

Benefacts

Nonprofit Sector Analysis 2021



Contents

Overview	1
Nonprofits	3
Governance	6
People	9
Funding	12
About the data	15

Benefacts Analysis 2021

- 34,331 Organisations
- 164,922 Employees
- 93,451 Directors/charity trustees
- €13.9bn Turnover
- €6.2bn State funding

Ireland's nonprofit sector has many very small organisations and relatively few larger ones.

This is the fifth annual Nonprofit Sector analysis prepared by Benefacts, using currently available data derived from more than 40 sources.

Use the report to learn more about Ireland's Nonprofit Sector, its governance, people and funding.

Nonprofit sector

Ireland's nonprofit sector has 34,331 organisations. About 10,225 nonprofits are incorporated as companies, 3,965 are primary or secondary schools, 731 more are incorporated as friendly societies, cooperatives, industrial societies, political parties or charter bodies. The rest – including thousands of local, religious or sports organisations – are unincorporated associations.

Governance

93,451 people serve in the governance of Irish nonprofits and charities.

People

The Nonprofit Sector in Ireland has at least 164,922 paid employees. This number doesn't include teachers – who are paid directly by Government – or unpaid volunteers.

Funding

At €6.2bn, Government was the biggest single source of funding to the Nonprofit Sector in 2019. This was 8.1% of all current Government spending that year – but the profile varies a lot from sector to sector.

Since our last report

In the twelve months since we prepared the 2020 report, the number of registered charities grew by 998 (703 of these were schools)

- 91 charities were de-registered by the Charities Regulator under S.40 of the Charities Act. 6 of these are still to be found on the Companies Register
- the number of charities availing of tax relief increased from 7,184 to 7,314; 52 were removed from the list published by Revenue in the course of the year and 182 were added
- the number of charities permitted to receive tax-efficient gifts shrunk from 2,438 to 2,422, with 149 removed from the list published by Revenue and 133 added in the course of the year
- the number of sports bodies availing of tax relief grew from 2,597 to 2,668, with 1 removed from the list published by Revenue and 72 added in the course of the year
- the number of nonprofit companies grew with 465 new incorporations and 214 wind-ups

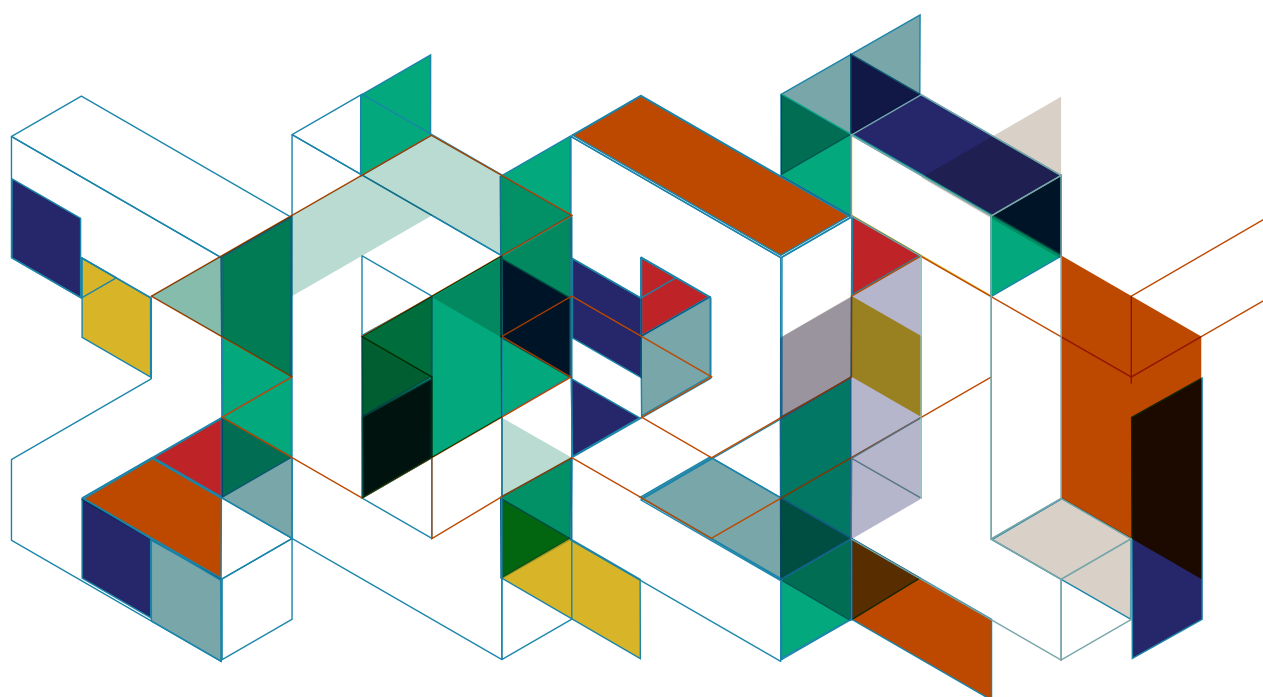
This report

Benefacts Database of Irish Nonprofits is the source of all of the data and analysis on this website. We compile the database from more than 10 public sources, including the Companies Registration Office and the Charities Regulator, and the records of 27 Public Participation Networks. We clean and aggregate it and re-publish the public data here as a free service.

Information about individual nonprofits is updated regularly as they file fresh information with public regulators. Our 2021 analysis is a macro level snapshot of the whole sector, prepared with data that was available at the end of Q2.

Nonprofits

According to the latest publicly available data, Ireland's nonprofit sector has at least 34,331 organisations.



The financial data in this report is limited to 8,733 organisations whose accounts are publicly available. 53% of these are registered charities.

Missing from our financial analysis of the sector are more than 23,997 local nonprofits. These are mostly schools, parishes, associations and clubs (including unincorporated charities) for which there is no regulatory source of publicly available financial data.

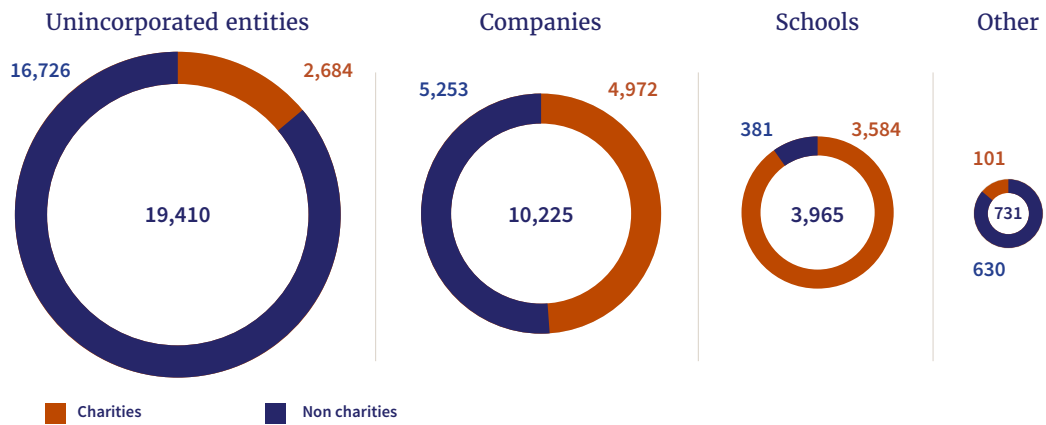
Regulation of Irish nonprofits

Some nonprofits are regulated as charities: at the end of 2020 the number was 11,394 including 3,553 schools, an increase of 998 (of which 703 were schools) over 2019. Here is the list of charities that were added to the register during 2020. During 2020, 91 nonprofits were removed from the register of charities – [click here for the list](#).

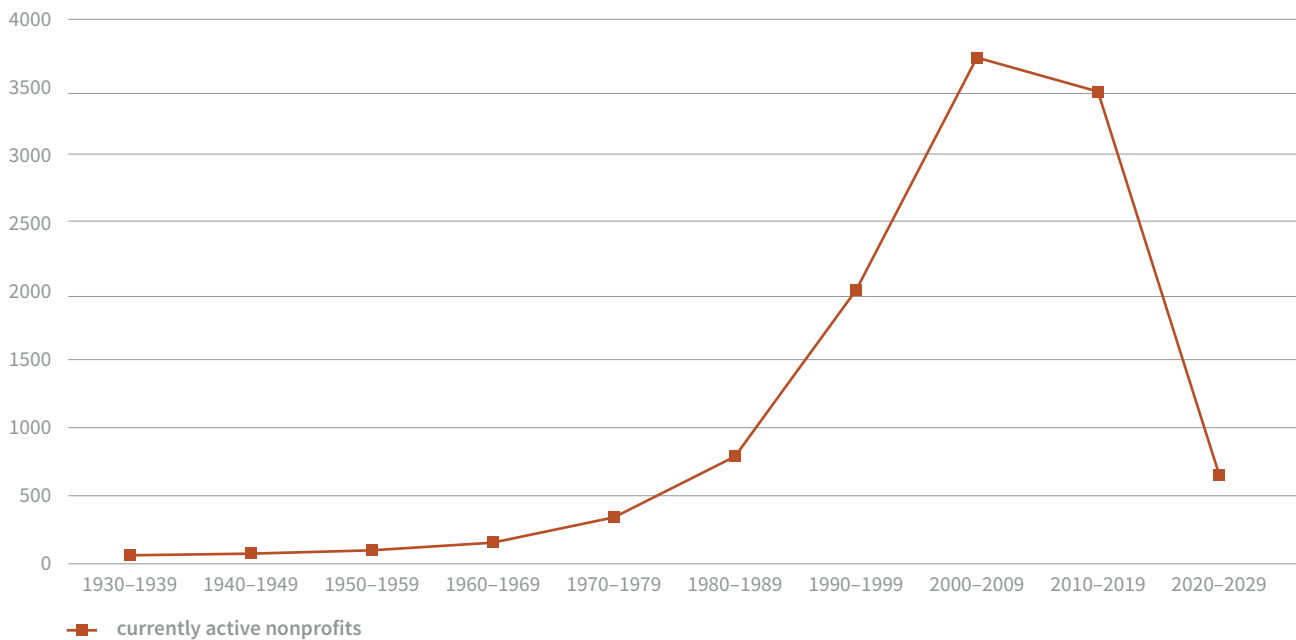
This represents a net increase of 907 in the number of charities on the register since Q1 2020. Benefacts analysis excludes registered charities that are also State bodies, since these do not fall into our definition of nonprofits, that is, organisations that are not part of the private sector or the public sector.

Institutional types in the nonprofit sector

About 10,225 of Ireland’s nonprofits are incorporated as companies and 3,965 are primary or secondary schools. 731 more are incorporated as cooperatives, friendly or industrial societies, political parties or charter bodies. The rest – including thousands of local, religious or sports organisations – are unincorporated trusts or associations. Most nonprofits are not incorporated in any way.

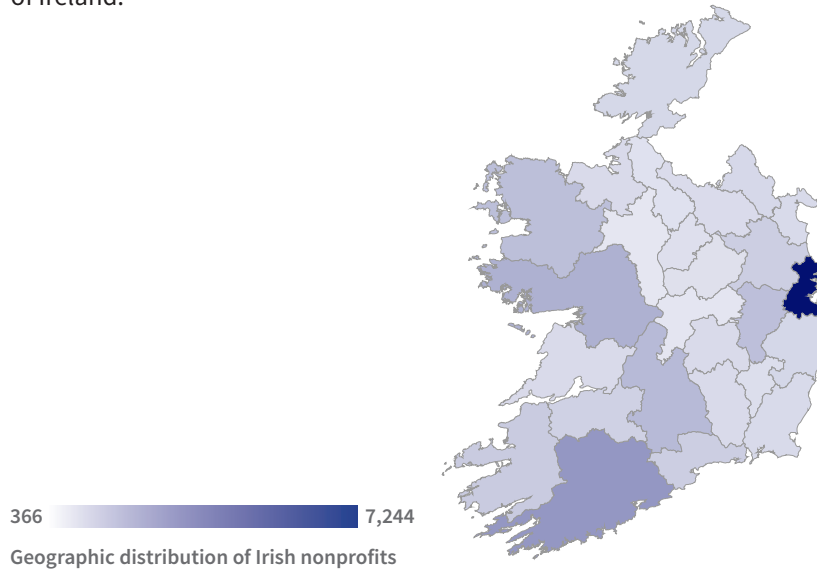


Some incorporated nonprofits are long-established institutions – it’s less easy to discover the date of establishment of unincorporated organisations. Many were established between 2000 and 2010, often as special purpose vehicles to provide job creation, local development, social supports and other arms’ length services on behalf of the State. During 2020, 465 new nonprofits were incorporated, and 214 were wound up.



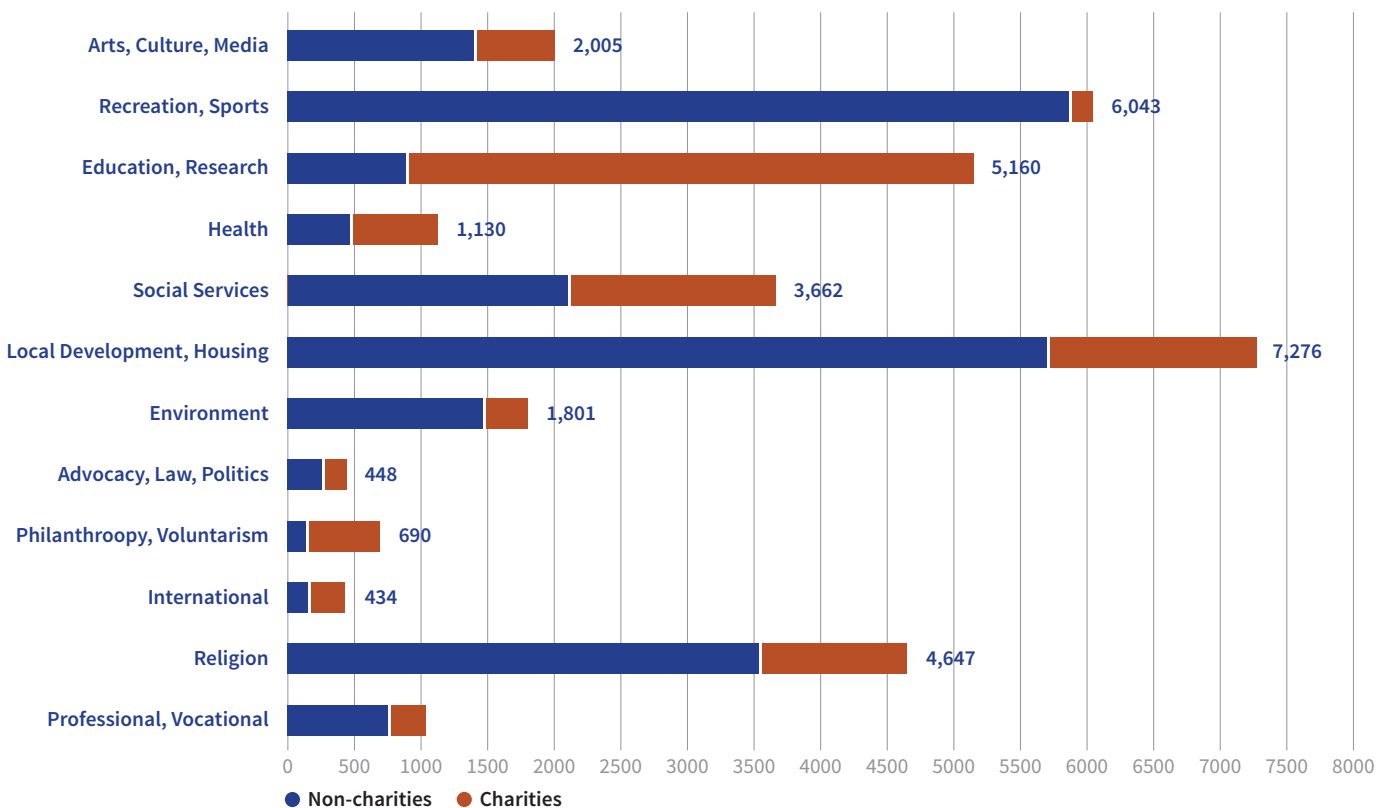
Geographic distribution of Irish nonprofits

Nonprofit organisations – NGOs, religious bodies including churches, social enterprises, clubs, societies, associations – are to be found in every part of Ireland.



Nonprofits – breakdown by sector

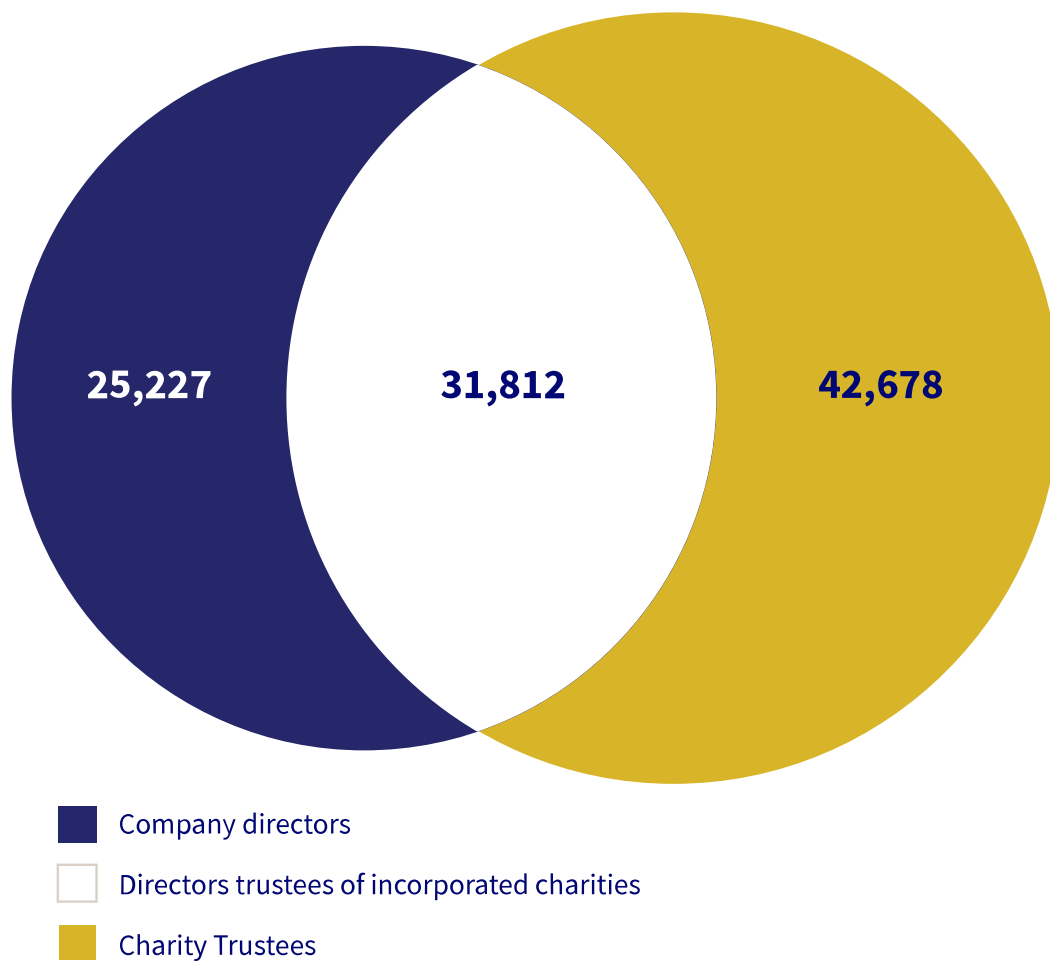
The greatest number of nonprofits are in the local development, recreation/ sports, and education/research sectors. The smallest sectors are international and advocacy.



Governance

Nonprofit company directors and charity trustees are accountable to stakeholders rather than to owners or investors. They are responsible for governance standards - including compliance with mandatory regulation and voluntary codes - and disclosure standards. Read more about where Benefacts gets data on nonprofit directors and charity trustees.

- 93,451 people currently serve in the governance of Ireland's regulated nonprofits (up by 8% on the number reported in 2020). At least 4,800 of them serve on multiple boards, more than 2,000 of whom serve on the board of a company and a charity.
- 50,774 directors serve on 10,100 nonprofit company Boards, 4,955 of which are registered charities. This means there are 31,812 people who are director/trustees of incorporated charities.
- 42,678 people serve on the boards of 6,100 charities that are not incorporated.



Governance profile of Irish nonprofits

While a nonprofit board typically has six members, the number is slightly higher for charities (seven) than non-charities (four). These averages are unchanged since our 2020 report. The largest boards are in education and research and the smallest in philanthropy and voluntarism, environment and international. Limited governance data is available for sports and religious organisations.



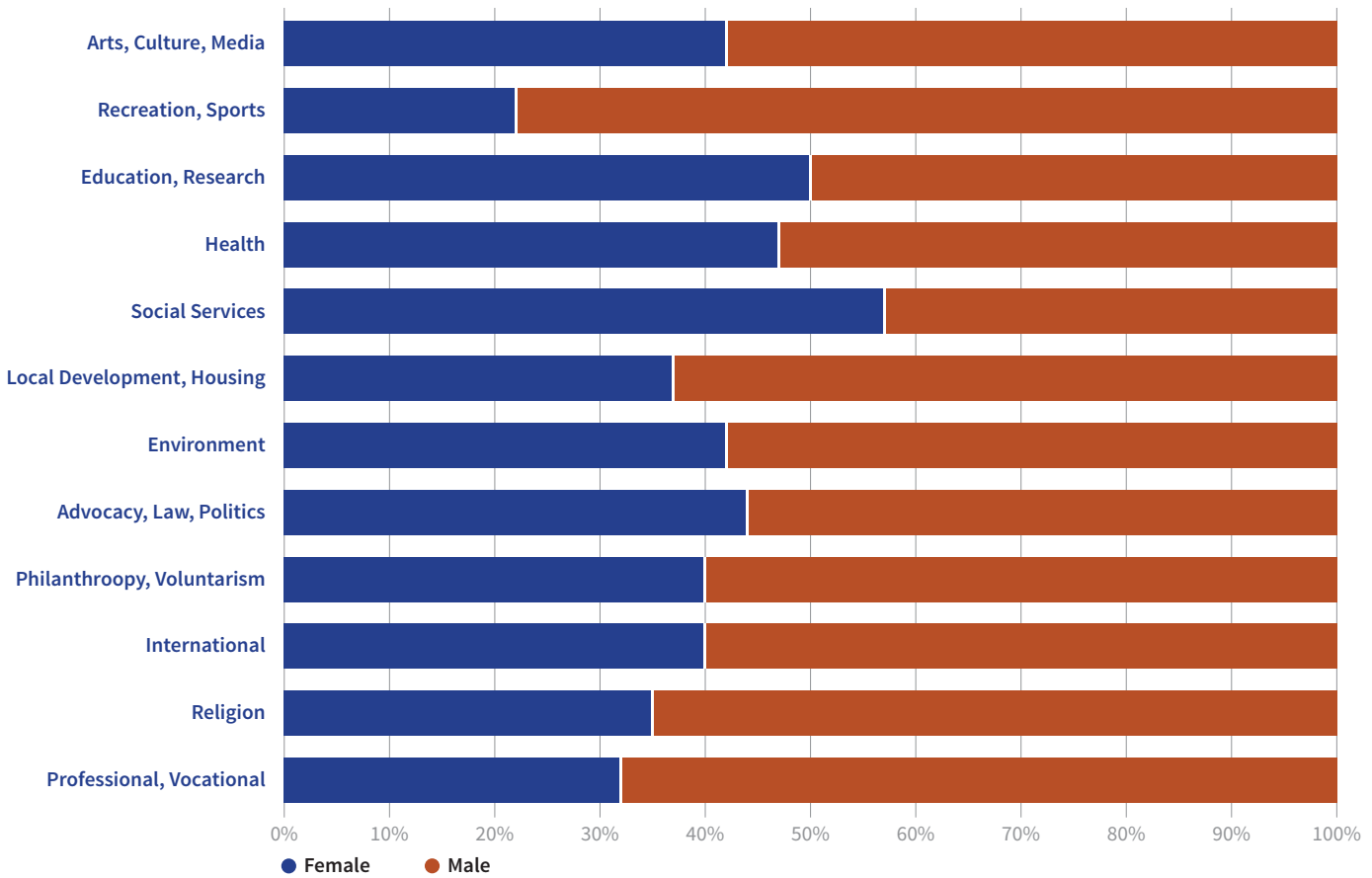
Profile of nonprofit board service

On average, nonprofit directors/charity trustees serve for 6 consecutive years. The longest average term of service is in local development, and philanthropy and voluntarism (average 7 years) and the shortest is in health, and advocacy (average 4 years)

23% of the directors/charity trustees of Irish nonprofits have served for more than 9 years – considered the maximum appropriate term for good governance.

The sectors with the greatest number of long-serving directors/charity trustees are Local Development & Housing (38%) and Recreation & Sports (36%); the sector with the lowest is Education, Research at 10%

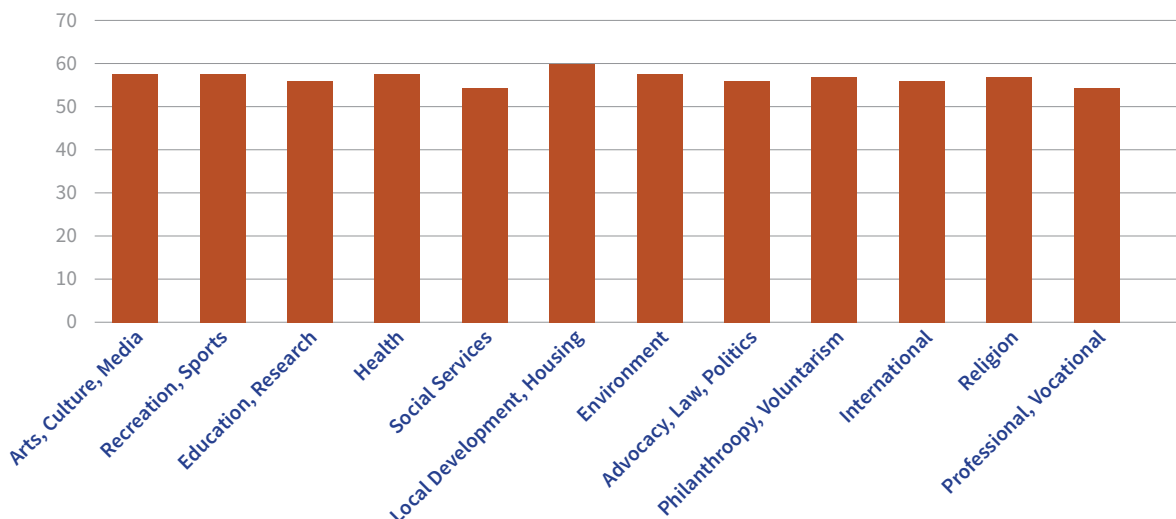
Gender balance on the boards of Irish nonprofits



While a nonprofit board typically has six members, the number is slightly higher for charities (seven) than non-charities (four). These averages are unchanged since our 2020 report. The largest boards are in education and research and the smallest in philanthropy and voluntarism, environment and international. Limited governance data is available for sports and religious organisations.

Age Profile

The average age of all nonprofit directors/charity trustees is 58.



People

Irish nonprofits employ 164,922 people, up 3% on the number we reported in 2020, comparing like with like. Most of the increased employment is in large or medium-sized nonprofits.

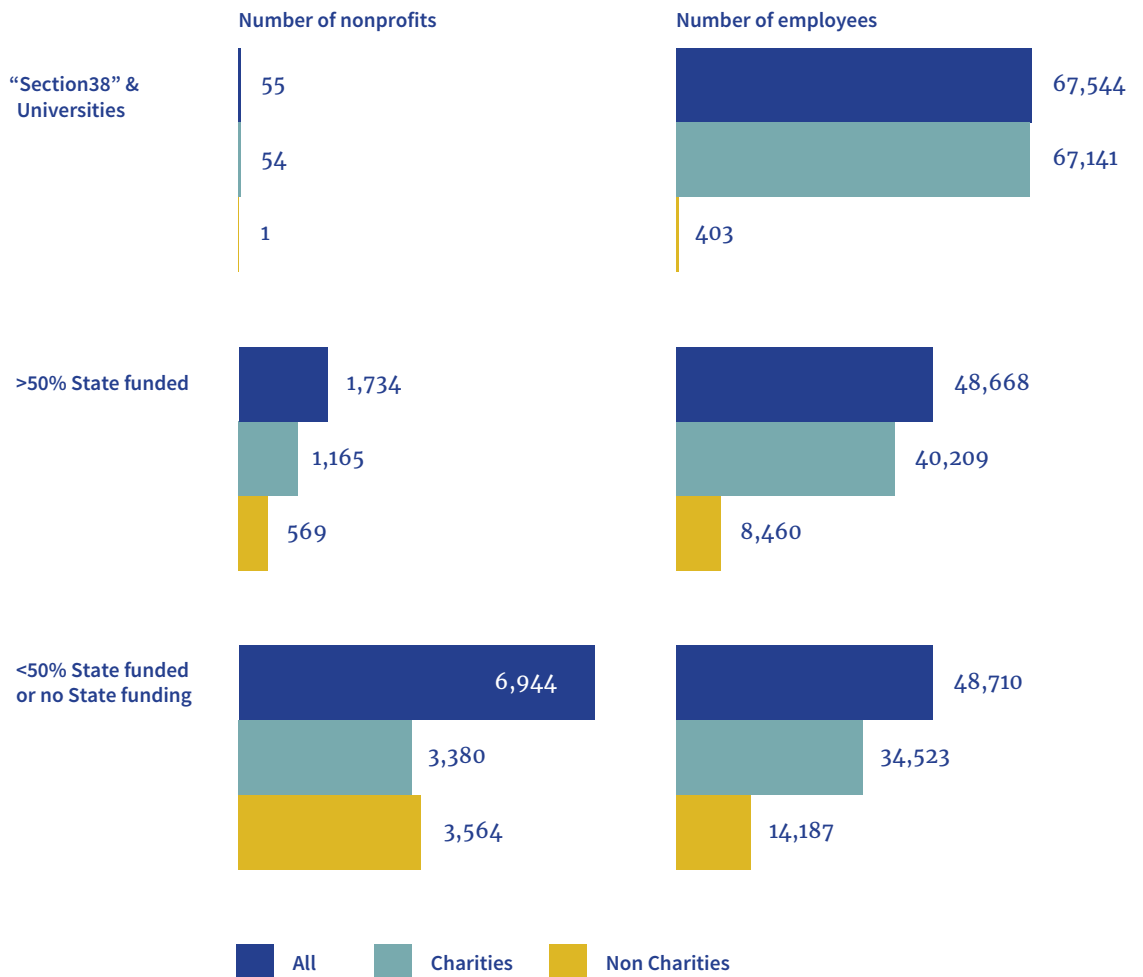
In 55 higher education and major health and social care (“Section 38”) organisations, 67,544 employees are paid as though they were public servants.

48,668 people work in 1,734 nonprofits where the State is the principal source of income.

The remaining 48,710 work in nonprofits where the State is the minority funder or where there is no State funding at all.

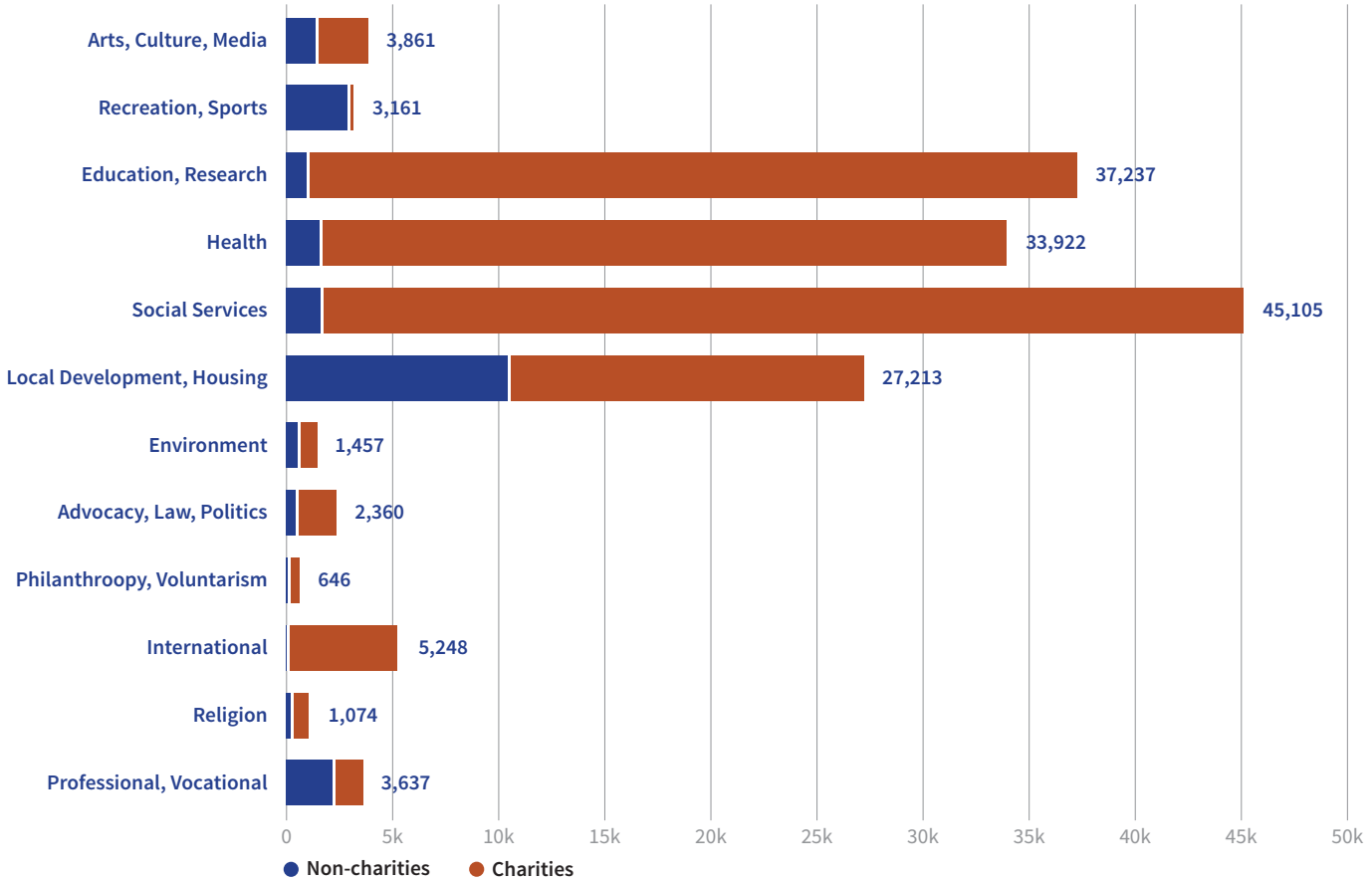
Read more about where Benefacts gets data on nonprofit sector employment.

Profile of nonprofit employment



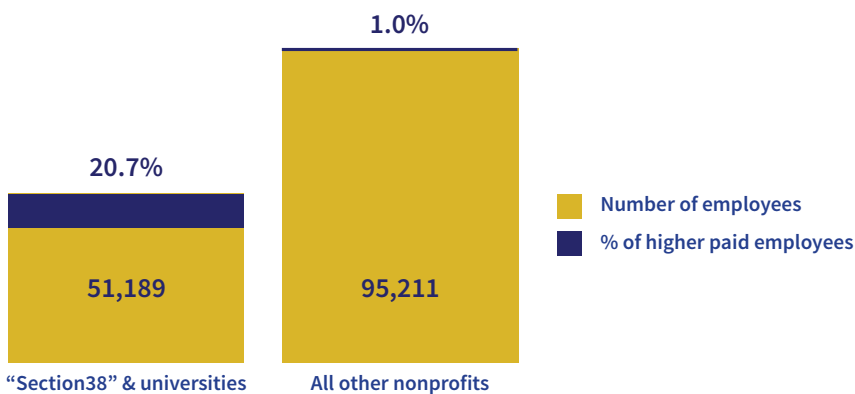
Employment profiles by sector

Most people working in the nonprofit sector are employed in healthcare, social care including disability services, higher education and local development including social enterprise.



Higher pay in Irish nonprofits

“Higher pay” means total remuneration of €70,000 or more. Most higher paid people in Irish nonprofits work in third level education and in “Section 38“-funded health and social care charities.

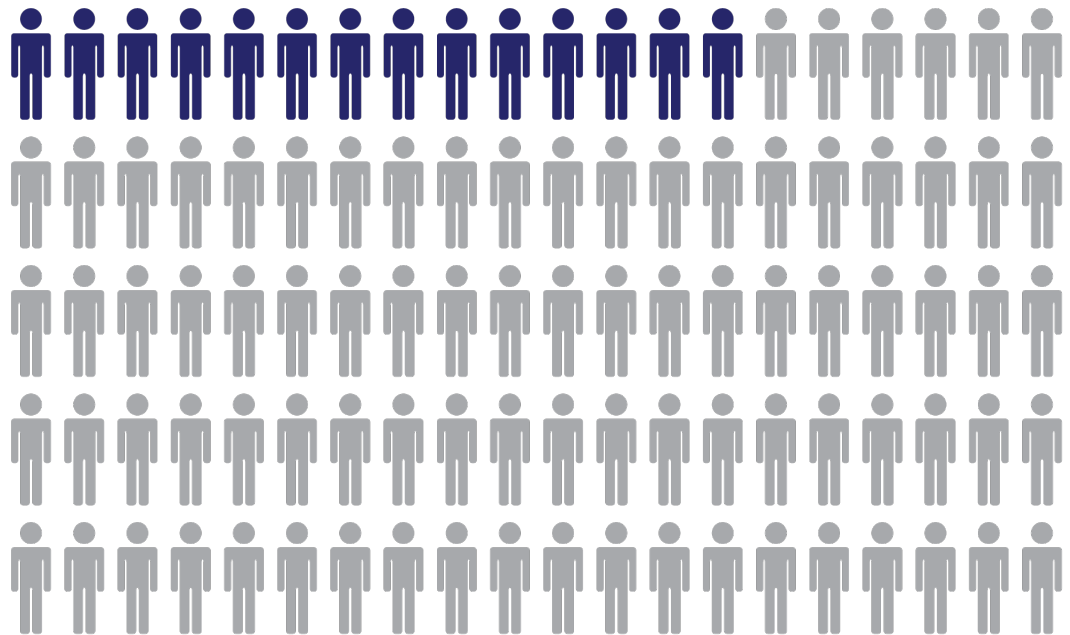


Higher pay for nonprofit workers in context

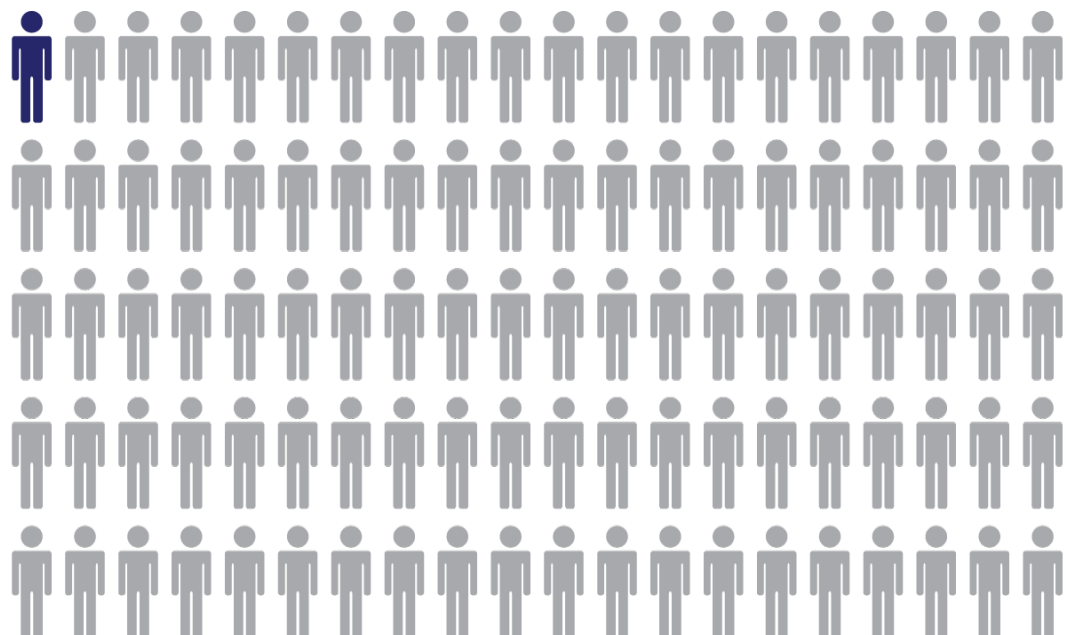
Outside of quasi-State bodies (where pay and conditions are set by the State) only 1% of people working in Irish nonprofits are paid more than €70,000. In the economy at large, 14.6% of people are higher paid.

Within the same group of nonprofits, pension payments are recorded in the financial statements of only 10% of nonprofit companies .

Within the economy at large 14.6% of people are highly paid.



Within the nonprofit sector 1% of people are highly paid.



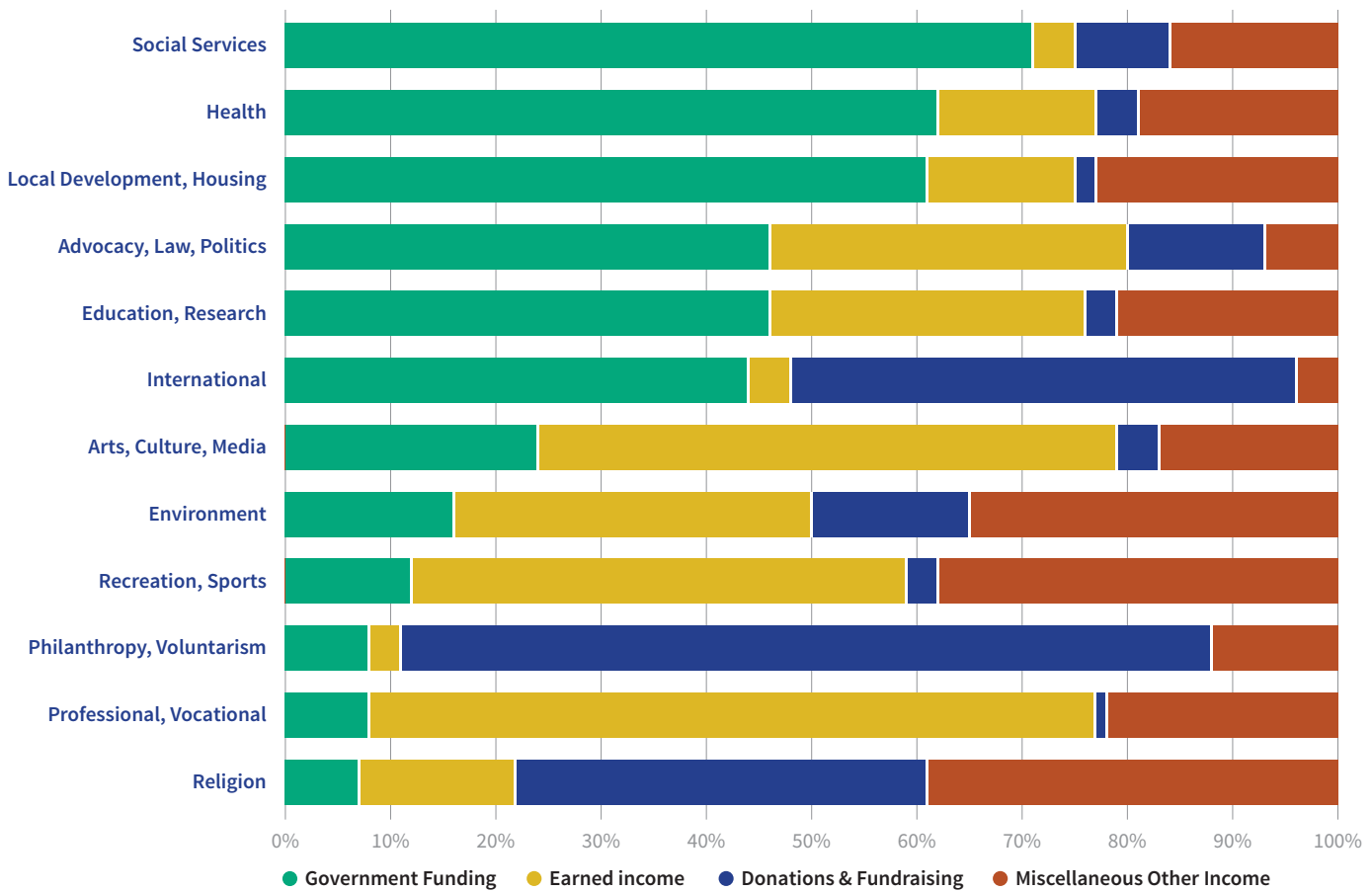
Funding

The State is the biggest individual source of funding to the nonprofit sector, but nearly 80% of State funding is directed at just over 100 medium and large nonprofits, mostly in service fees to health and social care, higher education and local development.

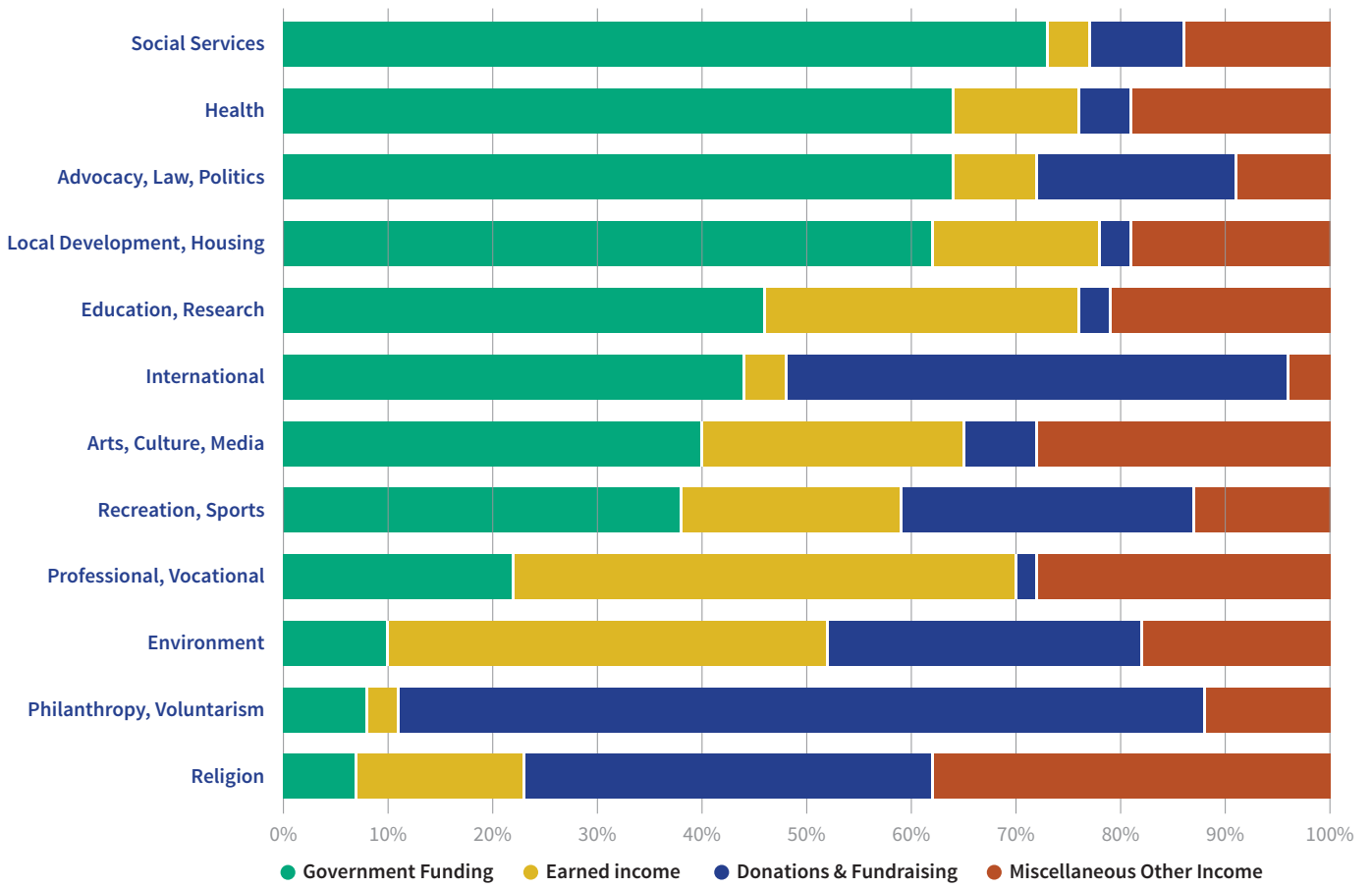
In advocacy, law, politics, professional, and vocational organisations, the balance of income is mainly derived from earned revenues whereas philanthropy, voluntarism and international organisations are most heavily reliant on fund-raised income and philanthropic donations.

More than 220 Government departments or agencies including local authorities provided at least €6.2bn in fees or grants to nonprofits in Ireland during 2019.

Income by sector in 2020 all nonprofits



Income by Sector 2020 charities



Nonprofit sector fundraising costs

Many nonprofits solicit donations from individuals, corporations and philanthropies, but only 52 are solely dedicated to fundraising year-round. There is no financial information available for 12 fundraising nonprofits that were included in last year's report, for abridgement or other reasons. Using these indicators, professional fundraising costs are about 16% of the value of income raised.

Year	Number of dedicated fundraising charities	Total number of employees	Number of employees whose remuneration greater than €70,000	Total payroll €000	Total Income €000
2015	60	153	8	7,827	60,724
2016	61	132	9	7,114	58,027
2017	62	145	12	7,739	78,112
2018	64	146	10	8,060	52,947
2019	52	146	14	8,275	52,899

About the data

This year's report

Every year Benefacts publishes a sector analysis report using the most up to date data publicly available from a regulatory source for all of the nonprofit entities in its database. The financial data in this report relates to all incorporated nonprofits and charities with a financial year-end up to the end of December 2019.

Data sources

Benefacts has accessed the available financial reports and other regulatory returns of 20,178 nonprofits (of which 11,342 are registered charities) in preparing this report. Data is frequently normalised and amalgamated from more than one source.

The data is derived from public disclosures to the Charities Regulator, the Companies Registration Office (CRO), the Library of the Oireachtas, the Registrar of Friendly Societies, Revenue, and the Standards in Public Office Commission. Published financial statements are the source for most of the financial and employment data in this report, and these are publicly available for 8,733 nonprofits (of which 4,598 are registered charities).

Still unavailable are the financial statements of 1,654 unincorporated charities whose combined turnover is about €1.79bn, despite the provisions of the Charities Act, S.54.

For the purpose of our analysis reports we also access the reported membership of local Public Participation Networks in 28 local authorities and the individual member entities of 2 Church bodies. These are not public regulatory sources which means the 14,153 local nonprofits in question are not given a listing on benefacts.ie.

Data currency – change of policy

The analysis is based on all of the data available for 2019 as at the first week of June 2021.

This year we have changed our policy in relation to estimating income in cases where this data is not available because the financial statements have been abridged or are not available for some other reason.

The 2014 reform of the Companies Act introduced a new provision for nonprofit companies to file abridged accounts. Each year since then, more of them have elected to do so, even in cases where they are also registered charities, although this trend is now levelling off. The Charities Regulator has sought to update the Charities Act to preclude this but this legislation has not yet been introduced.

Abridgement of accounts	2015	2016	2017	2018	2019
All companies limited by guarantee	26.5%	36.8%	44.2%	45.8%	45.8%
All charities incorporated as companies	23.8%	31.8%	36.6%	36.7%	36.3%

Since 2017, we used the financial statements of prior years to estimate income sources, in cases where the latest set of financial statements had been filed in abridged form and pending new reporting standards for charities. This was because we considered that on balance it was more important to provide an estimate based on recent data than to report that there was no income – which we knew not to be the case.

However, the interval since the last available set of full accounts is now up to 3 years (or more in a small number of cases), so we have decided to stop estimating to compensate for gaps in the data. In this and future reports we will analyse only the data that is publicly available for the year in question. This means that the profile of income for the entire sector and its component sub-sectors in this 2021 report cannot be directly compared with the analysis in our 2020 report.

The impact of this change is to create an apparent reduction of 5% in sector income at large with 2,091 organisations with previously reported income of €719,788,710 now excluded.

Employment and governance data

The number of reported employees in the nonprofit sector is derived from the published financial statements of 8,734 entities including 4,600 charities. This information is normally provided in the notes to the accounts.

In 189 cases where payroll costs have been reported but not numbers of employees, we have estimated employee numbers based on sector norms. We do not use the estimates of employee numbers reported on the public register of charities. There is no public source of data about employment numbers in primary and secondary schools (most of which are registered charities), so that is not included in this analysis.

The analysis of company directors including trustee-directors of charity companies is derived from compliance returns to the Companies Registration Office and information provided on the face of the register of charities but not published by the Charities Regulator as an open data file.