



22nd March 2017

64% of nonprofits in €10bn sector plan to grow and expand their services

- **Face challenges to finance growth in a low yield environment**

A clear majority of organisations in the €10 billion nonprofit sector expects to grow current service levels or to expand geographic coverage, according to a [report](#) launched by Tánaiste Frances Fitzgerald TD at an event in AIB Bankcentre last night (21st March).

The report found that 64% per cent of nonprofits planned to expand the scope of their services, 42% intended to offer new products or services, 24% expected to expand their missions and 14% planned to expand internationally.

The report, *Growth and Governance in the Nonprofit Sector*, found that overall the sector strives to instil a strong governance structure and culture. In 93% of cases, the board meets more than four times a year, while 70% of boards have more than nine members.

Speaking at the launch of the report, the Tánaiste said: "The most striking feature of this survey is the high level of optimism exhibited by a significant majority of Irish nonprofits. I am also heartened that this report indicates that the overall nonprofit sector enjoys a strong governance structure and culture."

The report also found that of 175 nonprofits surveyed, 53% operate without an investment policy, despite the fact that 64% plan to expand the scope of their services.

AIB CEO Bernard Byrne said: "Nonprofits have a very important role to play in our economy and wider society. With interest rates at historically low levels and forecast to remain so in the short to medium term, nonprofits are beginning to alter their investment approach in order to fund expansion plans."

"This has led to increased methods of portfolio diversification, which brings with it increased complexity and sophistication. At AIB, we have been supporting and advising nonprofit clients for many years. Over 50% of Irish nonprofits choose to bank with AIB and, in terms of investment advice, our team has significant sectoral expertise to help our nonprofit clients develop tailored financial plans," he continued.

Father Paddy Hennessy, Provincial Economist of the Salesians of Don Bosco, which provides care services to young people who can't live in their own homes, said it had become increasingly challenging to fund its mission while providing for the growing number of retired Salesians.

However, the order had taken professional advice and put in place new governance structures to manage the challenges. "We now recognise that a charity is a business that is nonprofit and has to be run professionally. We were afraid of being a business, now we recognise that it is a business. We have to balance this with the care of our members and our purpose," Father Hennessy said.

The event in AIB Bankcentre last night was attended by approximately 200 guests from the nonprofit sector. The other speakers at the event included PWC Partner Munro O'Dwyer; AIB Senior Economist John Fahey; and AIB Head of Growth Platforms Bryan O'Connor. The panellists included Charities Regulator CEO John Farrelly; Barnardos CEO Fergus Finlay; Maynooth University President Professor Philip Nolan; Irish Life Investment Managers Head of Retail David Haslam and Maura Moore, AIB Head of Nonprofits Sector Strategy.

AIB has chosen Irish Life to provide its customers with a comprehensive range of investment and savings products.

There are almost 19,000 nonprofits operating in Ireland. The nonprofits surveyed for the report include organisations providing a wide range of services such as education, healthcare and disability services.

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Notes to Editors:

1. The nonprofit sector

There are an estimated 19,317 nonprofits in Ireland employing almost 132,069 people. In 2014, the combined income of all nonprofit organisations was €9.59 billion. (Source: Benefacts). It includes organisations working in areas such as Education; Healthcare; Disability Services; Religious Orders; Trade, Business and Professional Associations; Philanthropy; Economic, Social and Community Development; Social Housing Services; Recreation and Sports; Social Services, Law, Advocacy and Politics.

2. Research Methodology

AIB and Irish Life commissioned PWC to conduct an online survey among senior executives in a variety of Irish nonprofit organisations during the summer of 2016. The survey yielded 175 respondents from a variety of sectors.

*****Pictures to follow from Shane O'Neill Photography*****

The report can be found [here](#)

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