

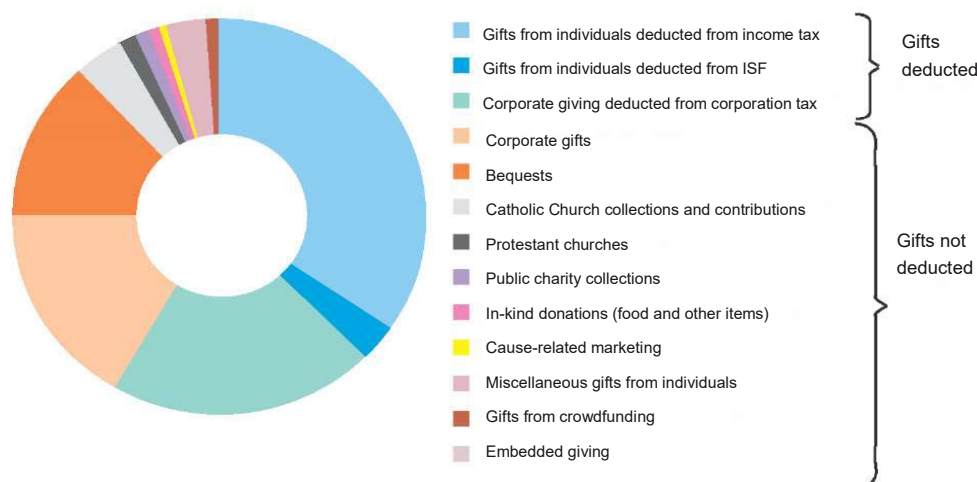


Fondation de France

National Giving Report

Gifts, bequests, crowdfunding, etc. The French have multiple ways in which to express their generosity. And they are making the most of these: this report presents a first-of-its-kind quantification of all forms of charitable giving in France, the annual amount of which totals €7.5 billion¹. More structured and professional solicitations from collecting organisations and the tax incentive framework are among the driving factors.

BREAKDOWN OF TOTAL FRENCH GENEROSITY



The **reference values** that constitute the generosity total are highlighted in orange in this document. The calculation of this sum requires that double-counting between gifts deducted and those not deducted be avoided as far as possible, which explains why certain figures mentioned below are not included in the overall estimate (for example, total gifts to Churches include a percentage of gifts deducted from taxes).

The generosity of individuals, a mass phenomenon driven by concentrated amounts

Gifts deducted from income tax: + 70% in 10 years

Gifts from individuals subject to income tax deductions² amounted to **€2.62 billion in 2015**, an **increase of 70% since 2006**. 15% of French taxable households declared charitable gifts in 2015, equal to 5.7 million households.

Although generosity is a mass phenomenon, gifts **deducted from income tax are fairly concentrated**: households declaring more than €60,000 in annual income represent 20% of donors and 40% of the amount of gifts declared.

Why such growth?

- The increase in gifts is not only linked to the increase in the number of households reporting gifts (up 20% over the period), but also to the fact that **each household gives more than before: the average contribution has increased by 44% over the last decade, from €320 to €460**.

¹ With the exception of volunteering and gifts between individuals. The overall calculation is intentionally prudent, as many segments remain difficult to document (donations to non-Christian cult organisations; school collections; volume of gifts from individuals eligible for tax deductions but not declared, etc.). The estimate of €7.5 billion is therefore a minimum figure, and relates to 2015.

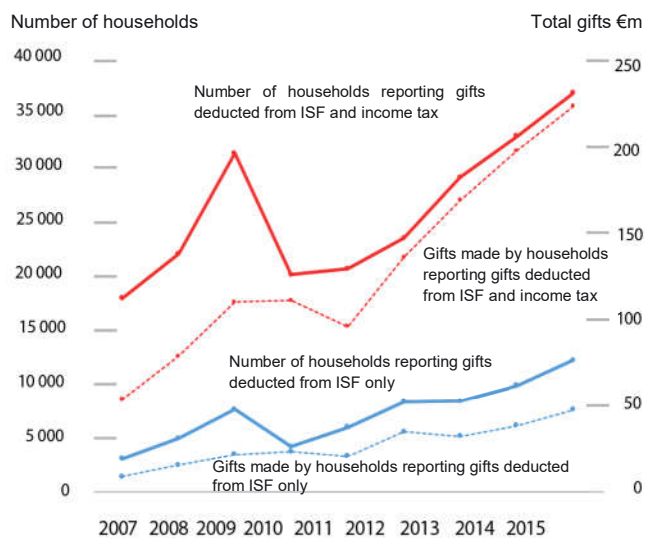
² All figures for gifts deducted from taxes are from the General Directorate of Public Finance (DGFiP).

- The total growth in gifts is very strongly related to the growth in total taxable income, which was 28% over the period, representing an increase of more than one quarter in the share of gifts declared in the use of income.
- This continued growth is also attributable to the increase in the number of private and/or public structures using professional fundraising tools and/or teams.

Gifts deducted from the solidarity tax on wealth (ISF)

- Gifts deducted from the solidarity tax on wealth (ISF) amounted to **€246 million** in 2015. This deduction concerns only 49,000 households, with an average gift of more than €5,000.
- 75% of donors who deduct from ISF also deduct gifts from income tax.

CHANGE IN THE NUMBER OF DONORS AND AMOUNTS DEDUCTED FROM ISF

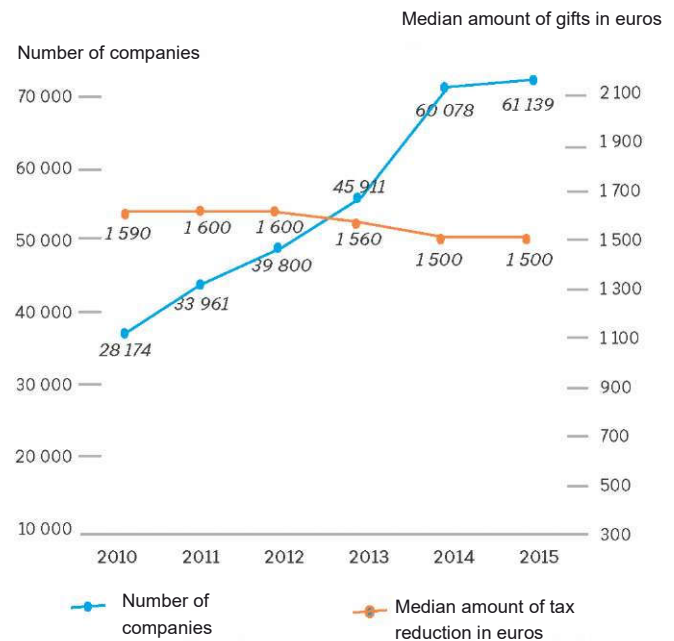


Source: 2015 DGFIP figures for the Giving Report, authors' calculations.

The expansion of corporate giving

In 2015, the tax authorities granted companies a tax reduction for corporate giving of €952 million, representing approximately **€1.6 billion** in declared corporate giving expenses.

CHANGE IN THE NUMBER OF COMPANIES REPORTING GIFTS AND THE MEDIAN AMOUNT OF THEIR TAX REDUCTION



While the median amount of corporate contributions has fallen significantly, this decrease is corollary to the growth in the number of companies that make donations (over 61,000), which allows for the growth in corporate giving. This enthusiasm is driven in particular by small and medium-sized companies: between 2010 and 2015, on the segment of businesses with 1 to 100 employees, the amount of the tax reduction for corporate giving has more than doubled.

If we add the sum of gifts not deducted from taxes by companies, estimated at **€1.3 billion**, we reach an estimated total of **€2.9 billion** for corporate giving.

Carry-forwards of gifts

The total sum of gifts deducted masks the carry-forward phenomenon: each donor has the possibility, if the total amount donated exceeds the maximum 20% of taxable income, to carry forward their gifts over a period of up to five years. Thus, the total amount of gifts made in year N may not be entirely known until five years later.

These carry-forwards, which are set up automatically by Bercy at the time of declaration, concern approximately 25,000 donor households and represent an overall annual amount of **€300 to €400 million**.

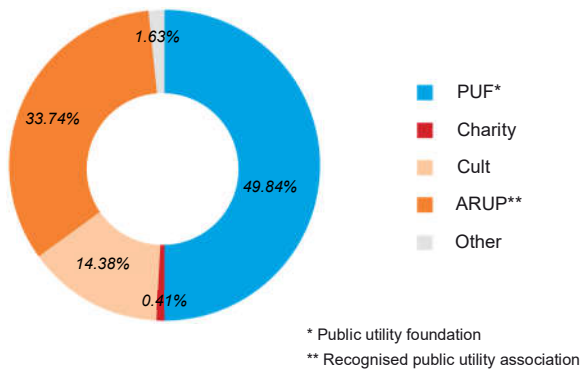
Bequests: a significant volume

Not giving rise to a tax deduction for the donor, bequests and other liberalities made by individuals are among **the least disclosed forms of generosity**, despite representing a significant amount of money: they are recorded at **a minimum of €860 million** for 2015, but are estimated at nearly **€1 billion**.

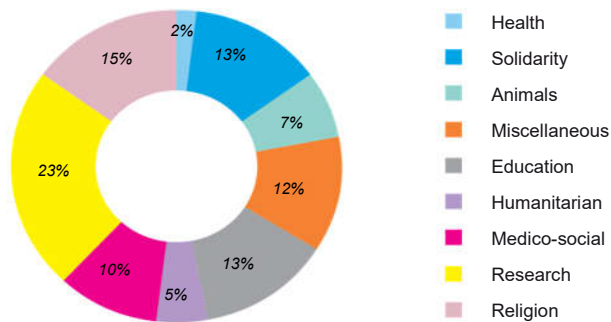
In the absence of an exhaustive central reference, **this first-of-its-kind estimate** is based on an *ad hoc* database representing 300 of the main organisations benefiting from bequests.

Nearly half of all bequests are left to public utility foundations, and nearly a quarter of the total goes to fund research.

BREAKDOWN OF BEQUESTS BY BENEFICIARY STATUS



BREAKDOWN OF BEQUESTS BY BENEFICIARY ACTIVITY



Emerging collection channels

Certain types of gift are not included in the accounting by the Ministry of Finance. Because the issuance of receipts is legally impossible, or because the circumstances of the act of giving are not appropriate (of an informal nature, low individual amounts, etc.), these gifts are not deducted from taxes.

When added from the beneficiary statements of provided and applied resources or surveys, however, they represent a significant portion of the generosity of the French - and on which shadow zones remain.

Public charity collections

In 2015, public charity collections represented a total of **€9 million** (e.g. Red Cross, Bleuet de France). The collection of gifts without tax receipts may also take place in private spaces open to the public (e.g. boxes in McDonald's restaurants), or in fully private spaces, such as households (e.g. opération Pièces Jaunes). Fundraising in these private spaces amounted to approximately **€3.35 million** in 2015.

In addition to these figures are a number of special support events for which the proceeds are not necessarily deducted, such as the French Telethon for which collections exceeded **€35 million**.

Total gifts from public charity collections therefore amount to at least **€47.5 million**.

Crowdfunding gifts

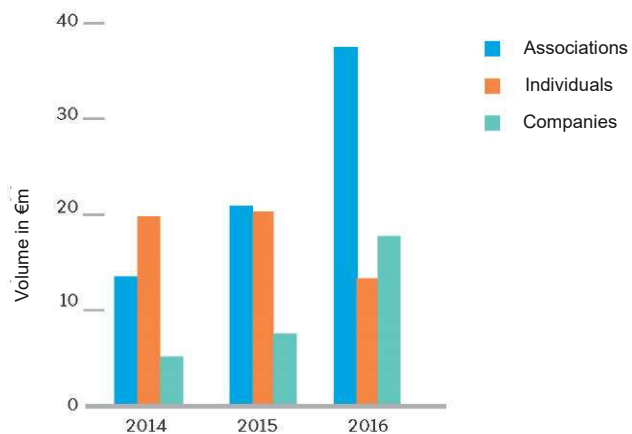
First essential distinction regarding crowdfunding: **gifts represent only 30% of the total amounts that pass through these platforms**. The remainder is made up of 30% of investments and 40% of loans.

Some of these gifts are not tax deductible. In fact, nearly half of their beneficiaries are not associations covered by the tax definition of general interest: **29 of the €50.8 million in gifts made via crowdfunding platforms went to companies and individuals in 2015³**. However, the percentage of associations in the total has risen significantly over the past three years.

³ All figures in this category come from data produced by Financement Participatif France for their annual barometers. The figures from the Louvre "Tous Mécènes" platform have been added to the total crowdfunding gifts.

Moreover, a shadow zone remains with regard to the consideration involved: **84% of the volume of gifts made on crowdfunding platforms was subject to "rewards" in 2015** (from non-quantifiable acknowledgements of gratitude to the receipt of goods with a market value), which poses the problem of porosity between gifts and market transactions.

EVOLUTION OF RECIPIENTS OF CROWDFUNDING GIFTS



Source: Financement Participatif France

In-kind gifts of food and items by individuals

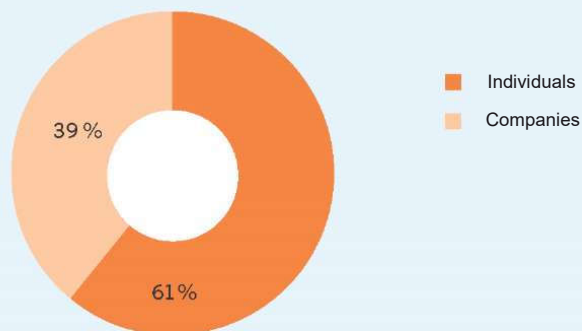
This is an indispensable resource for the work of a large number of organisations serving the general interest, in particular those that work with emergency aid and assistance to vulnerable populations. Because of the very nature of these activities, which require the constant renewal of resources, associations do not always have the means or willingness to index and individually value each item donated by individuals. This results in fragmented accounting. Nevertheless, some organisations record these donations in tonnage.

Of the main collectors of in-kind gifts, only the Food Banks report the total cash value of their national collections from individuals, meaning that the **minimum volume of this type of generosity amounts to €39.5 million for 2015**. This amount represents 13.9% of in-kind gifts to these organisations, the remainder comes from companies or communities, and most of the time is subject to valuation and/or tax deductions.

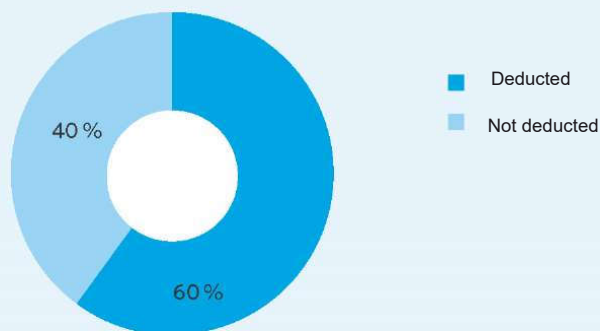
Embedded giving and cause-related marketing

Embedded giving comprises various everyday acts that can give rise to micro-donations (rounding-up on cash or online purchases, wages or bank statements). As these practices are recent, the total amount of embedded giving is still low (**€1 million** in 2015), but is rising rapidly (€1.6 million in 2016), according to MicroDon. Finally, cause-related marketing, which refers to consumer goods sold either by companies that pay part of the profits to non-profit organisations, or sold by these organisations themselves. We can estimate the total of this type of sales, which are not subject to tax deduction, at **€29 million** (Sacs à Sapin by Handicap International, products sourced from Restos du Cœur, etc.).

BREAKDOWN OF TOTAL GENEROSITY BETWEEN COMPANIES AND INDIVIDUALS



BREAKDOWN OF TOTAL GENEROSITY BETWEEN GIFTS DEDUCTED AND NOT DEDUCTED FROM TAXES



Focus on a few symbolic beneficiaries⁴

Gifts to cult organisations

The main resources of all dioceses of the **Catholic Church** are divided into three categories:

- parish contributions within the Church, eligible for a tax deduction on income tax, amounted to **€255 million**
- collections and contributions amounted to **€279.2 million**
- finally, bequests and donations amounted to €98 million. Thus, **the Catholic Church receives approximately one-tenth of total bequests in France.**

Total generosity received by the Catholic Church was therefore almost €630 million in 2015, of which approximately 40% is potentially subject to tax deductions.

The figures of gifts collected by other religious organisations are difficult to establish. However, for the Protestant church we can assume an estimated amount (gifts deducted and not deducted) of €185 million (which includes the United Protestant Church of France⁵ and the evangelical churches), including **€84.8 million** not deducted from taxes.

Sources: Bishops' Conference of France, EPUF, CNEF.

Gifts to political parties and election campaigns

Gifts to political parties, deducted from income tax, amounted to €90 million in 2015, a steady decline since 2012. As for election campaigns, they received €12 million in gifts. The parliamentary elections attract the most donors. However, there is no clear correlation between election years and gifts to political parties or election campaigns.

Donors to political parties are relatively exclusive: depending on the year, between 35% and 42% of them do not give to any other type of organisation.

Source: National Commission for Campaign Accounts and Political Financing and DGFIP.

Generosity dedicated to the public sphere

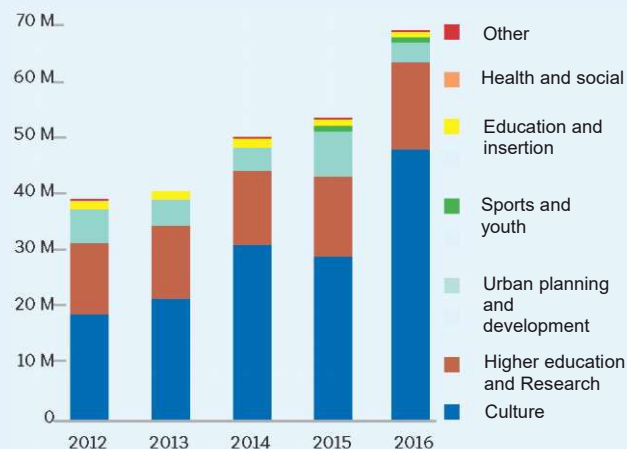
This report presents in an unprecedented manner the volumes of private donations by individuals or businesses to public bodies (operators, communities and government services). This analysis presents a minimum amount of €195 million in gifts and bequests in 2015, broken down as follows:

- the main beneficiaries are **national or territorial public operators** (museums, hospitals, etc.) with €114 million (added to which €33 million to the Institut de France)
- then **local authorities** (mainly municipalities) with €42 million
- and lastly, **State services** (only €6 million in 2015).

With regard to public operators, the most significant trend is the **increase in gifts to cultural operators, who benefit from the bulk of the increase in total volume**, while the other sectors of activity remain relatively stable. This growth is mainly driven by a few major national heritage institutions.

Source: public accounting (DGCL and DGFIP).

EVOLUTION OF GIFTS AND BEQUESTS TO STATE OPERATORS BY SECTOR OF ACTIVITY



⁴ This section proposes a thematic rather than arithmetic reading: also some figures include deducted and non-deducted gifts.

⁵ Excluding Alsace and Moselle.

Multiple sources

Several dozens of different sources were used for this report.

- **Upstream sources** (information on gifts) of which there are two types:
 - Tax returns have the advantage of near-exhaustiveness on the phenomenon studied (gifts deducted from income tax, corporation tax and ISF)
 - Sample surveys, non-exhaustive and purely declarative, complement the reading and help estimate non-deducted gifts
- **Downstream sources** (mainly recipient organisations' statements of provided and applied resources) have two advantages:
 - They are the only source of information for undeclared liberalities such as bequests
 - They are used for sector analyses

The reference year 2015 corresponds to the most recent year for which all existing sources are available, including final figures from the tax authorities.

**The full study in French can be downloaded from
fondationdefrance.org/fr/etudes-de-observatoire**

Authors:

Daniel Bruneau

Laurence de Nervaux

Jean-François Tchernia

Alix Pomon

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With the 841 funds and foundations it hosts, Fondation de France has supported nearly 170,000 projects of general interest that address four major challenges: assistance to vulnerable people, development of knowledge (research, culture, education, training), the environment and the development of philanthropy. Independent and private, Fondation de France receives no subsidies and can only operate thanks to the generosity of donors.

40 avenue Hoche
75008 Paris
Tel: 01 44 21 31 00
fondationdefrance.org

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