

Giving in Europe

The state of research on giving in 20 European countries

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Research on Giving in Switzerland

The state of research on giving by households, corporations, foundations and charity lotteries to charitable organisations in Switzerland



An ERNOP publication

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Research on Giving in Switzerland

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Introduction on Giving Research in Switzerland

Except for legal issues, research on philanthropy does not have a long tradition in Switzerland. It is only lately that the topic has received more attention. The only Swiss university with a specialized institute investigating philanthropy is the University of Basel, although research on related fields such as non-profit management or fundraising has been conducted at the universities of applied sciences and the University of Fribourg for longer. One common problem is data availability. While there are good datasets on volunteering and monetary donations by individuals, there are no comprehensive or detailed datasets about organisational giving. This is due to the fact that neither foundations nor charities are obliged to publish their financial data. Data about corporate donations are also only partially available. In order to improve this situation a parliamentary interest group on philanthropy has been formed that is attempting to address these issues in politics. Among other things, they are demanding that the tax authorities in cooperation with the Swiss Federal Statistical Office gather data on individual and corporate donations, as well as foundation spending, and create anonymized datasets for research purposes. The main research centres are the following:

The Center for Philanthropy Studies (CEPS) is the leading research institution on philanthropy in Switzerland. It was established in 2008 through an initiative of SwissFoundations, the umbrella organisation of grantmaking foundations. The CEPS is involved in various research projects in topics ranging from mission investing and performance measurement to social innovation or the management of non-profit organisations. One core area of research is grantmaking foundations. Together with SwissFoundations and the Center for Foundations Law of the University Zurich the CEPS publishes the Swiss Foundation Report every year, which includes statistical data on the foundation sector.

The Verbandsmanagement Institute (VMI) at the University of Fribourg is the oldest research centre in the field of non-profit management in Switzerland. Its research focuses on membership organisations, non-profit management and fundraising, among others. They also use the data of certified funds receiving social aid and relief organisations to analyse the sources of income and spending.

The Center for Foundation Law at the University Zürich does research into the legal environment of foundations. It is attempting to achieve full documentation of the relevant domestic and foreign case law and the literature related to foundation law.

The Institute of Political Science of the University of Bern is responsible for conducting the research of the Freiwilligenmonitor (Volunteering Monitor). This study is repeated every 3 to 5 years and focuses primarily on voluntary work within the Swiss population. Additional questions about the donation behaviour of individuals are included in the questionnaire.

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The Center for Leadership and Values in Society (CLVS-HSG) at the University St. Gallen is primarily concerned with answering questions about the public value of corporations and organisations, or their contribution to the common good.

The Institute for Market and Social Research gfs-Zürich is a private company that was commissioned to research donation behaviour in the Swiss population by a group of NPOs from 1997-2014.

Giving by individuals

Swiss NPOs on average cover 8% of their costs through donations. They earn 57% through providing paid services, and 35% is covered through contracts with the state (Helmig et al., 2010). Looking at these numbers one might draw the conclusion that donations are not very important for Swiss NPOs. However, quite the contrary is the case. The numbers are blurred due to the many governmental subsidies and private incomes of large social welfare providers, as well as membership fees from sports clubs and trade associations. Religious institutions and international aid organisations still receive more than 40% of their income through donations, and environmental organisations around 20%. Without philanthropic contributions, they would have major problems maintaining their operations.

In Switzerland evaluations of giving by individuals are available from multiple sources. One data source is the annual donation survey of the Institute for Market and Social Research gfs-Zürich, which was commissioned during the period 1997-2014 by a group of non-profit organisations. The data were gathered from face-to-face interviews with around 1 500 respondents a year (random- quota selection). The results were published annually in short donation reports called Spendenmonitor. The 2-5 page-long publications only gave basic information about donations in Switzerland. The commissioning organisations received detailed reports and could ask for the inclusion of questions on special interests in the surveys. The results show that the mean donation per household equals around CHF 490. There are significant differences between the German-speaking and the French-speaking parts of Switzerland. In French-speaking Switzerland the mean is considerably lower (CHF 285) than in the German-speaking part (CHF 552). This difference can be explained through differing cultural views on the responsibility of the state in providing welfare services (von Schnurbein / Bethmann, 2010). A Swiss household supports four different organisations on average every year (gfs, 2014).

Another data source is the numbers provided by the ZEWO. The ZEWO is a private foundation that sets the governance standards for Swiss charities, and provides a certificate that demonstrates to donors that funds are used efficiently. The ZEWO monitors aspects such as corporate governance, the efficient use of funds and fundraising costs. This foundation conducts annual surveys among its 440 members. The public reports cover the following issues: comparative donation statistics, distribution, categories, topics and the total income of donations. The total amount of donations in Switzerland is then calculated on the basis of a projection based on these data. The ZEWO estimates that the total amount of donations in Switzerland equals around CHF 1.7 billion¹⁴³ (€ 1 381 000), from which two-thirds are given to ZEWO-certified organisations (ZEWO, 2014). At irregular intervals the

¹⁴³ Exchange rate for 2013: 1 Euro is equal to CHF 1.23

ZEWO publishes reports on current issues, such as fundraising efficiency or performance measurement, using the data of the certified organisations.

The most extensive data source is the Volunteering Monitor. This study is initiated and largely financed by a civil society organisation called the Schweizerische Gemeinnützige Gesellschaft (SGG) in collaboration with Migros-Kulturprozent (a fund from the largest supermarket chain in Switzerland) and the Swiss Federal Statistical Office. The results are published in book publications (Ammann/Farago, 2007; Stadelmann et al., 2010). A detailed methodological report as well as the questionnaire used is available on the Internet (freiwilligenmonitor.ch); the research data output can be ordered separately. The first surveys were undertaken in 2006 and 2009 (published in 2007 and 2010) and the latest data were available at the end of 2015. The main focus of the Volunteering Monitor is, as the name suggests, the state of formal and informal time donations in Switzerland. However, questions about monetary donations are included in the survey, but only play a minor role in the publications.

The study of the Volunteering Monitor was conducted by a market research institute (DemoSCOPE AG). The interviews of the 2010 Monitor were held between September 14 and December 12 2009 using Computer Assisted Telephone Interviews (CATIs). The survey was designed as a cross-sectional study with a target population of the entire Swiss population (including foreigners) older than 15 years of age and speaking one of the three official Swiss languages (German, French, Italian). They must also have a landline phone connection. The final dataset consists of 6 490 valid interviews. The sample was selected by a random-random-process. The person to be interviewed in any given household was chosen by the last birthday method.

An analysis of the 2009 survey has shown that 76 % of the Swiss population donates money or non-cash contributions. The majority of the Swiss population gives less than CHF 300. The median donation per person per year is around CHF 250. Around 12 % donates amounts greater than CHF 1 000 (Stadelmann-Steffen et al, 2010). Despite the financial crisis, there was no noticeable change compared to the survey in 2006, except for a slight shift away from funding international aid towards supporting ill or disabled people in local areas. One can see that the giving behaviour of people in Switzerland as a whole remains stable, or even shows an upward trend, as can be derived from the ZEWO statistics mentioned above. The Volunteering Monitor further analyses the individual characteristics of donors such as their age, level of education, income or size of the household. Unfortunately it does not show the total or mean amounts donated to specific topics.

In terms of percentages donated to causes no reliable numbers exist. We therefore refrain from making estimations that cannot be solidly based on data. As a data source for the total amount of funds donated to different categories we use the data from *The Johns Hopkins Comparative Nonprofit Sector Project* (Helmig et al., 2010). It shows the total amount of donations classified by the ICNPO. Based on their calculations the total amount of donations equals around CHF 1.9 billion¹⁴⁴ (€ 1 377 000). However, as a consequence of international standardization, donations to state-funded churches (e.g. the Catholic Church and the Reformed Church) are not included in this figure.

¹⁴⁴ Exchange rate for 2010: 1 Euro is equal to CHF 1.38 (CHF 1 is equal to 0,725 Euro), CHF 1.9 billion = rounded number

Table 23.1 Donation incomes according to the ICNPO classification

	million EUR ¹⁴⁵	percentage
Religion	289	21 %
Health	149	11 %
International aid	135	10 %
Public/social benefit (national)	481	35 %
Culture & sports	225	17 %
Environment/nature/animals	51	4 %
Education	27	2 %
Total	1 359	100 %

Source: Helmig et al., 2010, p. 186

Giving by bequest

The total sum of bequests is estimated to equal around CHF 1.1 billion (Stutz/Bauer/Schmugge, 2007) / € 660 000¹⁴⁶, where large chunks flow into the establishment of new foundations and not necessarily to existing non-profit organisations. For 2013, the ZEWO published the total amount of CHF 140 000 000, which its members receive from legacies. This value corresponds to 12.7 % of the total donation amount of CHF 1.1 billion of all the ZEWO-certified organisations. Other non-profit organisations draw attention to the option of giving by bequests. In order to encourage people to think about their legacies 16 Swiss charitable organisations combined forces and founded the MyHappyEnd platform. They shared costs to produce a joint video that encourages the inclusion of charities in peoples' wills. There are no reliable data sources about the areas that receive bequests.

In the coming years we might see a strong increase in the money donated to charities as legacies. The inheritance law is under review. A new law most probably will decrease the legal amount allowed for close relatives, which in turn frees up more funds to be given to charitable organisations.

Giving by corporations

Data on corporate giving are rare in the Swiss context. Available studies focus primarily on corporate volunteering in Switzerland, such as Ammann et al. (2004) or Lorenz et al. (2011). At the beginning of their study Ammann et al. (2004) give a brief overview of how companies support the general public. Their sample consists of 641 respondents who answered a survey sent out to 3 923 subscribers of a magazine for employers, although the data gathered do not represent the typical Swiss economic landscape. Within the group of respondents large companies are overrepresented. However, the data allow initial clues. They found out that 92.4 % of the companies donates time (giving employees time for voluntary engagements, joint activities or pro bono services), 74.1% money, and 50% make

¹⁴⁵ Exchange rate for 2010: 1 Euro converts to CHF 1.3 (CHF 1 is equal to 0.7 Euro)

¹⁴⁶ Exchange rate for 2007: 1 Euro converts to CHF 1.6 (CHF 1 is equal to 0.6 Euro)

material donations. On average, Swiss companies donate CHF 330 per employee per year. For this reason, the total estimated amount of corporate donations is CHF 0.8 to 1 billion (€ 893 000)¹⁴⁷.

Other studies take a broader view and look at corporate citizenship in general, such as Wehner et al. (2009). The authors conducted an online survey with more than 2 000 Swiss corporations on philanthropic engagement. They found out that 76 % of the corporations are engaged – either passively in the form of donations or sponsoring, or actively by volunteering or offering their expertise free of charge. The sport sector benefits most (71 %), followed by the cultural (59 %), educational (53 %) and social sectors (38 %).

There are only two studies that explicitly examine corporate giving. The first one by Castelli (2010) distinguishes on a theoretical level between three instruments of giving: donations, sponsoring and corporate foundations. He does not provide data for the entire economic sector in Switzerland, but for one specific case – the SwissRe corporation.

In contrast, a survey by the Ethos foundation (2014) analyses the relationship between corporate governance and political as well as philanthropic donations. The authors focus on the information and communication processes of the 100 largest listed companies in Switzerland. They want to know how transparently corporations inform the public about their activities. To answer this question they used annual reports, sustainability reports, codes of conduct, and further specific documents and information located on corporate websites, which were made public by the end of 2013. The authors see philanthropic donations as being embedded in the context of corporate citizenship, and define them as any form of donation without the expectation of return. These include cash payments, in-kind gifts, the establishment of corporate foundations or volunteering. This classification with regard to Castelli's (2010) understanding shows the fragmentation and diversity of the field. There is no broadly accepted or clear definition provided by Swiss authors.

The results of the report show that only 53 % of the 100 companies provide information about their political and philanthropic donations. This number also includes companies that have informed the general public about not donating money to any institution (12 %). Only 14 out of 36 companies donating due to a philanthropic reason published the total amount they donated. The exact number is, however, unknown. The information was made available primarily in the annual reports, followed by the websites, the codes of conduct and finally the sustainability reports. Further quantitative data are not available on the subject of corporate giving in Switzerland.

Giving by foundations

In Switzerland around 13 000 charitable foundations exist. There are 16 foundations for every 10 000 inhabitants, which makes Switzerland one of the countries with the highest density of foundations in relation to its overall population worldwide (Eckhardt, B./ Jakob, D. / von Schnurbein, G., 2015). However, data about foundation spending are very limited. All the numbers that exist are rough estimations. This is due to the liberal foundation law in Switzerland, which does not oblige foundations to publish any financial data. Theoretically the data are available, as foundations have to send reports to their supervisory authorities; however, these data are not given out to researchers.

¹⁴⁷ Exchange rate for 2013: 1 Euro is equal to CHF 1.2

The basic departure of almost all studies on foundations is the commercial register. Only when a new foundation is officially added to the register does it receive its legal personality. The information published in the register is: the date of the establishment and the name and address of the foundation, its board members (active and previous), the name of the managing director (if authorized to sign), the auditing company, as well as the deeds of the foundation.

Estimations about the total volume of foundation giving range from CHF 1.5 to 2 billion (€ 1 278 000)¹⁴⁸. The total assets held by foundations are estimated to be around CHF 70 billion (von Schnurbein/ Bethmann 2010). Due to the absence of publically available data, estimations about the target areas of foundations' giving are hard to make. One lead is the results of a self-declaration of the approximately 100 members of SwissFoundations in 2012. In total they gave CHF 282 037 011. This sum was subdivided into the granting areas of education, research & innovation (CHF 97 387 717; 34 %), social (CHF 72 556 811; 26 %), culture (CHF 56 191 790; 20 %), international development aid (CHF 41 904 377; 15 %) and the environment (CHF 13 996 317; 5 %).

This differentiation does not include religion. Members of SwissFoundation, however, give money to projects in Switzerland and abroad that are executed by church-led organisations such as Caritas or HEKS (the social aid and development organisation of the protestant churches). The available data do not allow an estimation of giving to religion by foundations.

Giving by charity lotteries

The lottery in Switzerland is split between two main players responsible for delivering lots and implementing the lottery as a whole. The 'Loterie Romande' is responsible for the French-speaking cantons, and its counterpart for the German- and Italian-speaking cantons is named 'Swisslos'. Both institutions are organized as associations, were founded by the government and are supervised by 'Camlot' (the Swiss Lottery and Betting Board). The profits made by the associations flow into the cantons' finances as funds. The distribution is based on the population size and the number of people buying lottery tickets. The funds are separated into two categories: sports and culture, where culture includes a broad range of topics from arts to social services to leisure. More than 12 000 projects are supported each year. The exact amount of money given to the funds is available on the homepage of the 'Loterie Romande' as well as on the homepage of 'Swisslos'. An overview of all funded projects is listed in the cantons' annual report. An application for funds can be made by any Swiss citizen or organisation. Specific rules apply in each canton. As a consequence, lottery giving is predominantly perceived as state spending and not as civic engagement. However, projects that already receive state subsidies are not allowed to file requests to the lottery fund.

The data available are mainly published on the cantonal Internet platforms. However, a combined dataset on selected projects or on the exact amounts donated does not exist. Hence, the data reported in the following table were derived from the cantonal reports. We summed up all the reported funds that were distributed directly by the cantons. The total amount of money distributed by the

¹⁴⁸ Exchange rate for 2010: 1 Euro converts to 1,3 CHF (1 CHF converts to 0,7 Euro)

lottery funds in 2013 totalled almost CHF 470 000 000 (€ 382 000 000)¹⁴⁹. Considering the public background of these lotteries, we will not include them in the overall figure of giving in Switzerland.

Table 23.2 Uses of donations by charity lotteries, 2013

	million CHF	percentage
Sports	108 334 783	23.06 %
Culture	169 482 644	36.07 %
Preservation of historical monuments	52 014 355	11.07 %
Welfare and elderly people	30 710 971	6.54 %
Youth	15 040 670	3.20 %
Health and disability	10 258 998	2.18 %
Education & research	16 662 931	3.55 %
Environment and international aid	28 373 553	6.04 %
Tourism and development	8 281 700	1.76 %
Others	30 706 493	6.54 %
Total	469 867 098	100 %

Source: CEPS

Links to other data sets

As can be seen above, the number and quality of the datasets for philanthropy is improving. The best datasets exist in terms of time donations (volunteering) and monetary donations. The Volunteering Monitor dataset is available for any non-commercial purpose. It is possible to combine it with other datasets. The CEPS has done so for a study project leading to the Palgrave Research Companion to Global Philanthropy, edited by Pamala Wiepking and Femida Handy (2016). The data could be recoded to run several quantitative analyses, and to combine them with datasets from other countries. The new 2015 dataset is also available for research purposes.

Conclusion

Even though the data are incomplete, it has become evident that philanthropic giving plays an important role in Switzerland. International aid and environmental organisations in particular depend on donations on a large scale. The social sector receives heavy state subsidies and earns income by providing services. However, especially through donations NPOs are able to innovate and further develop services. Government contracts are normally strict in terms of cost control and only pay for pre-defined services.

¹⁴⁹ Exchange rate 2013: 1 euro converts to 1.23 CHF

In Switzerland many welfare services were first developed and financed by civil society. Pension insurance and subsidies for people in need were founded privately before becoming institutionalized. Even though spending on social services is increasing, a strong sense of civic responsibility persists due to an enduring liberal tradition. The federalist structure of the country and the direct democratic system offer many opportunities for private participation and stimulate widespread engagement for public welfare. An estimated total of 90 000 non-profits for a population of eight million inhabitants prove the thriving significance of the philanthropic sector. The sector's collaboration with the state is based on the principle of subsidiarity. However, the non-profits preserve a high degree of independence in both agenda setting and financial earnings.

The available data are most extensive in relation to individual giving. Following a statistical analysis, the results show that people most likely to give are protestants, women, people with higher education levels and home owners. That is not to say that others give far less or not at all. Interestingly, people following a religion other than Protestant or Roman Catholic tend to give more on average in Switzerland.

The large amounts of individual and organisational giving can be seen partly in the great amounts of disposable wealth within the Swiss population. To hear examples of large donations of over CHF 20 000 000 to zoos or museums is not unusual. Some of these are made anonymously as Swiss tradition normally does not allow boasting about charitable giving. At the same time there are ongoing efforts to establish a Swiss Giving Pledge and to bring the philanthropic engagement of wealthy Swiss people more into the public eye. Philanthropy by individuals, companies and grantmaking foundations is stimulated by the population's disposable wealth, the nation's liberal legal framework, which is simple to use in practice, and the international perspective. Switzerland combines a high standard of financial services and legal stability with access to international organisations and networks. This combination makes the nation attractive for both (ultra) high net worth individuals and international non-profits.

Research into giving by foundations and corporations is in its developmental stages. However, a lot of information is still needed that is missing due to difficulty in data accessibility. It would be huge step forward if the tax authorities were to create anonymized datasets for research purposes. This would allow a much more in-depth view of the numerous private contributions to the public good in Switzerland.

The following table includes all the available data. However, the numbers are based on estimations and do not all come from the same year. This descriptive statistics must be treated with caution, even though they give an overview based on the best data available. As these numbers are taken from different sources, double counts (e.g. corporate foundations as corporate donations and foundation giving) cannot be ruled out entirely. Another important thought to bear in mind is the exchange rate between the euro and the Swiss Franc. As the table is based on rough estimations we decided to use parity. The real exchange rate from April-May 2015 averaged around € 1.00 = CHF 1.04. From September 2013 to January 2015, the Swiss Franc was pegged to the euro with an exchange rate of € 1.00 = CHF 1.20. This currency fluctuation affects the comparability of the numbers in euros across Europe.

Table 23.3 Sources of contributions, in millions

Sources of contribution	million EUR	percentage
Individuals		
In vivo (2013/2014)	1 381	33 %
Bequests (2007)	660	16 %
Corporations (2013)	893	21 %
Charity lotteries		
Foundations (2010)	1 278	30 %
Total	4 212	100 %

Due to a lack of specific data we have not divided the total sum of donations into different uses of contributions. Further research will hopefully allow a more specific point of view on the usage of private funds for the public good.

References and further reading

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A stylized map of Europe is shown in the background, with landmasses in white and surrounding waters in blue. The map is centered on the Atlantic Ocean, showing the British Isles, Scandinavia, and the Mediterranean region.

About Giving in Europe

Philanthropy is not an American, but a European invention. 'Giving in Europe' shows: European philanthropy takes itself seriously.

This study is an initial attempt by members of the European Research Network On Philanthropy (ERNOP) to map philanthropy in Europe and presents a first overall estimation of the European philanthropic sector. Containing an overview of what we know about research on the philanthropy sector, it provides data and an assessment of the data on giving by households, bequests, foundations, corporations and charity lotteries in 20 European countries.

Despite the promising signs of an emerging philanthropy sector in Europe, it is still a phenomenon and a sector that is not very well understood. As a matter of fact, besides the anecdotal glimpses from national researchers and the great work that has been carried out on the subdomains of philanthropy, we know little about its actual scope, size and forms in Europe. For a better discussion and assessment of the (potential) role that philanthropy can play in solving societal problems, we need a clear picture of the size and scope of philanthropy. What amounts are donated by households, through bequests, corporations, foundations and charity lotteries, and to what goals? To what extent can we draw a picture of the philanthropy sector in Europe, what is the quality of the data involved?

In answering these questions, this publication aims to stimulate researchers, policy makers and philanthropy professionals in fostering research on philanthropy and to inspire to exchange knowledge and information. For more information visit www.ernop.eu.