

# Giving in Europe

The state of research on giving in 20 European countries

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# Research on Giving in Austria

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



An ERNOP publication

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# Research on Giving in Austria

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## Introduction on Giving Research in Austria

Research on charitable giving is a rather young discipline in Austria. While polling institutes have been collecting data on individuals giving since 1996, scholarly research focusing on philanthropy has emerged only recently.

The main part of giving research is conducted at the *Institute for Nonprofit Management* (read: Institute for NPM) and the *Competence Centre for Nonprofit Organizations and Social Entrepreneurship* (read: Competence Centre for NPO & SE), both belonging to WU Vienna<sup>5</sup>. While the Institute for NPM conducts basic research, the Competence Centre for NPO & SE is mainly dedicated to contracting research. Research on foundations is carried out by Hanna Schneider, Michael Meyer and Reinhard Millner, with an emphasis on mapping the foundation sector in Austria, most recently with a focus on foundations involved in research activities (e.g. Millner, Schneider, & Meyer, 2014; Schneider, Millner, & Meyer, 2010, 2015). Michaela Neumayr and Michael Meyer engage in research on individual giving. Among their topics of interest are cross-country differences in individual giving, giving to specific charitable subfields, giving behaviour and lifestyle, and the tax deductibility of donations (e.g. Neumayr, 2015; Neumayr & Pennerstorfer, 2015; Neumayr & Schober, 2012). Christian Schober, Ina Pervan and Ena Pervan-Al Soquauer deal with individual and corporate giving, a recent study investigates the effects of tax deduction of donations (Schober et al., 2014). The dominant academic background of the staff at both institutes is management, business and economics.

Furthermore, research on charitable giving has been conducted at the *Institute of Higher Studies* (read: IHS), a non-profit research institute covering the areas of economics, political science and sociology.<sup>6</sup> In a series of studies it addressed the effects of increasing the tax deductibility of donations for additional purposes, since it was limited to donations to particular organisations in the field of research until 2009. The focus of the extrapolations was on the impact on private and corporate donations; the background was economics (Felderer, Fink, Kuschej, & Paterson, 2002; Paterson, 2005).

In addition to academic research, the commercial polling institute *Public Opinion GmbH – Institute for Social Research* (read: Public Opinion)<sup>7</sup> conducts population surveys on individual giving on a regular basis. Until now, data are available for 1996, 2000, and for each year from 2004 to 2014. Based on these data, Public Opinion issues purchasable reports with descriptive analyses (Public Opinion, 2014). In the last few years, Public Opinion has also collected data on corporate giving. Concerning this matter, the data for 2007, 2008, 2011 and 2015 are available. The contact person is sociologist Bernhard Hofer.

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<sup>5</sup> Institut für Nonprofit Management: [www.wu.ac.at/npo](http://www.wu.ac.at/npo); Kompetenzzentrum für Nonprofit Organisationen und Social Entrepreneurship: [www.wu.ac.at/npo/competence](http://www.wu.ac.at/npo/competence).

<sup>6</sup> Institut für Höhere Studien: [www.ihf.ac.at/](http://www.ihf.ac.at/)

<sup>7</sup> Public Opinion GmbH - Institut für Sozialforschung: <http://www.public-opinion.at/wordpress/>

Another institution concerned with data on charitable donations is the *Austrian Fundraising Association* (read: FVA)<sup>8</sup>, the largest platform for donation-collecting non-profits in Austria. On an irregular basis, the FVA conducts or commissions studies on current issues (e.g. bequest giving, corporate giving). Also, the FVA has access to data on the philanthropic income of about 250 (large) non-profit organisations, which it uses for making projections of the total volume of donations (e.g. Fundraising Verband Austria, 2013, 2014b). The contact person at FVA is Günther Lutschinger.

Finally, the Ministry of Finance possesses information on tax deducted donations, since this information is included in individual tax data. These data were used for multivariate analyses in 2011 (Neumayr & Schober, 2012). Since 2009, when the tax deductibility of donations was increased to additional causes, the Ministry of Finance has compiled descriptive data on the use of tax deductibility. Although these data are unpublished, there is aggregated information on the tax deducted donations available from statistical reports (Statistik Austria, 2015).

## **Giving by individuals**

### ***Descriptive statistics of giving by individuals in vivo***

The most recent data on private giving stems from a population survey conducted by the polling institute Public Opinion. Accordingly, 60 per cent of the adult population in Austria made a donation which on average amounted to € 110 in 2013 (resp. data for 2014: 62 per cent; € 112)<sup>9</sup>. In total, about € 360 million has been donated. Among the most popular recipients people donate to are children (24%), animals (22%), national emergency relief (20%) and religious organisations (15%) (Fundraising Verband Austria, 2014a, p. 8). In contrast, culture and education are far less relevant charitable causes in Austria: merely 2-4 per cent of the population have donated to cultural organisations; less than 1 per cent to the field of education (see table 5.1).

More in-depth information on giving by individuals is available from a survey conducted by the Institute for NPM and the Competence Centre for NPO & SE in 2011 (Neumayr & Schober, 2012). These data reveal that 65 per cent of the adult population has made charitable donations in the respective year; the average amount given per donor was € 91. Altogether, around € 410 million was donated in 2011. The most prominent charitable causes were religion, national and international emergency relief, health and animals (see table 5.2). With regard to the amount of money donated to charitable subsectors, data from the Institute for NPM and the Competence Centre for NPM & SE reveal that the largest amount is given to international relief, which obtained around 15 per cent of the total donations in 2011. Religious organisations are in close second with almost 13 per cent (see table 5.2). The most frequent donation methods used are payment slips, door-to-door solicitations and money transfer orders (regular donations via bank transfer). Money transfer orders also accounted for the largest share of all donations with 28 per cent, followed closely by payment slips with 27 per cent. In contrast, online donations accounted for only 2 per cent of all donations, with merely 1 per cent of the respondents claiming to have ever donated online (Neumayr & Schober, 2012).

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<sup>8</sup> Fundraising Verband Austria: <http://www.fundraising.at/>

<sup>9</sup> For better comparability with the other national reports we provide data for 2013, more current data for 2014 are available.

**Table 5.1 Percentage of individuals donating to different goals, 2011 and 2013**

	<b>% individuals that donated to (2013, Public Opinion)</b>	<b>% individuals that donated to (2011, Institute for NPM)</b>
Religion	14.6 %	17.3 %
Health	-	10.0 %
International aid	4.2 %	4.9 %
International emergency relief	7.4 %	11.3 %
Public/social benefit (national)		
- National emergency relief	20.3 %	13.0 %
- Handicapped people	6.8 %	3.3 %
- Children (and youngsters)	24.8 %	9.4 %
- Elderly	2.5 %	1.8 %
- Refugees, asylum seekers	2.3 %	1.6 %
Culture	4.2 %	2.1 %
Animals	22.1 %	9.7 %
Environment/nature	8.9 %	3.8 %
Education	-	0.8 %
<b>Total (%)</b>	<b>60.0 %</b>	<b>65.4 %</b>
<b>Mean amount donated per donor</b>	<b>€ 110</b>	<b>€ 91.4</b>

*Differences in the data from Public Opinion and the Institute for NPM are mainly due to the number of categories and the labels used for particular categories in the questionnaires. For example: “children” (Public Opinion) and “children and youngsters” (Institute for NPM).*

*Sources: Fundraising Verband Austria 2013; Neumayr, Schober 2012:26.*

**Table 5.2 Uses of donations by individuals in 2011**

	million EUR	% of total individual giving
Religion	54.6	13.3 %
Health	36.5	8.9 %
International aid	23.4	5.7 %
International relief	63.2	15.4 %
Public/social benefit (national)		
- National relief	30.4	7.4 %
- Handicapped people	8.6	2.1 %
- Children	43.5	10.6 %
- Elderly	4.1	1 %
- Refugees, asylum seekers	7.0	1.7 %
Culture	7.4	1.8 %
Animals	30.0	7.3 %
Environment/nature	18.9	4.6 %
Education	2.1	0.5 %
Other categories*	80.4	19.7 %
<b>Total</b>	<b>409.9</b>	<b>100.0 %</b>

\* Other categories include: homeless people, sports and recreation, human rights, addicted people.

Source: Neumayr & Schober, 2012:27.

#### Data sources of giving by individuals in vivo

The above-mentioned data collected by the polling institute Public Opinion stem from a population survey conducted in 2013. Similar surveys were carried out in 1996, 2000 and annually since 2004. The target population are individuals living in Austria who are 16 years and older. The sample of 1,010 people was collected by using a quota-procedure and the interviews were conducted face-to-face. Information on the variables used for the sampling procedure and also on the questionnaire are underreported. Among the background variables are sex, age, level of education, household income, federal provinces, and the size of city, town or village. The Public Opinions' data on individual giving are not publicly available; however, a report with descriptive analysis can be purchased for € 900.<sup>10</sup> To the best of our knowledge, the data have not been used for any further studies.

The abovementioned data provided by the Institute of NPM and the Competence Centre for NPO & SE stem from a population survey conducted in September and October 2011. The target population was individuals older than 14 years and living in Austria, and the data collected refer to individuals giving in the last 12 months.<sup>11</sup> The sample (n=1,011) was drawn from a multistage-stratified-clustered address-random sampling, through which the target households were chosen. Within these households, the adult to be interviewed was selected randomly using the Kish-Selection-Grid method

<sup>10</sup> Publically available are slides with the key findings of the survey (Fundraising Verband Austria, 2014a).

<sup>11</sup> A similar survey was conducted in 2008 (see Neumayr & Schober, 2009). Both surveys were largely based on a questionnaire that had been applied in prior studies (in 1996, 2000 and 2004) by the Austrian Institute for Fundraising Organizations. This Institute, however, was dissolved in 2010. Nevertheless, the findings from these two surveys (2008 and 2011) are by and large comparable with the results of the three earlier studies.

(Schwedenschlüssel). The combination of these two approaches leads to data representative of the Austrian population. Nonetheless, minor deviations have been corrected by including allowances for sex, age and federal provinces. The data collection was outsourced to a polling institute (IFES) and the method of data gathering was face-to-face interviews conducted in the households of the respondents. The questionnaire used for the interviews included questions on attitudes and values, lifestyle, charitable giving by cause and method, questions about tax deduction of giving, on blood donations and donations of time, as well as background variables. Among the latter were age, sex, level of education, household income, occupation, religious denomination, number of children in the household, and size of the city, town or village. The full questionnaire (except the background variables) is included in the appendix of the report 'Giving in Austria' (Neumayr & Schober, 2012). The data are located at WU Vienna and are not publicly available. The funding for data collection and analysis stems from a research grant of the OeNB Anniversary Fund and from eight non-profit organisations who received tailored analysis for their organisations in return. A report with in-depth analyses based on the data can be downloaded for free.<sup>12</sup> Moreover, the data were used for a study explaining giving to specific charitable purposes.

### **Descriptive statistics on giving by bequest**

Bequest giving has not been a relevant issue until recently: according to a population survey, less than 1 per cent of the population included charitable bequests in their will in 2011 (Neumayr & Schober, 2012). This issue, however, has taken on greater significance in the last few years with the number and the amount donated by bequest giving rising. The reasons, therefore, are not only the increase in the total volume of bequests, since a generation that has accumulated enormous wealth is going to hand it down during the next few decades, but also professional fundraising initiatives put more emphasis on bequest giving. In 2012, the FVA launched an initiative to promote charitable bequests (see: [www.vergissmeinnicht.at](http://www.vergissmeinnicht.at) [forget-me-not]) with 41 donation-collecting organisations being part of the initiative.

As stated by the FVA, non-profit organisations received around € 50 million via bequest giving in 2012, which accounts for almost 10 per cent of total charitable giving by individuals (Fundraising Verband Austria, 2013, p. 12). This figure is based on data from a sample of non-profit organisations (Fundraising Verband Austria, 2013, p. 12). Information on the method used for this projection and whether the figure is representative of the whole non-profit-sector is not available.

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<sup>12</sup> See: [www.wu.ac.at/npo/competence/research/laufendeforsch/giving\\_in\\_austria\\_finale\\_2012.pdf](http://www.wu.ac.at/npo/competence/research/laufendeforsch/giving_in_austria_finale_2012.pdf)

## **Giving by corporations**

### **Descriptive statistics of giving by corporations**

Two institutions in Austria have conducted studies which specifically focus on corporate giving:

The Institute of Higher Studies (IHS) estimated the total volume of corporate giving to be € 92 million in 2000 and each donation to be € 6,277 on average (Felderer et al., 2002: 106 and 134). An update of this study in 2005 estimated corporate giving to be € 104.3 million (Paterson, 2005: 14). In terms of their propensity to give, 53 per cent of the respondent corporations in 2000 indicated that they donated money (Felderer et al., 2002: 135). In the final report no information is available on the different areas money was allocated to. Large enterprises have been overrepresented in the study.

Public Opinion conducted four studies on corporate giving, with a pre-dominant focus on small and medium-sized enterprises.<sup>13</sup> The first study, conducted in 2007 shows that on average each respondent corporation donated € 598. An extrapolation of these results amounted to € 121 million of total giving (Hofer & Pass, 2008: 2). In terms of the total number of companies surveyed, 82 per cent of all respondent companies stated that they had donated (Hofer & Pass, 2008: 2). No accurate data are available on the allocation of total corporate giving to specific purposes. The study in 2007 indicates that social services (with a specific focus on children, people with special needs, and the social needy) and national or local emergency relief are among the most popular purposes donated to; followed by public facilities, sports and environmental protection. A lot of corporations gave to different purposes simultaneously. The four most important triggers for giving by corporations were a humanitarian mindset, sympathy for the respective organisation or purpose, solidarity with vulnerable groups, as well as convincing fundraising (such as in the case of emergency relief) by NPOs (Hofer & Pass, 2008, p. 2f).

For the years 2008, 2011 and 2015 similar studies were conducted. In 2008, on average each corporation donated € 852. On an aggregated level donations for this year were estimated to be € 196 million. In this year 74 per cent of the respondents stated that they had donated money within the previous 12 months. For 2011 the average of giving amounted to € 1,447, and the total estimated amount of corporate giving amounted to € 468 million. Despite the economic crisis the relative share of enterprises that had given a donation had increased in 2011, to 92 per cent of all respondent corporations. For 2011 the results in terms of purposes given to are similar to the 2007 results, but donations for environmental protection increased in importance, whereas donations for people with special needs lost support (Public Opinion, 2011). In 2015 the average donation amounted to € 920. The extrapolated results included both corporate giving in the form of money and in-kind donations, as well as sponsoring; this amounted to € 300 million (Public Opinion, 2015). Most of the money donated was given to organisations on the local or regional level. For this year information was also available on the time horizon and regularity of giving. Different patterns were observable between small, medium-sized enterprises and large enterprises, whereas small and medium-sized enterprises predominantly decide from year to year whether to give and to which purposes to give to, and large enterprises predominantly have a long-term focus and give on a regular basis. In addition, the data also show reasons for not giving: among the top reasons for not giving are the view that enough

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<sup>13</sup> The study focuses predominantly on enterprises with less than 50 employees, which account for 98% of all enterprises in Austria. While larger enterprises have been included, so to make results representative, results on total volume of giving focus exclusively on enterprises with less than 50 employees.

money is spent through paying taxes, and the belief that too much money would be squandered in the organisation.

No direct comparison between the extrapolated results of the different studies is possible, due to different foci of the studies (large corporations in the case of IHS and predominantly small enterprises in the case of Public Opinion), different data collection methods, and different reference statistics in order to extrapolate the collected data. Table 5.3 summarizes the major results of all the studies.

**Table 5.3 Overview of different studies on corporate giving, based on the average giving amount and total giving**

Study	Year	Average giving amount per corporation in EUR	Total estimated corporate giving in million EUR
IHS (Felderer et al., 2002)	2002	6 277	92
IHS (Paterson, 2005)	2005	n.a.	104.3
Public Opinion (Hofer & Pass, 2008)	2007	598	121
Public Opinion (Public Opinion, 2008)	2008	852	196
Public Opinion (Public Opinion, 2011)	2011	1 447	468
Public Opinion (Public Opinion, 2015)	2015	920	300*

\* Total giving for 2015 includes sponsoring and in-kind donations.

#### **Data sources of giving by corporations**

In terms of data sources used and data collection and analysis method chosen the following selections have been made:

In the aforementioned studies of the IHS, online surveys are the chosen data collection method (Felderer et al., 2002; Paterson, 2005). The IHS conducted the first study in 2002 based on the data from 2000 (Felderer et al., 2002) and updated the study (without further data collection) in 2005 (Paterson, 2005). IHS focused their study mainly on large enterprises and oversampled for specific sectors.<sup>14</sup> In terms of sample size the study conducted in 2002 reached out to 3 198 corporations and 6 per cent filled in the questionnaire, which are 191 corporations. Both studies were commissioned by the Austrian Ministry of Labour, Social Affairs and Consumer Protection.

Regarding the data provided by Public Opinion, telephone surveys were the chosen data collection method in 2007 (Hofer & Pass, 2008) and 2008 (Public Opinion, 2008). In 2011 (Public Opinion, 2011) and 2015 (Public Opinion, 2015), however, online surveys were sent out. All the studies are predominantly focused on small and medium-sized enterprises, which account for 98 per cent of all Austrian enterprises, thus the extrapolated results are mostly valid for this type of corporation. They claim to be representative in terms of enterprise size, geographical location and sector. 423

<sup>14</sup> This is based on the assumption that specific sectors (e.g. finance and manufacturing) and larger corporations are more likely to give.

corporations were interviewed in 2007, 424 in 2008, 598 in 2011 and 585 in 2015. For any of the mentioned studies, neither the questionnaires nor the raw data sets are publicly available. Available, however, are reports with descriptive analyses; they can be bought for around € 900.

## Giving by foundations

### Descriptive statistics of giving by foundations

Austrian law allows for several types of foundations: (1) the [new] Federal Public Benefit Foundations and Funds (*Bundes-Stiftungs- und Fonds-Gesetz 2015*, BStFG 2015), (2) the Provincial Public Benefit Foundations, based on the Foundations and Temporary Funds Act (*Stiftungs- und Fondsgesetz* passed in 1974), which both have to pursue public purposes qua law. In 1993 the Law for (3) Private Foundations (*Privatstiftungsgesetz*) was introduced, in which Austrian legislation allowed for the setting up of foundations for the pursuit of private interests and/or public benefit (Schneider et al., 2010: 5-7). Moreover, there are specific laws in place for the 35 public purpose saving bank foundations and the Austrian Public Broadcasting Corporation (which is a foundation; *Rundfunk-Gesetz*, 1984).

A document analysis<sup>15</sup> of all foundation deeds (Millner et al., 2014) indicates that out of all foundations only 25 per cent have a primary public purpose. To be more specific, the Austrian foundation landscape consists of 2 609 private foundations with a predominant<sup>16</sup> private focus, 226 private foundations with a public purpose, 35 public purpose savings bank foundations established as private foundations, 216 public benefit foundations established under provincial law and 224 public benefit foundations established under federal law. The vast majority of foundations with a public purpose have an endowment. However no data are available that break down all foundations by type of financial source.

By adding up the estimated charitable expenditure of Austrian private foundations, that of federal and provincial public benefit foundations, as well as the actual figures provided by the Austrian savings bank foundations, it is estimated that yearly expenditure for public purposes was between € 29 and 61 million in 2010 (Schneider et al., 2015). While information is available on the areas of activities foundations operate in, information on the amount spent for each area of activity is lacking. Overall three areas are most prominent<sup>17</sup> (see table 5.4): most foundations are active in social services, education/research, and culture and recreation (Millner et al., 2014). In a nutshell, one can conclude that private foundations with a public purpose are predominantly active in education and research, public services and culture, federal public benefit foundations have a predominant focus on education and research, whereas provincial public benefit foundations are mainly involved in causes having to do with social service provision. Most recently a study on research foundations in Austria was

<sup>15</sup> A document analysis of private foundation deeds was necessary in order to assess the number of private foundations with public purposes, and with regard to all three types of foundations to determine the specific purposes foundations give to. This information is included in the foundation deeds.

<sup>16</sup> While some of these foundations partially allow for fulfilling mixed purposes (which means that they were set up for the pursuit of private interests, but also might contribute to a certain extent to charitable purposes), concrete evidence often cannot be identified through an analysis of foundation deeds, as the respective information is often only stated in the complimentary deeds of a foundation, a document which is not publicly available.

<sup>17</sup> For savings bank foundations this information is not available.

conducted that showed detailed results in terms of amounts spent for foundations active in research and innovation (Schneider et al., 2015).

**Table 5.4 Number and percentage of foundations by the goals they donate to, 2014**

	% of foundations (number of foundations)		
	Private foundations with a public purpose	Federal public benefit foundation	Provincial public benefit foundation
Religion	5 % (12)	2 % (4)	10 % (22)
Health	5 % (11)	9 % (19)	13 % (30)
International aid	1 % (3)	1 % (3)	0.4 % (1)
Public/social services (national)	38 % (85)	28 % (61)	59 % (132)
Culture, sport and recreation	29 % (65)	17 % (36)	13 % (30)
Environment/nature/ animals (inter)nat.	5 % (12)	0.5 % (1)	1 % (2)
Education and research	33 % (74)	59 % (127)	25 % (55)
Others	12 % (27)	18 % (38)	17 % (37)

*Multiple answers were possible; Source: Millner et al. (2014)*

#### **Data sources of giving by foundations**

The data on the number of foundations are based on registered data<sup>18</sup> and include the full population of all foundations, while the data on financial indicators are based on personal Delphi-interviews with foundation experts, including multiple rounds of questionnaires, where the experts are confronted with the aggregated data of all the other experts (Schneider et al., 2010). Considering that it is very hard to gain access to foundation representatives, 22 experts on the foundation scene (such as lawyers, solicitors, tax advisers, academics and public representatives) with a good overview of large parts of the foundation sector have been selected instead. Experts were sampled according to the number of foundations they know and based on snowball-sampling methods. Thus, they cover about 1,000 foundations, which is about a third of the overall foundation sector in Austria. Besides information on the financial scope of the sector, the Delphi-interviews included questions on areas of activities, motivational factors as well as barriers and driving factors for foundation growth. The dataset itself is not publicly available. All the data are located at the Institute for NPM at WU Vienna. While the first study has been funded by the OeNB Anniversary Fund, the second study has been co-financed by the European Commission and the Austrian Federal Ministry of Science, Research and Economy.

<sup>18</sup> In the case of private foundations the Austrian companies register (Österreichisches Firmenbuch) provides information on all private foundations. In the case of public foundations established under provincial and federal law different countries hold information about foundation deeds. Since the new law for federal public foundations is in place, they are listed in a public register of the Ministry of Inner Affairs.

## **Giving by charity lotteries**

### **Descriptive statistics of giving by charity lotteries**

Today lotteries are not a very common vehicle to raise charitable funds in Austria. According to a population survey, solely around 3 per cent of the adult population bought tickets from charitable lotteries in 2011 (Neumayr & Schober, 2012, p. 21). While charitable lotteries were popular in former times, most notably after the First and the Second World Wars for funding reconstruction work, they are not very relevant nowadays. The funds raised by charitable lotteries amounted to € 2.6 million in 2004 (Fundraising Verband Austria, 2013, p. 12). Recently, charity lotteries gained slightly in importance due to the fact that joint lotteries (Gemeinschaftslotterien) are allowed. According to the FVA, the funds collected in 2013 accounted for € 11.2 million (Fundraising Verband Austria, 2013, p. 13). The total number of lotteries, however, is still very small: altogether just 12 non-profit organisations run charitable lotteries. Among them are the Association of Boy Scouts and Girl Guides of Austria and the Austrian Federation of the Blind and Partially Sighted. Another notable lottery is the Good Lottery Ticket, which is a joint fundraising vehicle of 13 non-profit organisations for raising funds together. Because of these joint lotteries, around 50 non-profits benefit from income raised by charitable lotteries (Fundraising Verband Austria, 2013, p. 13).

Aggregated data on the total amount raised by charitable lotteries are available from the Ministry of Finance for 2004 to 2010. Based on this information, the FVA extrapolated the amount to be € 11.2 million in 2013; information on the method used for this projection is not given. The abovementioned survey conducted at WU Vienna reveals a slightly smaller amount of money raised by charitable lotteries. Accordingly, € 8.6 million was donated by this method of giving in 2011. The mean amount donated to charity lotteries is approximately € 40 per donor (Neumayr & Schober, 2012, p. 24).

## **Conclusion**

Charitable giving is a widespread phenomenon in Austria: two out of three people make donations and three out of four corporations donate. However, in terms of non-profit funding, private philanthropy is not a very strong pillar; merely 7 per cent of the non-profit revenue originates from donations (Neumayr, Schneider, Meyer, & Haider, 2007, p. 7). Among the main reasons, therefore, is that the average amount individual and corporate donors give is modest in comparison with other European countries. Also, foundations with public purposes have not been a common donation vehicle so far, with very few flagship foundations in Austria. Moreover, major donors have played a very limited role and there has been little attention paid to bequest giving until recently. Having a well-established welfare state and a non-profit sector that is funded up to 50 per cent by public sources, a strong philanthropic culture has not fully developed yet.

The state of research on philanthropy mirrors these circumstances: basic information is available, but data are still incomplete and scattered for some sources of contributions, and the methods of collecting data are not synchronized. However, the picture is gradually becoming more complete. As shown in table 5.5, it is possible to provide a range for the total amount of money donated per year, which is estimated to be between € 512 and 939 million. The band width offered is fairly large and is an indicator of the heterogeneous data sources and study designs. Information on individual giving is probably developed best: we have data from population surveys dating back to 1996 which are representative of the population in Austria (except high-net wealth individuals who are certainly

underrepresented in these surveys). Moreover, the amounts estimated do not diverge much between the different studies, and time series show that the data are plausible and constant over time. Overall, donations by individuals make up between € 360 and 410 million. This amount also comprises contributions from charity lotteries since in the questionnaires on individual giving, questions regarding charity lotteries were included. The information on bequest giving is rather vague. Based on revenue data from non-profit organisations, bequest giving was estimated to be € 50 million in 2013. Whether these data are representative for the whole non-profit sector, however, is unknown.

**Table 5.5 Sources of contributions\***

Sources of contribution	million EUR (band widths)	percentage (band widths)
Individuals (2011, 2013)	360 – 410	44-70 %
- thereof in vivo	310 – 360	
- thereof bequests (2013)	50	
Corporations (2007, 2011)	123 – 468	24-50 %
Charity lotteries (2011, 2013)**	8.6 – 11.2	1-2 %
Foundations (2010)***	29 – 61	6-7 %
<b>Total</b>	<b>520 – 950</b>	<b>100 %</b>

\* We provide band widths since the extrapolations of different studies diverge greatly. \*\* Donations via charity lotteries are included in the amount given by individuals. \*\*\* Giving derived from income from endowment only

Estimates about philanthropic contributions by corporations range between € 123 and 468 million. This huge span is mainly due to the different methods used to gather and extrapolate data. The total yearly amount issued by foundations is estimated to be between € 29 and 61 million. Gaining access to foundations in general and to financial indicators in particular is very difficult in Austria; so that existing estimates rely mainly on the judgement of experts in the field. Overall, we can conclude that between half or two-thirds of the total philanthropic contributions stem from individuals, between a quarter and a half from corporations, about 6 to 7 per cent from foundations, and between 1 and 2 per cent from charity lotteries.

Due to a series of political, regulatory, socio-demographic and societal developments it is highly likely that philanthropic contributions will gain in importance in future years. The first awareness for charitable giving was triggered by a reform of the tax deductibility of donations. Austria is one of the countries in Europe that only lately introduced and increased tax deductions for donations. In 2009, the possibility of deducting charitable donations from income tax has been vastly increased. Until then, it was only possible to deduct donations for particular organisations in the field of research and education. On a symbolic level, this legal change signals that the government appreciates and promotes charitable giving. Furthermore, the deductions provide financial incentives for donors. Due to the progressive tax system in Austria, the law granting deductions favour high-income people, which might help to stimulate giving by wealthy people and major donations.

Moreover, in Austria, as elsewhere in many European countries, we will be confronted by the largest inter-generational transfer of wealth, originating from the generation born after the Second World War, which was able to accumulate substantial wealth. Against this backdrop, bequest giving will

become more and more important, and might open up new opportunities for new foundations as well. Just recently announced reforms concerning foundations with a public purpose will set further incentives for new and existing foundations. Possibilities of deducting part of the initial endowment from income taxes, fewer bureaucratic procedures to set up a foundation, as well as regulations to put foundations on an equal footing with private donors as far as tax deductibility of donations is concerned, are the most important components of this reform. Additionally, recent welfare-state retrenchment calls for increased private responsibility. Non-profit organisations have to find new sources of income, among which donations delineate one option. These developments provide fertile ground for new donor types and forms, such as impact investment, venture philanthropy or crowd-funding, which have just recently appeared on the agenda in Austria. Along with these trends come new ways of thinking and funding relationships.

### **Links to other data sets**

None of the datasets mentioned in this contribution are publicly available. Moreover, it is not possible to combine existing datasets.

### **References and further reading**

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A stylized map of Europe in white with a drop shadow, set against a blue background. The map shows the outlines of the continents and major islands.

## 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](http://www.ernop.eu).