

Giving to Culture in Europe

A survey of methodologies for the study of corporate giving in Europe



The following report was prepared as part of the 'Connecting Arts and Business' project, which was carried out in the period 2013-2015 and was co-financed by the 2007-2013 cultural programme of the European Commission.

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Introduction

Connecting Arts&Business is a project that seeks to unlock the potential of the cultural and creative sector through strengthening Arts&Business organisations. Arts&Business organisations connect the arts and business in many ways. Why is that important?

In the 2011 Green Paper *Unlocking the potential of the cultural and creative industries* by the European Commission it says: ‘immaterial value increasingly determines material value, as consumers are looking for new and enriching "experiences". The ability to create social experiences and networking is now a factor of competitiveness.’

“If Europe wants to remain competitive in this changing global environment, it needs to put in place the right conditions for creativity and innovation to flourish in a new entrepreneurial culture.

There is a lot of untapped potential in the cultural and creative industries to create growth and jobs.”

To unlock this untapped potential we need bridges between the cultural sector and the business world. Bridges that enable two-way traffic: expertise and funding going from the business sector towards the cultural sector, creativity and the ability to create new experiences from the cultural sector towards the business sector.

Arts&Business organisations provide such bridges. They are intermediary organisations providing expertise to facilitate the dialogue between the arts and business sectors. They understand the needs and assets of both sectors. They create partnerships between business and culture, raise awareness about those possibilities and organize training for both sides to this effect.

The recent economic crisis has resulted in big changes for the cultural sector. Governments have implemented severe budget cuts. This results in cultural institutions and artists to earn an increasingly large part of their turnover and income themselves from such sources as ticket sales and other sales, better management, fundraising, sponsorship, exchange and barter, and donations of time and money. As a result, both cultural institutions and performing artists devote an increasing proportion of their resources (expertise, time and money) to acquisition of that income and turnover.

Success in these endeavours depends on the one hand on the attitude and skills of the players in the cultural sector (the ‘culture of asking’), and on the other on the generosity of the general public and of companies (the ‘culture of giving’).

Providing the cultural sector with help and encouragement in the performance of this task is a major item on the agenda of many governments. The government can promote these endeavours in a number of different ways:

- by fiscal measures that make giving in general, or giving to cultural objectives in particular, more attractive;
- by stimulating the culture of asking in the cultural sector (for example by knowledge transfer or training in particular skills)
- and by stimulating the culture of giving (for example by raising awareness of possible ways of donating to cultural objectives among potential donors and their intermediaries such as solicitors, banks and accountants).

No general overview has however yet been created at European level of the willingness to donate of the general public and companies, of the relevant fiscal measures taken and their effects, or of the extent to which the cultural sector is able to generate turnover and income in this way.

This brief exploratory study inventories the studies – in particular of the willingness to donate – that have been carried out in various countries, describes the research methods used and highlights the gaps in these investigations. We also list a number of best practices in this field, in particular (long-term) studies of the topics mentioned. The report ends with recommendations on how to set up larger-scale studies of these topics so as to generate greater insights into the culture of giving in Europe and into ways in which governments and cultural establishments can learn more from one another's experience, thus enabling them to promote the growth of a stronger culture of giving.

In many cases the Arts&Business organisations have taken the initiative for this research and are responsible for dealing with the results. They are the ones that bring together the world of the arts and the world of business. It is time now to develop more insight in these issues and bring them further to an European level and use the power of Arts&Business organisations to further unlock the potential of the cultural and creative sectors.

The Connecting Arts & Business project

The following report was prepared as part of the '**Connecting Arts and Business**' project, which was carried out in the period 2013-2015 and was co-financed by the 2007-2013 Cultural Programme of the European Union.

The objective of the Connecting Arts & Business project is to demonstrate the added value of Arts&Business organisations as bridge builders between the business and arts sectors in Europe. This project shows how intermediaries can facilitate exchanges between the cultural and business sectors, by demonstrating the added value of different kinds of interaction between business and the arts. To this end, Connecting Arts & Business analyses, exchanges and compares existing information in the form of data, inventories and studies with the objective of finding innovative models for the future and of raising awareness of the added value of links between the business sector and the arts.

The objective of the present report¹ is to map the different methods used to study giving in Europe and to inventory their results. Connecting Arts & Business will use these data as a basis for recommendations on future research that will yield more comparable data and thus permit reinforcement of the culture of giving in Europe. Such follow-up studies in Europe will make it possible to highlight and reinforce the links between the business sector and the arts, and expand the scope of new innovative projects aimed at improving the interaction between the arts and business.

The following partners participated in the Connecting Arts & Business project:

| Country | Organization |
|--------------------|--|
| Netherlands | Cultuur-Ondernemen (Cultural Entrepreneurship; lead partner) |
| Belgium | Prométhéa KEA European Affairs |
| Denmark | Centre for Culture and Experience Economy |
| Hungary | Summa Artium |
| Poland | National Centre for Culture |
| UK | Arts & Business (England) |

¹ This report forms part of 'working package 2', one of the five elements of the Connecting Arts and Business project.

Methodology

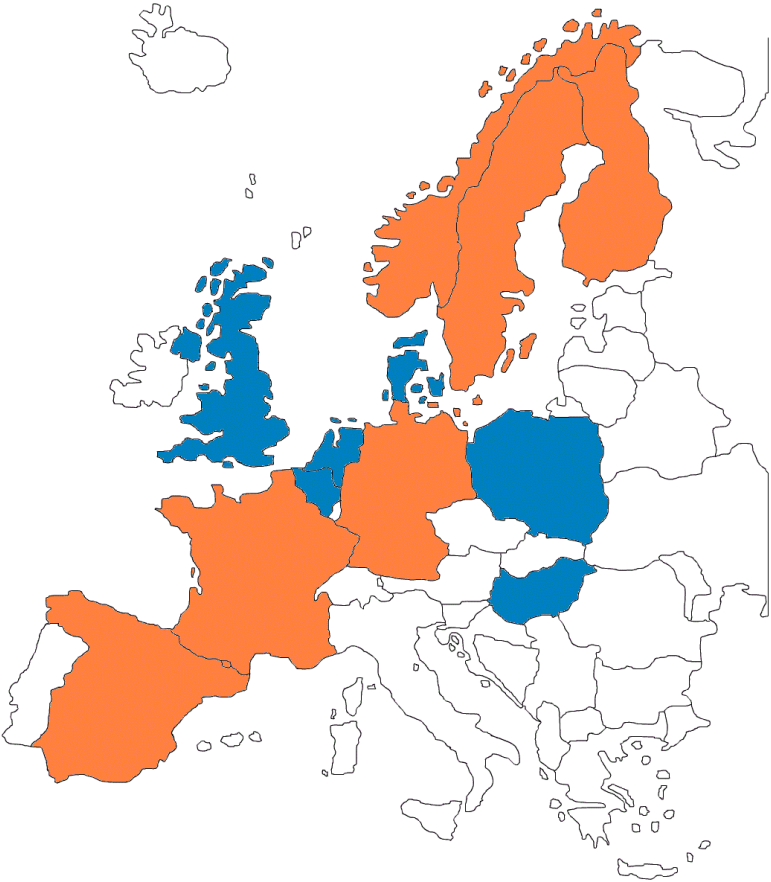
The objective of this project was:

'To inventory the methods used to study 'giving to culture' in Europe, to summarize the results of such studies and to develop guidelines for further research in the field.'

To allow a clear picture to be obtained of the way giving to culture is studied, not only the partner countries The Netherlands, Belgium, Denmark, Hungary, Poland and the UK but also experts in Finland, France, Germany, Norway, Spain and Sweden were asked to send at least one study report on corporate giving to the arts. As a result, our project covered at least one study from each country involved.

| Countries asked for research data | Partner countries |
|-----------------------------------|-------------------|
| Finland | Netherlands |
| France | Belgium |
| Germany | Denmark |
| Norway | Hungary |
| Spain | Poland |
| Sweden | UK |

Map



A total of 15 studies are covered in this report.² All data on these studies are grouped in an appendix at the end of this report.³ In each case, we consider how corporate giving to the arts has been studied up to the present day, what research methods were used, how these methods are implemented, the methods used to measure the results and how these results were evaluated. All this information is presented in the appendix in a standardised way for each study.

This analysis reveals the different approaches to donating in the various European countries, and where the research problems and gaps in the data are to be found.

In order to obtain a clear picture of the different forms of giving practiced in Europe and the different approaches to studying such giving, we have restricted ourselves to studies from five countries, which we have analysed and compared with one another in greater detail. The studies from these five countries are chosen because they are exemplary of the studies that are done elsewhere and include studies which we consider to be best practices and are essential for our conclusions and recommendations. The other studies add shades of detail but do not lead to radically different findings.

- *Belgium*
This study examines how Belgian companies with more than 20 employees deal with corporate giving and sponsorship. The study draws a distinction between company size in terms of turnover and the number of employees. The study was carried out by means of a telephone survey.
- *France*
This is a national study that has been carried out every two years since 2006 on how and to whom the business sector in France makes donations. The study design has been kept unchanged since 2006, so as to make all the studies performed since then comparable. This allows a clearer picture to be obtained of the spread of donations over a given period. Like the Belgian study, this study draws a distinction between company size in terms of turnover and the number of employees.
- *Hungary*
Two studies from Hungary were analysed. The first concerned sponsoring of festivals: nine companies were interviewed, and asked about their reasons for sponsoring and how much they gave in this way. The second study concerned the co-financing of non-profit cultural organizations by commercial enterprises; the commercial culture sector was not considered in this connection. The study was carried out by means of a questionnaire. The focus was on who donated how much, and what considerations led companies to engage in sponsorship or not.
- *Netherlands*
Donating in the Netherlands has been studied every year since 1994. The study covers giving by Dutch society as a whole to all sectors of society: art and culture is just one of the sectors involved. The study was based on a new sample each year up to 2002, but switched to a longitudinal study in 2002: questions are put to the same sample of the population each year. It also does a survey with businesses.

² The source list of submitted reports is given in Appendix 1.

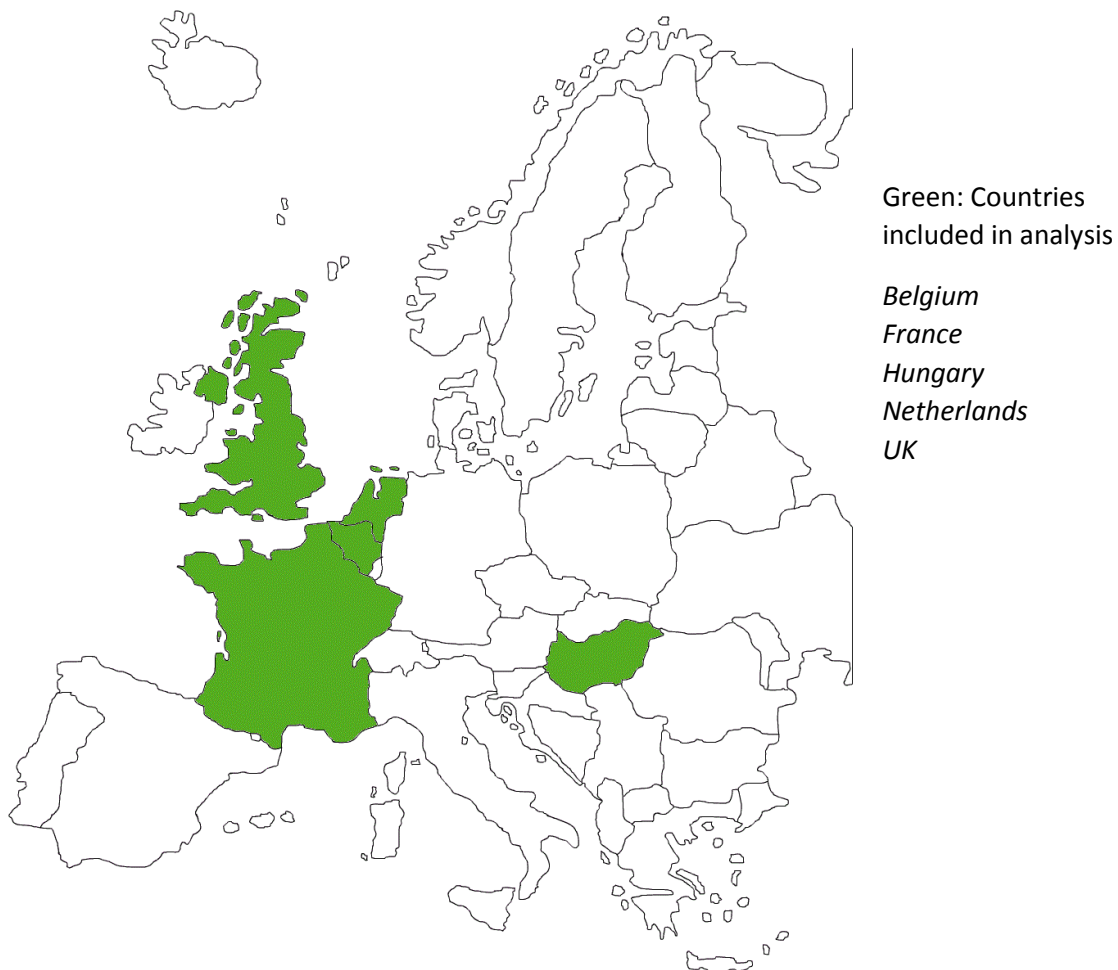
³ Other summaries of submitted research reports are given in Appendix 2.

- *UK*

The UK has one of the most extensive data sets. Data on philanthropy have been collected here since 1978 (Cowley, 2011). This involves a longitudinal study, which allows trends to be identified over time and changes in giving culture to be detected. The study design also differs from that of the other investigations: the researchers examine what cultural institutions receive from the business sector, not what businesses give. At the same time, another omnibus study examines the donations UK households make to culture. Taken together, these two studies yield a unique picture of giving behaviour.

The studies from the above-mentioned countries differ in the questions asked, the target groups, study design, frequency, etc. Analysis and comparison of these studies gives the reader a better picture of how giving behaviour in Europe is being researched.

Map



Analysis

This analysis covers the definition of donating used in the studies, the study design and the target groups involved.

Typology of studies

| Country | Title of study |
|-------------|---|
| Belgium | Etude sur le mécénat et le sponsoring d'entreprise Prométhéa-Ipsos Survey |
| France | Le mécénat d'entreprise en France 2012 Admical CSA ⁴ |
| Hungary | Report on the private Sponsorship of the arts in Hungary |
| Hungary | Corporate funding for cultural non-profit organisations |
| Netherlands | Geven in Nederland, Filantropie Studies, Vrije Universiteit |
| UK | Where is Private Investment to the Arts going? Arts and Business England |
| UK | UK Giving: An overview of charitable giving in the UK, NCVO and CAF |

Definition of concepts

Inspection of the study reports received from the above-mentioned countries shows that each country understands giving in its own way. This leads to differences in the questions asked and the study designs in each case. For example, the Hungarian study focuses on the sponsorship of festivals, and tries to answer the question: *'What direct or indirect benefits do companies get from sponsoring festivals?'* Operationalization of this question leads immediately to difficulties, as illustrated for example by the following quote:

*"The first problem for the researcher is one of definition: what do we regard as a festival? Do we accept as a festival everything declared as such by its organisers, or do we try to give a satisfactory definition ourselves? If the latter, then whose criteria should we apply? The state, which provides funding for festivals, local authorities, various Hungarian or international grant-giving bodies, or the sponsors? Or should artistic quality criteria or audience demand considerations be applied?"*⁵

The Dutch study defines 'giving' in terms of the total amount of money received from private donations, bequests, foundations, trust funds, corporate donations, lotteries and receipts from other forms of gambling. The total amount of money received is then divided over the various beneficiary sectors. The UK on the other hand splits giving to cultural institutions into money received from foundations and trust funds, corporate investments and individual gifts.

⁴ CSA Comprendre pour mieux décider. For further information, visit the website <http://www.csa.eu>.

⁵ Orosz I. et al (2005). Report on the private Sponsorship of the arts in Hungary. Summa Artium Public Benefit Company: Budapest.

The Belgium the study Corporate sponsorship and giving includes the Arts, Heritage, Humanitarian and social cause, education, scientific and medical research, environment protection, sport (only amateur sport). It does not include Lottery Funds.

This shows that each country operationalizes the questions about giving in a different way. This in turn leads to different study designs aimed at answering these questions.

In order to provide a guideline for consideration of the concept of 'giving', the EU Directorate-General for Internal Policies provides the following arguments concerning the definition of giving in the study *Encouraging private investment in the cultural sector*⁶. This study was made on request of the European Parliament's Committee on Culture and Education:

"When considering the present situation in financing the cultural sector in Europe, it is appropriate to take into consideration the findings of the study Financing the Arts and Culture in the European Union, by Klamer, Petrova and Mignosa for the European Parliament (2006), which addresses three main sources in financing culture: the government, the market and the non-profit sector. The study findings assert that governments (central and local) still remain the largest supporters of culture in comparison to other sectors. Nevertheless, the three spheres – government, market and non-profit – operate simultaneously and their interconnection is more the rule than the exception (Inkei, 2010)⁷. Later work of Klamer, Mignosa and Petrova separates the three spheres into several main types of financial support for culture (Klamer, Mignosa and Petrova, 2010)⁸. This classification has been enlarged with additional categories so as to provide a broader methodological foundation for analysis of private investments in culture:

Mixed funding economy:

I. Public support:

- a) Public direct support - Public support for culture is defined as any support to cultural activities made by governmental and/or other public bodies. Public direct support includes subsidies, awards, grants, etc., i.e. money is transferred directly from the public funds to the recipients' account. Encouraging Private Investment in the Cultural Sector.
- b) Public indirect support - Indirect support consists of measures adopted by governmental and/or public institutions, usually via legal acts, for the benefits of cultural organisations that do not involve money transfer from the former to the latter. Indirect measures refer mainly to tax expenditures, i.e. the income that local and national governments forego because of tax reductions and exemptions granted to cultural institutions (Klamer, Petrova and Mignosa, 2006)⁹. Tax incentives provide extra funds for culture. Other indirect

⁶ IMO - Institute for International Relations, Vesna Čopič, Aleksandra Uzelac, Jaka Primorac, Daniela Angelina Jelinčić, Andrej Srakar, Ana Žuvela (2011). Encouraging private investment in the cultural sector. Brussels.

⁷ Inkei, P., 2010. The effects of the economic crisis on culture In: CultureWatchEurope, CultureWatchEurope conference 2010 Culture and the Policies of Change. Brussels, 6-7 September 2010.

⁸ Klamer, A., Mignosa, A. and Petrova, L., 2010. The relationship between public and private financing of culture in the EU. [online] In: ACEI (The Association for Cultural Economics International), 14th International Conference on Cultural Economics. Vienna, Austria 6-9 July 2006.

⁹ Klamer, A., Petrova, L., and Mignosa, A., 2006. Financing the arts and culture in the European Union. Brussels: European Parliament

measures include vouchers or matching grants and other financial or banking schemes whereby beneficiaries, rather than government officials, determine which organisations will benefit. Lottery funds, through which the privately raised money is designated to cultural purposes according to the legal act, are also in place. Lottery funds whose purposes are stipulated in advance fall under the category of earmarked taxes.

- II. Private support - Private support for culture denotes any financial support provided by investing, giving or spending at the individual or non-public level. Private support can be further divided into business support, individual giving and support from foundations and trusts.
 - a) Business support - Business support denotes direct investment aimed at capital returns, including public-private partnerships and investments in arts collections, as well as sponsorship and corporate donations.
 - b) Individual giving - Individual giving encompasses all transactions made by individuals, with a purpose of donating or contributing to culture. Individual giving should be distinguished from household expenditure for culture, which falls under the category of earned income.
 - c) Foundations and trusts - Support from foundations and trusts, as grant giving organisations, is rapidly spreading in Europe. Such support denotes support from intermediary institutions, usually founded by law, that serve special purposes and missions, and are supported by private endowment.
- III. Earned income - This category includes all individual spending for cultural purposes, e.g. entry fees to cultural institutions, the buying of cultural objects, etc. Earned income therefore denotes all direct income made by cultural organisations on the market.

Types of private investment:

Investment can be in the form of direct investment (including public-private partnerships), sponsorship, or patronage/donation.

- I. Direct investment in culture - Investments in culture are capital investments in culture made with the aim of making profit. One of the initial forms of investment was the purchasing of artworks, an act that resulted in a transfer of ownership in the permanent possession of a company. Presently, another important form of cultural investment is public-private partnerships (PPP). Public-private partnerships refer to government or private business initiatives that are funded and operated through partnerships between the government and one or more private sector companies.
- II. Sponsorship - In its most general form, sponsorship refers to support with returns, in which the sponsor receives something in return for his or her support, either directly or indirectly. When describing sponsorship, it is useful to separate two forms: associative sponsorship which is the standard form of sponsorship, especially in the arts, in which the sponsor does not influence content and programming, and deep sponsorship in which the

sponsor actually determines the form and the content of cultural production (McGuigan, 2004). Furthermore, the literature offers another division of sponsorship: commercial sponsorship, in which the company's objective is to derive a direct benefit in terms of enhanced sales or image (Klamer, Petrova and Mignosa, 2006)¹⁰, and sponsorship as generosity, which is characteristic of many Eastern European countries (Inkei, 2001)¹¹.

- III. Patronage and donations - Donations are considered to be one-sided business transactions, from which the donor expects no direct benefit; reasons to donate are therefore moral and not economic (Gruban, Verčič, Zavrl, 1996)¹². Two forms of donations can be distinguished: 'pure' donations, in which the donor stays anonymous, and 'public' donations, in which the donor is publicly announced, and receives indirect benefits from the promotion of his name in public (Kovač, 2005)¹³. In some environments the subcategory of patronage provides support with some return (Klamer, Petrova and Mignosa, 2006). The assistance provided through patronage is of no direct benefit to the patron's activities, but adds to the patron's reputation and honour through the resulting fame (European Parliament, 2003, quoted in: Klamer, Petrova and Mignosa, 2006). Donations can be individual, corporate or channelled through grant giving bodies."

The above text may serve as the point of departure for a European definition of giving, and also lists various sources of income for the cultural sector.

¹⁰ Klamer, A., Petrova, L., and Mignosa, A., 2006. Financing the arts and culture in the European Union. Brussels: European Parliament.

¹¹ Inkei, P., 2001. Tax incentives for private support to culture. [online] The Budapest Observatory

¹² Gruban, B., Verčič, D., and Zavrl, F., 1996. Pristop k odnosom z javnostmi. Ljubljana: Pristop.

¹³ Kovač, B., 2005. Strokovne podlage za pripravo zakona o zasebnih vlaganjih v kulturo in celovito reformo financiranja kulture. Ljubljana: Ministrstvo za kulturo RS.

Research method

A different research method was used in each country surveyed, as indicated in the table given below.

| Country | Research method | Target group |
|--------------------|---|---|
| Belgium | Telephone survey N = 558 | Professionals from companies with more than 20 employees |
| France | Telephone interviews N = 734 quota sample ¹⁴ | Directors and marketing, sponsoring and financial managers |
| Hungary | Interviews N = 9 | Conclusions are based on interviews with representatives of 9 big companies concerning their sponsoring policy for culture in general and festivals in particular |
| Hungary 2 | Questionnaire N = unknown one-off study | Companies stated to have donated to non-profit organizations in 2003. |
| Netherlands | Online survey N = 1505 and N = 1164 respectively Longitudinal | Random sample of Dutch society (GINPS) ¹⁵ |
| UK | Survey N = unknown Longitudinal Case studies | Cultural institutions |
| UK 2 | Computer-Assisted Interviewing N = 3000+ 3 times a year | Households |

The study design varies very considerably from small-scale qualitative studies to national studies with target groups that are representative of the population as a whole.

¹⁴ A quota sample is one in which the researcher deliberately selects the composition of the sample in advance. Hence, the results obtained with the aid of such a sample cannot lay claim to be very representative.

¹⁵ Giving in the Netherlands Panel Study

Target groups

The diversity of study designs used in the various countries means that each country approaches a different target group in order to get answers to questions about giving behaviour. In general, three main target groups may be distinguished in the studies we have analysed, each one with a corresponding typical question.

1. **The corporate sector: *What does the corporate sector give to the cultural sector?*** The corporate sector as a target group allows understanding the reasons for giving - which is important in respect to strengthening the culture of giving. It also allows evaluating the total amount of giving in a country and per sector. Belgium and France used this study approach, and contacted representatives of the corporate sector to obtain information that would allow them to record corporate expenditure on donations and sponsoring. Both of these studies distinguish between medium and large enterprises. With the aid of this distinction, it is possible to show what kinds of companies give to good causes, and why. The study of giving to various sectors permits estimation of the relative importance of the cultural sector compared with other sectors. However, the distinction between medium and large enterprises can vary from country to country, and is not clear-cut.
2. **The cultural sector: *What does the cultural sector receive from the corporate sector?*** The UK uses this study design, because the main focus here is on cultural institutions. The changes in support for the cultural sector are immediately apparent from the data collected. Two principal questions were addressed here: how many cultural institutions are there, and how dependent are they on foundations and trust funds? The results of this study are highly reliable, because the receiving target group is smaller than the group of potential donors (the corporate sector). Furthermore, cultural institutions are accustomed to accounting for their finances. The information in this case is thus clear and reliable – and probably more accurate than that obtained from companies. Finally, this longitudinal study has been carried out over the past 30 years, and thus gives a good picture of the long-term trends in the relationships between the corporate and cultural sectors.
3. **Society as a whole: *What does society give to the cultural sector?*** The Dutch study, known as GINPS (Giving in the Netherlands Panel Study), focuses on giving by society as a whole. It is based on a random sample of the general population and a random sample of companies. Both of which are taken each year. The Dutch research team has been trying to question the same target group online each year since 2002. This approach allows for a longitudinal study, so that trends can be determined. Furthermore, the random sampling of the general population shows the relative contributions to culture made by the various sectors of society. The second UK study focuses on giving by households, thus giving a clear picture of public priorities in philanthropy.

These three target groups (the corporate sector, the cultural sector and society as a whole) and the corresponding study designs lead to completely different results which are not comparable with one another. The depth and frequency of the studies also differ. From a geographical point of view, there is more research in Western Europe on the relationships between the corporate sector and the cultural sector than in Eastern and Southern Europe, while the need for such research can be just as great in the latter regions.

For the objective of this report it is not necessary to discuss the results of the various studies in detail. The objective here is to show the various approaches, the lack of European level within these studies and to call for a study design that will deliver results EU-wide instead of the fragmentary results we have now. At the moment it is not possible to generate general statements about the giving culture in Europe from the available studies. We will mention here a few evident results:

General results

- The only point on which most researchers agree is that the financial crisis has had an adverse effect on corporate giving.
- Medium-sized companies give relatively more than large ones, and they tend to concentrate their activities in this field at the local level.
- The main reason why organisations give to good causes is that they feel they should contribute to social and cultural development – though of course, they do also hope that their generosity will boost their image.

Specific results

- The number of companies engaging in patronage and sponsorship in Belgium is rising. The number of medium-sized enterprises acting as sponsors in 2011 rose by 30% to a total of 15,750 companies compared with 2009. The number of large companies acting as sponsors rose by 18% in the same period.
- Hungary: The choice of the cultural organization sponsored by a given company is usually determined by the personal preferences of the company management – unlike the case with festivals, which are often sponsored to enhance the company's public image, for reasons of relations management or sometimes because of a wish to change the company's corporate image.
- Poland: When companies owned by the Polish State Treasury decide to sponsor an organization, they often choose a cultural establishment for this purpose. In 75% of the cases the support provided is financial support.
- UK: Public donations to the arts rose by 6.5% in 2012, bringing the amount contributed to about €500 million more than in 2011. This reflects an upwards trend.
- More Dutch companies have started to engage in sponsorship, but the amounts involved in any particular case are lower than before. Most of the money raised comes from a large number of small companies, each of which donates relatively small amounts. This trend is probably due to the economic crisis.

Conclusions and recommendations

We set out to find research into (corporate) giving to the arts. Yes, we found some and more. But we still do not know how much is being given to the arts on an European level, and we know why. It is impossible to add up and compare the results of the various studies. The most that can be done is to tentatively indicate a few trends here and there. The Dutch and UK studies offer most opportunities in this direction, since they are longitudinal studies. At the moment this is only possible at national, not at European level.

We have tried to use our inventory of studies in a number of EU member states to discover where studies are being carried out, where they have been carried out in the past, what topics have been studied and which study methods have been used. Similar inventories have been made in some other countries, while in many countries such inventories have either never taken place or nothing is known about their existence.

A number of problems arise in this connection:

1. First of all, the rules governing donations vary from one country to another: some countries have fiscal regulations that facilitate charitable giving, while many others do not.

Relevant fiscal measures from the five countries surveyed are given in the following table by way of example¹⁶.

| Country | Main law governing tax deductions for private sponsors of arts and culture |
|--------------------|---|
| Belgium | No legal provision for corporate tax deductions of cultural Investments. There is a tax deduction possible for registered organisations, but only a few cultural organisations are on this list. |
| France | Development of Sponsorship Act (1987); Patronage Act (2003) |
| Hungary | Civil Law (CLXXV/2011) and Corporation Tax Law (LXXXI/1996): Up to 100% of donations to ‘Public Benefit Organizations’ are tax-deductible (up to 20% of a company’s tax base). Performing Arts Law (XCIX/2008): Up to 70% of the Corporation Tax can be donated to registered performing arts organizations. |
| Netherlands | Gift and Inheritance Tax Act (2012) covers a number of aspects of fiscal law in order to make ‘giving to culture’ fiscally attractive. The Act also introduces a new multiplier of 125% which applies to donations made to cultural institutions. This multiplier is effective until 2017. Additionally there exist different tax incentive schemes for the arts, media and heritage. |
| UK | Review of Charity Tax Law introduced major simplifications and improvements to the treatment of gifts to charities, including a tax-efficient way of donating shares. Goals were to encourage private support of charities, including many UK arts organizations, and to complement public money given to the arts, museums and heritage. |

¹⁶ Council of Europe/ERICarts, Compendium of Cultural Policies and Trends in Europe, 15th edition, 2014, and national sources. In most cases, figures include contributions from foundations and other private donors. This overview has been updated with the support of *Causales* (Annual of Cultural Brands)

2. Secondly, the topic studied can vary.
Sometimes the topic is donating in general, and researchers may ask how much the public gives to various types of recipients. The study *Geven in Nederland* (Giving in the Netherlands) is an example of such an investigation. In it, a representative random sample of the Dutch population is asked who they make donations to, and how much they give. Culture is one of the recipient sectors, and this study shows how much the cultural sector receives in comparison with other sectors. In other words, it shows where culture lies in the hierarchy of recipients of philanthropy. Other studies only ask companies about their giving behaviour and sponsoring policy. Here again, the cultural sector may be one of the beneficiaries. Such studies show how culture fares in comparison with other sectors that companies are motivated to support by donations and sponsorship.

Other studies are specifically interested in companies' giving and sponsorship behaviour in support of culture alone, or culture together with one or more other sectors. They often also focus on the motives for this giving and sponsorship behaviour.

The two UK studies we surveyed focus on the corporate support received by cultural institutions. They thus give a clear picture from the recipient point of view of the kind of support received and the amounts involved.

3. Thirdly, the various studies use different definitions and descriptions of the sector considered, the topics examined within that sector and the target groups questioned.

These various factors mean that the results of the different studies considered are not comparable. It is impossible to add up the results of the various studies from different countries. The most that can be done is to tentatively indicate a few trends here and there, in particular when studies are repeated.

The fact that each study has its own methodology, its own questionnaire and its own level of reliability makes it even more difficult to compare the results of the different studies.

To sum up, this inventory makes it clear that it is currently impossible to show how the general population supports the cultural sector by means of donations and to measure the extent of corporate support for the cultural sector by means of donations and sponsorship.

The gap in the research data on the extent of private funds for culture and the effectiveness of the given measures to this end in Europe is also confirmed by the following quote from the IMO report *Encouraging private investment in the cultural sector*¹⁷:

"It is surprising that there is not sufficient comparative data about the size of private funds for culture and the effectiveness of given measures and comparative methodology in Europe. Some limited insight into different national realities is available through studies and surveys on private giving and cultural sponsorships that have been conducted by arts and business organisations. However, the existing data is being collected using different methodologies and therefore lacks comparable quality on a European level."

This gap at European level cannot be filled by data at national level. The existing Arts&Business organisations do not have the resources to do this. Only action at European level can give an

¹⁷ IMO - Institute for International Relations (2011). *Encouraging private investment in the cultural sector*' Brussels.

adequate picture of the giving culture of companies, individuals and households and the culture of asking of the cultural sector.

That is why research is called for to attain a more comprehensive view on giving in Europe, to get better figures and statistics with the goal in mind to improve the relationships between arts and business, to unlock more of the potential of the culture and creative sector for society in Europe.

Recommendations

Our recommendations are intended for three different target groups:

1. European policy makers
2. National governments
3. Arts&Business organisations.

1. Recommendations for European policy makers

- We recommend that the EU should strengthen the culture of asking and strengthen the culture of giving
- The EU should strengthen the culture of asking by capacity building for cultural institutions and artists in making the right proposals for business for donations and sponsorship
- The EU should strengthen the culture of giving
 - 1. by promoting fiscal measures that make it more attractive for companies and individuals to give to the arts or to arrange sponsorship deals;
 - 2. By promoting good practices and examples of sponsorship as an exchange between the business sector and the cultural sector;
 - 3. By providing solid and comparable data on giving to culture in the form of private donations and sponsorship;
 - 4. By supporting Arts&Business organisations that build bridges between the cultural and business sectors through matchmaking, training and research.
- To be able to implement these recommendations we need data:
 - Data on the amounts being given to culture from the business sector, whether these donations are given by small, medium or large businesses and for what motives
 - Data on income for the cultural sector through sponsorship and data on the content of these exchanges taking place between business and culture through these sponsorship deals
 - Data on donations to culture by private people and their motives to donate to culture
 - Data on the priority that culture takes in the order of sectors to be given to by companies and private people and what arguments people and businesses need to place culture higher on their priority list
- These data need to be consistent, comprehensive and longitudinal
- To gather these data we recommend to take the following steps:
 - Make an inventory of existing studies to paint a clear picture of all studies in this field in EU countries. The report here can function as a starting point. The inventory could also cover the US, Australia and other countries in order to make further comparable material and best practices available.

- Collect data on fiscal measures in countries that favour giving to culture and publish them and promote the best practices. There are some incomplete inventories available but they need updating and completion.
 - Organise a conference where representatives of governments, Arts & Business intermediaries and researchers discuss definitions, research methods etc. and reach a first agreement on the best choices.
 - Set up a research design and a time frame to collect the data needed
 - Involve national Arts&Business organisations in all of these steps to ensure support and dissemination and provide links and connections to the various target groups for the research and dissemination
 - Set up a EU-wide platform on the culture of asking and the culture of giving where the information from previous studies is collected and presented, where information on fiscal measures and good practices from exchange between the business and the cultural sector can be published and exchanged
2. Recommendations for national governments
- We recommend national governments to stimulate a culture of asking and a culture of giving to culture by:
 - Strengthening the ties between the cultural and the business sector
 - Designing fiscal measures that enable companies and individuals to give more to culture
 - Enabling the cultural sector to make a better case for giving and sponsorship
 - Participating in research that collects data on giving to culture
3. Recommendations for Arts&Business organisations
- We recommend that Arts&Business organisations make it their priority to support the culture of asking and the culture of giving through matchmaking, training and research.
 - Agenda-setting within cultural policy on these subjects should be an important part of their activities
 - We recommend that Arts&Business organisations initiate or support research that collects the kind of data we mentioned before
 - We also recommend that Arts&Business organisations participate internationally in the collecting of data and the exchange of best practices of interchange between culture and business organisations

To achieve the best possible collection of data on aspects of giving (fiscal measures, giving, sponsorships) there are a number of requirements:

- For the best results research is needed at European level, to give a wide overview of the topics involved, greater insights into the culture of asking and the culture of giving than is available at present, and to achieve more uniformity in the research.
- Additional studies are needed at national level when more data are required to determine which actions and measures should be taken locally to strengthen the culture of asking and giving. Specific national approaches should coincide with national specific needs and information gaps.
- A focus is also needed on involving Arts&Business organisations who are already carrying out research in this field or who intend to do so, in order to promote exchange of information between these intermediaries and to ensure that existing best practices are followed.

- If research is setup we recommend to follow these guidelines: The questions to be asked must be unambiguously formulated. The use of guidelines relating to definitions will prove useful here. What is 'giving' precisely, and what does this concept include? Are we talking about corporate and/or individual gifts, sponsoring, donations, foundations and/or trust funds? Or should new initiatives such as crowdfunding be included too? Are fiscal aspects, the time devoted to philanthropy and volunteer work taken into consideration? Clear answers must be formulated to all these questions before reliable inventories of corporate giving to culture can be made.
- The study design must also be taken into consideration. The most reliable estimates of the amounts given to culture are derived from studies focusing on cultural institutions, like that carried out in the UK. If the objective of the study is to encourage corporate giving, it may be a good idea to focus the investigation on the features of the companies involved and their motives for donating. If the aim is to reinforce the culture of giving in society as a whole, the target used may be a random sample of the population of the country in question.
- It is important to share best practices in the drawing up of questionnaires and study designs in order to raise the quality of the study and the comparability of the results. This can also help other countries that have done little or no research in this field so far to set up their own study efficiently and cost-effectively. An appropriate existing platform or Arts & Business intermediaries may be useful in supporting such sharing of best practices.
- Most experience and knowledge is built up by repeated research over a period of years. It is not necessary to conduct a study every year, but a regular frequency is of great importance. Such long-term studies do demand long-term commitment of research funding. Long-term longitudinal studies are needed to permit the mapping of trends in this field
- If that is not possible, it is in any case advisable to copy existing research models so as to make the results obtained comparable. The choice of the study to be used as a model will depend on the particular aspect to be researched – the general population, the corporate sector, the cultural sector or a combination of these.
- Three target groups should be involved in such studies: cultural institutions, the corporate sector and the general population. Different data are required for each target group. The information needed on cultural institutions includes the amounts received, the relationship with the donor and the type of support involved (gifts and various kinds of sponsoring and the extent to which institutions depend on them, e.g. as a percentage of their income). The information needed on companies includes the type and amount of support they provide, the amount of support in relation to turnover and the decisive reasons for giving to culture rather than to other sectors. The information needed on the general population also includes the amounts given and the decisive reasons for giving to culture rather than to other sectors.

Known studies that can serve as a model include the *Geven in Nederland* (Giving in the Netherlands) study, which focuses on the general population, the Prométhéa study in Belgium and the Admical study in France, both of which focus on the corporate sector, and the UK study which focuses on the cultural sector itself.

These three studies are compared below as best practices:

| | | | |
|----------|---|--|---|
| Approach | The corporate sector: <i>What does the corporate sector give to</i> | The cultural sector: <i>What does the cultural sector receive from the</i> | Society as a whole: <i>What does society give</i> |
|----------|---|--|---|

| | <i>the cultural sector?</i> | <i>corporate sector?</i> | <i>to the cultural sector?</i> |
|-----------------|--|--|---|
| Definitions | To be defined following the advise from the report we mention earlier: <i>Encouraging private investment in the cultural sector</i> | | |
| Target group | Make a difference between smaller companies (staff between 5 and 25) en medium and larger companies (staff between 25 and 250). | Which are cultural institutions and how many are there? | Make at least a difference in age, education, male/female , income and occupation |
| Research method | Random for both groups | longitudinal | Random and longitudinal |
| Example | Belgium: Prométhéa (2012). <i>Enquête Prométhéa-Ipsos: Etude sur le mécénat et le sponsoring d'entreprise</i> . Brussels | UK (England): Arts and Business (2011-2012). <i>Where is private investment to the arts going?</i> Arts and Business: London | Netherlands: Schuyt Th.N.M. (2013). <i>Geven in Nederland</i> . Read Business Education VU: Amsterdam |

Finally

The European policy on culture and creative industries aims to reinforce the spill-over effects from the cultural and creative sector – in particular towards the business sector – and to make them more clearly visible.¹⁸

In this connection, it is very important to show both the cultural sector and the business sector the extent of the funds circulating here and the benefits that may be accrued from them. Such information can also show national and regional governments what is going on in their territory and how that compares with the situation in other countries or regions.

Further inventories of fiscal and other measures in this field could also encourage governments to take steps to improve the situation in their own territory.

Following our recommendations would mean:

- Collecting and disseminating data on the culture of asking and the culture of giving concerning fiscal measures, donations and sponsorships could help the cultural sector in significant ways: The corporate sector would learn to appreciate the cultural sector as a worthy partner, and would understand the mutual benefits of cooperation with it.
- The cultural sector would build more bridges with the corporate sector.
- The financial position of the cultural sector would improve through more successful approaches in asking for support.
- The cultural sector would become more independent through acquiring more significant sources of income.

¹⁸ Source: http://ec.europa.eu/culture/library/publications/cci-policy-handbook_en.pdf, p. 4 et seq.

Appendix

Source list of studies received from partner countries and other countries

Arts and Business (2011-2012). *Where is private investment to the arts going?* Arts and Business: London

Admical (2012). *Le mécénat d'entreprise en France: Résultats de l'enquête Admical-CSA*. Admical: Paris

Culture Policies (2014) *Compendium of Cultural Policies and Trends in Europe*. Accessed online.

European Union (2013) *Survey on access to finance for cultural and creative sectors*. Accessed online: http://ec.europa.eu/culture/library/studies/access-finance_en.pdf

KEA European Affairs (date of publication unknown). *Creating, innovating, disrupting through A&B organisations: Final study*: Brussels

Kuti É. (2010) *Charity or Patronage: Corporate funding for non-profit organisations*. Nonprofit Kutatóscsoport and Summa Artium: Budapest

Lewicki M. (2010) The National Centre for Culture, Confederation Lewiatan: *Sponsoring of Culture in Poland: Companies*. University of Warsaw

Lewicki M. (2010) The National Centre for Culture, Confederation Lewiatan: *Sponsoring of Culture in Poland: Cultural Institutions*. University of Warsaw

NCVO & CAF (2012). *UK Giving 2012: An Overview of charitable giving in the UK, 2011/2012*. London

Oesch, P. (2002) *Culture, Companies and Sponsorship – Development and Practice*. Research Reports of the Arts Council of Finland: Helsinki

Zsuzsu Hunyadi et al (2005). *Report on the private sponsorship of the arts in Hungary*. Summa Artium Public Benefit Company: Budapest

Paivi R. (2004). *Arts & Business Forum Finland: Esiselvitys*. Tuleviasiuiden Tutkimuskeskus: Helsinki

Prométhéa (2012). *Enquête Prométhéa-Ipsos: Etude sur le mécénat et le sponsoring d'entreprise*. Brussels

Promovator (2008). *Virksomheder skyder hvert år 600 mio. kr. i kulturen*. Accessed at: <http://www.information.dk/164600>

Schuyt Th.N.M. (2013). *Geven in Nederland*. Read Business Education VU: Amsterdam

Sprengel R. (2008). *Private Spenden Für Kultur*. Maecenata Schriften: Munich

Stoltz P., Isling D. (2009) Södertörn University: *Sponsoring inom Kultursektorn: Kosten att identifiera & attrahera sponsorer: Hötsterminen*

Vaagen. H, Gran A.B. (2010) *Status 2010*. Forum for Kultur og Naeringsliv: Oslo

Summaries of studies on individual countries

Belgium¹⁹

Prométhéa-Ipsos Survey

Study of corporate patronage and sponsoring: Overview of the methods that Belgian companies with more than 20 employees use to deal with patronage and sponsorship

Methodology:

- Telephone survey
- N = 558
- Target group: relevant professionals from companies with 20 or more employees

Results:

- Companies spend a total of €378 million on corporate sponsorship, 274 million of which was in cash.
- In-kind contributions (products, competencies) amounted to an estimated €104 million. The actual figure is probably higher, because companies do not keep accurate records of their donations; 37% of companies could not specify the amount given. The amount given is about the same as in 2009.

There are many small contributions:

- 378 million is spent annually on patronage and sponsorship.
- 79% of this amount comes from companies with fewer than 100 employees.
- 65% of companies acting as patrons of the arts have an annual budget of less than €10,000.

2011: 74% of the companies surveyed were active in sponsoring and patronage.

There is a preference for music and the visual arts. Film is the least popular. Music represents one-third of the budget spent on culture and heritage.

21% of companies questioned stated that their patronage budget will fall in 2012 as a result of the economic crisis.

Motivation:

- 68% of employers believe that they have a role to play in social and cultural development.
- 58% see patronage and sponsorship as a factor that enhances their image
- 50% believe that sponsorship helps them to project their corporate vision

Sponsorship helps companies to contribute to social and cultural development.

- 72% of companies plan to maintain or increase their patronage budget in 2012.
- 6 out of 10 derive useful commercial links from their cultural sponsorship activities.
- 68% of companies believe that they have a duty to invest in cultural and social development.

¹⁹ Prométhéa (2012). *Enquête Prométhéa-Ipsos: Etude sur le mécénat et le sponsoring d'entreprise*. Brussels

Note:

Patronage and sponsorship are becoming more popular.

- 74% of companies with more than 20 employees (15,750 companies in total) engage in patronage, which is 30% more than in 2009.
- 83% of companies with more than 100 employees and 69% of companies with fewer than 100 employees engage in patronage and/or sponsorship. Participation has increased by 18% relative to 2009.
- 90% of companies in the financial sector sponsor cultural activities.

The financial, industrial and transport sectors have 20% more patrons than in 2009. The increase in other sectors is 10%.

National study on sponsoring

Companies spend 600 million kroner (€80.6 million as of 9-9-14) on culture annually.

Methodology:

- Interview with Thomas Klaerke, sponsorship manager at SAS (Scandinavian Airlines).

Results:

- Private companies are spending 600 million kroner (€80.6 million as of 9-9-2014) on culture annually, and this amount is growing by approximately 90 million kroner (€12 million as of 9-9-2014) a year.
By way of comparison, the Danish Ministry of Culture's annual budget is about 6 billion kroner (€806 million as of 9-9-2014).
- The support from private companies is far from dominating public support (funded by taxpayers) but it is increasing, since private companies are realizing that sponsorship is a good way of enhancing their image.
- Individuals and companies are spending a total of about 3 billion kroner (€403 million as of 9-9-2014) annually on sponsorship, of which more than 600 million kroner (€80.6 million as of 9-9-14) is spent on culture. The amount spent on sponsorship of culture is growing by 15-20% a year.

Motivation:

- Cultural sponsorships help to give employees experience in other fields, and project an image of the company as an organization that is not just interested in profits.
- "We use sponsorship to build customer relations," says Thomas Klærke, sponsorship manager at SAS. "The atmosphere at meetings is different, people have their guard down and become emotionally engaged. It's healthy not just to be talking about business when you sit facing one another across the conference table."

Note:

- Most sponsorship money still goes to sports, especially football.
- Many cultural institutions have also become better at servicing sponsors.
- Previous studies reflected fears that private funding of the arts would have an undesirable influence on the cultural content. There is little that sponsors can do in this direction, however.

²⁰ Promovator (2008). Virksomheder skyder hvert år 600 mio. kr. i kulturen. Accessed at <http://www.information.dk/164600>

Study on annual sponsorship trends

National study on sponsoring

Methodology:

No information received on this point.

Results:

- There are no tax incentives to support giving. There are however a few foundations that have been set up to support cultural activities.
- The total amount of money companies spend on sponsorship is €177 million.
 - sports receive €104 million,
 - culture €24 million and
 - other causes (such as the 'Save the Gulf of Finland' fund) €49 million.

There are no special legal or administrative incentives to business sponsorship. In 2003, Finnish corporations were estimated to have spent only €4.1 million on sponsoring and purchasing art. More recent estimates suggest that corporate support for the arts and culture at present is around €10 million.

The main areas of business sponsorship include the visual arts (e.g. art galleries, themed exhibitions), music (e.g. classical, popular, festivals), and music theatre (e.g. operas, musicals).

Motivation:

The culture of giving is not strong in Finland because the Finns think that the arts and culture are already supported by the taxpayer and by special grants, so there is no need for them to give any more.

²¹ Paivi R. (2004). Arts & Business Forum Finland: Esiselvitys. Tuleviusuuden Tutkimuskeskus: Helsinki

Research Report of the Arts Council of Finland

This study focused on the principles underlying issues such as the expectations of companies who spend money on cultural sponsorship, and also tried to identify the kinds of problems that prevent sponsorship and to inventory the expectations of both the sponsor and the beneficiary.

Methodology:

- Questionnaire
- N = 319 cultural institutions
- Target group:
 - 130 theatres
 - 83 art museums
 - 66 festivals
 - 27 orchestras
 - 13 regional opera companies

- The second part of the study was based on themed interviews
- N = 22
- Target group:
 - Persons responsible for sponsorship in companies, cultural institutions, organizations and festivals, two representatives of sponsorship agencies and the Chairman of the Arts Council of Finland

Results:

- Manufacturing, financial intermediation, insurance and pension funding companies have traditionally been the most important supporters of the arts and heritage.
- Companies invested a total of €4.8 million in sponsorship and cooperative marketing of the arts in 1999.
- 7% of sponsorship was in kind, but in many cases sponsorship was a mixture of cash, cooperative marketing and collaboration between companies and cultural institutions, organizations and festivals.

Motivation:

Cultural sponsorship has become a part of the marketing mix and both parties use it to increase their publicity.

Cultural bodies seemed to be more interested in the direct economic impact of sponsorship than companies, which often have to be satisfied with immaterial benefits such as increased customer satisfaction and approval. Companies are looking for new ways to make use of cooperation. They often prefer small-scale events and special productions to big one-off events, since the former can offer better publicity and more opportunities for hosting their own business contacts. Long-term contracts are also preferred, and three-year contracts are coming into general use. There are some further obstacles to large-scale sponsorship: the commercial interests and publicity requirements involved mean that sponsorship can only be used by quite a limited number of companies and cultural bodies. Most of the parties involved do not have the resources required for successful sponsorship or other forms of cooperation. It is often more important for cultural bodies to focus

²² (2014). Sponsorointibarometri® 2014. Place of publication unknown.

their knowledge and other resources on developing their main strengths, which can also attract new audiences and might have the indirect effect of making companies interested in sponsorship.

Note:

- Most companies use sponsorship for reasons of marketing and public relations.
- Companies know too little about the different sectors of culture and the possibilities that culture has to offer, and do not know how and where to find further useful information. This seems to be one of the main reasons why companies tend to concentrate on a few forms of culture and the same cultural institutions, organizations and festivals. On the other hand, cultural bodies also find it difficult to know how to make themselves more visible and interesting to companies. Neither party has a clear understanding of how to make the best use of sponsorship.
- Some companies refuse to use sponsorship agencies because of the extra charges involved. They also value personal contacts in sponsorship and think that use of their own networks and experience is a better way of finding partners in the cultural sector.
- According to respondents, the State should play an active role in making cultural sponsorship more attractive. It should do more to fund culture itself, and not transfer responsibility for this increasingly to companies.
- Sponsorship has become trendy. Cultural institutions, organizations and festivals are looking for a sponsor because others already have one, and similarly companies start sponsoring without first realizing clearly what they want, what they can do and what the needs of the other party are.

Le mécénat d'entreprise en France:

National study on sponsoring, aimed at evaluating and analysing donations from businesses.

Methodology:

- Collaboration with polling agencies CSA and Cap.
- Interview
- N = 734
- Target group: companies

Results:

- Medium-sized companies (20 to 99 employees) are most willing to give. 32% act as patron, compared with 27% for larger companies.
- Very large companies with over 200 employees prefer to sponsor. 47% of them have a separate sponsorship policy. These companies primarily sponsor social objectives, culture and sport.
- Most donations go to sport, but on average each donation is much smaller. Only 6% of the total amount donated goes to sport as compared with 19% in 2010.
- Social goals get the most: 43% of the budget is given by 36% of the companies.
- Culture is chosen as a beneficiary by 24% of companies.
- Donations to culture have risen from 19% of the total to 26% (from 380 million to €494 million).
At present, 40,000 companies make donations as compared with 35,000 in 2010.

Motivation:

- 57% Contribution to society, solidarity
- 31% Improving corporate image and identity
- 26% Building key relationships in the region and enlarging the company's network

Large companies have a fourth major reason for sponsoring.

24% of large companies indicate that this helps to strengthen their internal corporate culture and to attract and retain good staff. Only 6% of smaller businesses engage in sponsorship for this reason.

Most donations of companies – especially small and medium-sized enterprises – go to the sports sector and sporting events. 39% of these companies indicate which sports should benefit from the total of €114 million given in this sector. This proportion is lower than in 2010, when 48% was spent on sport. The total amount given to all sectors has also declined.

Small businesses give 42% to sport, as compared with only 19% of large companies. This probably has to do with the local nature of many sporting events.

Small businesses are committed to the local area where they operate, and they may reflect this commitment through involvement in sporting events.

Social goals, education and health are the most popular targets for sponsorship: 61% of donor companies choose to give to one of these domains – up from 58% in 2010. In terms of the amounts

²³ Admical (2012). *Le mécénat d'entreprise en France: Résultats de l'enquête Admical-CSA*. Admical: Paris

donated, these sectors are responsible for 59% of the total sponsorship. This proportion was much lower, only 36%, in 2010.

The proportion of large companies giving to social causes is 57%, while 24% made donations to cultural objectives.

25% of young people and students benefit from sponsorship.

Many donations have a local focus – 83% at present, up from 79% in 2010.

Note:

Fewer companies are giving to the cultural sector, but the total amount donated has risen.

Scientific analyses of data on giving in Germany

Several studies on patronage and corporate sponsoring

Methodology:

- N = unknown:
- Research is based on the following sources:
Studies by the Maecenata Institute for Philanthropy and Civil Society at Humboldt University, Berlin
- Rainer Sprengel/Thomas Ebermann/Karin Fleschutz, Statistiken zum deutschen Stiftungswesen, 4. Forschungsbericht, 2007
- Deutsches Zentralinstitut fuer soziale Fragen, Spendenalmanach 2007
- Price Waterhouse Coopers, Unternehmen als Spender, November 2007
- TNS Infratest, Deutscher Spendenmonitor 2007
- Rainer Sprengel/Rupert Graf Strachwitz: Private Donations for the Arts and Culture, A Report for the Federal Parliament, 2006
- Maecenata Institut, Buergerengagement und Zivilgesellschaft in Deutschland, 2006
- Eckhard Priller/Jana Sommerfeld, Wer spendet in Deutschland?, 2005
- Annette Zimmer/Eckhard Priller, Gemeinnuetzige Organisationen im Wandel, 2004

Results:

The total of private donations for culture is much more than government funding for this sector. Estimates range from 25% more to 2.5 times as much. The largest contributions to culture are private donations, expenditure on culture and taxation. Total public donations to culture = €673 million, while companies gave €208 million (these figures are for 2006). Donations for other purposes are €1,900 million and €421 million respectively.

| Kind of donation | Minimum | Maximum (figures in millions of euros) |
|---------------------|---------|--|
| Time | 9,350 | 16,700 |
| Money | 133 | 166 |
| Membership fees | 215 | 722 |
| Legacies | 9.7 | 13 |
| Corporate donations | 111 | 188 |
| Sponsorship | 300 | 1,400 |

The above figures include minimum and maximum estimates, but are always on the cautious side. If contributions in time (at €35 per hour) are included, donations will exceed state subsidies (€7,956 million in 2004, falling trend).

Arts and culture received between 2 and 3% of total donations, or about €60 to €80 million per year. The number of people contributing to the arts and culture is between 600,000 and 800,000. This thus corresponds to a constant contribution of €100 per person per annum over the years. The number of organizations sponsoring culture is low. However, the donations these companies make to culture are higher than those from companies to other sectors.

²⁴ Sprengel R. (2008). *Private Spenden Für Kultur*. Maecenata Schriften: München

- **Art and culture foundations:**
Approximately 18,000 foundations make regular donations totalling between €133 and €160 million per annum.
Of these, 3,980 (around 22%) give to culture, and a relatively high proportion of these 3,980 (34%, or approximately 1,330 foundations) give exclusively to art. This represents total contributions of €9.9 million to culture and art.
- **Corporate donations**
It is difficult to estimate the amount of corporate donations, because there is no clear division between data on donations and sponsorships.
Approximately 186,000 companies claim tax deductions on donations and membership fees, corresponding to a total amount of €740,468,000 but this is broken down by the type of enterprise involved. For example, 2.3% of all businesses (mainly credit and insurance) accounted for nearly one third of this amount. Approximately €111 million of the above amount (or 15%) goes to the arts and culture.

Sponsorship is seen as an important communication tool, corresponding to approximately 17 to 19% of total giving. The sponsorship of culture in the narrower sense of the term amounts to about €300 to €400 million.

Sponsoring culture in the broad sense of the term accounts for around €1,300 million to €1,400 million (including €1,000 million for media sponsorship).

The sponsorship market is growing, but the arts and culture are not the only sectors supported: more than 50% of the money goes to sports.

Motivation:

The main reasons for sponsoring are to make a contribution to society and to enhance networking and social contacts, but real interest in the artistic and cultural activities involved also plays an important role.

Companies have three main reasons for supporting the arts and culture in terms of time and money:

- The wish of owners or managers to show visible social involvement.
- The wish of owners or managers to be socially engaged without advertising the fact.
- Investment in improving the company's corporate image.
Sponsoring companies are usually only moderately interested in the use to which their contributions are put. Corporate self-interest is more important than the personal interests of individual owners or managers here.
The donations monitor shows relatively stable results.

The amount of money given stays more or less constant, but the identity of the donors and the amount each one gives keep on changing.

Reasons:

- Lack of public debate
- Limited tax deductions

Time commitment as a source of sponsoring is far from exhausted.

Why do people give money to good causes?

- Momentary need for assistance, such as natural disasters
- Emotional involvement

Foundations and benefactors

Stimulation measures known as *Stiftung Steuerrecht Reform* (revision of tax laws applying to foundations in 2000-02) have led to strong growth in donations, but public debate also contributed even though only 0.005% of the population was involved. Those setting up a foundation want to know that money donated is used as intended, but such control on donations to large organizations is not feasible.

Note:

Four trends may be distinguished:

- Offers of time commitment are on the rise.
- Total volume of donations by members of the public is highly volatile, and is mainly determined by special events. A rising trend may hardly be distinguished.
- Total volume of corporate donations is growing due to incentives, but the identity of the recipients varies widely.
- Number of foundations is increasing sharply.

Gifts are linked to corporate interests, which tend to follow short-lived trends.

Despite all the attempts to change and professionalize the fundraising set-up, total donations are not rising. Reasons are unclear:

- People tend to think the State should support good causes.
- Coverage of civic engagement often has some sort of ironic undertone.
- Dominance of market-oriented thinking means that people tend to ask “What’s in it for me?”

The overall impression is that people think culture should be financed by the State.

This situation can only be altered by a cultural change.

Corporate sponsoring of culture in Poland

Topics studied: Financial support of cultural projects by companies (with breakdown into different fields of art), motivation for sponsoring of cultural events, obstacles to cooperation between cultural institutions and corporate sponsors, benefits of sponsoring.

Methodology:

- Fieldwork
- N = 400
- Target group: companies with 10 or more employees

Results:

- 1/3 of companies studied supported cultural projects in 2009.
- Only 42% of companies owned by the Polish State Treasury became sponsors, as opposed to 62% of the whole sample. When companies owned by the Polish State Treasury decided to sponsor organizations or institutions, they often chose cultural projects (11 out of 13 companies), which means that 85% of these companies had supported a cultural activity at least once.
- The main form of support for cultural projects is financial (75% of sponsoring companies). In-kind sponsorship is chosen by 22% of sponsoring companies.

Motivation:

- The main criteria for selection of projects to sponsor are the social resonance, message, cultural value and uniqueness of a project.
- According to the companies surveyed, the main advantage of being a sponsor is the enhancement of a company's image and prestige.

Note:

For further information see Lewicki M. (2010) *The National Centre for Culture, Confederation Lewiatan: Sponsoring of Culture in Poland: Companies*. University of Warsaw

²⁵ Lewicki M. (2010) *The National Centre for Culture, Confederation Lewiatan: Sponsoring of Culture in Poland: Companies*. University of Warsaw

Sponsoring of culture in Poland – Cultural Institutions

Topics covered: Private funding of cultural institutions in 2009, different forms of financial support, number of sponsors, different attitudes towards sponsoring, obstacles encountered by sponsors and sponsored institutions, reasons for the lack of sponsoring in 2009, assumptions about sponsoring in 2011.

Methodology:

- Fieldwork
- N = 401
- Target group: cultural institutions

Results:

- 63% of the cultural institutions received financial assistance at least once from private enterprises.
- 59% of the cultural institutions received financial assistance at least once from private enterprises in 2009.
- Among the institutions that were not sponsored by companies, 54% of the sample did not apply for any private sponsoring and 37% did not manage to find a private sponsor despite trying.
- 42% of the cultural institutions sponsored by the private sector had 10 or more sponsors.

Motivation:

- According to the cultural institutions surveyed, the main advantages of sponsoring are: additional funds for cultural activity (74%), possibility of extending the institution's cultural offerings (43%), establishing long-term cooperation with a business partner (36%), increased visibility of projects undertaken (33%).
- According to the cultural institutions surveyed, the main obstacles to finding a sponsor are: lack of companies interested in sponsoring culture (63%), lack of sponsorship proposals (17%), inability to establish a legal framework for cooperation (17%), organizational problems making it difficult to forecast support from sponsors at the project planning stage (17%).
- The most commonly sponsored branches of culture include: performing arts (45% of institutions), cultural animation (32% of institutions), national heritage (18% of institutions), visual arts (16% of institutions).

²⁶ Lewicki M. (2010) The National Centre for Culture, Confederation Lewiatan: *Sponsoring of Culture in Poland: Cultural Institutions*. University of Warsaw

Compendium of Cultural Policies and Trends in Europe: Spain

There are very few figures available on private-sector capital funding of culture in Spain. A study of the contributions made by large Spanish companies in 2005 showed that culture was the third recipient of sponsorship (after healthcare and educational activities).

Methodology:

- Unknown. For a full report see *Compendium of Cultural Policies and Trends in Europe*.

Results:

The majority of public cultural expenditure in Spain comes from regional and local governments, which together represent 85% of public spending on culture.

This shows the decentralized nature of the Spanish model, where territorial authorities assume most of the responsibility for culture. The economic crisis has affected cultural budgets at all levels of government. Strong adjustment measures taken by the central government to reduce the public deficit have particularly affected the Ministry of Culture (now known as the Ministry of Education, Culture and Sport).

Thus, the cultural budget for 2011 (the last year for which data are available) suffered a 9% reduction over the previous year.

According to the government, the cultural budget for the last two years has basically served two purposes: on the one hand, to ensure the functioning of core institutions and cultural services and on the other to promote the construction of complementary financing models involving greater participation by civil society. The situation is equally worrying to regional and local administrations, which also have high debt levels.

Thus, in 2011, cultural spending by both administrations suffered a 16% reduction with respect to 2010.

Motivation:

- Unknown.

Note:

- €1,482,593 is spent on culture by the local governments.
- €1,482,593 is spent on culture by the autonomous regions.
- €956,931 is spent on culture by the central government.
- Spending by central and local government fell by 2.9%.
- Crowdfunding is a new upcoming trend.

(The above information dates from 2011. Source: http://www.mecd.gob.es/servicios-al-ciudadano-mecd/dms/mecd/servicios-al-ciudadano-mecd/estadisticas/cultura/mc/naec/2013/AEC_2013.pdf)

²⁷ Culture Policies (2014) Compendium of Cultural Policies and Trends in Europe. Accessed online.

Sponsoring inom Kultursektorn

Analysis of sponsorship in Sweden. This study focuses on sponsorship in the cultural sector, from the sponsored party's perspective. The issue examined is how cultural organizations identify, contact and attract potential sponsors to their activities

Methodology:

- Case study (interviews)
- N = 5
- Target group: Bonniers Konsthall, Riksteatern, Skansen and Way out West. (Swedish cultural organizations)

The research is based on multiple interviews of representatives of each organization. The study's overall theoretical frame of reference is taken from business theory, and the concepts used are the marketing concept and the marketing mix, supplemented by the A-ERIK model which is used to analyse sponsorship by dividing it into four not mutually exclusive variables: association, exposure, relationships and integrated communications.

Results:

The main conclusions drawn from this study is that organizations identify potential sponsors on the basis of their ability to offer the sponsor association, exposure, relationships and integrated communications. To some extent, the organizations also identify sponsors on the basis of their own needs, arguing that the sponsor will add value to the cultural activities and will be able to build up contacts with the beneficiary's stakeholders. The organizations identify sectors, not specific companies, and the sectors that are being considered as most attractive are those whose core values are close to their own.

Motivation:

Organizations use association and relationships in particular to attract sponsors. The sponsor is allowed to associate with the organization's brand and specific themes in shows or exhibitions and the organization offers the sponsor the opportunity to strengthen its relationship with its stakeholders and to create new relationships with these stakeholders.

Note:

For further details see the research paper by Stoltz P., Isling D. (2009) *Södertörn University: Sponsoring inom Kultursektorn: Kosten att identifiera & attrahera sponsorer: Hötsterminen*

²⁸Stoltz P., Isling D. (2009) *Södertörn University: Sponsoring inom Kultursektorn: Kosten att identifiera & attrahera sponsorer: Hötsterminen*

Geven in Nederland

National study on giving in the Netherlands

Methodology:

Survey and longitudinal study.

First three editions were cross-sectional.

A new group of respondents was surveyed each time, and results were generalized to the Dutch population.

Longitudinal studies were started in 2002.

- The same respondents were interviewed each time, as far as possible. The study is known as the Giving in the Netherlands Panel Study (GINPS)
- Questions on expenditure in the previous year were introduced last spring.
- Results are weighted by sex, household size, education, province and region. A separate study was performed among immigrant households.
- The questionnaire used can be filled in online.

Results:

A total of €4.3 billion was given to charity in the Netherlands in 2011. (This total amount is obtained by adding up estimated household donations, inheritances, funds (both money-raising foundations and trust funds), corporate donations and the proceeds of gambling.) The estimate is on the low side, because the information on legacies and contributions from capital funds is incomplete.

Voluntary donations in the Netherlands amount to 0.7% of GDP (€601 billion in 2011). This low percentage seems to contradict the general view that the Dutch are generous givers. However, most donations to charity in the Netherlands are made through taxes.

Main beneficiaries of charitable giving in 2011 (in order of magnitude)

| | | |
|---------------------------|-----|-------------|
| 1. The church | 19% | 806 million |
| 2. Sport and recreation | 17% | 702 million |
| 3. International aid | 13% | 569 million |
| 4. Social goals | 12% | 525 million |
| 5. Health | 11% | 487 million |
| 6. Environment | 9% | 376 million |
| 7. Others | 8% | 349 million |
| 8. Culture | 7% | 287 million |
| 9. Education and research | 4% | 150 million |

²⁹ Schuyt Th.N.M. (2013). *Geven in Nederland*. Read Business Education VU: Amsterdam

The total amounts given to the cultural sector by households, individuals (including legacies), foundations (money-raising foundations and trust funds), companies and the proceeds of gambling are:

€26 million from individuals
€6 million from legacies
€69 million from capital funds
€124 million from companies
€62 million from levy on gambling

These total amounts show large fluctuations over the years. Not many companies are consistent in their giving. The contributions from gambling have risen sharply in recent years.

Motivation:

Companies want to encourage employees to participate in civil society; contributing to good causes is a good way of doing this.

Who gives:

- More highly educated people give more than unskilled or semiskilled workers.
- 3% of the Dutch do volunteer work (they often have no children living at home, are more highly educated, and are churchgoers)

In 2011, 71% of companies gave to charitable causes through sponsorship, as compared with 64% in 2009.

More companies gave in 2012, but each one gave less on average.

Note:

Corporate sponsorships and donations to charities plummeted in 2009. The results show a particularly marked drop in sponsoring, which is probably related to the economic crisis. A longitudinal analysis of corporate data shows that many companies stopped sponsoring altogether.

Report on private Sponsorship of the arts in Hungary

Topics studied: what is a festival, who goes to a festival, reasons for sponsoring, etc.

Methodology:

- Interviews
- N = 9
- Target group: nine large companies, who were asked about their sponsorship of culture in general and festivals in particular. The study was carried out in collaboration with István Arnold.

Data on seven important festivals in Hungary were analysed. (The main exception being the Sziget Festival.)

Results:

Sponsors covered 20% of overall festival budgets, as compared with 18% for central government. Grants from various domestic and foreign donor organizations provide 3% of funds, and grants from the National Cultural Fund another 3%.

NGOs and the media covered 1-2% of overall festival budgets. 60-65% of festivals had sponsors.

Sponsored festivals received an average of a quarter of their budget from sponsorship.

The 200 or so festivals studied had 1,012 permanent and 1,045 occasional sponsors in 2004.

There were 9 sponsors per festival on average.

Motivation:

Various reasons were given as to why companies started supporting culture, and why they chose particular events. Tradition was frequently cited, and a previous acquaintance between an artist performing in the sponsored production and the top executive of a company, or the chief executive's personal affinity to some branch of the arts, often led to the funding in the first instance.

Hungarian companies under foreign control are to a certain extent constrained by the cultural sponsorship policy of the parent company.

Donations are more strongly motivated by the donor's emotional response, and sponsorship more by image-building potential, though donations have recently been expected to yield image-building benefits too (and there is also likely to be some emotional basis for sponsorship decisions as well).

Company profile:

- There is a sharp divide in sponsorship policy between companies selling consumer goods and companies providing services.
- The former tend to use sponsorship to boost product marketing and direct sales, while service companies typically put image-building first.
- Some companies focus on ideas of social responsibility alongside the direct benefit criterion.

Corporate entertainment, nurturing business contacts and strengthening employee loyalty can also be important considerations.

³⁰ Zsuzsa Hunyadi et al (2005). *Report on the private sponsorship of the arts in Hungary*. Summa Artium Public Benefit Company: Budapest

Sponsors often like to use events they sponsor for corporate entertainment. Senior company managers attend these events and may invite important business contacts. Some companies also use sponsored events for internal PR and strengthening employee loyalty. Management in such companies thus tend to look for events to sponsor that they and their employees would like to attend.

The direct benefits for festival sponsors are raising recognition, raising turnover and improving – or, where necessary, changing – corporate image. On top of that, sponsorship is a potentially useful means of nurturing business relationships, and building and maintaining employee loyalty.

Note:

Changes in a company's market position often lead to changes in sponsorship practice. Such changes may include:

- a major change in the company's customer base, as when a merchant bank with a small number of corporate customers opens up to the public,
- loss of a company's monopoly, forcing the company to face up to competition, change its image and gradually get into sponsorship and develop experience,
- opening new regional or national headquarters. Companies with a wider operating base may decide to serve particular regions or strengthen their national networks and adapt their image accordingly.

A company may decide not to sponsor a festival if the principal sponsor title costs too much. All sponsors carefully examine their co-sponsors in a given event, and will pull out if they detect even a hint of competition.

It is rare for the benefits of sponsorship to be quantitatively demonstrated.

Sponsoring festivals is worthwhile because both the public and the sponsors come out as winners. Companies benefit from such effects as image-building, while the public benefits because more people come into contact with culture and art. Festivals are the most effective channel for delivering culture to the public, and one of the best means of reducing cultural inequalities.

Sponsors are not just of key importance in absolute terms, in that they provide every fifth forint (the forint is the Hungarian currency: EUR/HUF = 0.00319 as of 23-8-2014) of a festival's budget, but their contribution to festivals is similar in size to that of central government and local authorities, even sometimes exceeding that of central government.

CHARITY OR PATRONAGE?

Corporate funding for non-profit organizations. Report of a survey of corporate funding for non-profit organizations in Hungary (foundations, associations, advocacy organizations, non-profit companies).

Methodology:

- Survey
- N = unknown.
- Target group: Companies classified as donors because they stated that they had provided, without compensation, funding and/or support in kind to some non-profit organization in 2003.

Donations to cultural institutions and enterprises maintained by the state or operating on a commercial basis were not included in the survey. Hence, the results do not show the overall extent of corporate support for culture. This question would require a different approach involving a representative survey of the beneficiary cultural organizations.

The research presented here was conducted by the Non-Profit Research Association for the Civil Relations Directorate of the Government Equal Opportunities Office. The full text of the final report is accessible at the websites www.civil.info.hu and www.nonprofitkutatas.hu.

Results:

A large part (nearly two-thirds) of Hungarian enterprises turn out to be willing to donate or give assistance in kind to the civil sector. 15% supported cultural non-profit organizations.

Donation decisions depend mainly on the principle of solidarity or on emotional response.

Companies only rarely apply objective criteria, with due consideration of the company's interests, in weighing up applicants' reputations and the quality of their projects.

Each company's donation policy is decided almost solely by the top executive. Even in large companies, selection of non-profit organizations for assistance is determined by managers' personal preferences.

Corporate decision-makers' motivations resemble those of private donors very closely. There are very few signs that their values differ much from those of average people, or that they place any more importance on rational behaviour or adherence to formal requirements than private donors do.

Companies' priorities regarding donation do not bear a close relationship to their business activities.

Raising prestige is in second-last place among motivations for giving.

³¹ Kuti É. (2010) *Charity or Patronage: Corporate funding for non-profit organisations*. Nonprofit Kutatócsoport and Summa Artium: Budapest

Companies give towards local causes (within the town or local region where they are based) more frequently in smaller towns and villages. Integration into the local community is a perceptible factor raising propensity to donate.

Support for culture requires a joint effort from all parties involved (civil society, businesses and the State). If the good intentions that indisputably exist are put into practice, they will create more effective and intensive cooperation between the various sectors involved.

Motivation:

There is a widespread public feeling, implicit or declared, that the predatory capitalism that is currently predominant in Hungary does not predispose the country's new entrepreneurial community towards charity. An attitude based on a sense of community, on solidarity, a feeling of responsibility expressed via donations, is more usually attributed to foreign enterprises, which – having developed in the less troubled conditions of wealthier economies – are thought to be more able to adopt a donor culture.

In fact, however, local businesses have a fifty per cent higher rate of donation than foreign businesses.

Remoteness, lack of sociocultural affinities, distrust and language difficulties all play a part in foreign companies' disinclination to give to charity in Hungary.

Extracts from our telephone interviews with non-donor companies reveal that some local managers resent the attitude of their foreign proprietors.

These and similar responses suggest that some foreign businesses have not yet integrated into the Hungarian social environment, and prefer to act as privileged foreigners rather than responsible members of society. The effect of this on public opinion is currently counterbalanced by news of large foreign companies making large donations; the large sums involved easily make up for the deficiency.

Distribution of non-donor companies by reason for declining to give

| Reason | Proportion, % |
|---|---------------|
| Company's financial position does not permit donation | 61.7 |
| Proprietor or management rejects donation on principle | 10.4 |
| Lack of trust in applicants, poor experience, overwhelming number of requests | 8.2 |
| Company makes donations at another level or of different type | 7.9 |
| Temporary economic/organizational reason (e.g. new firm, capital project, reorganization) | 6.2 |
| No request for support received by company | 5.6 |

Many companies which did make donations (and were therefore not asked why they did not donate) noted how unfortunate and shameful it is that there is so much need for charity, and that the State does not provide enough funds to cover its basic social obligations.

Note:

A finding that may have particular implications for cultural organizations is that the current approach to corporate social responsibility is apparently dominated by the ethical model.

Companies' donation is fundamentally driven by a sense of solidarity, and their donations policy remains basically within the confines of traditional charity.

Progress in cultural patronage demands more than improvement in fund-raising techniques; there is a need for a change of attitude.

A sustained increase in corporate support for culture is only likely if businesses acknowledge the importance of the cultural dimension of socioeconomic development, and recognize its implications for their own interests and responsibilities. The best way of engendering and fostering this realization would be to replace occasional cash-seeking campaigns with a conscious, professional fund-raising strategy based on collaboration with stakeholders, and to build up sustained contacts between companies and cultural institutions based on mutual esteem.

Status 2010

The report covers three sub-studies of the views of business managers, of performing artists and of cultural institutions on the relationship between sponsoring and corporate social responsibility. The goal of the survey is to shed light on the following aspects of this field:

- Joint projects or activities shared by culture and business, where both partners are granted equal status.
- Culture Sponsorship as a commercial contract aimed at generating benefits and support for cultural activities. Dividends may be in cash, goods or services.
- Donations in support of culture, without obligations.
- Use of artistic expertise within the business organization to promote innovation and corporate culture, strengthen leadership, improve job satisfaction, reduce absenteeism, etc.
- Corporate support for culture, as perceived by cultural organizations and performing artists

Methodology:

Interviews and survey

Interviews:

N =

1,599 interviews with artists

118 interviews with cultural organizations.

Response rate:

40 per cent for artists

41 per cent for cultural organizations

Survey:

N = 3,998 companies

Response rate: unknown

(Companies were randomly drawn from the Perduco industry panel comprising more than 7,500 business leaders in an online database.)

Results:

4 out of 10 companies sponsor cultural organizations.

Overall, 41 per cent of companies report that they have sponsored and/or collaborated with cultural organizations in the past 12 months. This percentage has remained stable over the past three years. (Source: Norges Activities of business survey – NNU*)

The distribution of sectors sponsored by companies is as follows:

- Sport: 58 per cent
- Humanitarian organizations: 52 per cent
- Culture: 41 per cent
- Academia: 6 per cent (mostly companies with more than 100 employees)

³² Vaagen, H, Gran A.B. (2010) *Status 2010*. Forum for Kultur og Naeringsliv: Oslo

Academic sponsorship is also significantly overrepresented among manufacturing companies.

Norway prefers to sponsor amateur activities rather than professional activities.

(Regional roots, dense social networks in smaller cities and little strategic use of sponsorship in small and medium-sized companies are part of the reason for this.)

'Support for the community' is a common motive for corporate sponsorship

Motivation:

The three main reasons for sponsoring culture are

- to strengthen the local community or region where your business is located (80 per cent),
- to strengthen cultural life (75 per cent) and
- a feeling of social responsibility (73 per cent)

Further motives are

- enhancement of company image and sale of company products (55 per cent),
- personal interest in art and culture on the part of managers (53 per cent), and
- pure charity (52 per cent)

Companies with more than 100 employees attach more importance to enhancement of company image and sale of company products than smaller firms, and women report a personal interest in art and culture as a motive for donating more often than men.

Sponsoring cultural life is also seen as an aid to recruitment of high-quality staff who will bring fresh ideas and innovation into the company. Men attach more importance to recruitment of high-quality staff than women, while women are more concerned with creativity and innovation than men.

The importance of innovation and renewal as a motive for sponsoring culture also increases with the size of the company.

27 per cent of companies report expansion of their professional network as a key motivating factor, while 20 per cent report either care for employees' well-being and recruitment or greater access to cultural skills and creativity as the main motivating factors for the sponsorship of culture. Companies with more than 100 employees place more stress on employee benefits than smaller firms.

18 per cent of companies that have sponsored or cooperated with cultural organizations in the past 12 months state that reduction of absenteeism is a major motivating factor. Women report this more often than men, and companies from Northern Norway more often than companies in the country as a whole. The smallest proportion of companies (11 per cent) reported strengthening of managerial skills as a major motivation for sponsorship of cultural life.

Why do donors give?

The motive mentioned more often than any other – by nearly four-fifths of respondents – was solidarity and sympathy with those in need.

Emotional reasons, mentioned by more than half of respondents, took second place.

A quarter of donors had some personal contact with the non-profit organizations receiving corporate support.

It is clear that business interests were involved here to a certain extent, but there was also a strong emotional background in some cases.

A fifth of subjects interviewed mentioned deprivation of the beneficiary organization or the wish to resolve a desperate situation (such as school closure).

A similar proportion said that the decision-maker simply liked the activity of the NPO or one of its projects or events.

Note:

- 61 per cent of the artists surveyed regard their activities to a large or very large extent as a cultural industry, while 15 per cent say that they only share this opinion to a very small or limited extent. Craftsmen and artists are less inclined to see their activities as a cultural industry than actors and musicians.
- Not many artists under 30 from Central Norway think of themselves as cultural entrepreneurs.
- Reasons stated why artists and cultural institutions do not cooperate with private companies:
Artists report a lack of offers (58 per cent) as their main reason for not working with the private sector, while 44 per cent of cultural institutions state that the reason is that they cannot find a suitable company to work with.
- Neither artists nor institutions are particularly worried that cooperation with business could harm their artistic integrity. Only 7 per cent of players in the cultural sector mention artistic integrity as the reason why they do not work with the private sector – a surprisingly low figure, in view of the opposition to the private sector still referred to in some circles.
- Collaboration with industry is seen as good for networking. Several cultural institutions and artists have built up new networks, and regard this as an exciting and educational activity.
- A large proportion of artists and cultural institutions see the partnership with the private sector as artistically stimulating.
- Collaboration is implemented largely as planned:
74 per cent of the cultural institutions report that cooperation with the private sector has been implemented as planned to a large or very large extent. The corresponding figure for artists is 69 per cent. Actors report this more often than the other artist groups. Only 5 per cent indicate that cooperation is not carried out as planned. The reasons for this are primarily internal challenges in terms of anchoring, vague agreements, lack of expertise and exchange of people (this was an open question in the questionnaire).
- Stakeholders (businesses, artists, mediators and national policy-makers) sometimes find it difficult to understand the arguments for using artistic competence and methods to develop business activities. Further research and collection of best-case and worst-case scenarios is essential to visualize the effects of creative partnerships between the cultural and business sectors, and will make a big contribution to development of this area.

UK Giving 2012: An overview of charitable giving in the UK, 2011/12

The message from our research is that the overall amount given to charity has fallen. Against a backdrop of tough economic times, [...] this report will give an overview of charitable giving in the UK.

Methodology:

Survey of individual giving:

N = 3,000 +

The survey is run three times a year. It is an omnibus survey that is carried out face-to-face in people's homes, using Computer-Assisted Personal Interviewing (CAPI) which also collects a wide range of social, economic and demographic data about the individuals.

The survey identifies methods of donation and causes donated to. Interviewees are shown a card listing nine methods of donation and are asked whether they gave to charity in the last four weeks by any of the methods shown. They may select as many methods as they wish. For each of the methods that they report using, respondents are shown another card and asked which of the fifteen types of causes listed on the card they have donated to. The respondents assign charities to one of the categories listed on the basis of their own judgment. Then for each method, respondents are asked how much they gave and whether they used Gift Aid.

All data are checked and analysed using SPSS.

Results:

- The study shows that the majority of investments in the cultural sector end up where they belong.
- The proportion of people donating to charitable causes in a typical month has decreased over the last year, from 58% to 55%.
- Participation in charitable giving nevertheless remains relatively widespread, with over half of adults giving in 2011/12, equivalent to 28.4 million adults.
- The typical amount given per donor per month in 2011/12 was £10 (€12.50 as of 3-9-14) (this is the median value).
- There was a reduction in the amount donated in 2011/12. The median amount fell from £11 in 2010/11 and £12 in 2009/10 (£10 = €12.50 as of 3-9-14).
- The estimated total amount donated to charity by adults in 2011/12 was £9.3 billion (€11402 million as of 3-9-14), a decrease from 2010/11 of £1.7 billion (€213 million as of 3-9-14) in cash terms and of £2.3 billion (€288 million as of 3-9-14) in real terms, after adjusting for inflation.
- Between 2010/11 and 2011/12, the total amount donated decreased by 15% on the unadjusted totals and by 20% in real terms (adjusting the 2010/11 total for inflation).
- In real terms, the estimated total amount in 2011/12 is the smallest it has been since the survey began in 2004/05.
- Giving by cash is the most common method of giving, used by half of all donors in 2011/12. It has been the most common method of giving for all eight years of the survey.

³³NCVO & CAF (2012). *UK Giving 2012: An overview of charitable giving in the UK, 2011/2012*. London

- As in previous years, the typical amounts given by cheque and credit or debit card are the largest (£20) (£25 as of 3-9-14).
- Direct debit accounted for the largest share of total donations in 2011/12, representing almost a third (31%) of the overall amount given, compared with a quarter in 2010/11.
- Women continue to be more likely to give to charity than men (58% compared with 52%).
- In 2011/12 women aged 45-64, and 65 or more, are the groups most likely to give (62%) and they also gave the largest median amount (£15).
- Although managerial and professional groups are consistently the most likely to give, the percentage of people in these groups who make donations has fallen to 66% from 70% in the previous year, and the amount they give has also fallen (£17 compared with £20).
- 'Medical research', 'hospitals and hospices' and 'children and young people' continue to attract the highest proportions of donors.
- 'Religious causes' attracted the largest donations with a median amount given of £20 per month and received 17% of all money donated.

For the first time since the survey began, the proportion of donors using Gift Aid has dropped: it was 42% in 2010/11, and 39% in 2011/12.

The decrease in Gift Aid use is concentrated among those making smaller donations (less than £25).

Motivation:

| | The causes people give to are: | Proportion of total amount: |
|------------------|--------------------------------|-----------------------------|
| Medical research | 33% | 15% |
| Hospitals | 30% | 15% |
| Children | 23% | 11% |
| Animal welfare | 16% | 5% |
| Overseas aid | 14% | 10% |
| Religious | 14% | 17% |
| Disabled | 11% | 4% |
| Health | 8% | 3% |
| Homeless | 8% | 2% |
| Schools | 7% | 4% |
| Elderly | 6% | 2% |
| Environment | 5% | 2% |
| Sports | 3% | 1% |
| Arts | 1% | 1% |

Where is Private Investment in the Arts going?

Study on Arts and Business private investment in Culture

Methodology:

- Longitudinal study: 30 years
- N = unknown number of case studies
- Method: survey
- Target group: cultural organizations

This UK study makes use of a questionnaire sent to cultural organizations to investigate the donations they receive. It thus looks at things from the opposite direction to most studies, which examine giving by various donor groups.

The study had two main findings: the increased dominance of cultural institutions based in London, and the growing dependence of such institutions on foundations and trust funds.

The study has a 30-year horizon, making it possible to see how trends have changed in recent years, which makes this research unique in the world.

Results:

Support from trusts and foundations

Trusts support giving through the income they raise from their endowments. Between 2010/11 and 2011/12, trust support of culture has risen by 15.8%. It is impossible to determine from this survey whether this represents a significant shift in trusts' funding priorities or is part of an overall increase in their grant giving that reflects the increasing need in England. Either way, this level of giving is likely to be somewhat in excess of the performance of the trusts' endowments and is therefore potentially unsustainable. Conversations that Arts & Business has been having with arts and cultural organizations suggest that an increasing number of them are approaching trusts and foundations for support. Our concern is that this will increase the pressure on an income stream that may, sooner rather than later, need to reduce its overall spending to bring it better in line with its own investment income.

Business support

Business investment in English cultural organizations has risen slightly from £113.6 m to £113.8 m (€142 million as of 3-9-14). In a time of economic challenges, however, this slight rise is a clear testament to a consistent recognition within the business community that their arts partnerships do add value. Business support remains focused on investment through sponsorship, which is defined as a business expense for the purpose of trade. Sponsorship has accounted for around 60% of total business investment over the last four years. Counter-intuitively during a recession, whilst cash sponsorship has remained fairly stable, in-kind support from the business sector has fallen between 08/09 and 10/11. The figure this year is similar to that last year, suggesting that the fall has bottomed out. The amounts that businesses have paid for arts membership has risen gently since 2008. Memberships are structured programmes run by arts organizations in which the business receives a

³⁴ Arts and Business (2011-2012). *Where is private investment to the arts going?* Arts and Business: London

prescribed series of benefits over the year. Their ongoing popularity suggests that they are really delivering for the businesses that take them up. The biggest decline in business support has occurred in donations. In 2008 they accounted for 15% of total business support of culture and that has fallen to 12% (of an increasingly smaller amount of total business support). Since donations are nominally money given without any expectation of return, this underlines the fact that in the current economic climate, businesses need to see the rationale for cultural support, and that rationale has to feed back to their core objectives.

Individual Giving

Support by individuals to the arts in England has risen by almost £23 m (€29 million as of 3-9-14) between 2010/11 and 2011/12, reaching a total of £372.9 m. This is a rise of 6.5% from the 2011 figures of £350.0 m (€467.5 million as of 3-9-14).

Motivation:

Where does the money individuals give to the arts go to?

The bulk of the money that individuals give to culture (57.7%) goes to membership programmes.

The strength of membership programmes, even during the recession, lies in three things.

It represents a continued commitment from the individual members to the cultural sector or institute in question. Secondly, the volume of aid, weighed against the relatively low cost of running such a programme, is proof that a large group feels committed. Finally, the relatively large group of members makes the organization less vulnerable. A steady flow of money is generated in this way.

The second major group of individual support comes in the form of donations (22.9%), and the third major group is bequests (19.4%).

The income from legacies has increased since 2009-2010.

Note:

This UK study focuses on cultural institutions. It reveals the changes occurring in the cultural sector. Two main questions were asked: how many cultural institutions are there, and how dependent are they on foundations and trust funds? The results of the study are highly reliable, because the target group is smaller than the group of potential donors, mainly businesses. Furthermore, cultural institutions are accustomed to providing information about their finances. This makes the data on this subject insightful and reliable. The data are also probably more accurate. Finally, the research has been conducted over the past 30 years, making trends and changes in the relationship between the business and cultural sectors clearly visible.

Schematic overview of analysis of countries surveyed

Other countries with fiscal arrangements concerning culture³⁵

| | Main law governing tax deductions to private sponsors of arts and culture | Government schemes to promote business sponsorship in the arts and culture | Main sectors attracting private sponsorship | Estimated value of private sponsorship generated per annum |
|------------|--|---|--|--|
| Austria | <i>Sponsors' Ordinance</i> (1987) + regional legislation (tax breaks) | Some regions (Länder) and cities offer special public contributions / services | Fine arts, performing arts and music | €50 m (2013) = 1.94% of the overall public cultural funding |
| Bulgaria | <i>Corporate Income Tax Act</i> (2002): deductions increased from 5% to 10%. | None | Popular music concerts, literary publications, festivals, theatre performances | Information not available |
| Croatia | <i>Law on Capital Gains Tax</i> (NN 177/04) and <i>Law on Direct Taxes</i> (NN 177/04): Donations of more than 2% of the annual income need Ministry of Culture certificate | None | Concerts, festivals, art exhibitions | about €4 m (2013 CiV survey) |
| Czech Rep. | <i>Act No. 586/1992</i> : Business entities can deduct the value of a donation for cultural purposes from their tax base if the value of the donation is at least 2,000 CZK. | None | Film, contemporary arts | Information not available |
| Greece | <i>Law 3525/2007</i> : tax exemptions | Central bureau to certify bona fide causes of cultural sponsoring proposals | Music and arts | Information not available |
| Ireland | <i>Tax Consolidation Act</i> (1997): Tax breaks to encourage business sponsorship | <i>Arts2Business</i> Programmes; Arts Sponsor of the Year Award | Information not available | €3.9 m (2010); Deloitte survey: 12% of cult. Institutions' turnover from private/corporate sponsorship |
| Italy | <i>Law 342/2000</i> : deduction of donations and sponsorship | Reshaping and extension of tax reliefs for donations and sponsorship and | Cultural heritage, musical and performing arts, | €391 m (2011) |

³⁵ Council of Europe/ERICarts, Compendium of Cultural Policies and Trends in Europe, 15th edition, 2014, and national sources. In most cases, figures include contributions from foundations and other private donors. This overview has been updated with the support of *Causales* (Annual of Cultural Brands)

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| | | for investments in the cinema industry as well as through the agency of 'concessions' | exhibitions and cultural events. | |
| Lithuania | <i>Law on Charities and Promotion</i> (1993, amended in 2011): defines administrative procedures of promotion, rights of donors & recipients, tax exemptions, control and accounting of donations and relief | 'Maecenas of the Year' award introduced by the Ministry of Culture in 2010. | Theatre, music, festivals | Information not available |
| Luxembourg | Article 112, Income Tax Law (L.I.R., 1967): Exemptions for donations to bodies recognized to be of public interest | No | Public events (festivals), heritage | Information not available |
| Malta | Corporate financial assistance to recognized non-profit organizations and/or to the Arts Fund eligible for tax deductions (2008) | Information not available | Cultural events, festivals | Information not available |
| Portugal | <i>Patronage Statute</i> (Law 74/99): regulates different types of patronage and sponsorship and increases available tax incentives (the highest level for long-term contracts). <i>Law 52A/2006</i> limits fiscal benefits to donations to public & non-profit sectors | None | Music, fine arts, large-scale events | Information not available |
| Serbia | <i>Corporate Tax Law</i> : permits deductions on income tax for cultural activities. | None | Cultural centres, theatres, festivals, events | No information available. |
| Slovenia | <i>Corporate Income Tax Act</i> : 0.3% deduction for donations to various good causes and also a special | None | Cultural centres, events and festivals | No information available |

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| | deduction for culture of 0.2% of taxable income, with the possibility of averaging over a three-year period. | | | |
| Switzerland | Donations / contributions in the form of sponsorship are tax deductible (10% of net profits at federal level + specific regulations in the Cantons, e.g. tax deduction up to 100% in the Canton of Basel). | None, except on the local level | Companies' corporate identity to be promoted via their own concerts/theatre tours or through projects developed with artists / cultural institutions | 300-500 m CHF |