

Giving in Europe

The state of research on giving in 20 European countries

Barry Hoolwerf and Theo Schuyt (eds.)



Research on Giving in Hungary

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



An ERNOP publication

This publication is part of *Giving in Europe. The state of research on giving in 20 European countries*. The full publication is available at www.europeangiving.eu. An executive summary of the full publication can be found [here](#) and a two-pager summarising the quality of data and the preliminary (lower bound) estimations of giving in 20 countries can be found [here](#).

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Research on Giving in Hungary

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Introduction on Giving Research in Hungary

There are several initiatives that are working towards the development of a philanthropic culture, volunteering and the not-for-profit sector. However, there is no institution that focuses on the research of philanthropy and the availability of data is limited in Hungary in this area. Most researchers rely on the data provided by the Hungarian Central Statistics Office (KSH), the National Tax Authority (NAV) and, if available, independent research data.

There are several organisations that either focus on research in a related area or do capacity building, and conduct research and generate data related to philanthropy from time to time:

- The most active research group in the philanthropy-related research field is the Association for Nonprofit Research (Nonprofit Kutatócsoport Egyesület), an association for informal networking and collaborative research on issues related to not-for-profits, among them philanthropy. Several books and research results have been published under their aegis, and their website is the most extensive resource of publications related to this theme (nonprofitkutatas.hu) in Hungary.
- Among the capacity building organisations there is the Donor's Forum (Magyar Adományozói Fórum), which works towards the development of philanthropy in Hungary and publishes reports, case studies and best practices.
- The National Volunteer Center (ÖKA) was established to create the necessary infrastructure for volunteering and the development of a volunteering culture. The cooperation and work of five non-profit organisations enabled the execution of this idea, so in September 2002 the National Volunteer Centre (ÖKA) was able to start its operations officially.
- The Nonprofit Information and Training Center (NIOK) Foundation aims to strengthen civil society in Hungary and build an environment supportive of the long-term future of NGOs. NIOK promotes the sustainable and efficient functioning of NGOs by providing capacity-building services and strengthening the NGO sector's links to local government, the business sector and society as a whole. NIOK is a public benefit open foundation, a member of the European Network of National Civil Society Associations (ENNA), V4 and the Viability Network.
- There are individual researchers from very different backgrounds: statistics, economics, social sciences and social policy. Key individuals in the research field related to philanthropy are: Mária Arapovics (ELTE PPK), Anna-Mária Bartal (Pázmány Catholic University), János Bocz (KSH), Klára Czike (Hungarian Volunteer Center), László Harsányi (Nonprofit Research Group), Éva Kuti (Nonprofit Research Group), Ádám Rixer (Karoli University) István Sebestény (Hungarian Central Statistical Office), Marianna Torok (Consultant) and some other people.

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Giving by individuals

The main sources of information on individual charitable giving available in Hungary are the Hungarian Central Statistical Office (KSH) and the National Tax Authority (NAV). In addition, there are occasional data sources when research funding is available to researchers.

The KSH dataset (KSH 2015, 2.47) indicates that support from individuals in 2013 provided 5.1 % of the revenues of the classic civil not-for-profit organisations with its 26 920.5 million HUF (€ 91 million)⁶³ support (reaching 32.4 % of the sector, i.e. 18 307 organisations). As individuals are not entitled to any tax benefits for charitable donations, reporting and data availability on individual charitable giving is very limited.

There was a population survey initiated by the Nonprofit Kutatócsoport Egyesület (Association for Nonprofit Research) and carried out in partnership with the Hungarian Central Statistical Office (Czakó et al. 1995). This sample survey collected data on the giving habits and voluntary

activities of 14 833 randomly selected adults (18 years of age or over) in 1993. The respondents were questioned using the in-home personal interview technique. The questionnaire was broadly similar to those of several other European and North American research projects. A follow-up survey of 5 000 randomly selected Hungarian citizens (14 years of age or over) (Kuti and Czike 2006) shows that nearly four-fifths of the population aged fourteen and over (i.e. nearly seven million people) were involved in making at least one kind of donation out of the following: financial donations, donations in kind, unpaid voluntary activities and blood donations, the most popular form of donations being financial

donations (two-thirds of the population aged 14 or over donated money), while in-kind donations were nearly 50 %.

The research could not be repeated for financial reasons. At this point there is no information when the research can be repeated.

Giving by corporations

For corporations, donations to Hungarian not-for-profit organisations with Public Benefit Organisation (PBO) status are tax-deductible under limited conditions. Companies may also enjoy tax benefits for donations to the National Cultural Fund and the National Relief Fund. To claim a deduction, a company must be in possession of a certificate for tax purposes provided by the beneficiary organisation (Act LXXXI/1996 Section 7(1)(z), 7(7)).

The KSH dataset (KSH 2015, 2.47) indicates that support from corporations in 2013 provided 10.1 % of the revenues of the classic civil not-for-profit organisations with its 52 926.4 million HUF (€ 179 million) support reaching 19.3 % of the sector (10 891 organisations).

The most recent research on corporate giving was conducted by the Magyar Adományozói Fórum (Hungarian Donors Forum) (Magyar Adományozói Fórum 2015), which used data from the tax authorities for 2009, 2010 and 2011, and questionnaires to the 216 top companies in Hungary, which

⁶³ Exchange rate of 1 Euro=295.7 HUF based on MNB (Hungarian National Bank)

generated 40 returned forms from the ones regarding current and upcoming trends in their giving. As a result, this research (Magyar Adományozói Fórum 2015, 3) recognized a strong trend in corporate giving due to the legal and taxation changes that had occurred. The changes are striking regarding the number of companies reporting donations to the Tax Authorities, and the amounts of benefits used by the companies:

Table 13.1 The amount of tax deductions in a given year

Year	The amount of benefits claimed in HUF	Number of entities
2009	24 006 583 000	12 207
2010	3 986 544 000	3 343
2011	3 606 406 000	2 535

Giving by foundations

Most not-for-profit organisations in Hungary register as associations or foundations. Registering as a foundation does not necessarily mean being a grant-making entity; moreover, there are very few private grant-making foundations. There are some state-financed public foundations that are hybrid organisations, that belong financially to the state and legally to the non-profit sector, and were established by the government to ensure the provision of public duties (prescribed by law). Public foundations receive annual budgetary support from ministries.

In 2013 there were 21 174 not-for-profit organisations registered as foundations, according to the KSH (19 332 reported financial activity for generating resources and expenditure, 273 of them had resources coming in but no expenditure, 912 has had no revenue coming in using its reserves, and 657 had not used any resources). In addition, there were 1 326 public foundations, most with financial activity.

Foundations accounted for 18.1 % of the total revenues of the not-for-profit sector (224 969.6 million HUF) while public foundations accounted for 2.2 % of the total revenues of this sector (27 409.7 million HUF)⁶⁴. (KSH STADAT 3.2.7.)

There is information available on the giving by not-for-profit entities by the KSH⁶⁵. It reveals that almost 12 000 not-for-profits provided resources to support individuals and organisations.

The total amount of donations reached 131 billion HUF, most of it being financial support (114 417 million HUF) going to other organisations (KSH STADAT 3.2.9.), out of which 72 billion HUF (€ 243 million) in financial support was provided by private (€ 179 million) and public foundations (€ 64 million) (KSH 2015, 2.94).

⁶⁴ http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_qpg005a.html Accessed: 28, April 2015

⁶⁵ http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_qpg007.html Accessed: 28, April, 2015

Table 13.2 Number of not-for-profit organisations providing support and the monetary value of their support, 2013

Form of support	Number	Amount, million HUF
<i>Financial support:</i>		
to individuals	5 118	23 226
to organisations	5 533	91 191
Both	9 592	114 417
<i>All support:</i>		
to individuals	6 526	35 126
to organisations	6 869	95 423
TOTAL	11 859	130 549.0

Not-for-profit entities provided support in several fields of activities in 2013 (KSH 2015, 2.97), education being by far the most preferred area of support (table 13.3).

Table 13.3 The amount and proportion of financial support allocated by not-for-profit organisations, 2013

Areas of support	Total	
	million HUF	%
Culture	14 510.0	12.7 %
Religion	1 113.4	1.0 %
Sport	2 899.8	2.5 %
Hobby	1 196.7	1.0 %
Education	48 177.2	42.0 %
Research	1 350.6	1.2 %
Healthcare	2 232.6	2.0 %
Social care	13 326.7	11.6 %
Fire brigades, security	67.4	0.1 %
Environmental protection	1 302.7	1.1 %
Regional development	2 923.9	2.6 %
Economic development	1 331.8	1.2 %
Rights protection	2 395.2	2.1 %
Public safety	539.8	0.5 %
Multi-purpose support	13 258.8	11.6 %
International relations	1 275.8	1.1 %
Interest representation	5 833.8	5.1 %
Political	680.8	0.6 %
Total	114 417.0	100 %

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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.