Global giving

Private trends and public challenges

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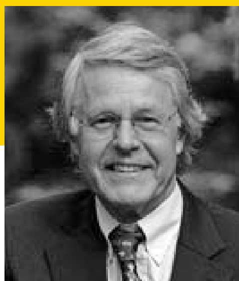


Foreword

The foundation sector is incredibly diverse, both from country-to-country and from region-to-region, but also within national borders. Yet they have one important thing in common that should be celebrated: Philanthropy entails using private money for the public good, in an independent manner. This publication identifies many trends affecting the sector, two of which are worth specific mention.

The first is that donors are beginning to pivot from grants intended to have only a benevolent impact to treating contributions as an investment on which they expect to realize a return, either for themselves or for the beneficiary organization. This approach is referred to as many things – social impact investment, venture philanthropy or mission related investing, for example.

The goal is to empower recipients as social entrepreneurs and change their mindset from feeling like merely a grantee. This encourages recipients to stop thinking in terms of 'cash in and cash out' and begin thinking in terms of 'assets and liabilities,' which in turn helps the sustainability of initiatives. To be sure, the EY survey shows that impact investing is hardly replacing outright donations. In many cases, grants are the only effective way to bring about change. Even in the case of impact investing grants are often required to make a proposal 'investable.'

The second development involves a growing emphasis on transparency and accountability. Foundations are becoming more visible and their role in society is subsequently becoming more important.

Several factors explain this. First, many governments are cutting spending on social programs as a result of budget difficulties, which creates more demand for private money to be used for the public good. Second, more - and larger - foundations have been created over the last two decades than ever before, because the families and individuals who create them prefer to champion their favorite causes during their lifetime instead of after death. Finally, foundations are becoming more ambitious in seeking to address serious problems in society, instead of merely working in the margins on less visible issues. Stepping up as major stakeholders in turn generates more interest from the public, the news media and politicians who demand more accountablility and transaprency about these tax-favored organizations.

Tax concerns are, of course, a central issue for givers, foundations and governments, which our survey shows use a diverse suite of incentives to increase private giving. Favorable tax treatment in turn bestows legitimacy on using private money for the public good. Foundations, after all, do more than just replicate government services.

They can incubate new developments in a way that is not possible for governments. And they can take risks with their social venture capital. Governments should therefore regard it as in their enlighthened self-interest to foster tax regimes that stimulate domestic grantmaking and promote cross-border philanthropy in a world that has become increasingly more globalized.

Dr. Rien van Gendt

Chair, Dutch Association of Foundations

Introduction

The public- and private-sector framework for tackling challenging social issues used to be relatively straightforward: governments used their legislative powers to raise and allocate public funds to help those most in need, while philanthropists and charitable organizations donated or raised private funds to further those efforts. In the 21st century, however, the scale and complexity of social and environmental challenges have become so overwhelming that innovative thinking and new sources of funding are required.

Advances in technology and communication — particularly the development of the internet and social media — have created faster, more efficient ways for news to spread and for charities to engage with potential donors. Natural and manmade crises and disasters requiring urgent public funding can be conveyed to the broader public in minutes and hours, while longer-term charitable causes can be described in a far more engaging and compelling way than ever before. According to the *World Giving Index 2014* [1] from the Charities Aid Foundation, 27.7% of the world's population donated money to charitable causes in 2013. That was down slightly from 30.2% in 2010 (and can be attributed to global economic weaknesses, particularly among developing markets), but it was still consistent with long-term trends.

Nevertheless, while free trade remains the mantra of politicians across the globe (witness the recent Trans-Pacific Partnership agreement, which covers 40% of the global economy), the story is different when looking at government efforts to create tax and regulatory regimes that are fully conducive to charitable giving. Tax, of course, is not a driving factor behind giving for the vast majority of cases, but when marginal income tax rates exceed 50% in some countries, it is an important consideration — if not for the cost to the giver, then for the opportunity cost of the recipient who may not be getting the full value of the donation. While some (though certainly not all) countries have recognized that more work needs to be done in the charitable area, individuals, corporations, and civil society organizations wishing to donate (or be donated to) should be carefully advised before taking action. Not only do tax and regulatory rules governing charitable giving vary dramatically from country to country, but they are also experiencing a high incidence of change.

Of particular note is that tax relief for cross-border giving isn't always available. In the EU, some progress is being made by the European Commission and Member States to implement the non-discrimination principle vis-à-vis the tax treatment of cross-border philanthropy in Europe, as set out in three key judgments by the Court of Justice of the European Union (CJEU). Elsewhere, some countries have made concerted efforts to make their philanthropy and charity rules attractive to foreign donors; other countries have failed to make it easier to donate across borders.

A new EY survey[2] of issues related to charitable giving found that the reviewed countries offer a diverse array of philanthropic environments, particularly regarding tax relief granted to foreign donations, the ability of foreign entities to qualify as charities in another country, and the existence of a legislative or regulatory framework that supports social impact investing. At the same time, some countries' efforts to tackle illicit financial flows and deprive terrorist groups of funding through heightened regulation of charities and donations and stricter anti-money laundering rules have created additional burdens upon legitimate philanthropy.

The current philanthropic environment requires refinement. At a time when many countries are experiencing severe economic problems, and those most in need are seeing social services reduced or even cut, providing an effective framework for charitable giving is more critical than ever. The time for enlightened policymaking is now.

[1] The index is available at http://cafamerica.org/wgi-2014

[2] EY's survey was conducted in August and September 2015. The countries surveyed were: Austria, Australia, Brazil, Canada, Finland, France, Germany, Greater China, Italy, India, Japan, Korea, Luxembourg, Malta, Netherlands, New Zealand, Pakistan, Portugal, Russia, Spain, South Africa, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom and United States.

Inside the philanthropy ecosystem

The rise of social impact investing

As it becomes clearer that the problems facing society cannot be effectively addressed by government aid and charity alone, the concept of social impact investing — making investments that intentionally target specific social objectives along with a financial return — has become an attractive option to those who want "to do good while doing well." More people are seeking jobs with companies that have a social impact commitment, while the number of impact entrepreneurs looking for innovative ways to drive social change through business ventures is growing.

EY's survey found that while the overwhelming majority of reviewed jurisdictions recognize social impact investing as a rising topic under increasing discussion, most have yet to react to this trend by changing their tax or regulatory rules to specifically accommodate social impact investing. So far, the UK is the only country that has introduced special legislation. As part of the 2014 Finance Act, the Government implemented Social Investment Tax Relief, which offers a range of income and capital gains tax reliefs to individuals who invest in qualifying social enterprises. In most other EU countries, regulation of social impact investing is still based on very rudimentary provisions for charities, which can be rather restrictive in regard to the charitable status of the receiving organization. New legislation that would facilitate social impact investing is in the early law-making process in several countries, including Austria, New Zealand, Spain and South Africa.

In many jurisdictions, the regulatory environment enables donors to make social impact investments via charitable organizations (Austria, the Netherlands, South Africa and Spain), charities with limited liability subsidiaries (the Netherlands), private foundations (Australia, Austria, Sweden and Switzerland) and "hybrid" organizations (the US). In countries where social impact investing has become more popular in recent years (i.e., common law countries and Germany), there are several examples of for-profit businesses that have established a strong social mission.

In most countries, wealthy families, together with the recipient charities, are the main drivers of social impact investing. These families are increasingly donating not just money but their time and dedication. While many donate in secrecy, the majority tends to publicly identify their family and/or family business strongly with their social endeavors. Because charitable giving can be a complex area, individuals and families should always seek advice before making any decisions on social impact investing or making other types of donations.

Building a better ecosystem

The UK's 2013 presidency of the G-8 provided a key opportunity to move the social impact investment agenda forward. In June 2013, Prime Minister David Cameron, as chair of the G-8, established the Social Impact Investment Taskforce comprising government officials and representatives of the social and private sectors from seven G-8 countries (Canada, France, Germany, Italy, Japan, UK and US) and the EU, as well as observer representatives from Australia and the Overseas Private Investment Corporation. The taskforce's mandate was to issue a report on "catalyzing a global market in impact investment." As part of this work, the taskforce explored how to develop a policy framework that would enable the impact investment market to grow, find a standardized approach to measuring social outcomes, and determine the best way to attract capital from specific investor communities such as foundations, commercial banking institutions, and individuals.

The taskforce published a report *(Impact Investment: the Invisible Heart of Markets)*, along with subject papers from its working groups, in September 2014. Also released was a supplementary report, Policy Levers and Objectives,[3] which provides more insight on the challenges to developing domestic social impact investment markets and identifying potential opportunities for government action. The supplementary report explains that governments can play three key roles in developing the market:

- As a market builder, by providing ministerial leadership to champion the market within government and more widely (for example, by putting policies in place to help enterprises become contract- and investment-ready)
- As a market steward, by facilitating the allocation of capital to social impact investment, adjusting rules on how trustees consider their investments, allowing foundations to invest from their endowments in achieving their mission, and enabling different corporate forms to play a role
- As a market participant, first by determining what portion and form of government spending is addressable by social impact investment, and then by supporting social entrepreneurs in focusing on priority policy areas where social impact investment can provide the greatest leverage

The supplementary report states that the social impact investment ecosystem can be thought of in terms of demand (for capital to finance activities that deliver social impact), supply (of impact capital) and intermediaries between the two. In each country, the ecosystem varies according to the nature of social service provisions and the respective roles of governments, foundations, the private sector, individual investors, and the social sector. The report notes that enabling aspects of regulation and infrastructure influence the effectiveness of the ecosystem. On the demand side, those aspects include legal forms for impact-driven organizations, innovation support programs, impact measurement approaches, and accelerators and incubators. On the supply side, the enabling aspects include tax relief for impact investors, networks for impact entrepreneurs and investors, research houses and product reviewers, legal reform (on issues like crowdfunding) and capability-building grants.

In order to build a more powerful impact investment ecosystem, governments should assess how (and whether) their current tax and regulatory framework facilitates impact investing and then identify the areas in which they can most effectively deploy resources. As the supplementary report shows, having visible government support — in the form of a senior-level minister with a dedicated team and resources — can be a critical factor when developing the impact investment market. The report notes that the UK experience of having a minister for civil society shows the value in having cabinet participation to guide the government's decisions on commissioning, capacity building, release of unclaimed assets, and regulation and tax incentives. It also points out that the US Government's decision to appoint an experienced social entrepreneur as special assistant to the President and head of the Office of Social Innovation and Civic Participation helped spur Government efforts to boost impact investing as part of a larger goal to leverage human and financial capital in elevating community solutions.

To attract investors into the market, governments can tailor their tax and regulatory rules in a way that makes social impact investing less burdensome for potential donors and donees. Policymakers can achieve this goal by offering tax and regulatory incentives, clarifying existing laws and regulations, and providing guidance related to different investors. The supplementary report notes that the use of incentives can increase the flow of tax- and regulation-advantaged capital. It gives as an example the New Markets Tax Credits that are available in the US and provide incentives

[3] The supplementary report is available at http://www.socialimpactinvestment.org/subject-papers.php

to invest in underserved communities (to the tune of US $3.5b a year). The report also suggests that governments reduce legal and regulatory barriers, for example, by allowing philanthropic foundations to direct more of their investments toward social impact investments, enabling investment in impact-driven organizations through crowdfunding platforms, and encouraging pension funds and providers of other tax-advantaged savings schemes and products to provide social impact investment options as part of their offerings.

Addressing the tax and legal challenges of giving

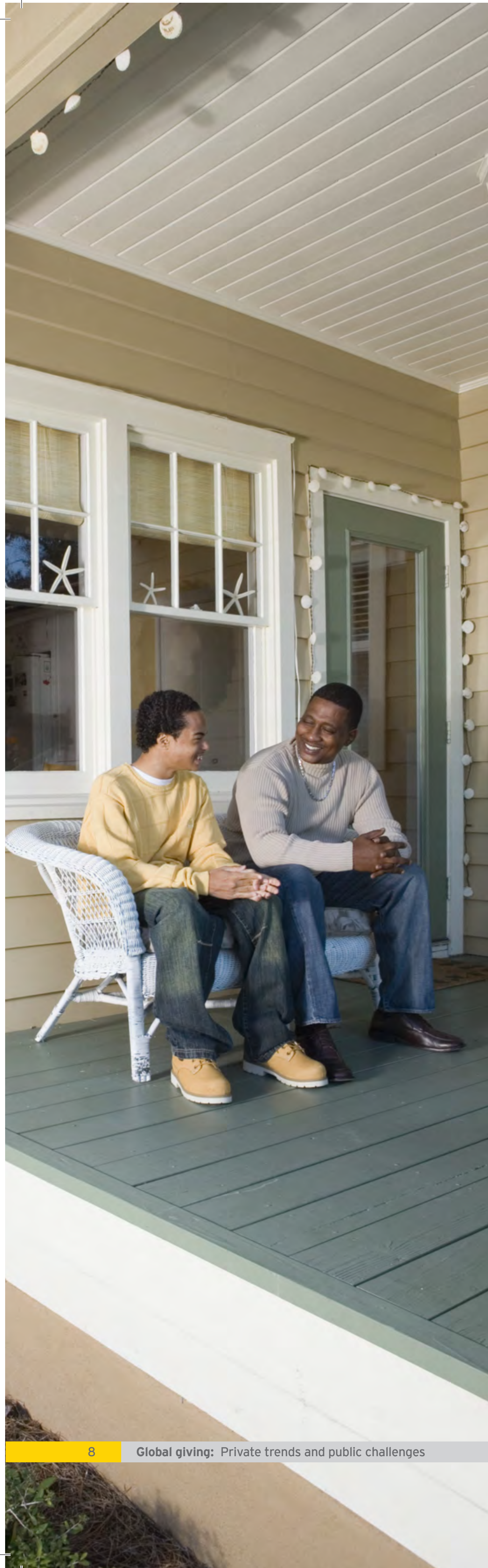
While tax relief isn't necessarily the main driver of philanthropy, it can influence what kind of donation is made and to whom it is given. However, the availability of tax relief — and any restrictions placed on donations and charitable organizations — can vary dramatically across countries.

Insights from our survey

The EY survey found that while the majority of all jurisdictions reviewed don't set a legal limit on the amount of charitable donations, most set limits on the tax relief available for those donations. Most countries limit the amount that can be deducted with respect to the donor's annual taxable income or revenue (e.g., Austria, Canada, Italy, the Netherlands, New Zealand, Spain, Switzerland, Turkey and UK). Some jurisdictions have certain maximum amounts for deduction (e.g., the Netherlands), while several jurisdictions have carry-forward provisions that allow donors to distribute a donation over several years for tax purposes (e.g., Australia, Korea and India).

Donations of non-cash property may be subject to more complex rules regarding deductibility (or other tax relief) than are cash donations. For example, non-cash property must be valued. The procedures for a proper valuation could include an appraisal by someone who meets certain qualifications. Further, some countries have special rules for donation of appreciated non-cash property. Thus, the donor may have to provide records of his or her adjusted cost basis, which is an additional administrative burden that is not placed on cash donations.

Generally, personal services rendered free of charge (or at a discounted rate) to charities are not considered charitable contributions. Thus, individuals and companies may not receive tax relief for the value of the services. This seems intuitive, because it is probably administratively burdensome to calculate the value of services rendered to a charity. For example, it may be difficult to determine and document the value of services given to a cancer research organization (e.g., donating physical space or helping to plan fundraising events). Italy is an exception to this rule and allows tax relief for services rendered by companies (but not individuals) to charities.



Cross-border giving

As the world becomes more connected through advances in technology and communication, the desire to donate abroad has also increased. However, most countries haven't yet caught up with this trend. As a result, donations made from one country to another don't always obtain tax relief in the source country.

In terms of the vehicles used to enable the giving process, the EY survey found that across the globe the domestic foundation tends to be the most commonly used vehicle for cross-border giving. In some common law countries, such as New Zealand, South Africa and the UK, trusts are used. However, the survey also found some interesting trends that depart from the mainstream use of a domestic foundation or trust. In Finland, for example, families and family businesses tend to seek strategic partnerships with charities instead of setting up their own entity. In India, where family businesses primarily donate directly to schools, hospitals and religious institutions, the use of corporate foundations seems to be growing. At the other end of the spectrum, in the UK and US it is quite common for families and family businesses to set up their own charitable entities (e.g., the private operating foundation available in the US). In Germany, foreign rather than domestic entities are used, most notably the Liechtenstein foundation and the Netherlands association.

As to whether overseas entities may qualify as charities in the same way as domestic charitable entities (and therefore allow tax relief on contributions made to the overseas entity), EY's survey found that while it may appear that the majority of reviewed countries allow this (if certain conditions are met), a closer look reveals that there are some barriers that may make it more difficult to qualify than it would appear. Some countries require some sort of "domestic link," either by requiring that a certain percentage of expenditure is used domestically (e.g., Australia) or by demanding a strong connection with the country in question, for example by setting up a branch locally or otherwise permitting the local authorities to monitor the operations of the foreign entity (e.g., New Zealand, Switzerland and Spain). There can be other obstacles that can make it difficult in practice for foreign entities to actually acquire charitable status. For instance, in the UK, the entity must be established for charitable purposes only, while in Turkey, specific governmental consent is needed to qualify at all.

In short, while foreign entities are eligible in many countries to register as charities, in practice this appears not so easy to accomplish. Generally speaking, in the remaining countries foreign entities are simply not permitted to register for charitable status.

The survey made similar findings on the question of whether donors can obtain tax relief for donations to foreign entities. Very few countries will grant such a deduction without restricting the scope of countries in advance, if at all. It appears that the

Netherlands is the only country where this is possible, subject to a number of requirements (although these requirements are not any stricter than those in place for domestic charities). In contrast to the Netherlands, a number of countries do not grant any deductions for donations to foreign entities, notably Brazil, Germany, India, Japan, Malta, New Zealand, Portugal and the US. For Germany and Portugal, this restriction may well be challenged as being contrary to EU law, at least in cases where donations are made to entities in other EU countries (see below).

Other countries impose additional requirements. In Korea, donations to foreign entities are only tax deductible to the extent they are earmarked for victims of natural disasters. In Italy, the deductibility is subject to reciprocity, meaning in practice the donor will have to prove that a corresponding donation by a resident of the country in which the entity has its seat would be deductible in the same way.

In the EU, the charitable sector should have benefited from a trio of CJEU decisions (the Stauffer,[4] Persche[5] and Missionswerk[6] cases) that established a non-discrimination principle, under which EU Member States must grant the same tax concessions to charities based in other Member States when the foreign charities can be shown to be "comparable" to domestic organizations holding charitable tax status. However, a 2014 study[7] undertaken by Transnational Giving Europe (TGE) and the European Foundation Centre (EFC) found that even when Member States have amended their national legislation to ensure formal compliance with the non-discrimination principle, a number of procedural hurdles still exist.

In all three CJEU cases, the court concluded that the relevant legislation was contrary to the free movement of capital, a fundamental freedom provided by the Treaty on the Functioning of the European Union. In the *Stauffer* case, decided in September 2006, the court held that German legislation that granted to German charitable entities an exemption from German corporation income tax on local rental income — but did not provide the same exemption to charitable entities residing in other EU Member States — violated EU law. Likewise, in *Persche*, decided in January 2009, the court held that German legislation allowing tax relief for gifts to charities, but only if the charities were established in Germany, was contrary to EU law. Finally, in *Missionswerk*, decided in February 2011, the Court held that Belgian legislation that applied a reduced inheritance tax rate to bequests to nonprofit organizations — but only if the organization was established either in Belgium or in an EU Member State in which the decedent had lived or worked — violated EU law.

The TGE-ECF study, which explored the extent to which the non-discrimination principle and the associated requirement to conduct comparability tests have been implemented in the Member States, found that the majority have adapted the text of their regulations to explicitly deal with the non-discrimination principle. However, the study found that even when laws have been changed, practical barriers still remain because there is no formal or uniform approach to applying the comparability test. Rather, it is up to the Member States to define when a non-resident charitable organization is comparable, which has led to the development of different approaches to the test.

Because of the inconsistent application of the non-discrimination principle, charities and donors often face long procedures, uncertainty and substantial costs for administrative and translation fees, legal advice and proceedings in national or European courts. The study proposed several solutions to improve the way the principle is implemented, including the use of model statutes, the conclusion of multi or bilateral tax treaties, and the establishment of a set of common core principles as the basis for determining comparability.

[4] *Centro di Musicologia Walter Stauffer v. Finanzamt München für Körperschaften (C-386/04)*
[5] *Hein Persche v. Finanzamt Lüdenscheid (C-318/07)*
[6] *Missionswerk Werner Heukelbach v. État Belge (C-25/10)*
[7] The study is available at http://www.transnationalgiving.eu/tge/details.aspx?id=312414

Increased regulation

In recent years, many countries have enacted legislation or regulations to increase the accountability and transparency of charities. These new rules have taken the form of more stringent reporting requirements and closer scrutiny of charities by government agencies. In some cases, the increased oversight is intended to prevent misuse of charity laws to engage in tax fraud/avoidance or other crimes while in other cases, it is intended to prevent the exploitation of charitable activity by terrorist organizations and their support networks.

As an example, Canada has recently made changes implementing anti-avoidance measures to ensure that funds donated are spent on recognized charitable activities. The US recently made substantial changes to its annual information reporting requirements for charities that were meant to ensure that charities have effective policies in place regarding key issues (such as governance, compensation and transactions between insiders) and that charities actually enforce such policies.

New Zealand has particularly increased its oversight of charities in recent years by defining "charitable purpose" more narrowly. This has resulted in numerous charities losing charitable status.

Many countries are granting recognition to, and enacting regulations specifically for, new philanthropic models (e.g., crowdfunding, hybrid entities). Although it undoubtedly can be beneficial for recipients, crowdfunding is a gray area for many countries. In the US, for example, there are rules that disallow the charitable contribution deduction for donations made to a specific individual. Spain and New Zealand are two other countries that are currently examining potential regulation of crowdfunding.

Generally, the legal developments surrounding charities are not driven by governmental attempts to fund new areas or to fund areas that were previously government-funded. In most countries, charitable organizations supplement government-funded social programs. For example, many donors seek to fund organizations that assist in ameliorating poverty or that protect and preserve the environment. These are areas that have been, and continue to be, at least partially funded by governments worldwide.

However, Italy and Turkey have been making changes to encourage charity in all sectors in order to reduce governmental expenditures on social programs. The Netherlands has also made changes specifically to compensate for cuts made to governmental grants to the cultural sector.

Future trends

Philanthropy is becoming an increasingly high priority for high-net-worth individuals (HNWI), families and family businesses, who want to donate their time and money to causes that are important to them. At the same time, there is a changing social climate in many countries where creative philanthropic endeavors are becoming more highly valued. For example, many HNWI are joining the "Giving Pledge"[8] and publicly pledging to give more than half of their wealth to philanthropic or charitable causes during their lifetimes or in their wills. The Giving Pledge has already attracted numerous high-profile HNWI and their families.

Some countries are expecting a significant increase in charitable donations and have recently seen donations rise quite steadily. The expected uptick in the amount and rate of charitable expenditures is based on the belief that more individuals and families are seeking to get involved as achieving social good has become a more valued endeavor.

HNWI and their families are becoming more interested in establishing their own foundations to achieve their philanthropic goals, as opposed to giving directly to an established charity. These foundations allow individuals and families to create a family legacy of giving, and help build a philanthropic family culture. For example, the use of foundations by wealthy Japanese families is expected to increase significantly as they look to offset the recently increased inheritance tax.

We also anticipate more creativity and incorporation of profit motives in social impact investment. As businesses and individuals increasingly see themselves as having "social responsibility," they will start focusing more time and resources toward philanthropic endeavors. Many donors will be looking to see a return on investment both financially and in terms of actually achieving measurable results (e.g., decreasing poverty levels, increasing literacy and so forth).

The number of special tax and regulatory regimes put in place for social impact investing may also increase as most countries do not currently have rules that directly address this issue. Key factors that social impact investors typically consider are accountability, transparency, planning, and resource management, and these factors may play a role in any potential future regulation of social impact investing.

Another trend that will most likely continue to gain steam is related to employer-supported charitable giving. Many private companies currently encourage their employees' charitable donations by providing a matching contribution (usually up to a certain percentage). Also, companies are instituting special days for employees to engage in volunteerism, and many

[8] Information on the Giving Pledge is available at http://givingpledge.org/

companies also conduct food and clothing drives throughout the year (and particularly during the holiday season).

It is not clear whether hybrid entities (e.g., low-profit LLCs, benefit corporations and others) will become more prevalent. These entities have been used by entrepreneurs who are looking to incorporate philanthropic goals with typical business and profit goals. In certain countries, such as the U.S., corporate board members and other high-level decision-makers owe a duty to shareholders to maximize profit. Philanthropic giving does not, per se, maximize shareholder profit. We think it is more likely that entrepreneurs interested in balancing profit and philanthropic motives will use traditional business structures, such as corporations, partnerships, and LLCs, but will take care to specifically include the company's philanthropic goals in its organizational documents.

Finally, it is possible that countries that are experiencing economic difficulty may seek to curtail some tax reliefs associated with charitable giving as a way to raise revenue. Other countries, such as the US, tend to discuss ways to make the tax system more equitable or "fair," and that often leads to proposals to limit certain tax benefits that are perceived to help the more-advantaged at the cost of the less-advantaged (e.g., President Obama has proposed limiting itemized deductions, which in the US includes a charitable contributions deduction, up to a certain percentage of income).

Actions to consider

The various challenges described above should not discourage those who want to donate. Rather, donors and their advisors should keep those challenges in mind and develop a giving strategy that carefully considers potential hurdles and makes optimum use of available tax or regulatory incentives.

To develop a successful strategy, donors may want to consider the following points:

Non-tax considerations

- For families, it is important to work with the whole family to create a philanthropic vision that will inspire the next and future generations to contribute. This could be achieved through working with the family charity or empowering the next generation to find its own philanthropic focus (for example, social impact investing).
- Prepare thoroughly — it can be costly and difficult to change from one structure to another. It is best to invest in getting the structure right the first time.
- It is becoming increasingly difficult to avoid disclosure and publicity around philanthropy, so assume that your donations will be visible and make that disclosure benefit your cause, yourself or your business.
- Maximize the opportunities that can come from alliances with other donors in other jurisdictions.
- Don't overlook the opportunities for upfront dialogue with individual government bodies to assist in achieving your objectives — particularly if your cause aligns with their social policies.

Tax considerations

- Pick the right team to assist you. The right team will need to understand both the global charitable ecosystem and the tax policy and legislation environment across all markets in which you give or plan to give.
- Early preparation around sizeable gifts is critical, with the following issues requiring your attention:
  - Impact on your immediate tax position (gift taxes, deductibility from income taxes, etc.) and possible reliefs or exemptions
  - Other ways in which you could potentially give more tax-efficiently while securing the same outcomes
  - Longer-term impacts on your tax position — including impact on inheritance taxes and lifetime giving limits
  - Applicability of double tax treaties
- Review your current positions and assess whether a more effective giving approach may be adopted.
- Stay vigilant, assessing the impact of a rapidly–changing tax policy environment on your giving strategy.
- Consider whether valid tax-efficient giving has a place within your philanthropic strategy.
- Consider the possibility and feasibility of setting up a separate entity, while staying aware that tax rules may change rapidly.
- Consider forging alliances with other philanthropists and/or charities, not only to make projects more efficient but also to gain more visibility with governments.
- Approach charitable giving on a "whole footprint" or holistic basis (i.e., how does it interact with the your overall tax strategy).

Society's needs are increasing at a time when governments' ability to meet those needs is decreasing. However, while charitable giving from the private sector is now needed more than ever, various hurdles still remain. It is therefore critical that policymakers, civil society organizations, and socially-minded individuals and companies work together to identify and address those challenges and create the momentum needed to take philanthropy to the next level.

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