



FUNDRAISING IN EUROPE 2015

- ★ National Fundraising Environments
- ★ Charitable Giving Trends
- ★ Tax Incentives
- ★ Influencing Factors and Concerns

NOVEMBER 2015

FOREWORD

This report highlights the immense scale of charitable giving across 16 European nations and recognises the considerable work of fundraising organisations in achieving this, looking back on developments during 2014 and ahead to the likely outcomes of this current year, 2015

The fundraising community reports that charitable giving continues to grow and there is a clear sense of optimism for the future. The sector has embraced digital fundraising techniques and mobile SMS, diversifying into newer income streams and engaging more of the public in charitable giving.

The report also touches on the consolidation of citizens at a time of need, most recently highlighted with the immense number of refugees arriving at Europe's cities and ports, making the plight of those in need more visible than ever before. As such, the nonprofit sector's role both in providing relief and enabling the public to donate confidently is front of mind and - in some nations - this visibility has galvanised the giving public.

At the same time, there is also widespread recognition that the sector cannot take its treasured position of public trust for granted. While the majority of nations report that trust remained stable during 2014, it is the highest ranked concern for the fundraising community and some nations indicate that they have recently suffered a loss of confidence.

With economic experts warning of another global financial collapse, rising demand for charitable services and continued funding cuts, it is by no means an easy climate for fundraising. And yet, the sector has continued to deliver, with a committed emphasis towards high standards.

Here at EFA, we continue to work with our national member associations to identify trends and challenges for fundraising, seeking to foster a climate of donor trust, based on professional, ethical and accountable fundraising. Our members represent one quarter (€10 billion) of all voluntary income raised in these European nations and their influence on fundraising standards nationally is vital. Finally, we thank all survey participants for their significant contribution to this project.



Günther Lutschinger, President



Becky Gilbert, CFRE, Vice President

Günther Lutschinger is Chief Executive of Fundraising Verband Austria (FVA) and Becky Gilbert is a National Delegate and previous Board Director for Deutscher Fundraising Verband (DFRV), Germany.



EXECUTIVE SUMMARY – KEY FINDINGS

This report provides a snapshot of the fundraising environment and views of fundraising associations in sixteen European nations. Key findings include:

Fundraisers optimistic about growth of voluntary income in Europe

The sector remains largely optimistic about continued growth of voluntary income, with the majority (14) national fundraising associations surveyed indicating that voluntary income has risen or remained stable from 2013 to 2014 and nine nations anticipating further growth throughout 2015. Technological developments and the use of social media are the factors cited as having the most positive influence on charity fundraising. Thirteen of the sixteen European nations covered by this report track voluntary income levels in some form, accounting for an estimated total of around €40 billion raised by nonprofits in those nations.

Public trust and confidence stable, but remains the top concern for charities

Most nations indicate that public trust and confidence is stable, (which may be sufficient), but four nations report a fall and only one reports a recent improvement to public trust, in comparison to eight nations who said that voluntary income had increased from 2013 to 2014. Public trust in charities was cited as the top area of concern for nonprofits in 2015.

Growth of mobile, SMS and online fundraising

While traditional direct mail, public collections and membership income remain the top fundraising methods in terms of voluntary income, mobile, SMS, online and email fundraising techniques have become much more important to the sector and are gaining popularity with donors. Four nations now indicate that mobile/SMS fundraising is one of their top three fundraising methods.

SEPA adoption cited as the most negative factor for fundraising in 2014

Although the concept of a standardised Direct Debit process across European nations is undoubtedly a positive step in the long term, six European nations report problems in implementing and adapting to the new Single Euro Payments Area (SEPA) system in 2014.

All nations report increased demand for charitable services

Every association reported that charities in their nation are facing increasing demand for charitable services since the recession. Many nations also report a reduction to some of their funding channels (with particular reference to corporate cuts), making fundraising an increasingly competitive and challenging environment.

METHODOLOGY

This report summarises the key findings of desk-based research, in addition to a survey conducted of EFA's members (representatives of national fundraising associations) from July to September 2015.

A representative from each of 16 national fundraising associations completed EFA's membership survey referencing national data sources and completing additional interview questions on request. These associations collectively represent more than 1,400 fundraising organisations raising over €10 billion in voluntary income and around 9,000 individual fundraisers.

The report addresses fundraising in the following nations:

Austria	Italy	Sweden
Czech Republic	Netherlands	Switzerland
Finland	Norway	Ukraine
France	Slovakia	United Kingdom
Germany	Slovenia	
Ireland	Spain	

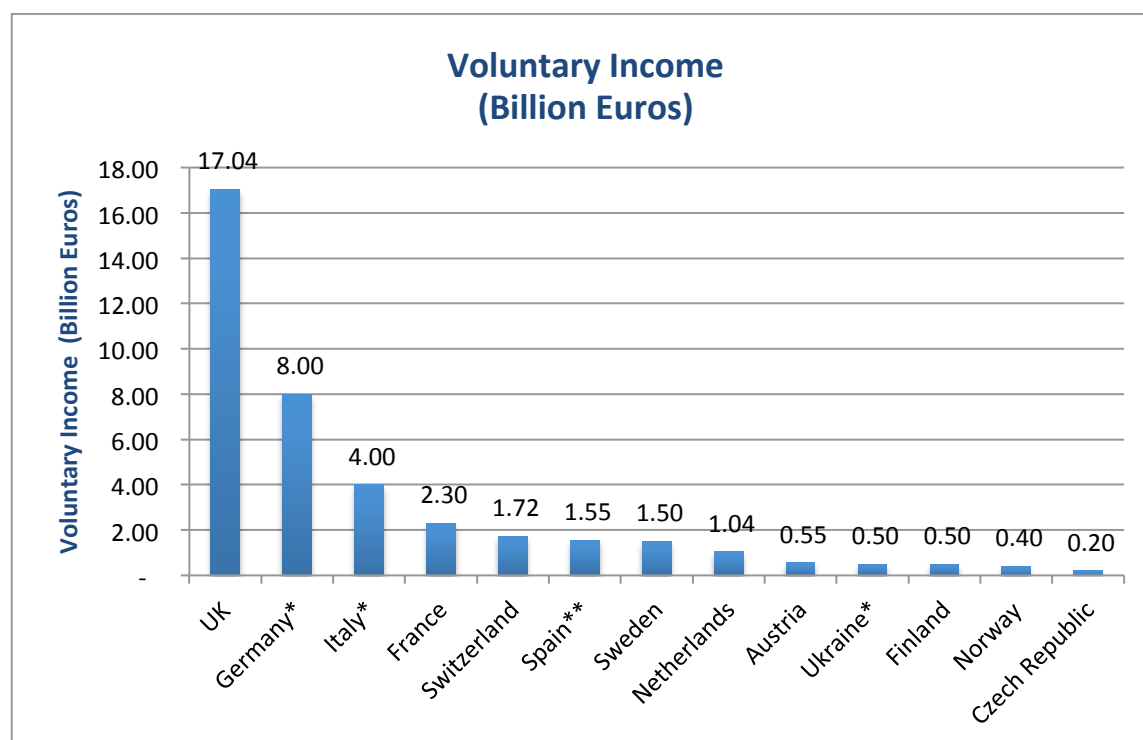


NATIONAL FUNDRAISING ENVIRONMENT

Annual Voluntary Income

While data is not available for voluntary income in all of the nations surveyed and some nations do not capture the full extent of voluntary income channels or causes, a conservative calculation indicates that an estimated total of around €40 billion is raised annually through individual donations for good causes in thirteen of the sixteen European states covered by this report. The biggest contributor is the UK, raising €17 billion in voluntary income annually, followed by estimates of €8 billion in Germany, €4 billion in Italy and €2.3 billion in France.

The source and methodology for tracking voluntary income¹ nationally across Europe varies considerably, ranging from surveys of a representative sample population to data collated by the national tax office. No comprehensive data was available for annual voluntary income in Ireland, Slovakia or Slovenia, and those organisations are excluded from the chart below, however it is known that associations in Slovenia record a total €46 million in voluntary income nationally.



Data source: NCVO Almanac 2015 (UK), Statistisches Bundesamt 2015, Urselmann & Loos (Germany), Baromètre de la générosité 2014 (France), ZEWO (Switzerland), Swedish Fundraising Control (Sweden), VFI Annual Research (Netherlands), FVA Annual Donation Report (Austria), Vala / Taloustutkimus Oy Fundraising Report (Finland), Innsamlingskontrollen.no (Norway), Ministry of Finance of the Czech Republic / Czech Fundraising Center (Czech Republic). Annual data sources vary from 2012 to 2014.

*Estimate provided.

** Data given for the voluntary income of member charities of the Spanish Fundraising Association.

¹ Voluntary income includes all donated income from individuals and corporates, as well as membership fees, but excludes government funding, sales revenue and interest on investments.

The Donor Population

The recently published [CAF World Giving Index 2015](#) identifies that the proportion of people giving to charity (38%) is on the rise across Europe as a whole. Charities Aid Foundation (CAF) reports a 5% increase in charity donors as a percentage of the European population over the long-term average. (The data was collated through surveys of a sample population in each nation, repeated annually).

Of the sixteen nations covered by this report, the UK and the Netherlands record the highest proportion of charitable donors, with more than seven in ten of the national population having donated in a month.

While it is by no means top of the chart, the number of donors in Ukraine has quadrupled over the past year, largely attributable to the nation having rallied together in a time of crisis.

Nation	Population that Donated in the Past Month (%)
United Kingdom	75%
Netherlands	73%
Ireland	60%
Sweden	60%
Austria	52%
Germany	49%
Norway	49%
Switzerland	48%
Slovenia	42%
Finland	39%
Ukraine	38%
Spain	35%
Italy	32%
France	27%
Slovakia	23%
Czech Republic	20%

Source: [CAF's World Giving Index 2015](#)

***Note:** This table includes only the sixteen nations covered by this report. See CAF's World Giving Index report for the full data set.*

"The national crisis has united the public and provoked far greater involvement of Ukrainian citizens coming together to change the country. Ukrainians are consolidated in the face of the danger to the nation."

Svitlana Kuts, Institute of Professional Fundraising (Ukraine)

SURVEY FINDINGS

This section of the report summarises the views of sixteen representatives from the same number of EFA member nations, submitted on behalf of the respective national fundraising association.

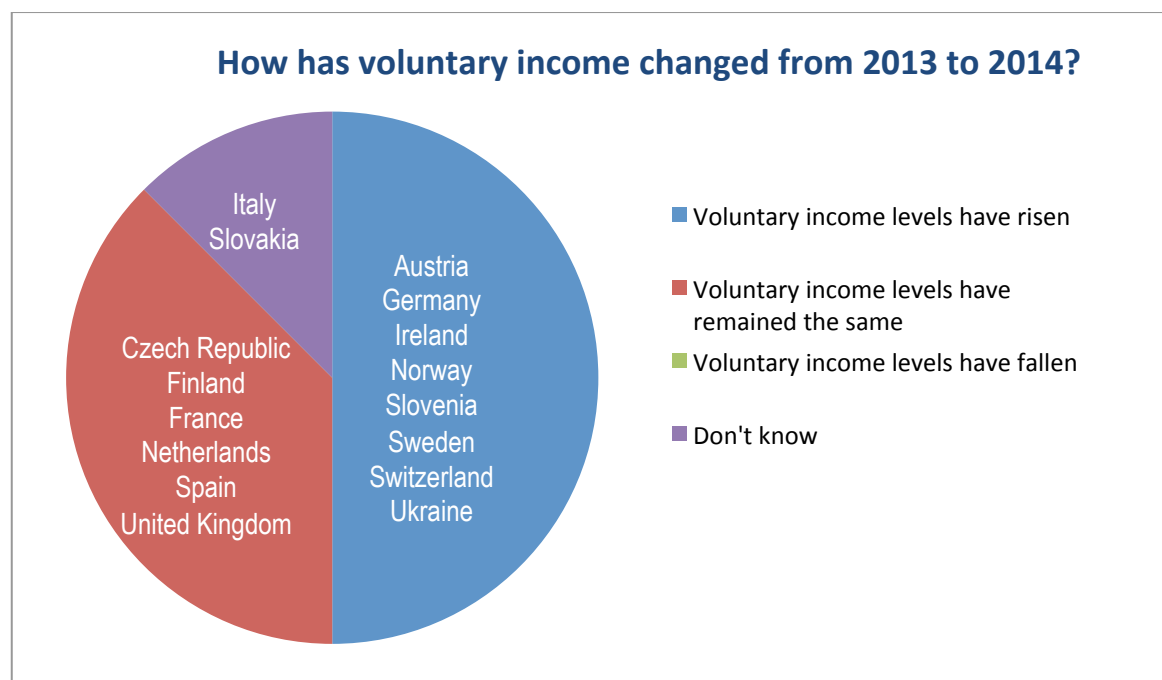
Charitable Giving

The fundraising community reports a positive picture of fundraising in Europe from 2013 to 2014, with the large majority of associations surveyed (14) saying that voluntary income has risen or remained stable over the year. Of the 16 associations surveyed, half believe that voluntary income has risen and 6 that voluntary income has remained stable. None of the representatives surveyed reported evidence of a fall in voluntary income.

Respondents identified a combination of factors that have promoted income growth ranging from greater evidence of need (as is the case in Germany, Austria and Ukraine), a solid or growing economy (France and Switzerland) to market recovery (Ireland).

“With the influx of refugees into Austrian city centres and more visibility around poverty in the country, citizens are generally more aware of the needs of others and feel a greater sense of duty to help and voluntary income is rising.”

Günther Lutschinger, Fundraising Verband Austria and EFA President



The majority of nations also reported that donor numbers have either grown or remained steady across most European nations, but both France and Italy attest to a fall.

Looking ahead, the level of optimism for charitable giving remains high with more than half of the national representatives surveyed (nine) predicting that voluntary income will have risen by the end of 2015 and only one nation (Ukraine) anticipating a fall. The large majority of associations surveyed predict that the number of donors will remain stable or rise during 2015, with only France and Austria anticipating a decline.

“Globally, wealth has become more concentrated, with few individuals having a bigger proportion of the world’s wealth and a decrease in the income and spending power of the middle class. In France, charities have responded to this by investing in major donor strategy and reducing their focus on the more traditional giving methods. We now have a narrower concentration of donors, relying on fewer supporters than in former years, but they are giving more.”

Yaële Afariat, Association Française des Fundraisers (France)

Public Trust and Confidence

It is important to note that, although representatives from all 16 nations have given their views on public trust and confidence levels, the results can only be traced back to data sources in three nations² and therefore the information given is an estimate or ‘gut feel’ based on respondents’ experiences and information from their members.

On the whole, the sector reports a fairly stable picture of public trust and confidence. The majority of representatives surveyed (10 nations) say that public trust and confidence was stable from 2013 to 2014, while France, Ireland, Italy and Sweden indicate that it has fallen. Only Ukraine reported a rise in public trust, with civil society providing a much-needed and united front at a time of national crisis. (This compares to eight nations reporting that voluntary income has increased during the same time frame.)

Public trust can be affected by factors both within and outside of the sector and, in Sweden, no recognised cause has been identified for the drop.

"Public trust and confidence is absolutely essential for fundraising organisations. If the public doesn't have trust in what NGOs do they will eventually stop giving. In Sweden, we've unfortunately seen a slight drop in public trust recently and we are now working to find out the reasons behind this."

Maria Ros Jernberg, FRII (Sweden)

For the year 2015, the majority viewpoint (11 nations) is more optimistic, predicting that public trust and confidence will remain stable during 2015, while representatives from the Czech Republic, Germany, Spain and Sweden anticipate growth. Only one nation predicted a fall in public trust (Italy).

² Sources: STEM and Via Foundation: Czech Elites and Philanthropy (Czech Republic, 2015), Annual Opinion Poll, Market Ltd / Public Opinion Ltd (Austria, 2014), Edelman Trust Barometer (2015)

In Italy, the Mafia Capitale scandal saw criminal syndicates misappropriate money that was destined for welfare services in the city of Rome. A police investigation found a network of corrupt relationships between some politicians and criminals that resulted in a series of high profile arrests in late 2014.

“Although the welfare organisations tasked with delivering these public contracts were not fundraising publicly, they are still considered to be part of the third sector. A scandal of this magnitude had a huge impact not only on those organisations but on public trust in the whole sector.”

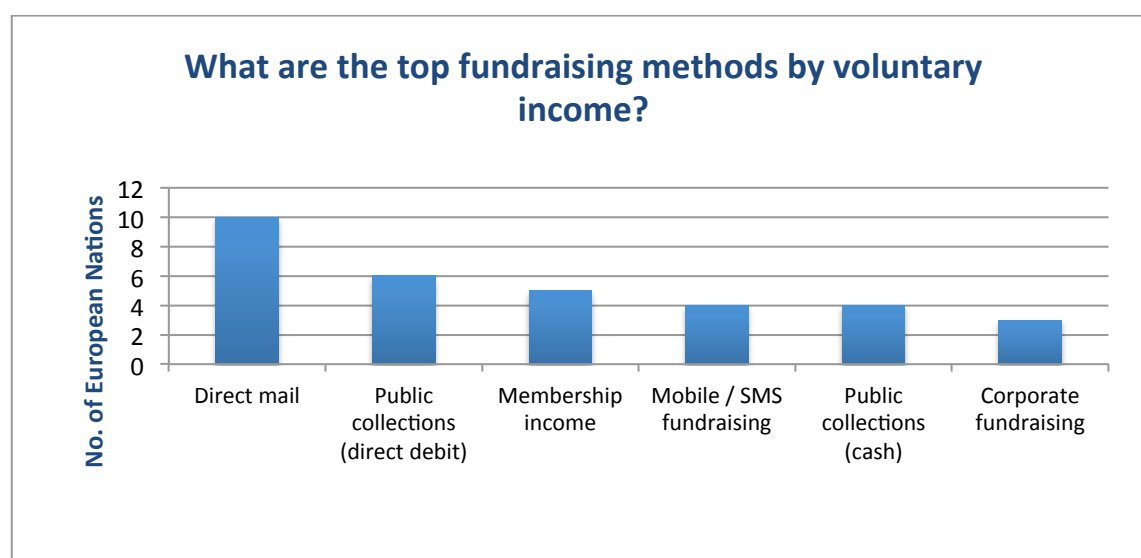
Andrea Caracciolo di Feroletto, ASSIF - Italian Fundraising Association

In this year’s [Edelman Trust Barometer](#), it is worth noting a general decline in public trust was identified globally during 2014, but NGOs remain in the most trusted position when compared with Government, business and the media.

Top Fundraising Methods

While traditional direct mail, public collections and membership income remain the top fundraising methods in terms of voluntary income, online, mobile and digital fundraising techniques have become much more important. Four nations (Italy, Norway, Slovakia and Slovenia) now identify mobile / SMS fundraising as one of their top three fundraising techniques.

In last year’s [EFA survey](#), corporate fundraising had been listed as the third most common top income driver for nonprofits in Europe, but amidst reports of increased corporate cuts, only three European nations now consider this form of giving in their top three funding source (down from five in last year’s survey).



NB This graph only includes those methods that were selected as a top three fundraising method in three or more nations.

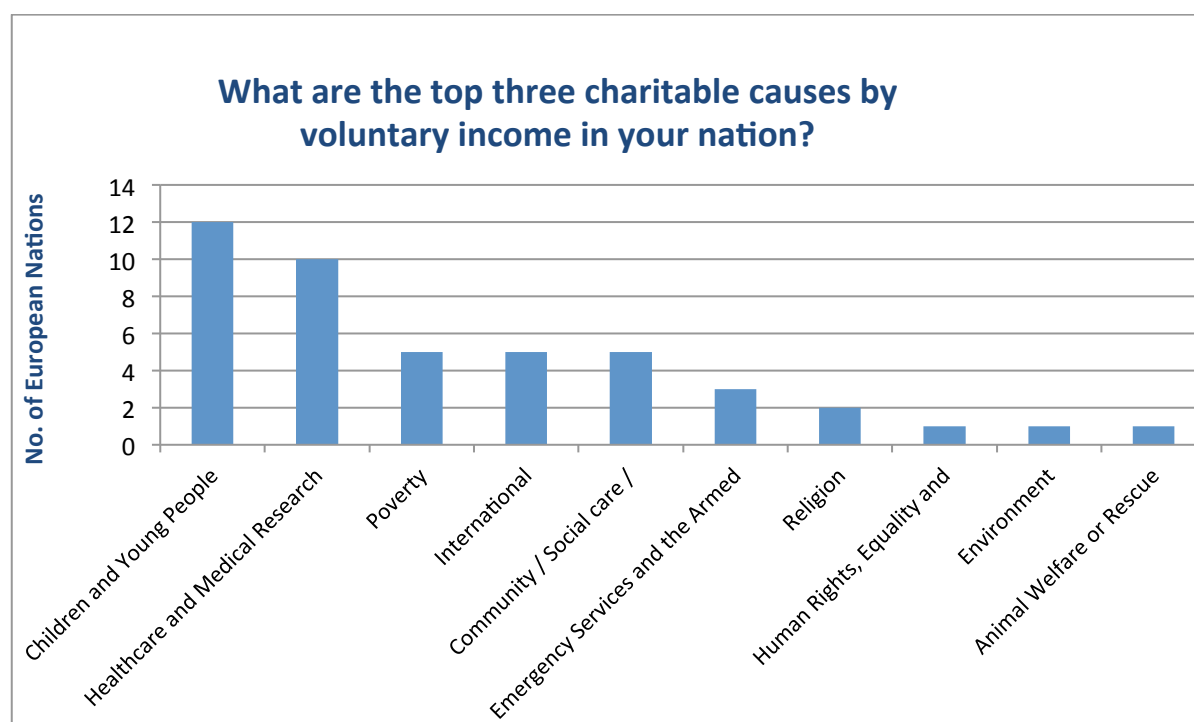
"SMS and text giving is now the second most trusted way of giving for individual donors in Slovakia. With growing mobile penetration, these fundraising techniques continue to gain ground and have become very important when raising funds from individuals."

"The flip side of the coin is that SMS in Slovakia does not currently allow for building relationships, because the gift remains anonymous and this remains a challenge if we are to fully utilise mobile technology in the future."

Eduard Marcek, Slovak Fundraising Center (Slovakia)

Top Charitable Causes

When national fundraising representatives were asked to identify the top charitable causes by voluntary income, a wide array of causes were highlighted, and yet charities working with children and young people and healthcare / medical research fields dominated the findings.



STATE OF THE NATION

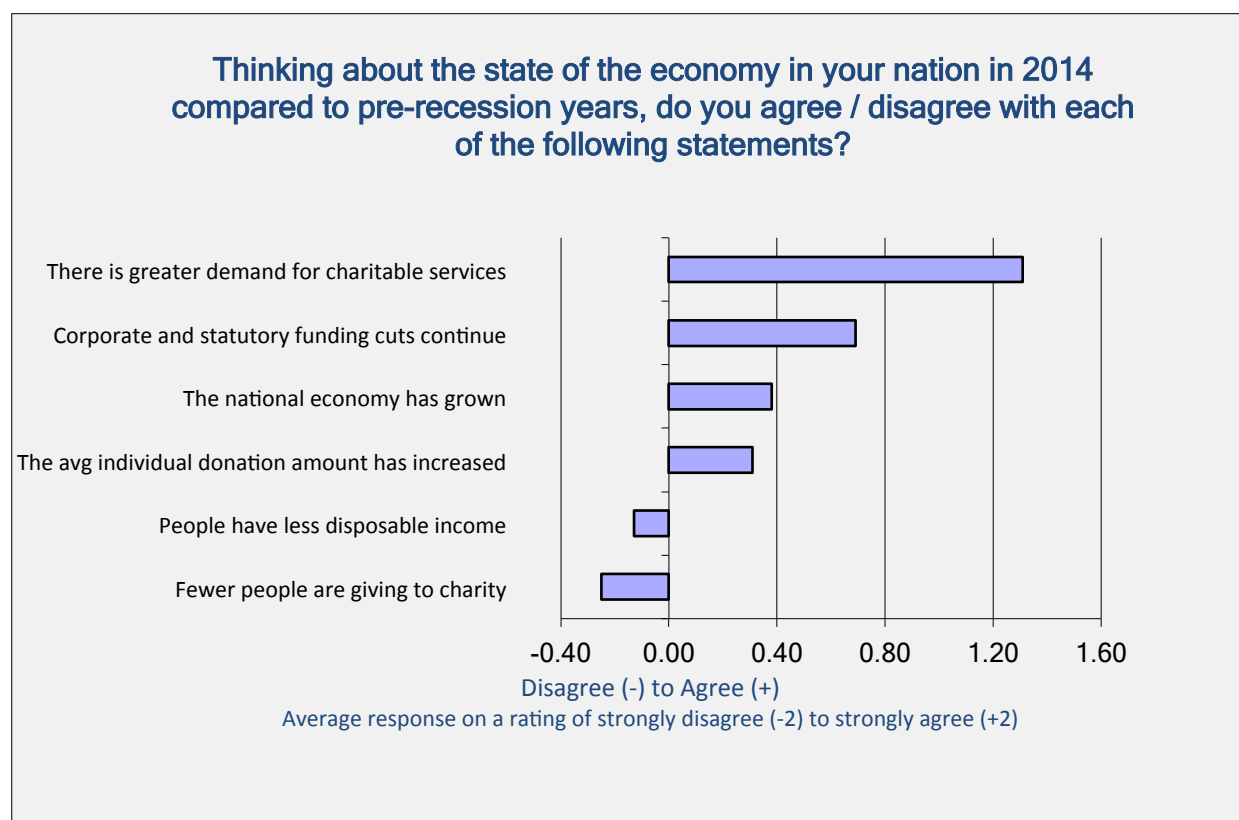
The Economy vs Pre-Recession Years

On the whole, Europe reports a positive picture of economic growth on pre-recession years, with nine nations stating that their national economy has grown beyond pre-recession levels, but five indicated that this was not the case.

Most notably, respondents in every nation surveyed indicated that there was higher demand for charitable services and the large majority (11 nations) identified that corporate and statutory funding cuts have continued. Only four nations agreed with the statement that fewer people are giving to charity.

“Although voluntary income is on the rise, the demand for charitable services continues to climb, putting immense pressure on nonprofit organisations to meet the needs of their beneficiaries.”

Günther Lutschinger, Fundraising Verband Austria and EFA President



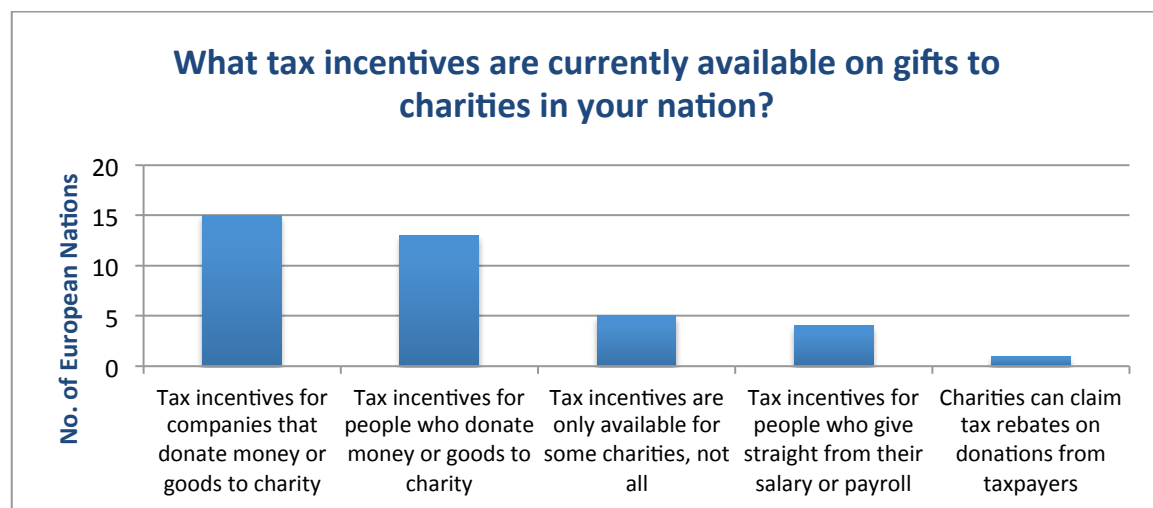
Tax Incentives

All of the European nations surveyed provide some form of tax break for charities and/or their supporters, but the national schemes vary widely. Tax incentives range from tax rebates for supporters and/or charities to tax credits (where the donation is deducted from tax due) and tax-deductible models (meaning that the total taxable income is reduced) and combinations of the above.

“Tax reliefs on donations are hugely important for charities in the UK. Over a billion pounds is raised through Gift Aid each year, as well as another billion on business rate reliefs - vital extra income that means they can deliver more for their beneficiaries.”

“Providing a comprehensive tax relief system demonstrates government’s commitment to support the sector. The added value for charities in the UK is an important incentive for donors who can see how much further their gift will go when given tax-effectively.”

Daniel Fluskey, Institute of Fundraising (UK)



The large majority of nations offer tax breaks for companies that donate goods or money and for individuals. But, in Austria, Slovakia, Spain and Sweden, tax incentives are only available for donations to certain charities or causes and in Finland the scheme is particularly restrictive (as below). In some Central and Eastern European countries, the 1% tax donation model, which enables taxpayers to donate 1% of their tax due directly to recognised nonprofits, is also offered.

“Finland is currently left far behind other European states in terms of the tax incentives available to promote or maximise charitable giving. There is no tax relief for individuals that give to charity, although there are some benefits for companies that give to certain types of nonprofits working in science, universities, arts and culture. While we welcome those benefits, we are urging Government to extend the scheme so that individuals can get tax relief on their donations and that the corporate system is extended to cover all causes.”

Pia Tornikoski, VaLa ry – the Finnish Fundraising Association (Finland)

Tax-Effective Giving Schemes

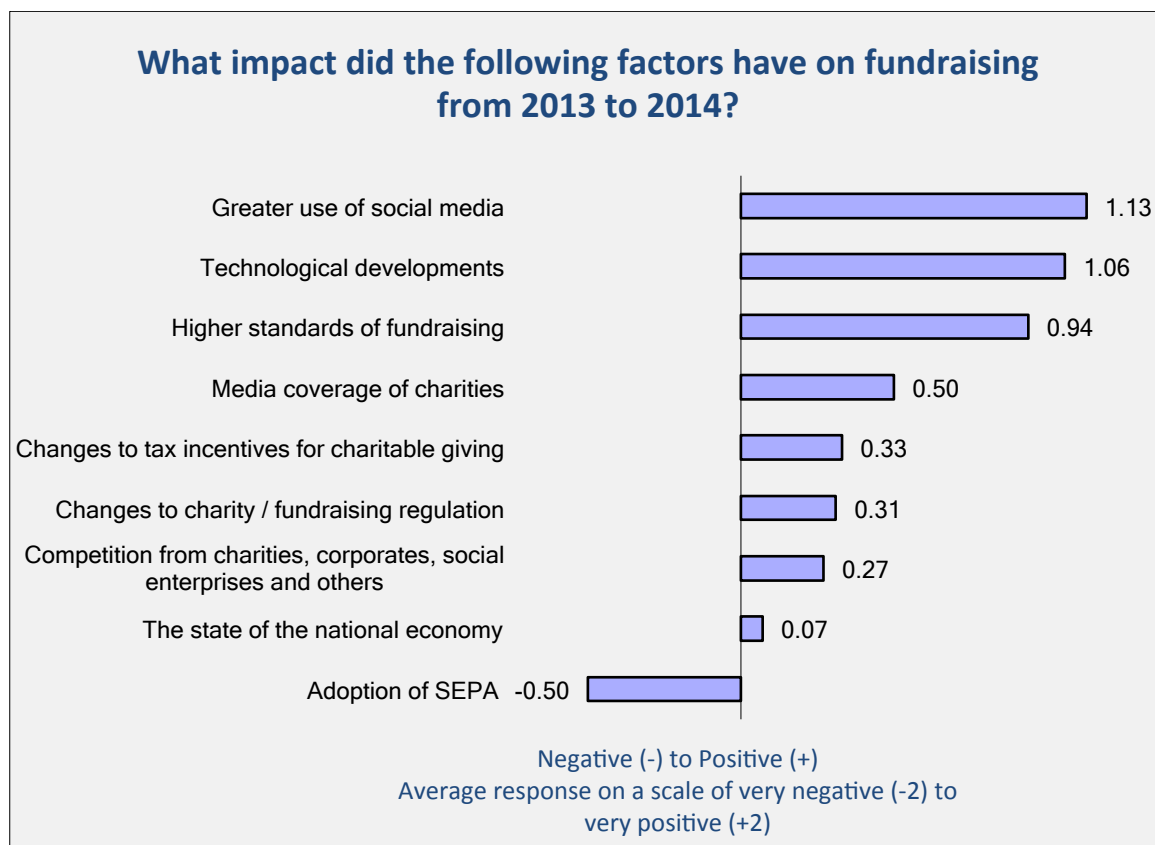
- A tax-effective giving scheme has existed in the UK since the 1920s
- Sweden is the most recent nation to have introduced a system of tax reliefs (in 2012), although Government has recently threatened to rescind those tax breaks.
- Austria's tax-effective giving framework was first introduced in 2009, but the system is not open to all charities, (arts and animal causes are currently excluded).

At the end of the survey, participants were asked to identify one improvement that national Government could make to help nonprofits and the most common need, (identified by survey participants in four nations) was for an enhanced or better system of tax breaks.

INFLUENCING FACTORS AND CONCERNS

Respondents to EFA's survey were asked to indicate how negative or positive an impact the following factors had on fundraising from 2013 to 2014.

The advance of mobile, SMS and online fundraising technology and growing use of social media were cited as the two most common positive influencing factors on fundraising from 2013 to 2014. While traditional fundraising channels continue to raise the highest levels of funds, nonprofits have embraced the digital world and its fundraising potential.



"In Slovenia, it is only humanitarian organisations that are eligible to register an SMS keyword that enables funds to be raised through text giving, but it has been hugely important for those organisations. Particularly when it comes to natural disaster appeals, SMS has been the most efficient way to rally support from the public almost immediately."

Livija Rojc Štremfelj, Slovenian Fundraising Association (ZRNO)

The most commonly cited negative factor for fundraising was the switch to SEPA (the Single Euro Payments Area) in 2014. Six of the European nations participating in the survey identified challenges in adapting to SEPA regulations. Anecdotally, EFA members report that the negative factors around SEPA's introduction range from changes to the operational systems required, the onus for donors to adapt to the new requirements and on to high banking charges.

"While SEPA may be a positive step in the long term, we are still in an adjustment period where many organisations are having to change their operating systems in order to comply. In this sense, it has had a negative impact on nonprofits and their ability to process donations, along with other payments."

Alicia Lobo Casero, Asociación Española de Fundraising

Throughout 2015, the same factors (technological developments and greater use of social media) are also predicted to have had the most positive impact on fundraising, followed by higher standards of fundraising. The only factor to achieve an average negative rating (scoring less than three on a negative to positive rating of 1-5) was the state of the national economy. Six nations predicted that the state of their national economy would have a negative impact on fundraising.

Current Concerns

When respondents were asked to rank the following concerns, public trust in charities remained the top area of concern for nonprofits (as was the case in last year's EFA survey) with the average 'concern rating' climbing up to 2.44 (from 2.41 in 2014 and 2.29 in 2013). The VAT burden and rising cost of fundraising are the next most prominent areas of concern, which together with the increased demand for charitable services are stretching the capacity of nonprofits.

How concerned are charities in your nation about these factors? (Ranked on a scale of 1-3 where 1 is not at all concerned and 3 is very concerned)	Rating Average
Public trust in charities	2.44
Cost of VAT for charities	2.33
Rising cost of fundraising	2.31
Increased demand for charitable services	2.19
Shrinking donor pool	2.13
Shortage of skilled fundraisers	2.06
Donor demands for greater transparency and accountability from charities	2.00
Proposed changes to EU data protection legislation	1.73

While few can predict when a scandal may rear its head, the impact and subsequent ripples from that scandal may continue for a considerable length of time, as has been most evident in the UK at the time of writing this report.

Six months ago, the tragic story hit UK headlines of the suicide of an elderly charity volunteer and donor, claiming that she had been 'hounded to death' by charity fundraisers. While Mrs Cooke's family have since said that charities were not to blame for her suicide, the news sparked a large

number of complaints on fundraising and political calls for fundamental changes to fundraising rules as well as the whole system of self-regulation.

Meanwhile in the Netherlands, no such crisis has taken place, but the Government and fundraising sector have come together proactively to establish a new self-regulatory regime that will require all charities to adhere to the scheme, with the intention of preserving and protecting public trust and confidence and supporting charitable giving.

“We’re starting with a new set of rules that all charities can and, with the helping hand of the government, must apply. Public trust is not guaranteed, it never is, but we will have far better conditions to gain it, day in and day out.”

Gosse Bosma, Goede Doelen Nederland (Netherlands)

Thanks go to all survey contributors, including representatives from:

Fundraising Verband Austria, Czech Fundraising Center, VaLa ry (Finland), Association Française des Fundraisers (France), Deutscher Fundraising Verband (Germany), Fundraising Ireland, ASSIF (Italy), Goede Doelen Nederland (Netherlands), Norges Innsamlingsråd (Norway), Slovak Fundraising Center, Slovenian Fundraising Association (ZRNO), Asociación Española de Fundraising (Spain), FRIL (Sweden), Institute of Professional Fundraising (Ukraine) and Institute of Fundraising (UK).

ABOUT EFA

The European Fundraising Association (EFA) is a network of fundraising associations working to strengthen and develop fundraising across Europe.

The network of members spans 20 European countries. EFA also works with observer nations and other international partners including fundraising associations in the US, Israel and Japan.

EFA is governed by a General Assembly made up of a representative from each country and its programme of work is directed by EFA's Board.

The Board is led by President, Günther Lutschinger of the Austrian Fundraising Association ([Fundraising Verband Austria](#)) and Vice President and Treasurer, Becky Gilbert of the German Fundraising Association ([DFRV](#)). Board directors also include Andrea Caracciolo di Feroletto ([ASSIF](#), Italy), Maria Ros Jernberg ([Swedish Fundraising Council](#), Sweden), Svitlana Kuts ([Institute of Professional Fundraising](#), Ukraine) and Daniel Fluskey ([Institute of Fundraising](#), UK). Denise Dawes serves as EFA's Executive Officer.

Find out more about European Fundraising developments:

Subscribe to Fundraising Europe

Sign up to EFA's
quarterly newsletter
for free updates



CONTACT US

European Fundraising Association
James Wattstraat 100
NL-1097 DM Amsterdam
Netherlands

Phone: +49 30 4053 6845
Fax: +49 30 4053 6846
E-mail: info@efa-net.eu
Web: www.efa-net.eu
Facebook: EFAFanPage

EFA is registered at the Netherlands Chamber of Commerce, reg. no. 34212817