



COUNCIL *on* FOUNDATIONS

WHERE AND HOW IS THE GLOBAL ENVIRONMENT FOR PHILANTHROPY CHANGING?

May 9, 2018

Speakers

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Dean for Research and International Programs,
Indiana University Lilly Family School of Philanthropy

Natalie Ross, Vice President, External Relations,
Council on Foundations

The Changing Global Environment:

Findings from the *Global Philanthropy Environment Index*

Una Osili, Ph.D.

Associate Dean for Research and International Programs

May 9, 2018



IUPUI

LILLY FAMILY SCHOOL OF PHILANTHROPY

Increasing Visible Role of Global Philanthropy



Natural Disasters



Migration Crises



Health



Education



Environment



Gaps in knowledge of global philanthropic landscape

Need for broader dissemination of knowledge

Better understanding of the factors that can
help improve or constrain philanthropy

Global Philanthropy Environment Index

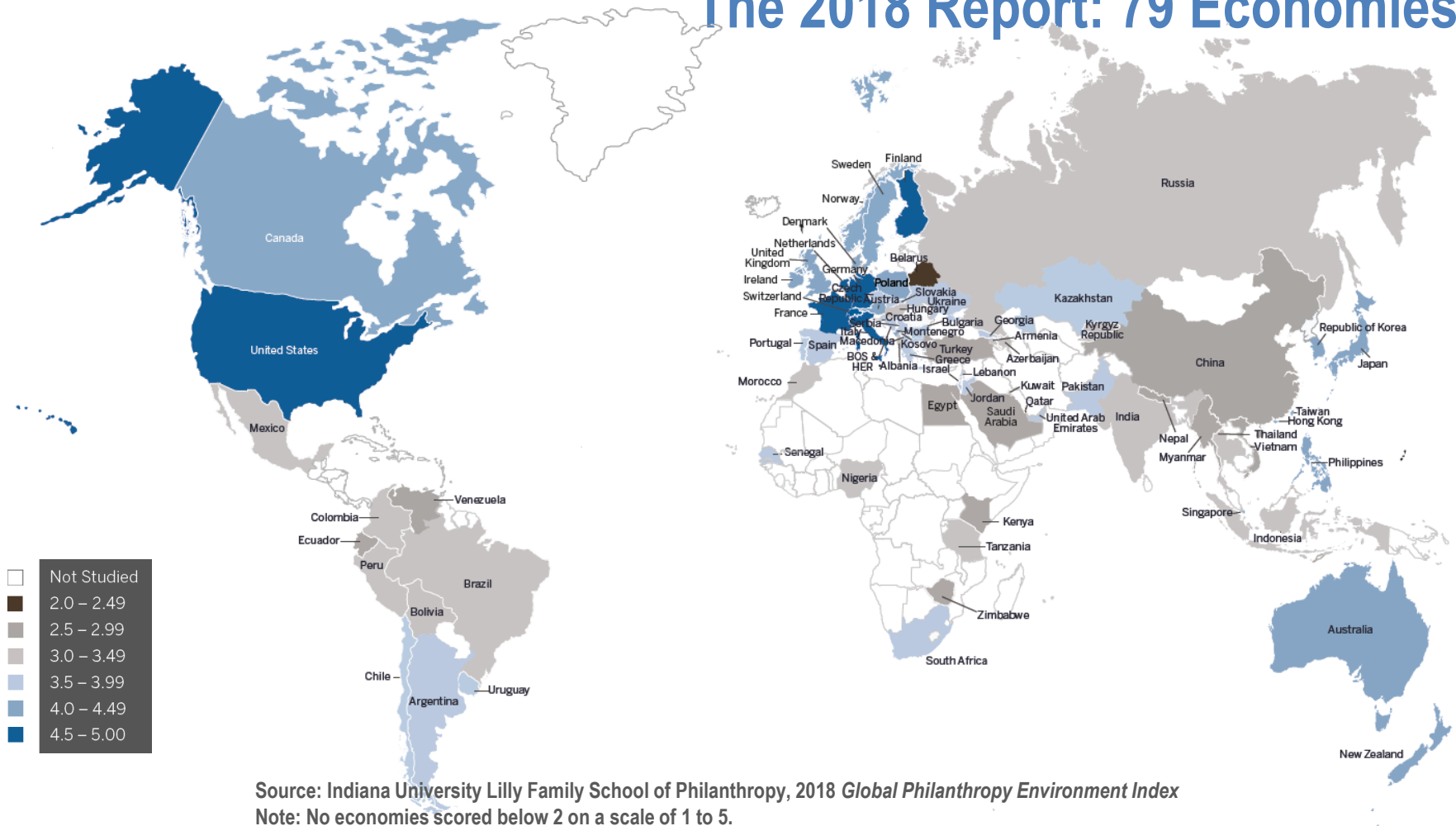
- Formerly the *Index of Philanthropic Freedom*
- Explores how conducive countries' policies are to philanthropy, both domestically and internationally
- Identifies barriers and incentives for individuals and organizations to engage in social causes

- What Does the 2018 Report Tell Us?
 - Restrictive overall philanthropic environment in 40% of 79 economies
 - Improved regulatory conditions for philanthropy in 6 of the 11 regions from 2015
 - Challenging political environment for philanthropy
 - More restricted cross-border flows vs. Increasing cross-border societal needs



The Global Philanthropy Environment Index

The 2018 Report: 79 Economies



How Does the Index Measure the Enabling Environment?





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2018

Global

Philanthropy

Environment

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Key Findings

What Does the Index Measure?

Enabling Philanthropic Environment



Ease of Operating



Tax Incentives



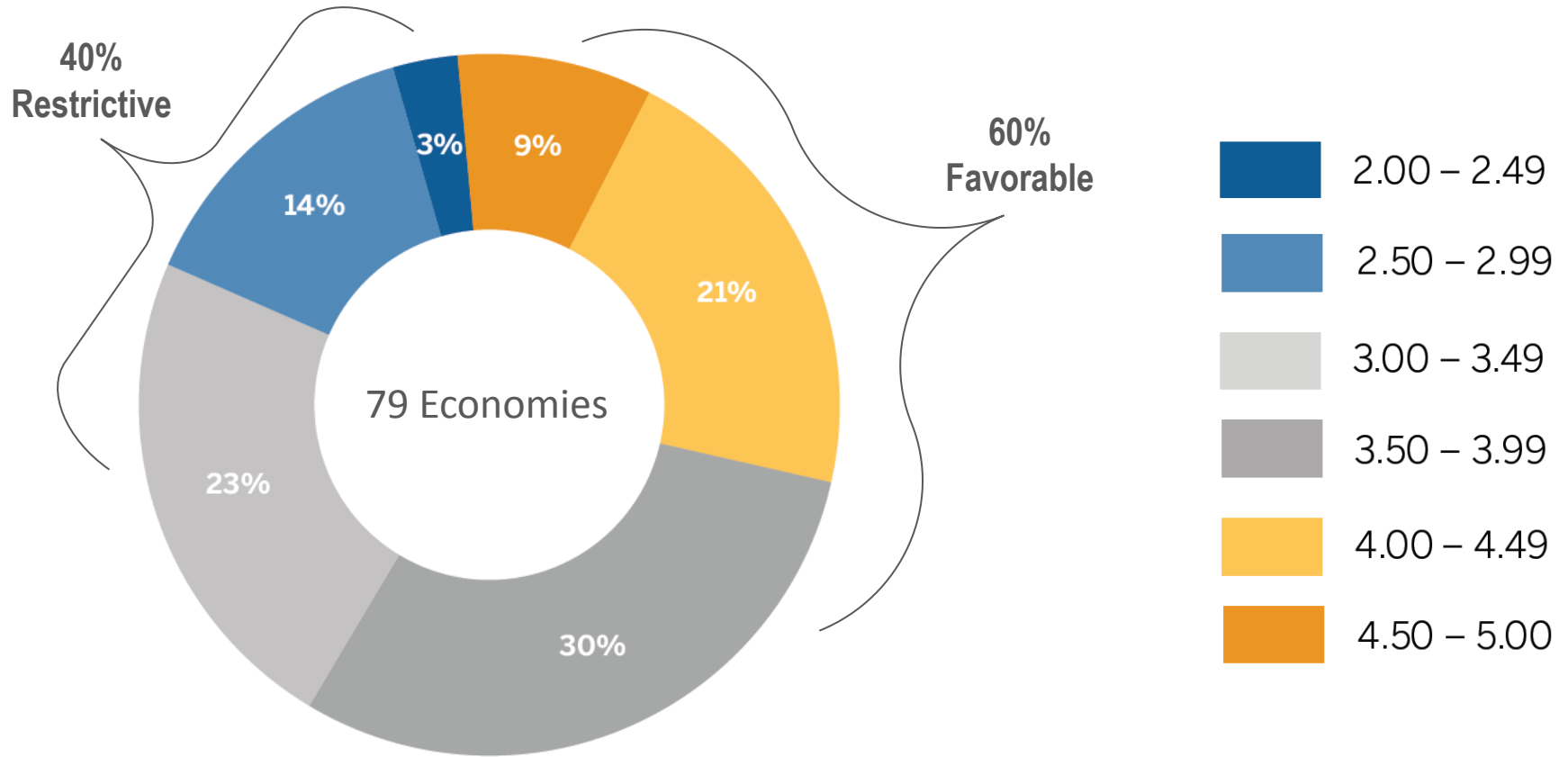
Cross-Border Flows



Political Environment



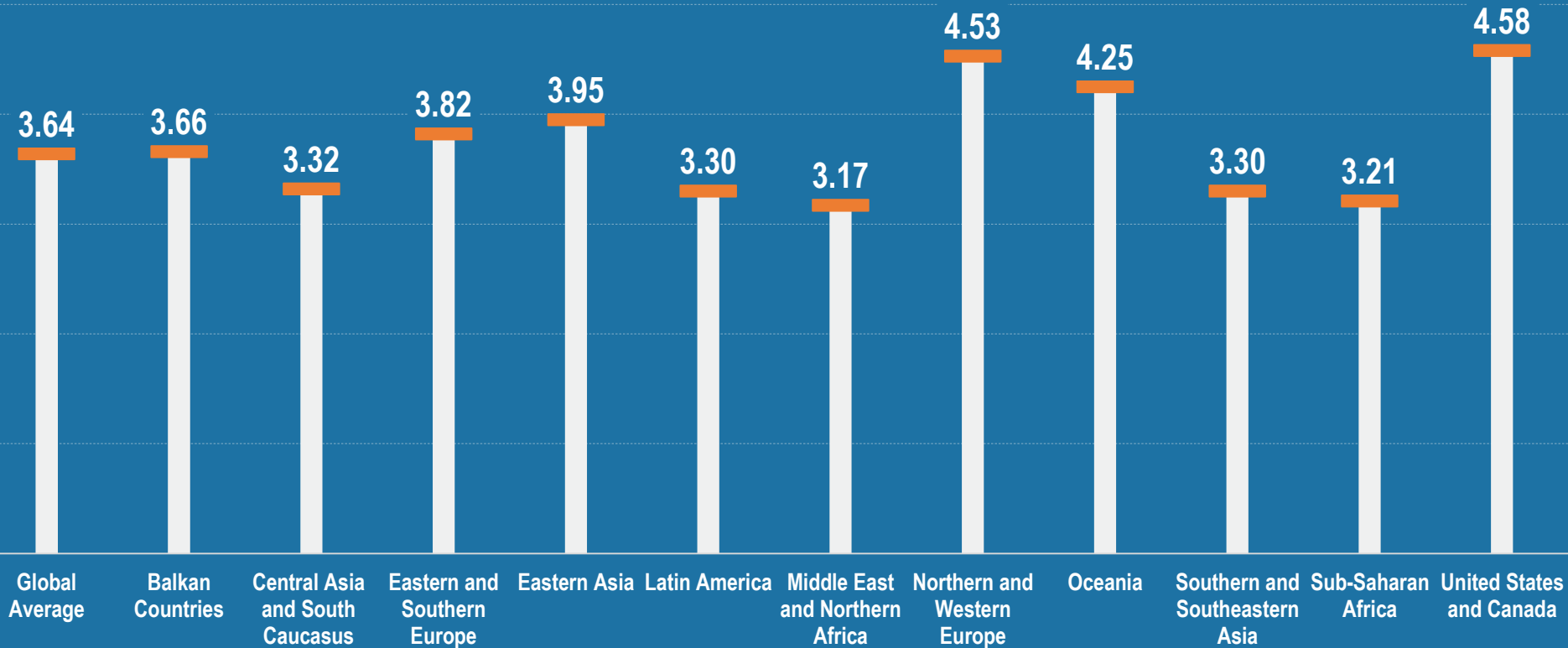
Socio-Cultural Environment



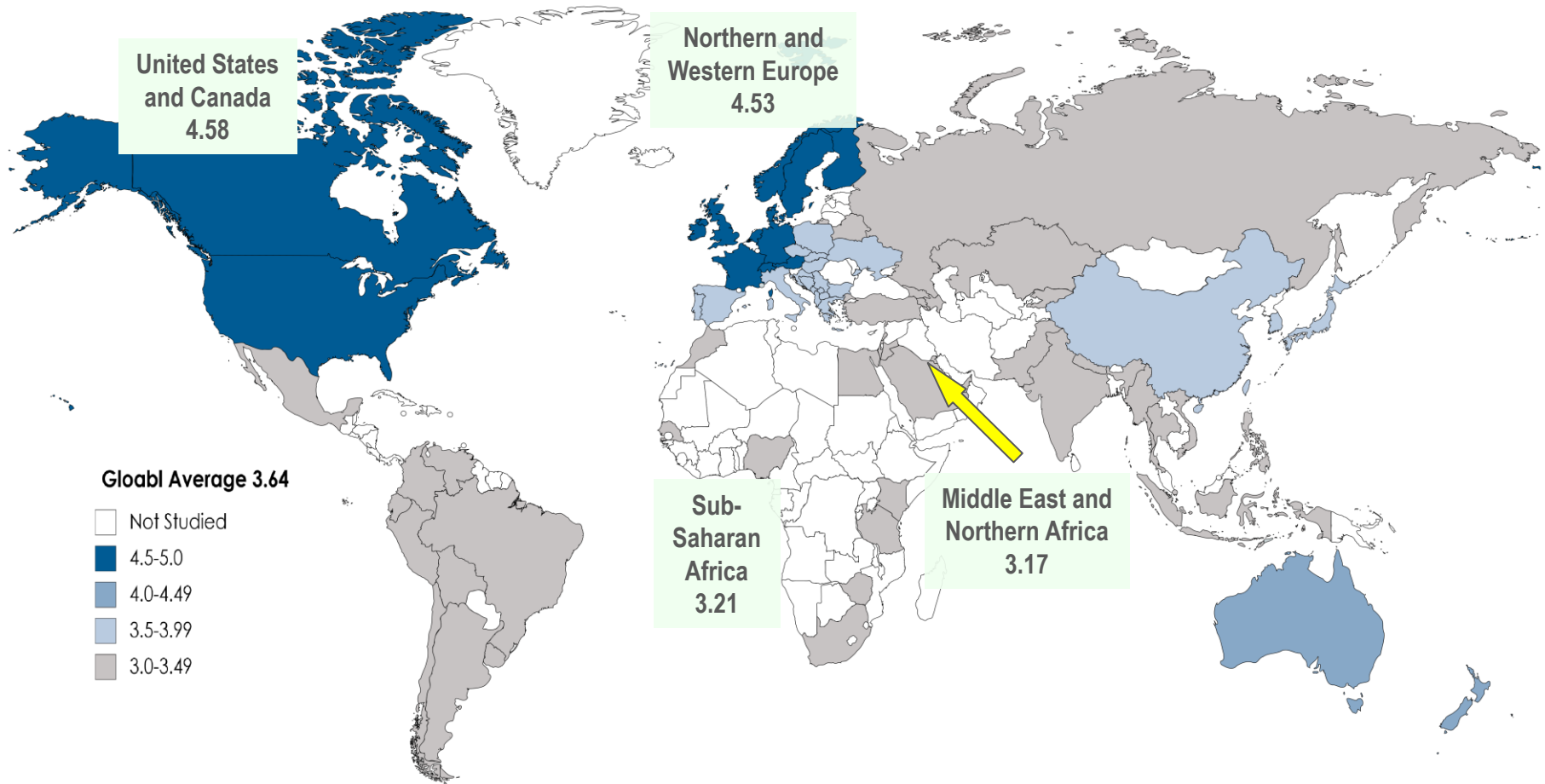
Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*
Note: No economies scored below 2 on a scale of 1 to 5.

2018 Global Philanthropy Environment Index Scores by Region

— Overall Score



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

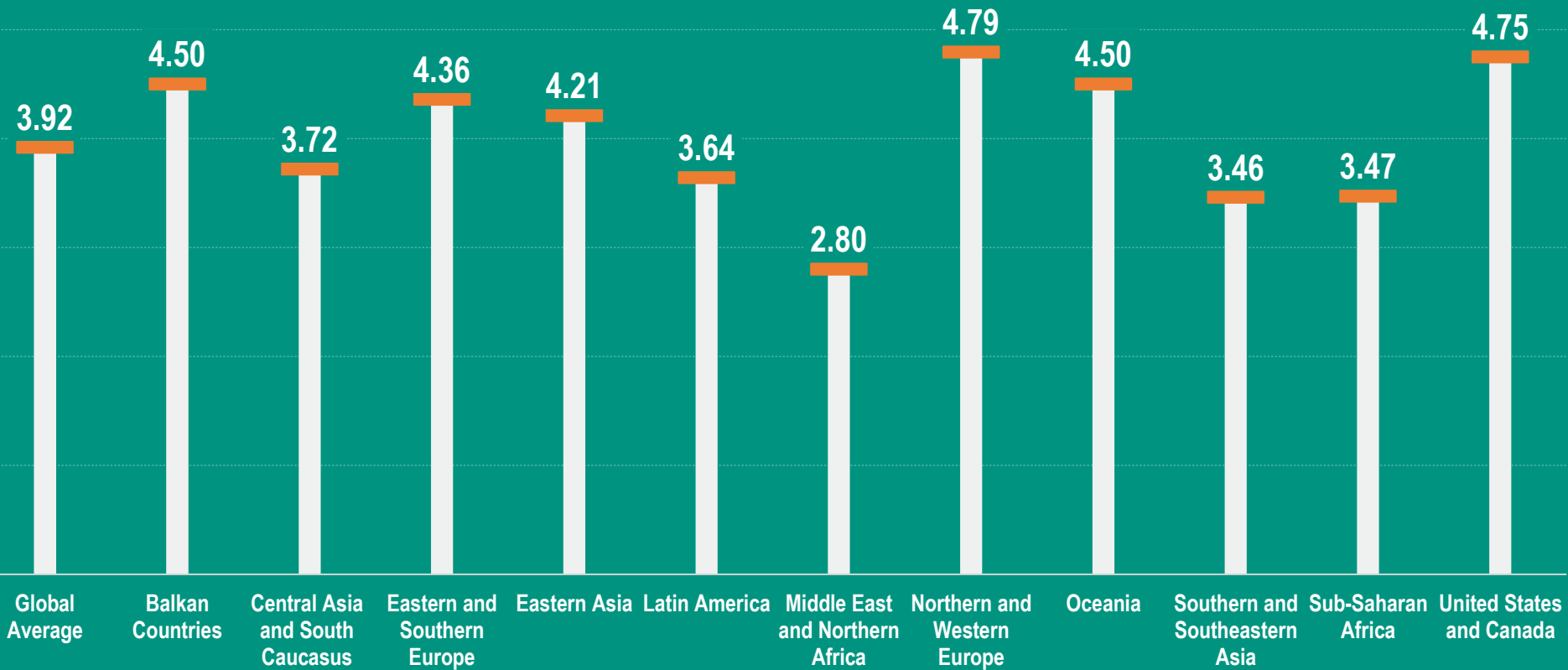


Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

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2018 Global Philanthropy Environment Index Scores by Region

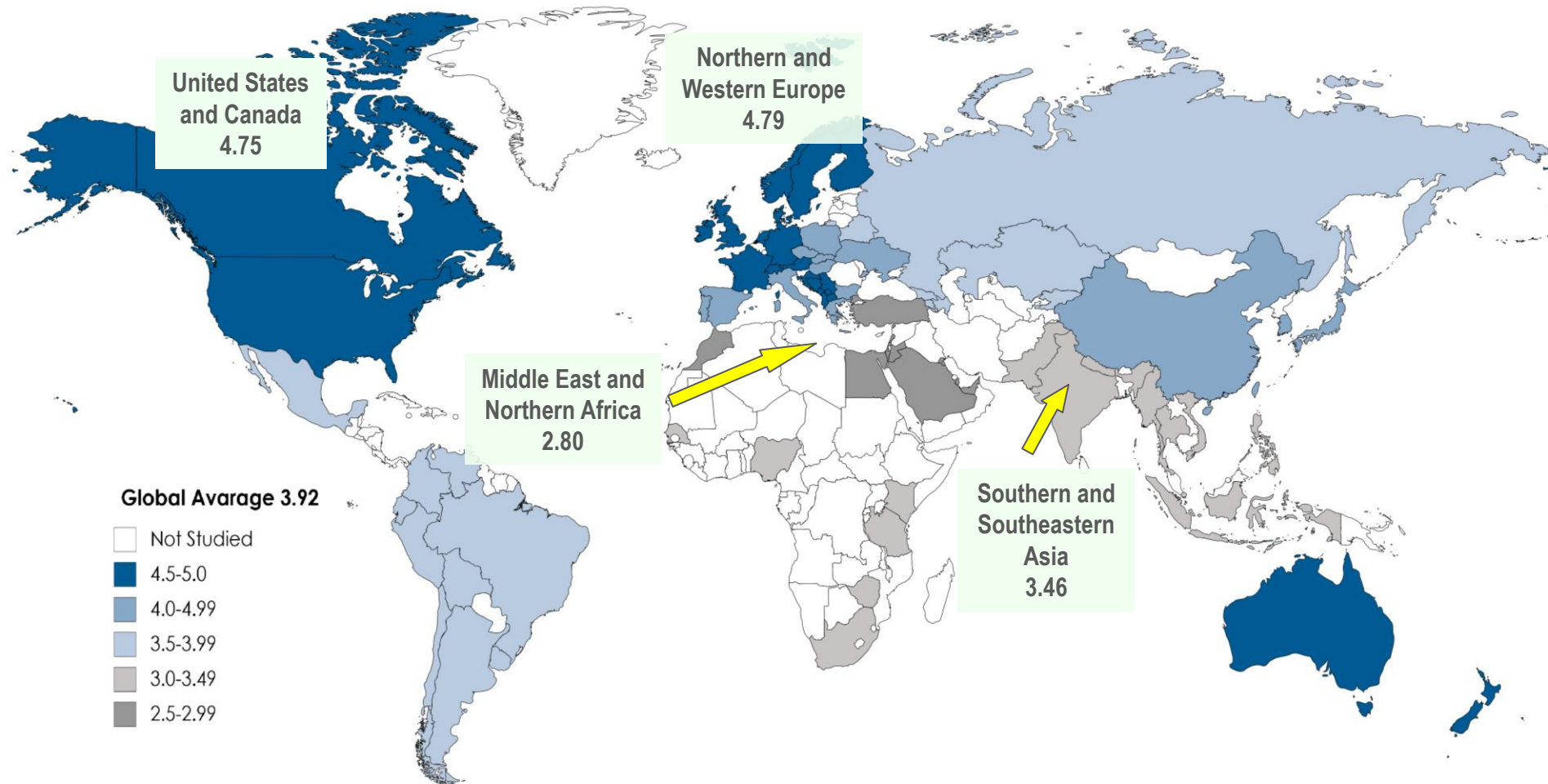
— Ease of Operating a Philanthropic Organization



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

Scores

Score on Ease of Operating by Region

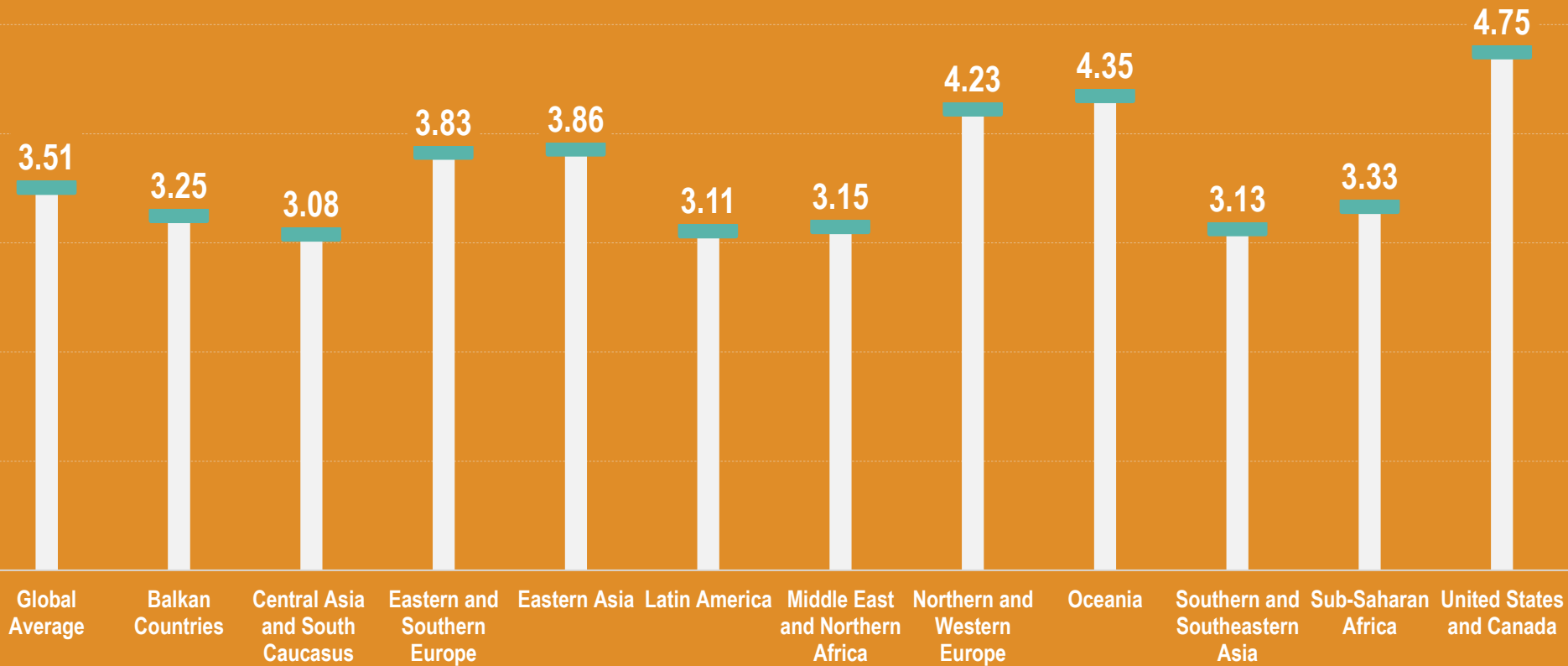


Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

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2018 Global Philanthropy Environment Index Scores *by Region*

— Tax Incentives

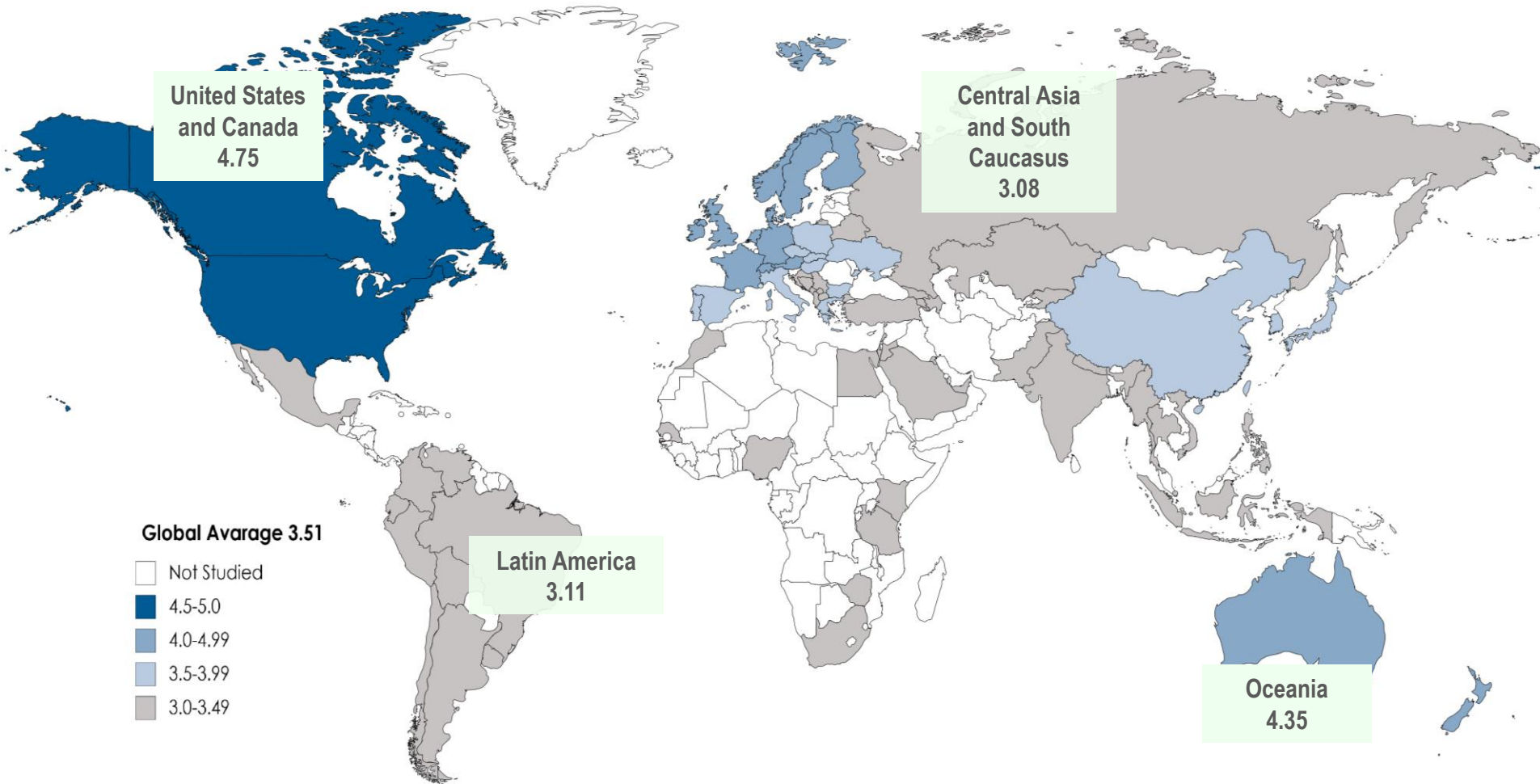


Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

2018 Global Philanthropy Environment Index

Scores

Score on Tax Incentives by Region

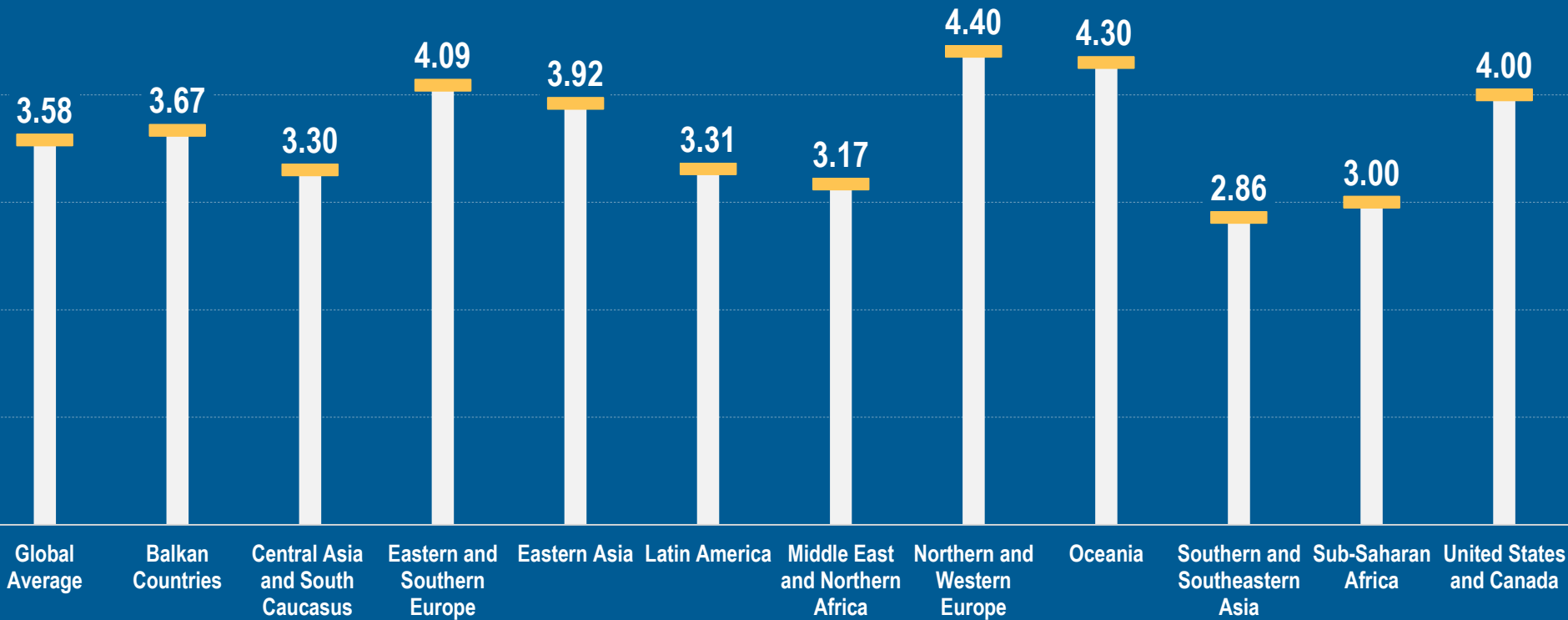


Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

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2018 Global Philanthropy Environment Index Scores *by Region*

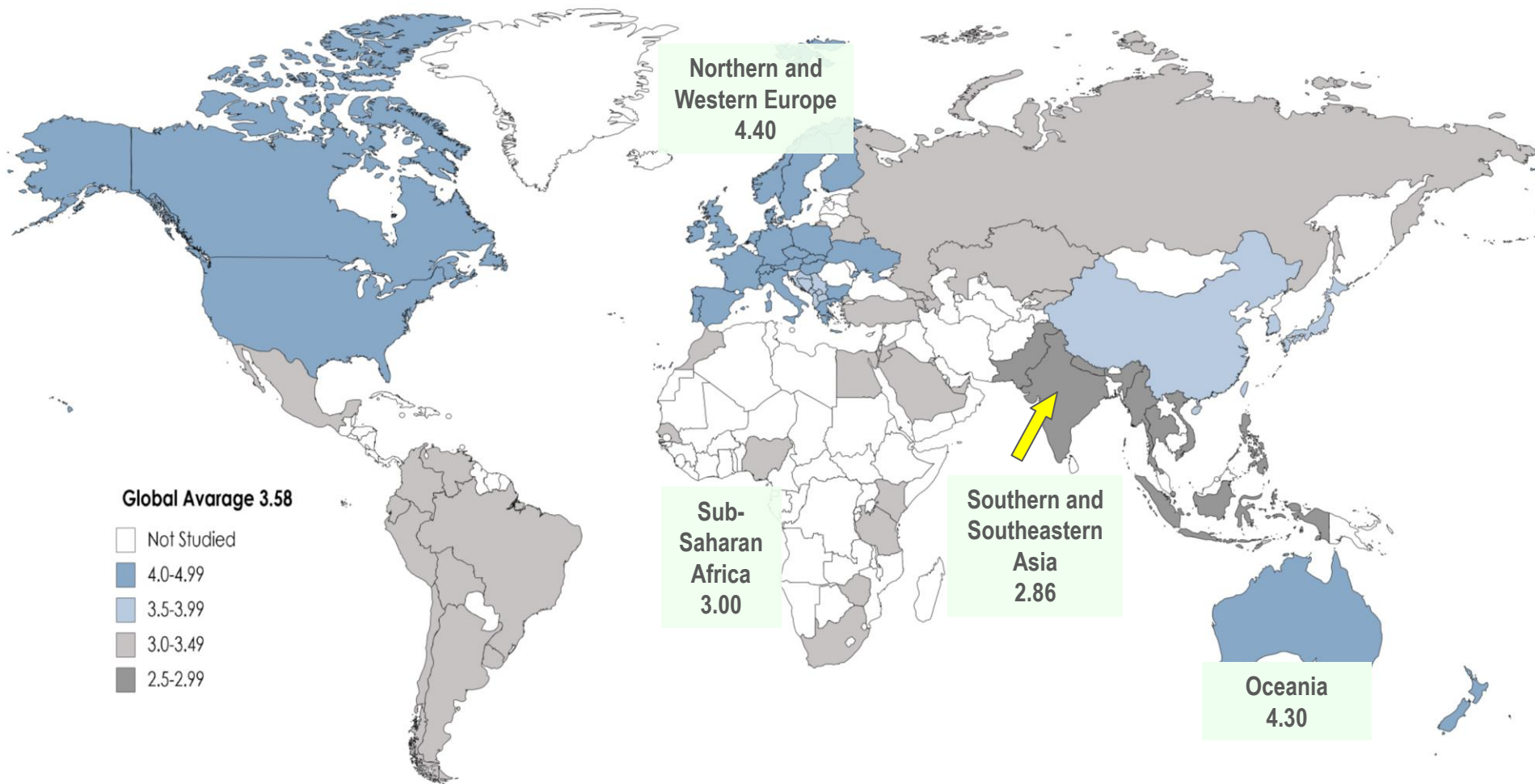
— Cross-Border Flows



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

2018 Global Philanthropy Environment Index Scores

Score on Cross-Border Flows by Region



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

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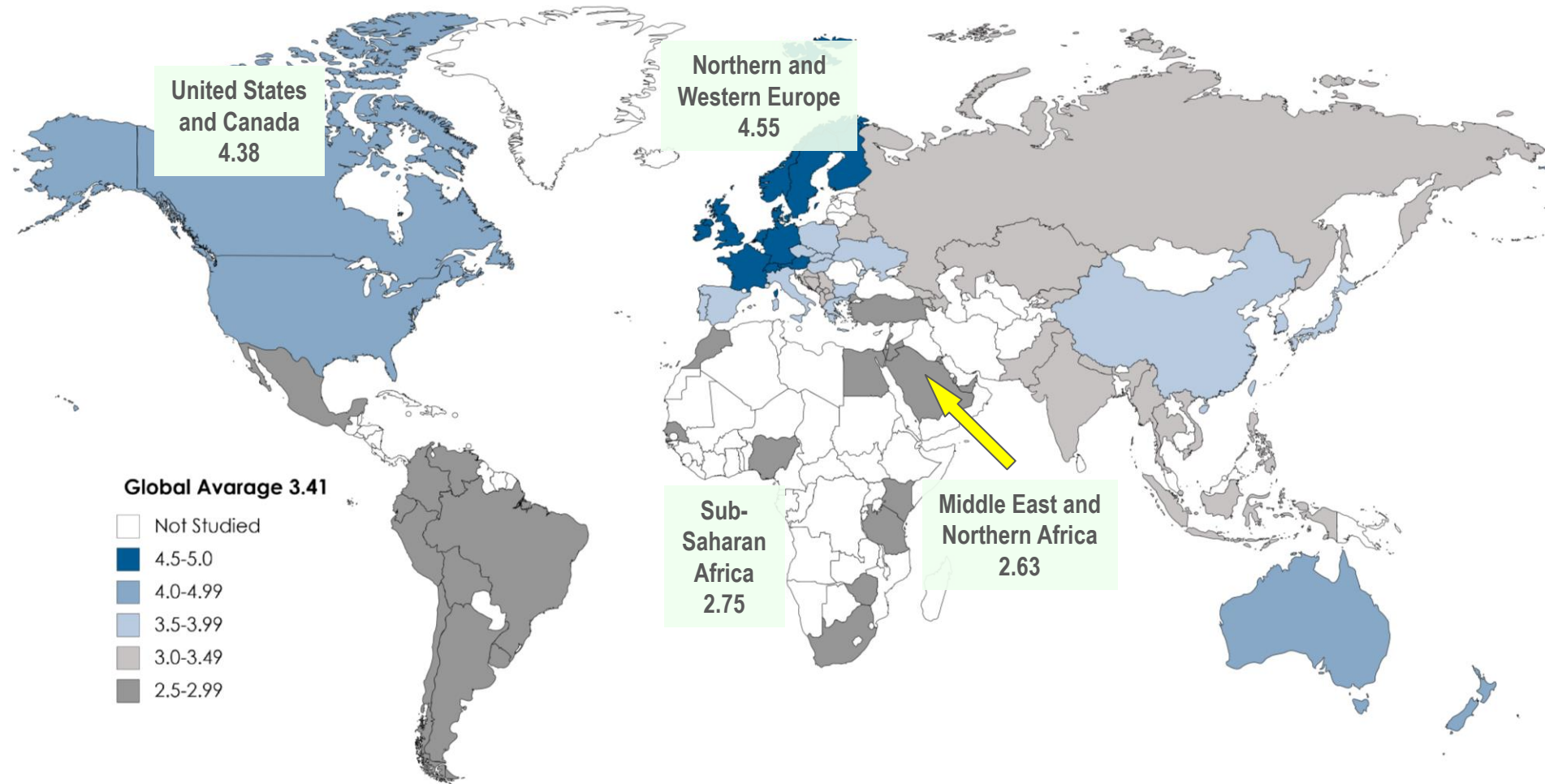
— Political Environment



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

2018 Global Philanthropy Environment Index Scores

Score on Political Environment by Region

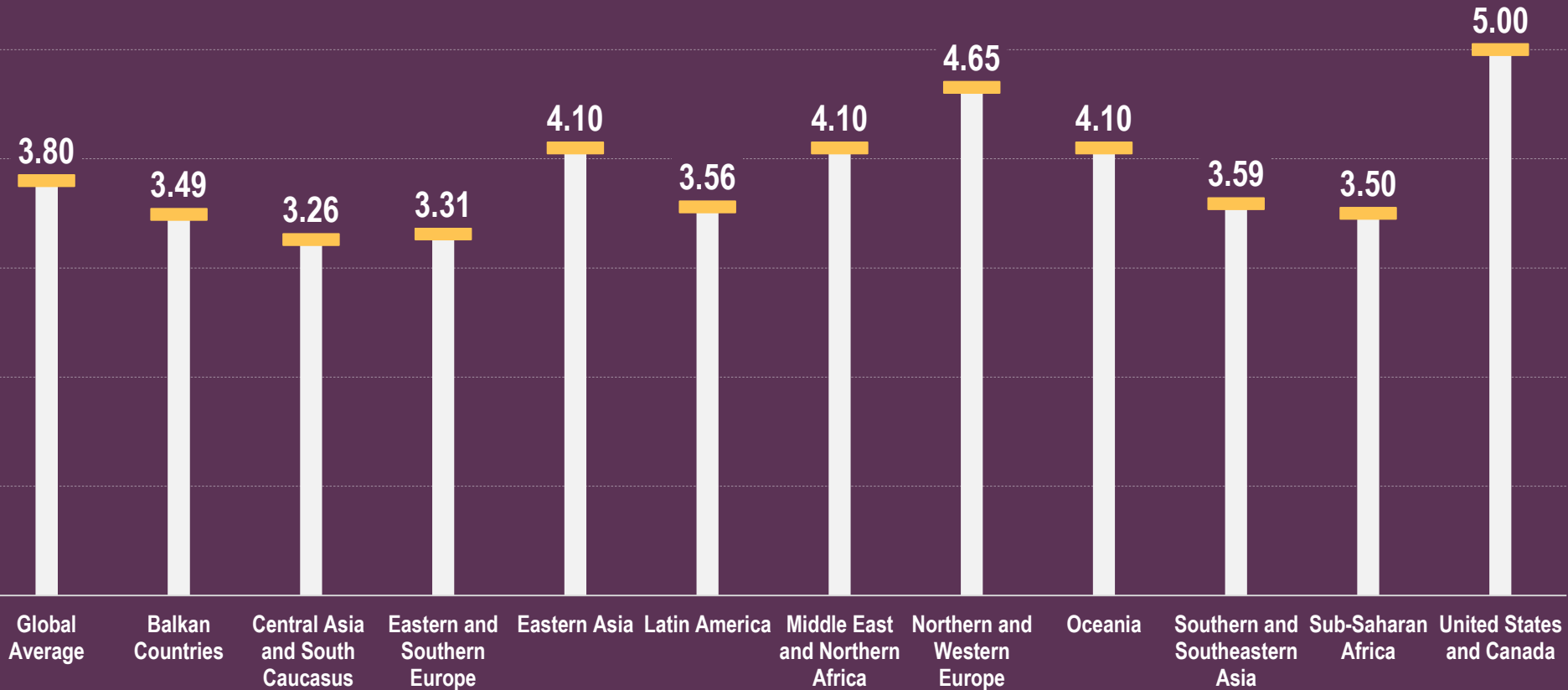


Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

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2018 Global Philanthropy Environment Index Scores

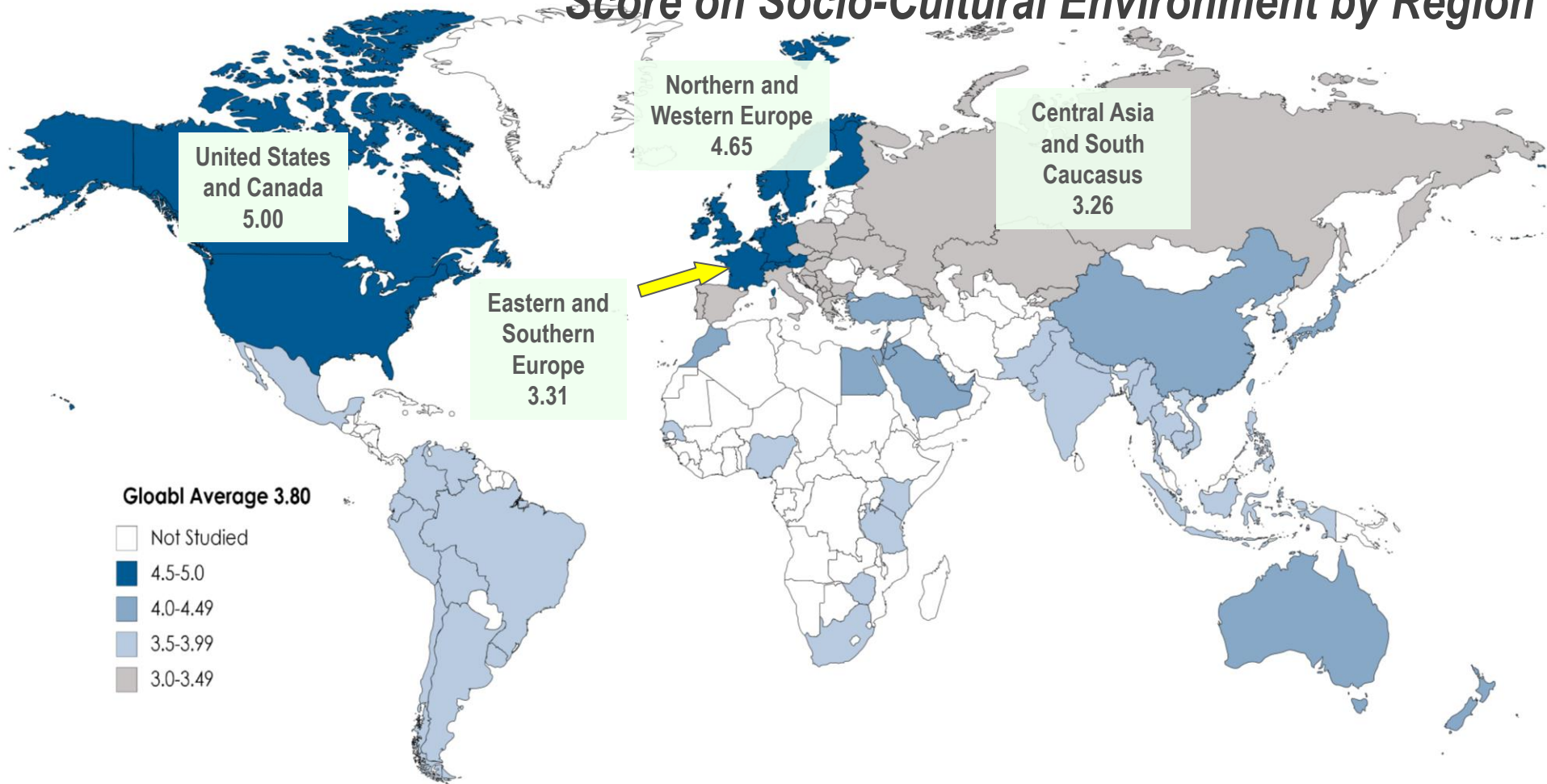
— Socio-Cultural Environment *by Region*



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

2018 Global Philanthropy Environment Index Scores

Score on Socio-Cultural Environment by Region



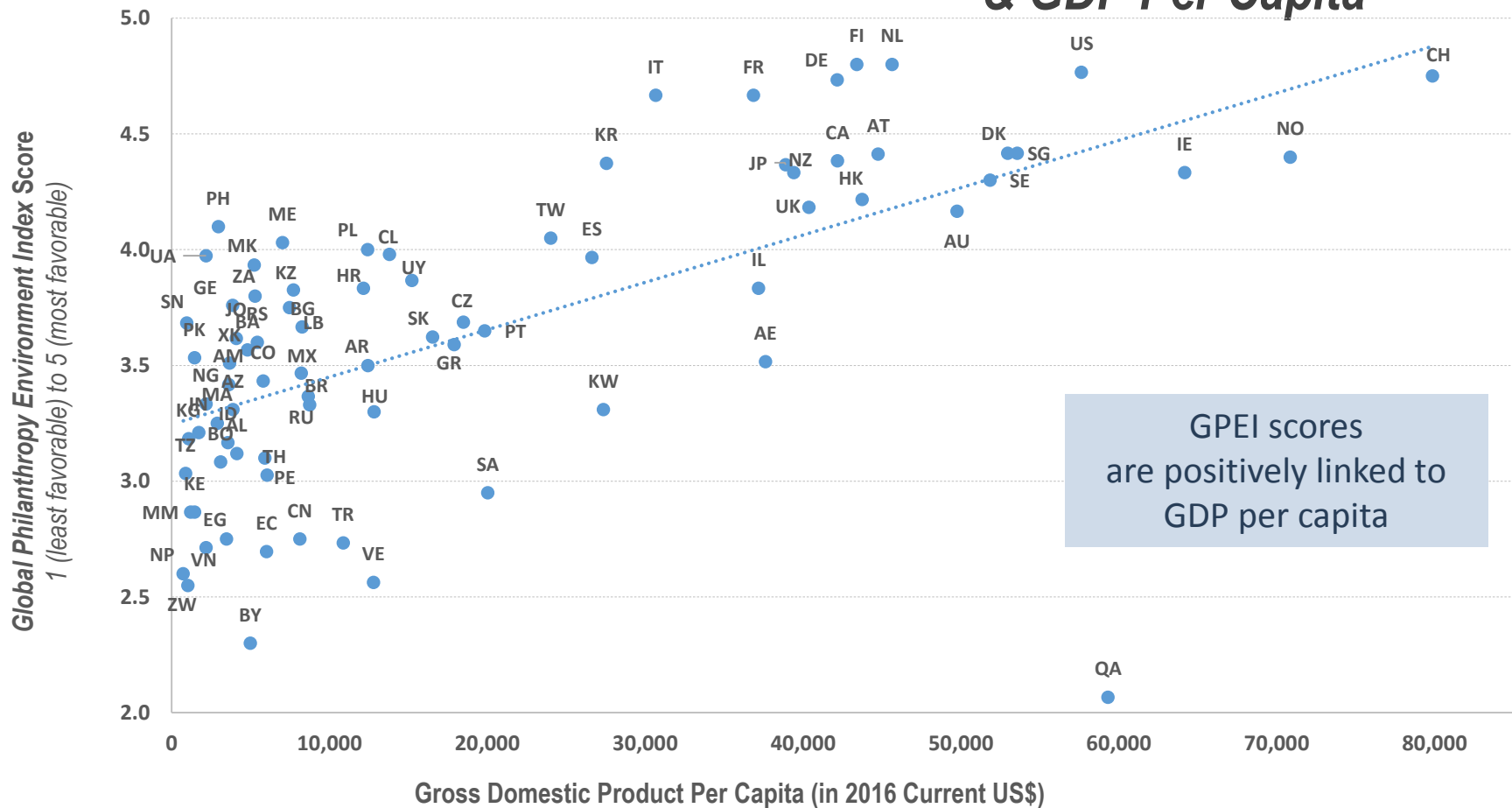
Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

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2018 Global Philanthropy Environment Index Scores

& GDP Per Capita



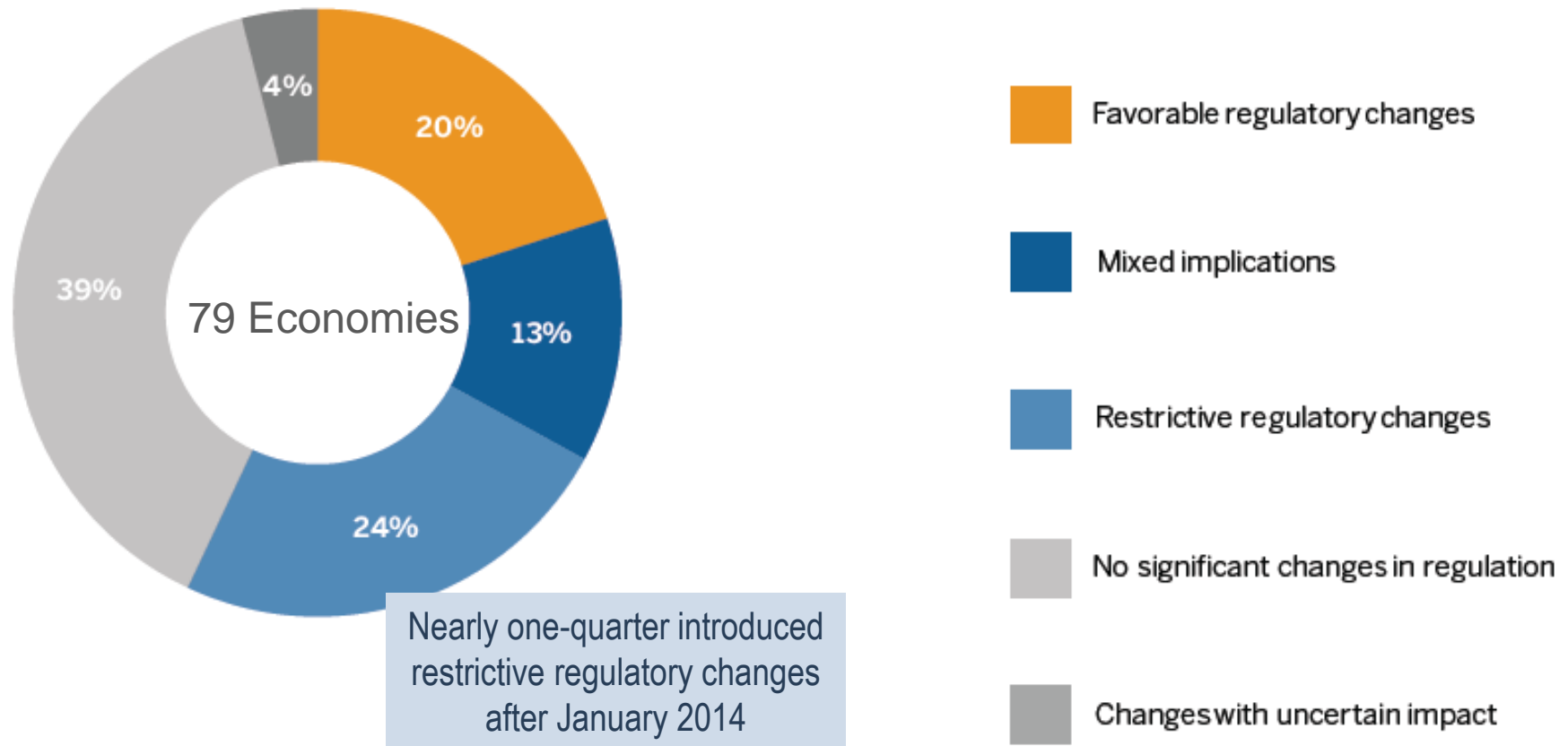
Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

Note: No economies scored below 2 on a scale of 1 to 5.

Data: GDP per capita from World Bank national accounts data and OECD National Accounts data files

Economies with Changes in Regulations Affecting the Philanthropic Sector

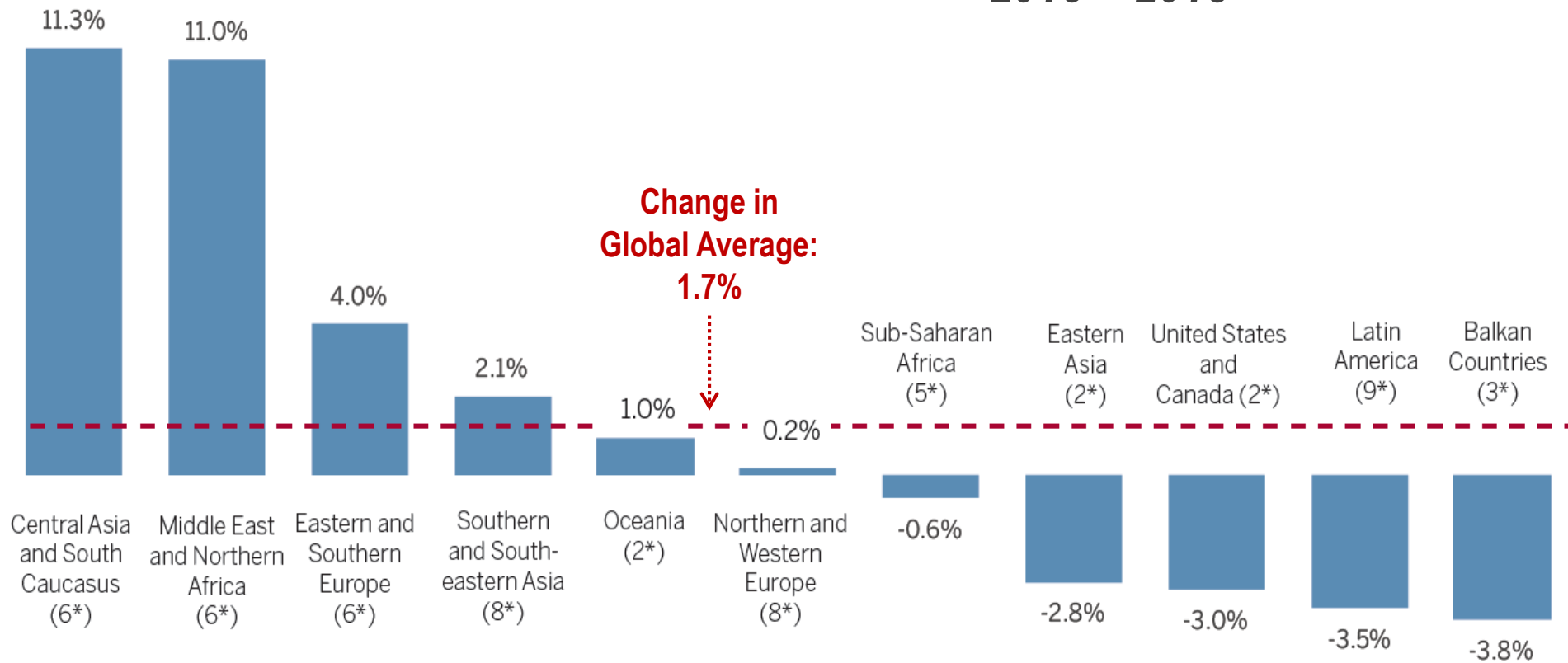
January 2014 – March 2018



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

Percentage of Change in the Regulatory Environment Scores in 57 Economies by Region

2015 – 2018



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

Notes: Data on the regulatory environment in the 57 economies that are included in both 2015 and 2018 reports are presented.

*Number in parentheses indicates the number of economies included in each region.

- Examples of Favorable Regulatory Changes
 - Simplified the registration process
 - Repealed laws exercising control over philanthropic organizations (POs)
 - Adopted or improved tax incentives for giving

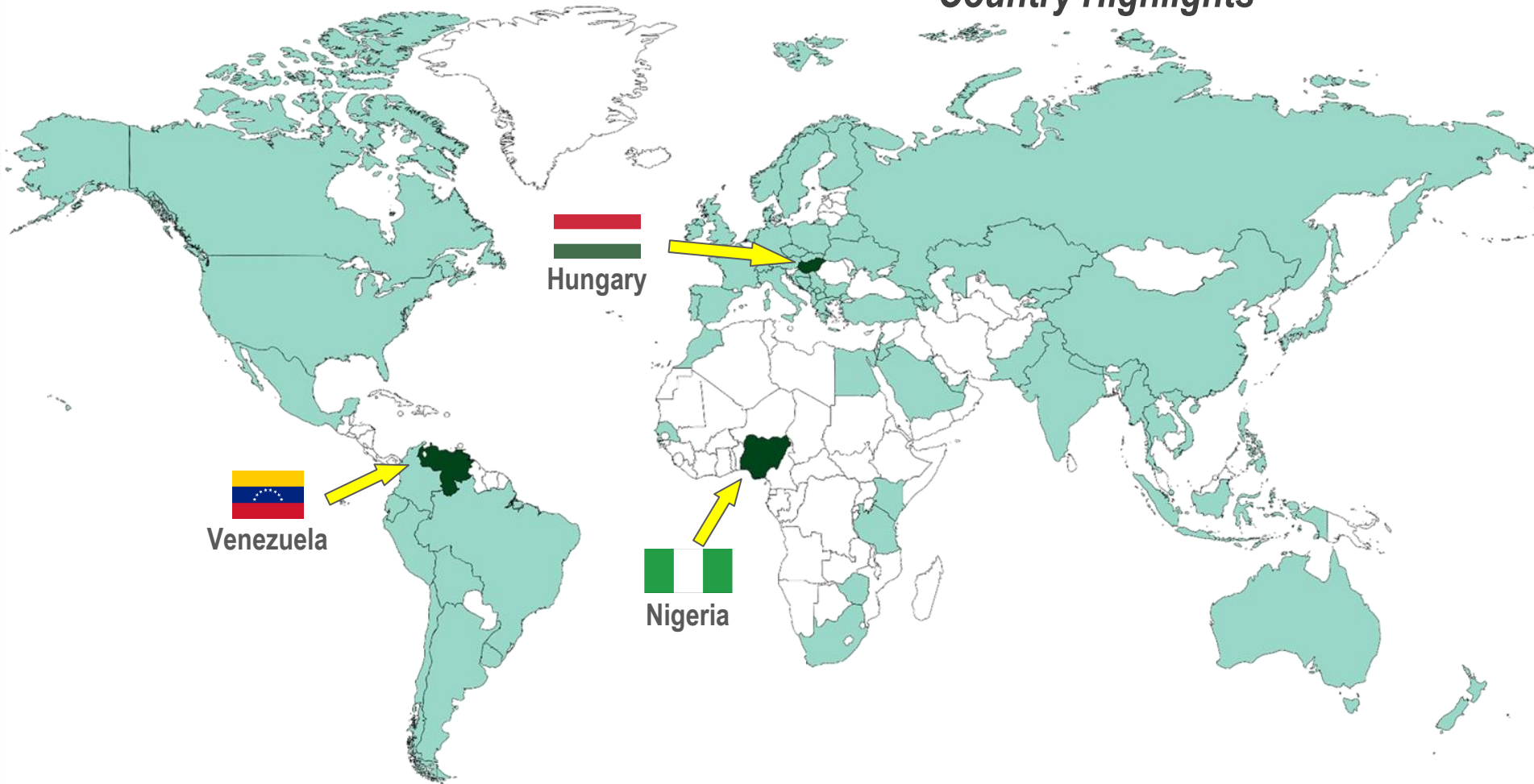
- Examples of Restrictive Regulatory Changes
 - Tightened management over foreign donations
 - Required public fundraising credentials for Pos
 - Unintended restrictive impact on POs of anti-money laundering or anti-terrorism laws



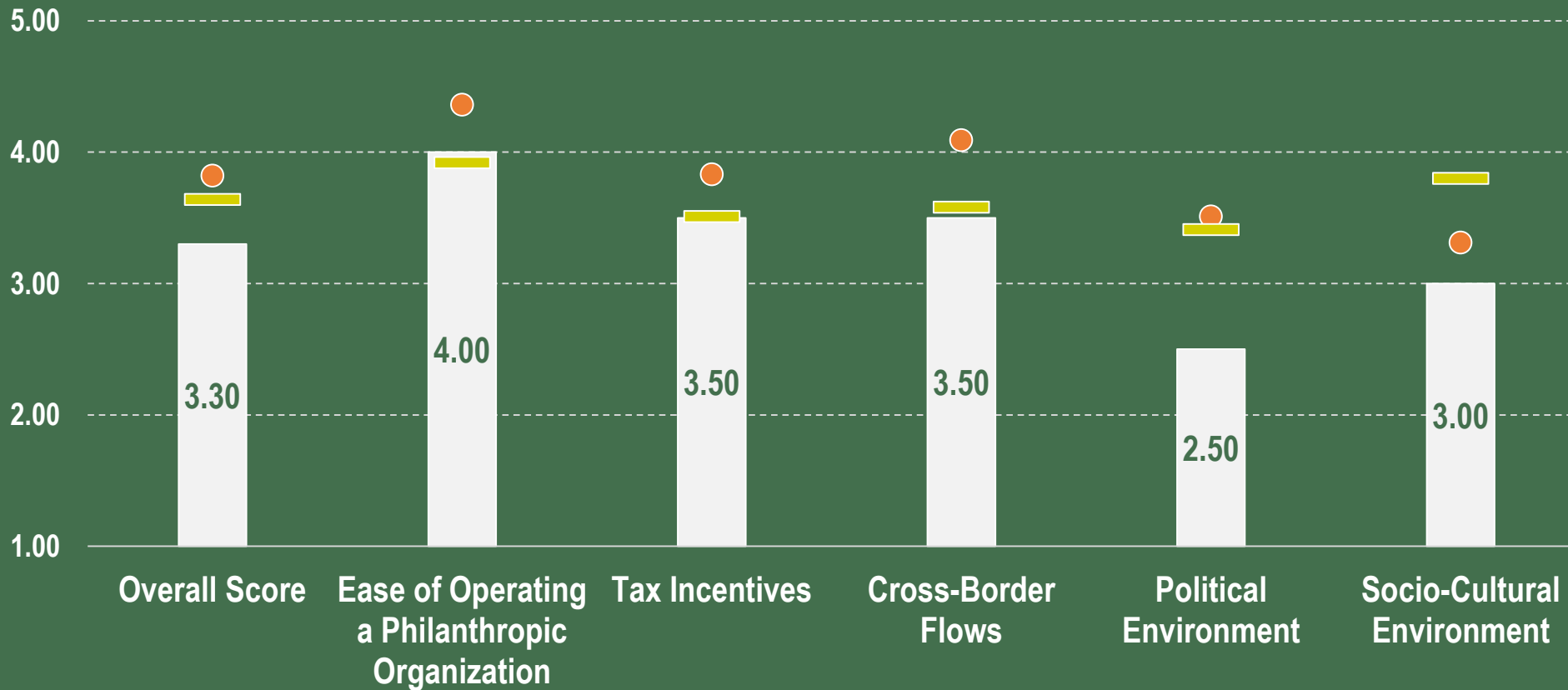
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2018 Global Philanthropy Environment Index

Country Highlights



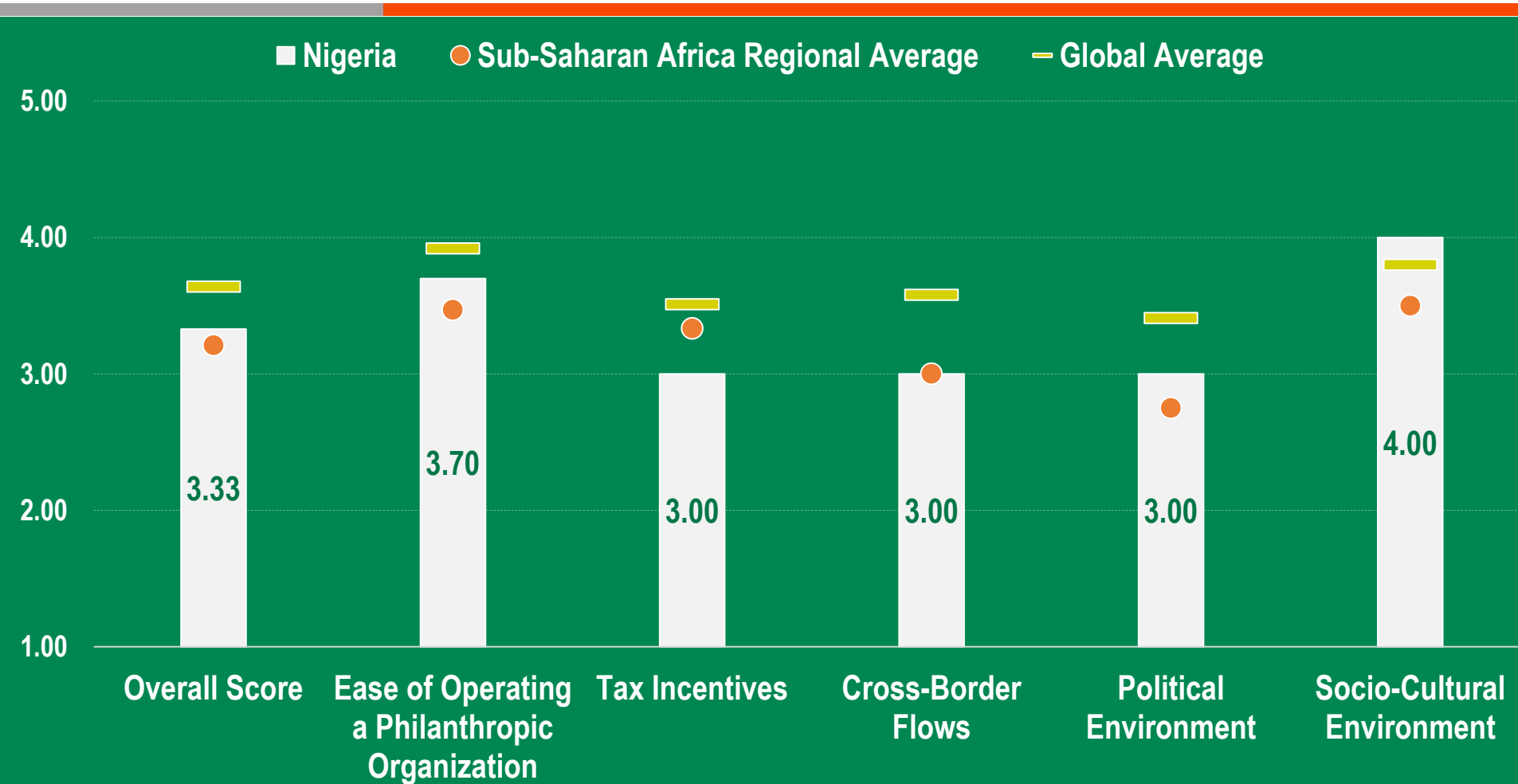
■ Hungary ● Eastern and Southern Europe Regional Average — Global Average



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

- Favorable Conditions and Changes:
 - Ease of operating
 - Free-of-charge registration
 - Cross-sector collaboration is encouraged
 - Various tax exemptions available for POs
 - An increasing level of public trust towards POs
 - A modest growth in digital fundraising, including crowdfunding

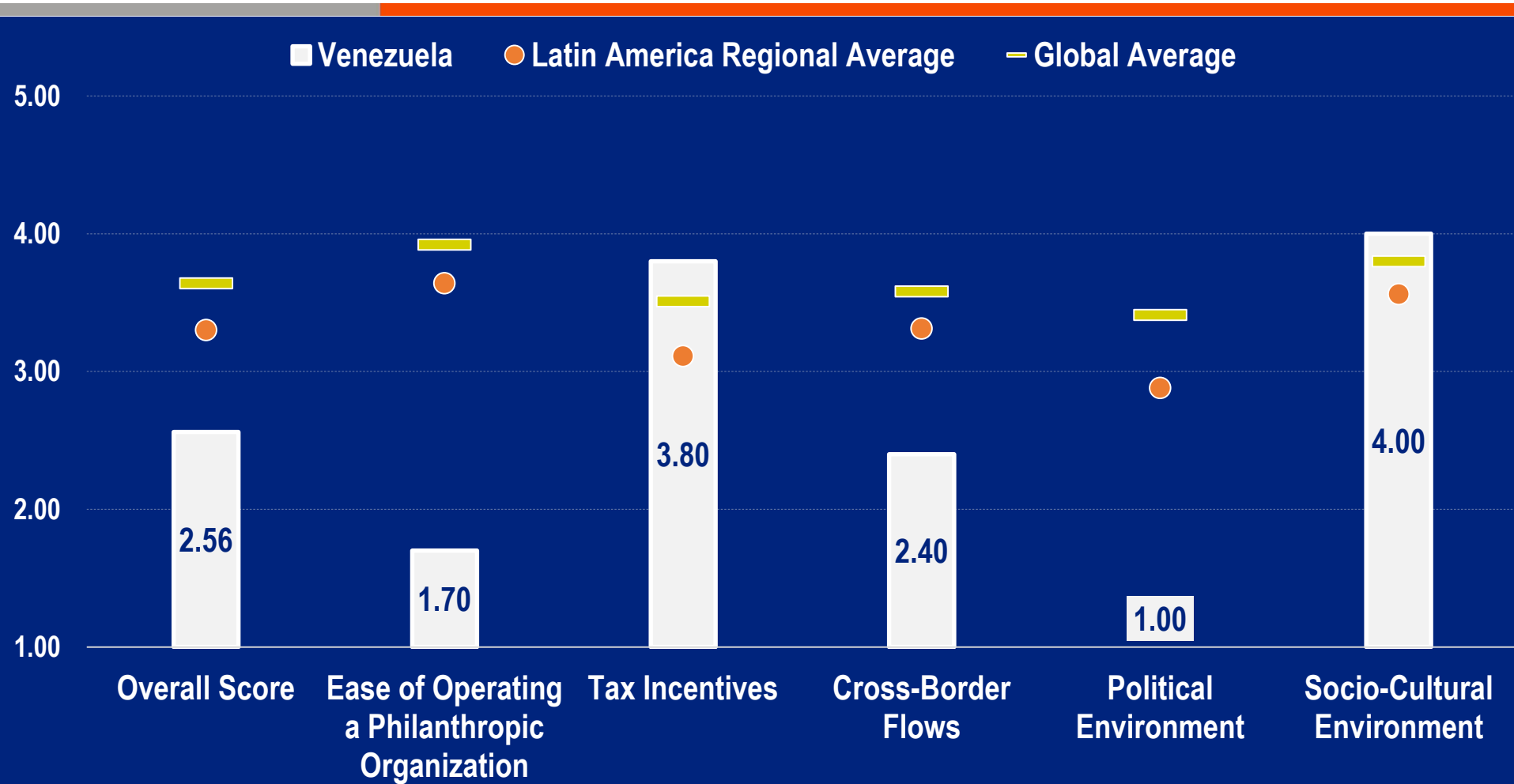
- Restrictive Conditions and Changes
 - Increased administrative requirements for POs
 - No tax benefits for individual charitable donations
 - Additional reporting requirements on cross-border donations
 - A more hostile political environment for
 - human rights organizations, and
 - advocacy organizations



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

- Favorable Conditions and Changes:
 - A growth in formalized and structured philanthropy
 - No tax benefits for individual charitable donations
 - Tax-deduction for certain corporate donations
 - Recent growth and recognition of social entrepreneurship

- Restrictive Conditions and Changes:
 - Bureaucratic registration process
 - Prohibition on POs with same-sex-related mission
 - Increased reporting requirements on cross-border donations
 - Possible restrictions on foreign-funded POs if the *NGO Regulatory Bill* was enacted



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

Philanthropic Environment in Venezuela



- Favorable Conditions and Changes:
 - Deductible charitable donations
 - A cultural and religious tradition of philanthropy
 - High trust in POs by society
 - Growing diaspora with philanthropic potential



Philanthropic Environment in Venezuela



- Restrictive Conditions and Changes:
 - Increasingly restrictive political and economic freedoms
 - Limitations in the ability to form organizations
 - Heavy government investigations of certain types of POs
 - Severely restricted cross-border donations

2018

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- Key factors affecting the enabling environment globally
- Major regulatory changes after January 2014 around the world
- Overview of philanthropic environment in 11 regions worldwide
- Status of the enabling environment in 79 economies
- and more

Globalindices.iupui.edu

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- **The New Power of Philanthropy**
MAY 22
- **Developing an Investment Strategy**
MAY 31
- **Three Legged Stool: Evaluation, Monitoring, and Feedback**
JUNE 13

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by **MAY 31**

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- **HR Summit**
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- **CFE Fundamentals**
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Baltimore, MD— **JUL 18-19**