations in Ireland. Attempts were made to ensure a balanced representation of organisations across all nine subsectors, and to avoid the inclusion of too many 'headline' large organisations to the exclusion of smaller groups. However, the figures in this study should not be taken as representative of the reality in the sector, but rather are indicative of the underlying trends.
- Accounts are not standardised, so reported costs of fundraising can vary widely depending on interpretation, categorisation, inclusion of staff costs etc. Attempts were made to make data compatible but this was a significant challenge. Very few organisations are following SORP standards in their accounts.



- Organisations provided different levels of details regarding their fundraising performance. A small number provided costs for each component of their fundraising (major donors' costs, legacies costs, activities costs etc.) while most just provided an aggregated figure. This significantly limited the scope for identifying the most expensive and cost inefficient methods of fundraising.
- Some activities that stimulate donations are not identified as fundraising activities. For instance, the costs of a poster campaign by a health promotion charity may be viewed as educational expenditure rather than fundraising expenditure.
- Annual fluctuations such as the influence of one off large donations or investment in a long term campaign will result in a particularly good or poor fundraising performance for a particular organisation; the obvious example for this year is the impact of the Haiti Earthquake on the income of the International Development subsector.



## 7 Conclusions

This Report is designed to provide those working in, or with interest in, the not-for-profit sector, with an objective overview of its current status. The motivation behind this Report is to provide useful information, stimulate debate and discussion and encourage review of current practices.

The analysis in this Report, calculated from the data of 171 sets of annual accounts, reveals a very diverse sector, characterised by a very large number of very small organisations and a small number of very large groups. Although this Report provides aggregate figures at sector and subsector level, these results do not capture the huge level of diversity in how the sample experienced the year 2010. Some organisations suffered significant funding losses whilst others added staff and reported a higher income. Thus, although the results in this Report may assist in benchmarking performance, the fact that each not-for-profit is so specific and distinct in history, structure, function, staffing levels, sectoral interest and sources of income, must be to the forefront of any discussion.

The key result arising from this analysis is that the level of fundraised income increased significantly between 2009 and 2010. This was primarily driven by the remarkable performance of the International Development sector. However, the recovery in the sector holds even when this subsector is removed from analysis. This recovery is all the more remarkable compared to the 13% fall in fundraised income computed in the 2010 edition of this Report. Two main findings come from this result.

- Firstly, the extraordinary response to the Haiti Earthquake show that even in times of financial and employment uncertainty, the Irish people will still respond generously to a cause that they find worthy and an appropriate fundraising campaign.
- Secondly, the increase in fundraising net of International Development may suggest that a corner has been turned in relation to the Irish public's financial retraction over the past number of years. This should be a source of cautious relief to the not-for-profit community.



## 8 References

Centre for Non-profit Management (Trinity College), 2006, *The Hidden Landscape – First Forays into Mapping Non-profit Organisations in Ireland*

Centre for Philanthropic Studies at VU University Amsterdam, 2007. Giving in the Netherlands Survey 2007

Charities Aid Foundation, 2010, UK Giving – An Overview of Charitable Giving in the UK, 2009/10. Available online at [www.cafonline.org](http://www.cafonline.org)

Giving USA Foundation, 2011, Giving USA 2011. The Annual Report on Philanthropy for the Year 2010. Researched by the Centre on Philanthropy at Indiana University. Available online at [www.givingusareports.org](http://www.givingusareports.org)



## List of Participating Organisations<sup>5</sup>

<b>Advocacy</b>	<b>Advocacy (cntd)</b>
Business to Arts Ltd	Merchant's Quay Ireland
Absolut Dublin Gay Theatre Festival Ltd	Migraine Association of Ireland
Active Retirement Network Ireland	NCBI
Alzheimer Society	NOffLA Ltd
Aspo Ireland	Ruhama
Asthma Society of Ireland	Samaritans
Aware	St Vincent de Paul
Ballyjamesduff Community Council	The Carers' Association Ltd
Barnardos	The Irish ME Trust
Bodywhys	The National Association for the Deaf
Brainwave	Threshold
Cherish Ltd T/A One Family	<b>Arts</b>
Clara Community Environmental Group	Absolut Dublin Gay Theatre Festival Ltd
Clogher Environmental Group	Adventures in Music
Cork Centre for Independent Living	Business to Arts Ltd
Cork Simon Community	Camden Quay Community Arts Centre Ltd
Cottage Autism Network Wexford Limited	Circusorcus Teoranta
Deafblind Ireland	Cork Music Works Ltd
DePaul Ireland	Cornmill Arts Centre
Diabetes Federation of Ireland	Gathering Festival Ltd
Dublin Simon Community	JOYN
Enable Ireland	Kells Waterworks
Equality and Rights Alliance	Kilmantin Art Gallery Ltd
Fathers for Equality and Justice Ltd	Leinster Printmaking Studio Ltd
Focus Ireland	National Concert Hall
Free Mental Health Campaign Ltd	Skibbereen Arts Festival Ltd
GLEN	Wexford Festival Trust
Headstrong	Youthopia
Inclusion Ireland	<b>Education</b>
Irish Cancer Society	Boston College Ireland Ltd
Irish Heart Foundation	Daisychain's Preschool
Irish Kidney Association Ltd	Educate Together
ISPCC	Galway University Foundation
IWA Ltd	Morning Star Steiner Kindergarten
Kerry Mental Health Association Ltd	Northside Learning Hub
Low Carbon Initiative Ltd	Presentation Brothers Schools Trust
Marie Keating Foundation Ltd	St Patrick's College Foundation

<sup>5</sup> A number of organisations are included under multiple sectors in this listing and throughout the Report



## List of Participating Organisations (cntd)

<b>Health</b>	<b>Housing and Development (cntd)</b>
Asperger Syndrome Association of Ireland	Dromcollogher Voluntary Family Housing
Association of the Friends of St Patrick's Hospital Ltd	Gowran Community Housing
Asthma Society of Ireland	Kerry Emigrant Support
Aware	Millstreet and District Housing Association
Barretstown Gang	Milltown Housing Association
Beaumont Hospital Foundation	Sophia Housing Association
Bodywhys	St Dominick's Housing Association
Brainwave	St Patrick's Dwellings for the Elderly
Cardiac Risk in the Young Ltd	Threshold
Central Remedial Clinic Ltd	<b>International Development</b>
Children's Fund for Health	Athlone Chernobyl Aid Project Ltd
Children's Medical and Research Foundation	Action Aid
Children's Sunshine Home	Aidlink
DEBRA Ireland	Bothar
Diabetes Federation of Ireland	Camara
Diadhuit Suicide Prevention Ireland Ltd	Catholic Institute for International Relations
Enable Ireland	Chernobyl Children's Project
Fighting Blindness	Child Aid Ltd
Free Mental Health Campaign Ltd	Christian Aid
Friends of the Coombe	Christian Blind Mission Ireland
Irish Cancer Society	Christina Noble Children's Foundation Ltd
Irish Heart Foundation	Concern Worldwide
Irish Hospice Foundation	Edmund Rice Development
Irish Kidney Association Ltd	Friends of Londiani Ireland
Irish Lung Fibrosis	Goal
Marie Keating Foundation Ltd	Gorta
Mater Foundation	Habitat for Humanity
Meningitis Trust Ltd	Irish Red Cross
Migraine Association of Ireland	Link Community Development
Our Lady's Hospice Ltd	Oxfam Ireland
Samaritans	Plan Ireland
St James Hospital Foundation	Rose Project
The Irish ME Trust	Serve in Solidarity
The National Association for the Deaf	Sightsavers
<b>Housing and Development</b>	St Joseph and the Helpers Charity Ltd
Oaklee Housing Trust Ltd	Suas
Athea Voluntary Housing Association	Tearfund Ireland
Broomfield Housing Company	Trócaire





## List of Participating Organisations (cntd.)

<b>International Development (cntd.)</b>	<b>Social Services (cntd.)</b>
UNICEF	Focus Ireland
Religion	Galway Rape Crisis Centre
Brotherhood of the Cross and Star Ltd	Headstrong
Christ Ambassadors Christian Centre	Irish Guide Dogs for the Blind
Edmund Rice Development	ISPCC
Emmanuel House of Providence Trust	IWA Ltd
Foundation in Christ Ministries	Kerry Deaf Resource Centre
God Evangelical and Miracle Mission Ltd	Kerry Mental Health Association Ltd
His Place Christian Centre Ltd	Merchant's Quay Ireland
Islamic Progressive Centre	Middleton and District Day Care Centre
Mary of the Roses Ltd	Monaghan Branch of Parents and Friends of People with an Intellectual Disability
Missions Aid Network Ltd	NCBI
Redeemed Christian Church of God Chapel of Light	Northside Learning Hub
Redeemed Christian Church of God Victory House	Ruhama
The Redeemed Christian Church of God Olive Tree Kilkenny	St Vincent de Paul
Word International Ministries	The Bereavement Counselling Service
<b>Social Services</b>	The Carers' Association Ltd
Active Retirement Network Ireland	The Offaly Association for People with an Intellectual Disability
Alzheimer Society	Vantastic
Barnardos	<b>Religion</b>
Bray Community Addiction Team	Brotherhood of the Cross and Star Ltd
Carmichael Centre for Voluntary Groups	Christ Ambassadors Christian Centre
Cavan Community Youth Project Ltd	Edmund Rice Development
Central Remedial Clinic Ltd	Emmanuel House of Providence Trust
Cobh Community Care	Foundation in Christ Ministries
Cootehill Community Resource House	God Evangelical and Miracle Mission Ltd
Cork Simon Community	His Place Christian Centre Ltd
Cottage Autism Network Wexford Limited	Islamic Progressive Centre
Darndale Youth and Community Services Ltd	Mary of the Roses Ltd
Deafblind Ireland	Missions Aid Network Ltd
DePaul Ireland	Redeemed Christian Church of God Victory House
Dublin Simon Community	The Redeemed Christian Church of God Olive Tree Kilkenny
Fathers for Equality and Justice Ltd	Word International Ministries



## List of Participating Organisations (cntd.)

Sports and Recreation	Sports and Recreation (cntd.)
An Óige	Ratoath Harps Association Football Club Ltd
Ballymacad Country Sports	Roscommon and District Football League
Clonmany Shamrocks Sports and Athletics Ltd	Shannon Olympic Association
Donegal Town Soccer Club	South Dublin Football League Ltd
Federation of Irish Sports	Special Olympics Ireland
Gaisce	Tipperary Southern and District Football League
Irish Triathlon Association Ireland	Wexford Football League Ltd
Portarlinton Rugby Football Club	
In addition, 17 Arts Organisations and 6 Sports organisations requested that their names were not listed in this appendix	



## About 2into3 and the Author



### **2into3**

2into3 is a Dublin based professional services firm with a dedicated focus on addressing the needs and challenges of the not-for-profit sector. 2into3 offers a unique portfolio of management consulting and leadership recruitment services to its clients. Clients range from very small specialised groups to third level institutions and hospitals. 2into3 has completed a wide range of consultancy assignments and filled over 70 senior positions in the past five years; consequently 2into3 have an unparalleled insight into the current status of the Irish not-for-profit sector.



### **Sinéad Kelleher**

Sinéad is an associate of 2into3, with a particular responsibility for quantitative analysis and data based research assignments. Prior to joining 2into3, she worked for a number of years as a consultant for both public and private sector organisations and had a particular focus on projects related to the arts and community development. She has a Degree and Masters in Economics from Trinity College Dublin and is currently undertaking a PhD in Economics in UCD.



## A note from the Sponsors

This Report was made possible by the financial sponsorship provided by Ulster Bank and Mason Hayes & Curran.



### **Ulster Bank**

Founded in 1836, Ulster Bank now meets the needs of 1.9 million personal and business customers through 295 branches and business banking offices on the island of Ireland. We are committed to delivering a professional and local service, putting our customers at the heart of our business.

We have a long history of community involvement at Ulster Bank and are proud to support Dennis, Sinéad and the team at 2into3 in the production of this informative Report.

Life is changing fast for not-for-profit organisations, and we are responding to these needs by:

- Understanding and supporting your work
- Offering tailor-made banking solutions competitively priced and delivered face to face through our extensive network of offices, as well as online.

We are committed to delivering a fair and local service that you can rely on.

**Tony Keville, Head of Sector & Channel Development, Ulster Bank Corporate Markets**



## **Mason Hayes & Curran**

Mason Hayes & Curran has the largest and most experienced charity law team in Ireland. We have over 150 years of experience in serving the individual needs of charity and not-for-profit clients, based on practical insight, legal knowledge and relevant experience. Our Charity team recognises that while many charities operate in the business world, each organisation has its own particular mission and our team provides practical and effective solutions on a broad range of legal and commercial issues, to assist clients in fulfilling their specific objectives.

We are delighted to support Sinéad, Dennis and all at 2into3 with this Report. We like to support and invest in the local economy through our various Pro Bono and Corporate Social Responsibility (CSR) programmes, and our support of this Report on Fundraising is a welcome opportunity for us to do this.

**Kevin Hoy, Partner and member of the Charity Team, Mason Hayes & Curran**