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MAX-PLANCK-GESELLSCHAFT

Feasibility Study on a European Foundation Statute

2008

Annex A

Methods of the survey

I. General facts

1. Development of the sample

The sample is divided in two different parts. The first part implies the data that was collected in spring 2008, whereas the second part includes the data gained by the European Foundation Centre (EFC).

The questionnaires were sent to 630 different European Foundation whereof 134 responded and participated in the survey. Therefore there was obtained a response rate of 21 percent. The result is the first field study in this area and consists of 134 cases of foundations in 24 different countries of the European Union.

The primary data was set as a postal survey, using an address sample. The selection comprises the largest and most known foundations.

Information about the foundations was taken from different data sources, for instance:

– Selection made by Donors' and Funders' Networks in Europe (DAFNE) contact:
- Finland
- Poland

– Taken from Research Task Force (RTF) data:
- Estonia
- Slovakia
- Sweden

All members of DAFNE were contacted, as well as other partners (e.g. EFC members, or other legal experts) to get the names and addresses of foundations. Data was also taken from the Research Task Force (RTF)

Besides the help of DAFNE and RTF data, the selection was made by choosing the largest and most well known foundations.

This scheme represents the responded questionnaires:

Table A 1: Responded questionnaires

Country	received	sent	percentage	additional
Hungary	5	11	45.5 %	
Germany	17	42	40.5 %	
Czech republic	6	19	31.6 %	
Estonia	6	20	30.0 %	
Finland	6	20	30.0 %	
Netherlands	7	27	25.9 %	
Spain	6	*26*	23.1 %	2
UK	8	35	22.9 %	
Italy	13	59	22.0 %	
Slovakia	8	*37*	21.6 %	
Belgium	4	19	21.1 %	
Malta	4	20	20.0 %	
Ireland	3	17	17.6 %	
Greece	4	23	17.4 %	
Poland	7	41	17.1 %	
France	12	74	16.2 %	
Cyprus	3	19	15.8 %	
Sweden	2	15	13.3 %	
Portugal	2	16	12.5 %	
Romania	2	16	12.5 %	
Denmark	3	29	10.3 %	
Lithuania	2	21	9.5 %	
Slovenia	1	11	9.1 %	
Latvia	1	13	7.7 %	
Gesamt	**132**	**630**	**21.0 %**	**2**
Zusätzlich	**2**		**2 Reports**	
SUMME	**134**			

The countries Lithuania, Slovenia and Latvia are noticeable at their low return rate, which ranges around 7,7 and 9,5 percent, whereas the countries Hungary, Germany and Czech Republic are represented by a high returning rate around 31,6 and 45,5 percent. The overall result represents an average rate of 21 percent.

2. Representativeness

The survey serves more as an indicator as a representative study, because of its small case number and of the intended selection of simply large and well known foundations. Therefore the selection was not made stochastically as the standard required, but in addition with the secondary data of the EFC it is scientifically usable to demonstrate an impression of the sector.

3. Secondary data

There were prior foundation sector studies about foundations we partly draw on. Those are:

- EFC- Data
- American Foundations: Contributions and Promise[1]
- OECD[2]
- Comparative Non-profit Sector Project/ The Johns Hopkins Center for Civil Society Studies[3]
- The UN Non-profit Handbook[4]

For a secondary analysis of the European foundation sector we mainly refer to the EFC provided data.

The second survey coordinated by the Research Task Force was carried out with the assistance of the Research Task Force members in the participating EU Member States. There has been one national coordinator for each country who was supporting the project in collecting and compiling the data of the foundations on the basis of the questionnaire developed by the group. The survey compiled 20 questions about the foundation sector.

After major efforts to extend the survey to a wider number of EU member states and consequently confronting the difficulties with the collection of data at national level, the RTF took a step forward to simplify the survey to the missing countries to six key questions on the foundation sector (number of public benefit foundations, total assets, total expenditure, employment and volunteering weight of the sector and fields of activity). After this simplification two other countries joined the RTF efforts to portrait the dimensions of the foundation sector in the EU and Hungary.

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[1] Anheier, H. and D. Hammack (2007) American Foundations: contributions and promise. Aspen Project Volume, 51

[2] Main Science and Technology Indicators, Print + PDF Edition (ISSN 1011-792X) - PDF Edition (ISSN 1609-7327), Issue: Volume 2007/2

[3] Lester M. Salamon and S. W. S. a. associates (2004). Global Civil Society: Dimensions of the Nonprofit Sector. http://www.jhu.edu/~cnp/research/country.html

[4] The UN Non-profit Handbook is a project approved by the UN Statistical Commission and developed by the Johns Hopkins Center for Civil Society Studies, led by Dr. Lester Salamon

II. Description of survey

The data of the survey was collected by post and is based on standardized questionnaires existing in different language versions. The questionnaires were sent in English, but there has been the option to download versions in German or French from the website.

1. Typology of questions

The questionnaires contain open, closed and half standardized questions that apply several different topic categories.

There were open questions such as:

"Can you briefly describe how you solved one of the most pressing issues?"

There were closed questions such as:

"Do you conduct international activities never, rarely, occasionally, or more or less regularly?"

There were half standardized questions such as:

"What is the geographic scope of your international activities? (Please check primary scope)"

2. Procedure of data collection

Table A 2: Procedure of activity

Posting of survey	29. February 2008
1. Deadline	01. April 2008
1. Reminder	08. April 2008
2. Reminder	18. April 2008
2. Deadline	25. April 2008
3. Deadline	09. May 2008

The table demonstrates the procedure of activity, both the posting and the returning of the questionnaires. The questionnaires were sent in February 2008. A low response after the first set deadline caused a new setting of the time management. There was also initiated a reminder to recall the survey. The 9th of May was set as the ultimate deadline.

3. The constitution of content of the questionnaire

The survey is divided in seven parts.

Part 1 and part 2 provide general information about the analysed foundations, as well as their financial structure. Those parts present a short overview about the involved foundations and classify those that are operating international. The representation of the financial structure is important to calculate the distribution of their assets and expenditures and build the basis for the weighing of the data.

Part 3, 4 and 5 provide in general the main analysis and the cooperation of international operating foundations. Part 3 particularly asks for obstacles and difficulties within international activities. Part 4 asks especially for the expansion structure and/or for the involvement in international activities. Part 5 seeks to figure out if international activities have been reduced. The last two parts (6 and 7) are dedicated to the foundation's attitude toward the European Foundation Statute and represent reflected advantages or disadvantages about the European Foundation Statute.

4. The objectives of the study

The study aims to cover the following specific objectives:

Table A 3: Objectives and variables

Subject area	Data sheet
Overview of the main types of foundations (or trusts where appropriate)	V_1.1, V_1.1a, V_1.2, V_1.3, V_1.4, V_1.5, V_2, Screening question 3, V_4
Cross border activities – barriers and their economic relevance	V_3
Estimation of the importance and cost of these barriers	
Analysis of possible modalities of elimination of these barriers (including introduction of a European Foundation Statute)	V_3.3, V_3.4, V_4N
Assessment of the possible effects of a European Foundation Statute.	V_6, V_7,
Comparison with the United States regarding the importance of the foundation sector in the economy.	new data

The specific objectives can be answered by the different variables that are listed on the column at the right side of the table.

An overview of the main types of the foundation can be given with different variables. In particular it is asked about the main objectives of the foundation, activity areas, the modality how to achieve the objectives, the geographic scope of international activities, the conduction of activities, modality of foundation, as well about financial aspects like assets and expenditures. To classify the foundations it is analysed if they are international active.

Another objective of the study is to identify the dimension of barriers and their economic relevance of cross border activities by means of information of experienced significant barriers, experienced difficulties and the solution of these problems.

Furthermore the possible modalities of the described barriers can be analysed by asking about different types of solutions to overcome these. By identifying these problems it is next asked why foundation does not intend to increase international activities, especially to find out what barriers are most important.

By using a likert scale it is tried to explore the diverse assessments regarding the possible effects of a European Foundation Statute.

III.   Information about procedural method of survey

The data used for the following calculation is drawn mainly from our field study. The data set contains 134 cases of (public benefit?) foundations in 24 countries of the European Union. Concerning size and weight, these foundations differ considerably, so that the sample covers the diversity of the foundation sector at least satisfactory. But due to the quota sample used for the selection of cases, it is not to be expected that distributions of attributes among the foundation observed will equal the distribution in the ground population. Therefore a weighing factor had been developed, to get at least an impression of the sector.

1.   Weighing of Data

The task of calculating on the basic population of foundations from the survey is one of the major methodological tasks of the study. Since there is very little reliable information on the ground population, we have to weight the observed cases by some very rough indicators. Aggravating to the unsatisfying data situation is the fact that some information are only available for some countries, so that we have to deal with averages rather than exact figures.

The way we chose for the weighing of the cases was to calculate the distribution of assets and expenditure since these are the most validated numbers especially from the EFC surveys. It seems appropriate to divert the cases in Top15 and Non-Top15, since the concentration of

capital on the 15 biggest foundations is so high that this diversion seems to depict the sector quite well.

The weighing of the data followed 5 steps, which are described in detail below

Step1: Extraction of breaks for expenditures and assets according to EFC Data

From the EFC survey, we can learn about the Top 15 share of assets and expenditures for 10 out of 24 countries.

Table A 4: Breaks for Top 15 Assets/ Expenditures

Country	Break Assets	Break Expenditures
Belgium	7,000,000 €	2,000,000 €
Cyprus	X	X
Czech Republic	X	X
Denmark	X	X
Estonia	2,000,000 €	2,000,000 €
Finland	56,000,000 €	8,000,000 €
France	103,000,000 €	60,231,000 €
Germany	35,000,000 €	15,000,000 €
Greece	X	X
Hungary	13,000,000 €	7,000,000 €
Ireland	X	X
Italy	691,000,000 €	18,000,000 €
Latvia	X	X
Lithuania	X	X
Malta	X	X
Netherlands	X	X
Poland	X	X
Portugal	X	X
Romania	X	X
Slovakia	X	X
Slovenia	X	X
Spain	93,000,000 €	57,000,000 €
Sweden	98,000,000 €	X
United Kingdom	350,000,000 €	37,500,000 €

Step 2: Calculation of missing values.

To fill the gaps in theTable A 4 above, we calculated averages for the cut-off values in clusters of countries. These clusters are drawn from the welfare state typology by Esping-Andersen and from Anheier (2005)[5]

Table A 5 depicts the clustering of countries. Within each cluster, we calculated the average for the dividing value between Top15 and Non-Top15 foundations. Than we related these averages as 'new' dividing value (Grenzen) to those countries, we have no information about Top15 foundations from the EFC data.

Table A 6 shows the same values than Table A 5, including the calculated averages. One special case is Ireland. Here both variables (Assets and Expenditures) are in all three cases observed that low, that it makes no sense whatsoever to implement a cut-off value here. In the following, we classified all three cases as Non-Top15.

Table A 5: Cluster of Countries

Countries	Classification
Belgium	
Netherlands	Continental Europe /
France	conservative welfare states
Germany	
Finland	
Sweden	Scandinavia /
Denmark	social democratic welfare states
Cyprus	
Greece	
Italy	Southern Europe
Malta	
Portugal	
Spain	
Ireland	Liberal welfare states
United Kingdom	
Czech Republic	
Estonia	
Hungary	
Latvia	
Lithuania	Eastern Europe
Poland	
Romania	
Slovakia	
Slovenia	

Including the averages, Table A 4 becomes completed to Table A 6.

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[5] {Anheier, 2005 #8}

Table A 6: Breaks for Top 15 Assets/ Expenditures (including averages)

Country	Break Assets	Break Expenditures
Belgium	7,000,000 €	2,000,000 €
Cyprus	**392,000,000 €**	**37,500,000 €**
Czech Republic	**7,500,000 €**	**4,500,000 €**
Denmark	**77,000,000 €**	**8,000,000 €**
Estonia	2,000,000 €	2,000,000 €
Finland	56,000,000 €	8,000,000 €
France	103,000,000 €	60,231,000 €
Germany	35,000,000 €	15,000,000 €
Greece	**392,000,000 €**	**37,500,000 €**
Hungary	13,000,000 €	7,000,000 €
Ireland	X	X
Italy	691,000,000 €	18,000,000 €
Latvia	**7,500,000 €**	**4,500,000 €**
Lithuania	**7,500,000 €**	**4,500,000 €**
Malta	**392,000,000 €**	**37,500,000 €**
Netherlands	**48,333,333 €**	**25,743,667 €**
Poland	**7,500,000 €**	**4,500,000 €**
Portugal	**392,000,000 €**	**37,500,000 €**
Romania	**7,500,000 €**	**4,500,000 €**
Slovakia	**7,500,000 €**	**4,500,000 €**
Slovenia	**7,500,000 €**	**4,500,000 €**
Spain	93,000,000 €	57,000,000 €
Sweden	98,000,000 €	X
United Kingdom	350,000,000 €	37,500,000 €

Note: Averages are highlighted bold.

Step 3: Implementation of variable "Top15ASS" and "Top15Ex"

Using the break values from step2, we created two new variables, named "Top15ASS" and "Top15Ex". With this step, we achieved the first classification of our cases.

Table A 7: Classification in "Top15ASS" and "Top15EX"

Country	Assets		Expenditures	
	Top15Ass	**Not-Top15Ass**	**Top15EX**	**Not-Top15EX**
Belgium	4	0	4	0
Cyprus	0	3	0	3
Czech Republic	2	4	0	6
Denmark	2	1	2	1
Estonia	4	2	3	3
Finland	5	1	4	2
France	2	12	1	13
Germany	10	6	5	11
Greece	0	4	0	4
Hungary	0	5	0	5
Ireland	0	3	0	3
Italy	1	12	2	11
Latvia	0	1	0	1
Lithuania	0	2	0	2
Malta	0	4	0	4
Netherlands	2	5	1	6
Poland	2	5	2	5
Portugal	1	4	1	4
Romania	0	2	0	2
Slovakia	0	7	0	7
Slovenia	0	1	0	1
Spain	2	4	1	5
Sweden	1	0	1	0
United Kingdom	4	4	1	7
Total	**42**	**92**	**28**	**106**

From Table A 7 we can see that not all categories are represented in each country. This is mostly due to the small sample but also to the rough classification.

Step 4: Correction of breaks to get all categories filled

We choose a pragmatic way to overcome the unpleasant fact of having not all categories represented in the sample. Since the break values taken from the EFC data are in fact not that reliable also (the collection of data was all but uniformly across all countries), we "moved" these values in a way that we have at least one case in both categories in every country.

Therefore we looked at the minima and maxima of the respective variables and corrected the bread value correspondently.

Table A 8: Corrected Breaks for "Top15ASS" and "Top15EX"

Country	Break Assets (uncorrected)	Break Assets (corrected)	Break Expenditures (uncorrected)	Break Expenditures (corrected)
Belgium	7,000,000 €	**21,000,000 €**	2,000,000 €	2,000,000 €
Cyprus	392,000,000 €	**30,000,000 €**	37,500,000 €	**17,500,000 €**
Czech Republic	7,500,000 €	7,500,000 €	4,500,000 €	**3,200,000 €**
Denmark	77,000,000 €	77,000,000 €	8,000,000 €	8,000,000 €
Estonia	2,000,000 €	2,000,000 €	2,000,000 €	2,000,000 €
Finland	56,000,000 €	56,000,000 €	8,000,000 €	8,000,000 €
France	103,000,000 €	103,000,000 €	60,231,000 €	60,231,000€
Germany	35,000,000 €	35,000,000 €	15,000,000 €	15,000,000 €
Greece	392,000,000 €	**30,000,000 €**	37,500,000 €	**1,300,000 €**
Hungary	13,000,000 €	**1,000,000 €**	7,000,000 €	**6,000,000 €**
Ireland	X	**10,000,000 €**	X	**450,000 €**
Italy	691,000,000 €	691,000,000 €	18,000,000 €	18,000,000€
Latvia	7,500,000 €	7,500,000 €	4,500,000 €	4,500,000 €
Lithuania	7,500,000 €	7,500,000 €	4,500,000 €	**70,000 €**
Malta	392,000,000 €	392,000,000 €	37,500,000 €	**80,000 €**
Netherlands	48,333,333 €	48,333,333 €	25,743,667 €	25,743,667 €
Poland	7,500,000 €	7,500,000 €	4,500,000 €	4,500,000 €
Portugal	392,000,000 €	392,000,000 €	37,500,000 €	37,500,000€
Romania	7,500,000 €	7,500,000 €	4,500,000 €	**300,000 €**
Slovakia	7,500,000 €	**2,000,000 €**	4,500,000 €	**200,000 €**
Slovenia	7,500,000 €	7,500,000 €	4,500,000 €	4,500,000 €
Spain	93,000,000 €	93,000,000 €	57,000,000 €	57,000,000 €
Sweden	98,000,000 €	98,000,000 €	X	**8,000,000 €**
United Kingdom	350,000,000 €	350,000,000 €	37,500,000 €	**43,000,000 €**

Note: corrected figures are highlighted bold

Table A 9: Classification in "Top15ASS" and Top15EX" (corrected)

Country	Assets		Expenditures	
	Top15Ass	**Not-Top15Ass**	**Top15EX**	**Not-Top15EX**
Belgium	3	1	2	2
Cyprus	1	2	1	2
Czech Republic	2	4	1	5
Denmark	2	1	2	1
Estonia	4	2	3	3
Finland	5	1	4	2
France	2	12	1	13
Germany	10	6	5	11
Greece	1	3	1	3
Hungary	1	4	1	4
Ireland	1	2	1	2
Italy	1	12	2	11
Latvia	0	1	0	1
Lithuania	0	2	1	1
Malta	0	4	1	3
Netherlands	2	5	1	6
Poland	2	5	2	5
Portugal	1	4	1	4
Romania	0	2	1	1
Slovakia	1	6	1	6
Slovenia	0	1	0	1
Spain	2	4	1	5
Sweden	1	0	1	0
United Kingdom	4	4	1	7
Total	**46**	**88**	**35**	**99**

Notes:

a) The Top15 Ass category in Lithuania, Malta and Romania is empty, because the cases observed are much too small to be reasonably categorized as Top15 Foundations.

b) In countries where only one case is observed, obviously one category stays empty (Latvia, Slovenia and Sweden)

Step 5: Creation of weighing factor according to number of cases in each category

Starting from the classification shown in Table A 9, we constructed two weighing factors, one for the distribution for assets and one for expenditures. For this task, we used the number of foundations per country, given in the EFS data and divided this number by the number of cases observed in each category. This operation leads to the following (artificial) data set of about 83,000 cases.

It is important to note that these are two separate calculations. It is not possible to calculate on both factors at the same time. So we either look at foundations that are different in size in terms of assets **or** in terms of expenditure.

Table A 10: Weighed data set for assets and expenditures

Country	Assets		Expenditures	
	Top15Ass	Not-Top15Ass	Top15EX	Not-Top15EX
Belgium	15	385	15	385
Cyprus	15	40	15	20
Czech Republic	15	1190	15	1240
Denmark	15	13985	15	13985
Estonia	15	168	15	168
Finland	15	2585	15	2585
France	15	1211	15	1211
Germany	15	11985	15	11985
Greece	15	474	15	474
Hungary	15	16692	15	16692
Ireland	15	92	15	92
Italy	15	4705	15	4705
Latvia	0	130	0	130
Lithuania	0	350	15	130
Malta	0	400	15	300
Netherlands	15	1385	15	1155
Poland	15	5985	15	5985
Portugal	15	470	15	470
Romania	0	500	15	250
Slovakia	15	388	15	388
Slovenia	0	128	0	128
Spain	15	10820	15	10820
Sweden	15	0	15	0
United Kingdom	15	8785	15	8785
Total	**285**	**82853**	**330**	**82083**

For the following calculations, we will give three numbers each, where possible. One for the raw data and one weighed for the two criteria described above.

To check the quality of the weighing factors, we compare correlations between the variables „Value of assets" (V_2.1.3) and "Operating expenditure" (V_2.3.3). In all cases, we see a highly significant result, which is 0.532 for the unweighed data set, 0.679 for the data weighed for expenditures and 0.150 if we weigh the data for assets. Because we have no indication how the correlation in the ground population might be, the high value for the weighing factor for expenditures does not necessarily mean that this is the most representative model.

Table A 11: Correlation of assets and expenditures (weighed for unweighed)

Correlations

		Value of assets (total)	Operating expenditures (total)
Value of assets (total)	Pearson Correlation	1,000	,532[**]
	Sig. (2-tailed)		,000
	N	124	117
Operating expenditures (total)	Pearson Correlation	,532[**]	1,000
	Sig. (2-tailed)	,000	
	N	117	119

**. Correlation is significant at the 0.01 level (2-tailed).

Table A 12: Correlation of assets and expenditures (weighed for expenditures)

Correlations

		Value of assets (total)	Operating expenditures (total)
Value of assets (total)	Pearson Correlation	1,000	,679[**]
	Sig. (2-tailed)		,000
	N	71199	67541
Operating expenditures (total)	Pearson Correlation	,679[**]	1,000
	Sig. (2-tailed)	,000	
	N	67541	75887

**. Correlation is significant at the 0.01 level (2-tailed).

Table A 13: Correlation of assets and expenditures (weighed for assets)

Correlations

		Value of assets (total)	Operating expenditures (total)
Value of assets (total)	Pearson Correlation	1,000	,150[**]
	Sig. (2-tailed)		,000
	N	70929	68430
Operating expenditures (total)	Pearson Correlation	,150[**]	1,000
	Sig. (2-tailed)	,000	
	N	68430	76776

**. Correlation is significant at the 0.01 level (2-tailed).

The two weighing factors open the opportunity to estimate a range for the calculated figures. None of them is capable to determine the "true" value of a variable in the ground population but the estimation of a possible range is probably more useful than to only look at the aggregation of cases which are not representative.

The greatest advantage of the weighing factors is that the results get sensible for the size of the respective foundation and therefore somehow compensates the lack of representativity of the sample. Especially the weight of smaller foundations is heightened, despite that they are systematically underrepresented in the sample. Due to the small number of foundations that took part in the survey, there is a chance that below a certain level of (economic) weight, foundations refused to answer completely. That would lead to an additional overestimation of the sector, which in turn is unavoidable since we cannot introduce ghost-cases in the data set.