

GIVING BY  
HIGH NET WORTH  
INDIVIDUALS  
IN NORTHERN IRELAND



Summary Research Report April 2013



Connect Commit Change Lives

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# 1. INTRODUCTION AND BACKGROUND

There is currently a high level of interest in the UK and Ireland around the potential of philanthropy by high net worth individuals (HNWIs) to promote greater strategic investment in society. Philanthropic giving is the structured, planned and strategic giving of resources (money, time, expertise or goods) to positively impact on society. In Northern Ireland there is a well-established culture of public support for charitable causes which compares favourably with that in the UK as a whole.<sup>1</sup> However, nationally, it is generally accepted that there is scope to increase the number of donors and levels of donations from HNWIs. Comparing giving in the UK and USA, research by the Charities Aid Foundation highlights that the wealthiest 10% of people in society account for around 50% of all individual giving in the USA compared with just over 20% in the UK.<sup>2</sup>

Successive government initiatives have sought to encourage a culture of giving and increase both the number of donors and donations. These include the UK Giving Campaign<sup>3</sup> and the Giving White Paper<sup>4</sup>, together with national campaigns in Ireland led by the Forum on Philanthropy and Fundraising. While there have been no broad based and co-ordinated high level Executive lead initiatives focussed on supporting the growth of giving in Northern Ireland, a number of actions which support the thrust of the Giving White paper have been implemented. These include WillGiftsNI (a joint initiative of Will to Give, a civil society organisation which promotes legacy giving, the Department of Social Development and the Probate Office) which provides a notification service for charities named in wills probated in Northern Ireland. In addition, a number of locally based civil society-led initiatives are actively working to support and promote giving and increase the amount of philanthropic giving. Vision in Philanthropy (VIP) an informal partnership of organisations with an interest in the promotion of philanthropy (Community Foundation for Northern Ireland (CFNI), Arts and Business Northern Ireland, Heritage Lottery Fund, Lloyds TSB Foundation for Northern Ireland, NI Assembly and the Ulster Community Investment Trust) organised a range of events and seminars including a programme of events to promote philanthropy during a Philanthropy Week in late 2011. In addition to fundraising for and administering a range of grant-making programmes, CFNI also provides information and advice services for those interested in investing funds in a philanthropic and tax-efficient way. It also manages Philanthropy NI a website intended to support those interested in philanthropic giving.

Little is known about the extent of giving by HNWIs in Northern Ireland or the motivations of those who give. Anecdotally, it is perceived that individual giving is a very personal and private issue and that a cultural

taboo against public giving exists here as it suggests an ostentatious display of wealth. In addition, the supply side of high net worth giving has been limited by a lack of surplus wealth in Northern Ireland. In this context, a group of HNWIs with a track record of making gifts to charitable organisations came together to think about what individual donors might do to encourage and support others to develop their approach to giving in its widest context.

With the support of the Atlantic Philanthropies and the Lloyds TSB Foundation for Northern Ireland, they decided to establish an organisation, Giving Northern Ireland (GNI), to stimulate and support a culture of giving in Northern Ireland. As a first step, GNI decided to commission research (completed by Pamela Montgomery Consulting) on the pattern of giving of HNWIs, to better understand motivations and preferred mechanisms for giving and to inform its work programme. It was intended that this research would build on previous research commissioned by Vision in Philanthropy on the philanthropy market in Northern Ireland<sup>5</sup>.

In common with previous attempts to secure the participation of HNWIs in research of this nature, it proved challenging to overcome individuals' concerns about confidentiality and privacy. However, through direct approaches by GNI Board members, 22 HNWIs were engaged to participate in an hour long personal interview with the commissioned researcher - 17 men and 5 women. The majority (N=20) were resident in Northern Ireland. Two participants with links to and a history of giving in Northern Ireland though resident elsewhere also took part. As the research is based on a sample of HNWIs some caution needs to be exercised in overgeneralising, but in the context of very limited research evidence on giving in Northern Ireland in general and on the giving of HNWIs in particular, its findings are very valuable.

<sup>1</sup> NICVA (2010) Northern Ireland Individual Giving Survey. See <http://goo.gl/8zciX>

<sup>2</sup> See <http://www.philanthropyuk.org/resources/us-philanthropy>

<sup>3</sup> The Giving Campaign (2004) Campaign Review: The Giving Campaign 2001 – 2004. See <http://goo.gl/y0Y76>

<sup>4</sup> Cabinet Office (2011) Giving White Paper. See <http://http://goo.gl/bDQxF>

<sup>5</sup> RSM McClure Watters (2011) Research on the Philanthropy Market in Northern Ireland. See <http://goo.gl/W6NwW>

## 2. MAIN FINDINGS AND CONCLUSIONS

The research provides an indication of the important contribution made by HNWLs to civil society in Northern Ireland and furthers our understanding of the approach to giving of HNWLs.



## A SUMMARY OF THE MAIN FINDINGS AND CONCLUSIONS FROM THE RESEARCH IS OUTLINED BELOW

1. The most frequently reported value of donations over the last year was in the range of £10,000 to £20,000. The research suggests that there is a relatively small pool of HNWIs who have capacity to make large gifts. The latter are more likely to have a clear strategy and/or vision for their giving and give in clearly defined areas of interest.
2. Most of those who give do so both financially and in terms of providing their time and expertise to charities with membership of Boards and Committees of charities being the most frequent way in which non-financial support is provided. Overall, two out of three of those who reported making gifts to charitable organisations, also provided support by way of their time and expertise to at least one organisation they were also supporting financially. Those interviewed were very engaged with some of the organisations they were supporting financially. It was not possible to determine from responses to what extent a commitment of time and expertise to organisations led to gifts or whether gifts led to more sustained engagement with organisations through the commitment of time and expertise.
3. Organisations providing services or supporting causes in Northern Ireland were most likely to benefit from the funding provided although a third of participants also supported organisations providing services overseas. The most frequently supported cause in Northern Ireland was children and young people followed by education and schools and health issues including medical research and the hospice movement.
4. Around a third of those who made gifts are reactive givers who give primarily in response to appeals, direct mailings from charitable organisations, causes they read about in the media or to support the fundraising activities of family, friends and co-workers. The majority are more structured/planned givers who think more carefully about maximising the impact of their giving, structure their giving in a planned way and are more likely to have a clear strategy or vision for what they want to achieve. Those giving between £1,000 and £20,000 were equally divided between reactive and more structured/planned givers. All of those who reported higher levels of giving of £50,000 and over in the last year used structured/planned approaches to giving – organisations and projects are thoroughly researched and assessed within a defined giving vision.

*“Our philosophy is that it’s a very personal thing not to be publicised. It’s better to do it in a low key way as opposed to everyone knowing about it.”*

5. Overall, the research suggests that gift aided cash donations using cheques are the most frequent mechanism used by donors for making gifts. A small number of donors reported using on-line sites such as Just Giving and the Charities Aid Foundation for smaller gifts. One in three made donations through either existing family trusts or charitable trusts they had personally established for this purpose and a further two were giving consideration to setting up a charitable trust to enable them to take a more strategic approach to their giving. Around one in five of those interviewed reported they had made provision for legacies in their wills.
6. Around half reported taking professional advice to support their giving although this appears to have been sourced from their own company finance directors or accountants, rather than from a specialist source.
7. Giving in Northern Ireland is currently taking place in a difficult economic environment. The impact of this is reflected in the research findings to some extent. Over a third of those interviewed indicated that the general state of the economy is a specific barrier to giving in Northern Ireland. This was seen as impacting on the levels of giving in real terms and on the willingness of HNWIs to give in the context of uncertainty about the prospects of economic recovery in the short term. It was the case that those interviewed tended to see this as more of an issue for the giving of others or as impacting on the success of any initiatives intended to grow donations from HNWIs rather than impacting on their own giving. However, there was some evidence that the general economic climate has also impacted on the giving of one in four of those interviewed, with five participants reporting their donations had decreased as a direct result of a fall in the performance of their businesses or that the economic climate had resulted in a reduction to what they had planned to give or might impact on what they are able to contribute in the foreseeable future.

Other barriers include the lack of a culture of giving and the relatively small number of people of HNWIs engaged in giving. While for some the latter reflects the number of people who have the capacity to make large gifts, for others there is potential to expand giving.

*“I came to a time in my life when the family had been raised and I had to decide what should happen to my wealth.....earlier in my career I hadn't had the time to think about these things.”*

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8. The research found support for anecdotal evidence that giving is perceived to be a private matter in Northern Ireland. Despite putting in place a carefully planned methodology built around personal approaches to HNWIs from those known to them, it proved difficult to secure the participation of HNWIs in this research. This preference for giving on a confidential basis was also evident from the responses of those who did take part with just under half indicating a preference for giving privately. For more than half of those interviewed what is seen as a culture of private giving was identified as a barrier to giving in Northern Ireland.
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9. While around a third of those interviewed could not identify any specific trigger for their giving, most attributed their giving to a specific event or set of circumstances in their earlier lives. The most frequently mentioned triggers are a sense of responsibility or moral duty to give in the context of what was seen as their own relative success and wealth, being inspired by the actions of others or a re-evaluation of priorities most often in the later stages of their careers. The reasons reported for giving were typically a sense of responsibility or moral duty, a passion for the specific causes or issues supported and the personal fulfilment derived from giving.
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10. The personal fulfilment to be gained from giving also emerged as a key theme when participants were asked to reflect on what they had learned from their own giving. Learning about the giving process and how to maximise the impact of their gifts also emerged as a theme. The final theme was the need for charitable organisations to invest in development. In particular the need for better informed and more professional fundraising capacity and the incorporation of processes and practices from the private sector around demonstrating impact and productivity were highlighted.
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11. Few strong themes emerged around what would be helpful in building a culture of giving in Northern Ireland with one in five interviewed unclear about what precise steps might be taken. The most frequent suggestion made was the need for additional infrastructure to encourage or promote giving through for example developing a network to allow HNWIs who give to meet and exchange information or initiatives to provide impartial advice on methods of giving or tax efficient giving. The need for role models or champions for giving prepared to talk publicly about their experience of giving, why they give and the value of giving was also suggested.

*“it is the combination of money and strategic and operational support that has the maximum effect”*

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12. A need for specific services to support giving did not emerge as a major theme with no real evidence of unmet demand for advice or information to support giving.
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13. While not the focus of this research, some evidence emerged on the contribution of corporate giving to charitable organisations and local communities through a range of initiatives. These include formal company schemes where staff are encouraged to select a charity on an annual basis and fundraise for this with in some cases staff contributions matched by the business; company sponsorship of charity events; the donation of one day's profits or the fees generated from events; in kind support through the provision of professional services or more reactive pro bono work; donations of items for auction; a placement scheme for young people; and the secondment of company staff to charities to enable them to progress specific projects. These initiatives were seen as providing real benefits to the businesses concerned in terms of enhancing company profile and motivating staff.
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14. Most those interviewed were generally positive about the GNI initiative and steps to encouraging a culture of philanthropic giving in Northern Ireland.

## 3. STRATEGIC PRIORITIES

Informed by the findings of this research Giving NI has established the following mission statement and strategic priorities.



OUR MISSION IS TO CHAMPION PHILANTHROPY/  
GIVING IN NORTHERN IRELAND, FOCUSING ON HIGH  
NET WORTH INDIVIDUALS AND CORPORATES AND TO  
BUILD A STRONG INDEPENDENT VOICE FOR GIVING  
BY WORKING IN COLLABORATION, COOPERATION AND  
PARTNERSHIP WITH SISTER ORGANISATIONS.

- ✚ By innovating and engaging directly with HNWI's and their professional advisors to ignite an increasing culture of giving in Northern Ireland.
- ✚ To research, understand and provide leadership to energise giving in Northern Ireland focusing on professional bodies, business organisations and corporates.
- ✚ As an independent voice to support and cement the efforts of sister organisations by taking a co-ordinating role on giving activity in Northern Ireland.
- ✚ By use of selective research projects, carefully targeted events and training - to increase the profile and knowledge of Giving in Northern Ireland

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