

MAECENATA INSTITUT  
FÜR PHILANTHROPIE UND ZIVILGESELLSCHAFT

# Encouragement of Philanthropy

Impact of Legal Environment on Financial Civic  
Engagement in Germany

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# Agenda

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1. Legal Environment
2. Law Changes
3. Statistics
4. Outlook



# 1. Legal Environment

## Public Benefit Organisations (PBOs)

- Corporations (Ltd./PLC)
- Associations of Persons (reg. Society) or
- Conglomerations of Assets (Foundations)

## Tax Incentives

- 20% of taxable income
- 4% of sum of total revenue and wages and salaries spent per year
- Tax exempt amount for trainers (€2.400/Year)
- Tax-exempt allowance for volunteers (€720/Year)
- Additional deduction amount of €1 million for donations into endowment capital of foundations
- ...

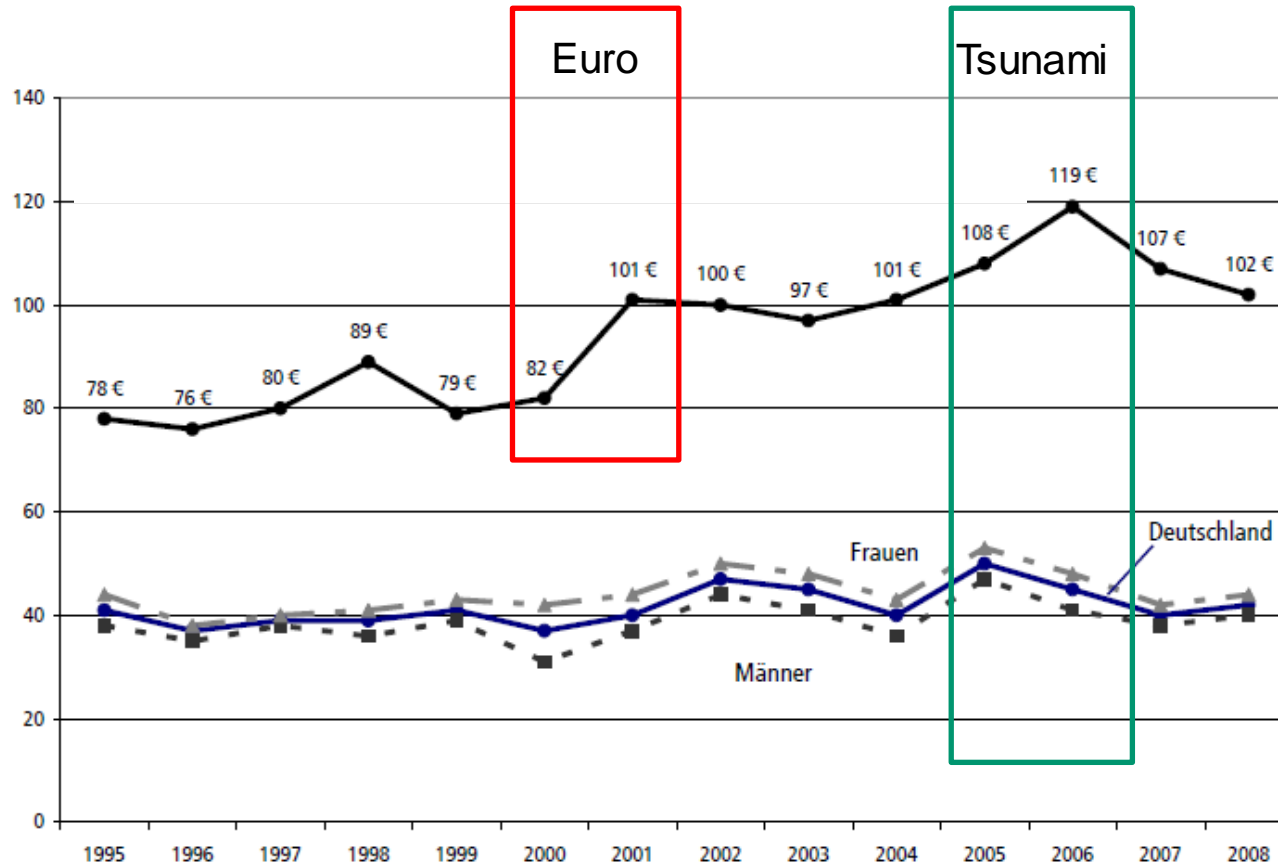


## 2. Reform of non-profit law 2007

- Relevant rates of tax deduction have more than doubled up
- Ceiling for tax-deduction of donations to assets of foundations raised
- Tax-exempt amount for trainers and volunteers raised
- ...



# 3. Statistics on Donations



Average Amount of Donations

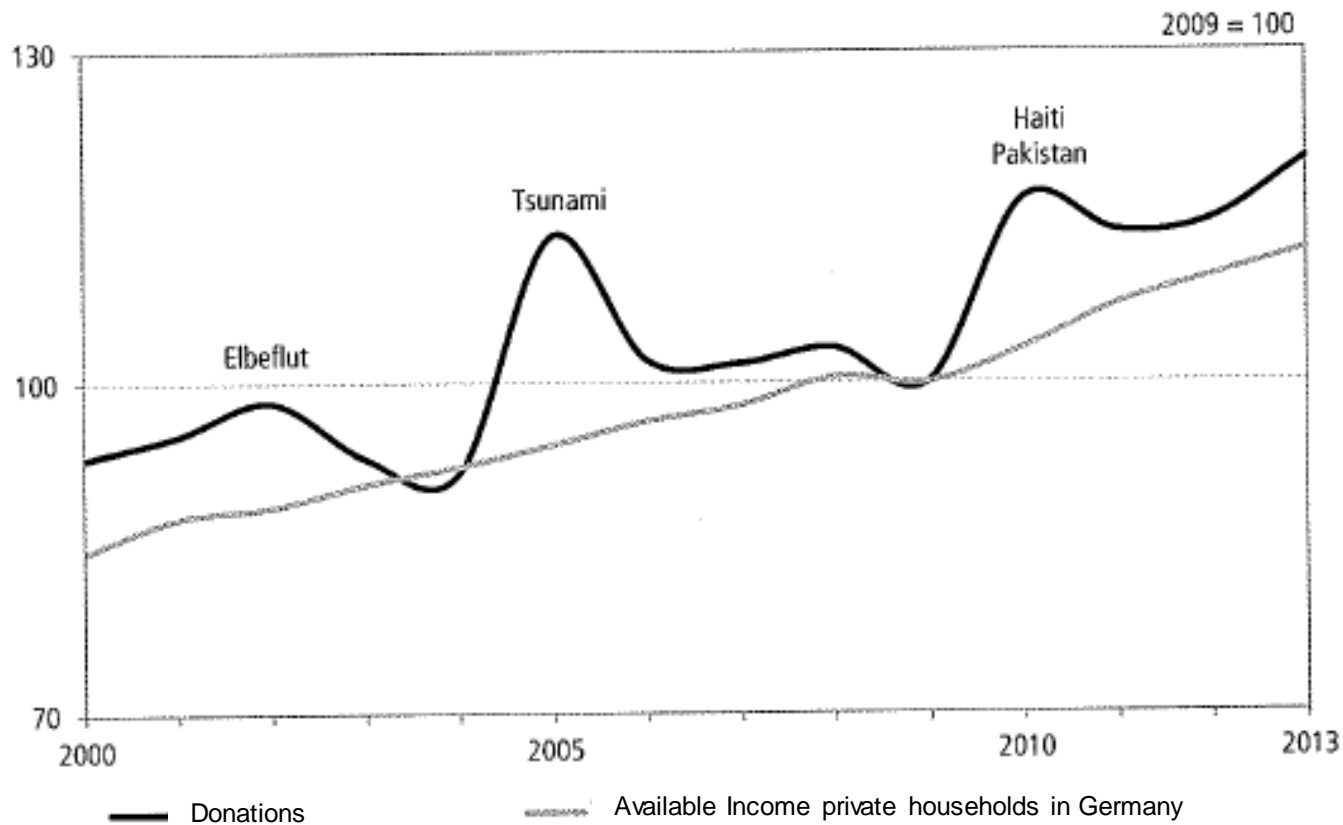
Donor Quote

Source: DZI Study 2009



# 3. Statistics on Donations

## Donations Germany vs. Total Available Income

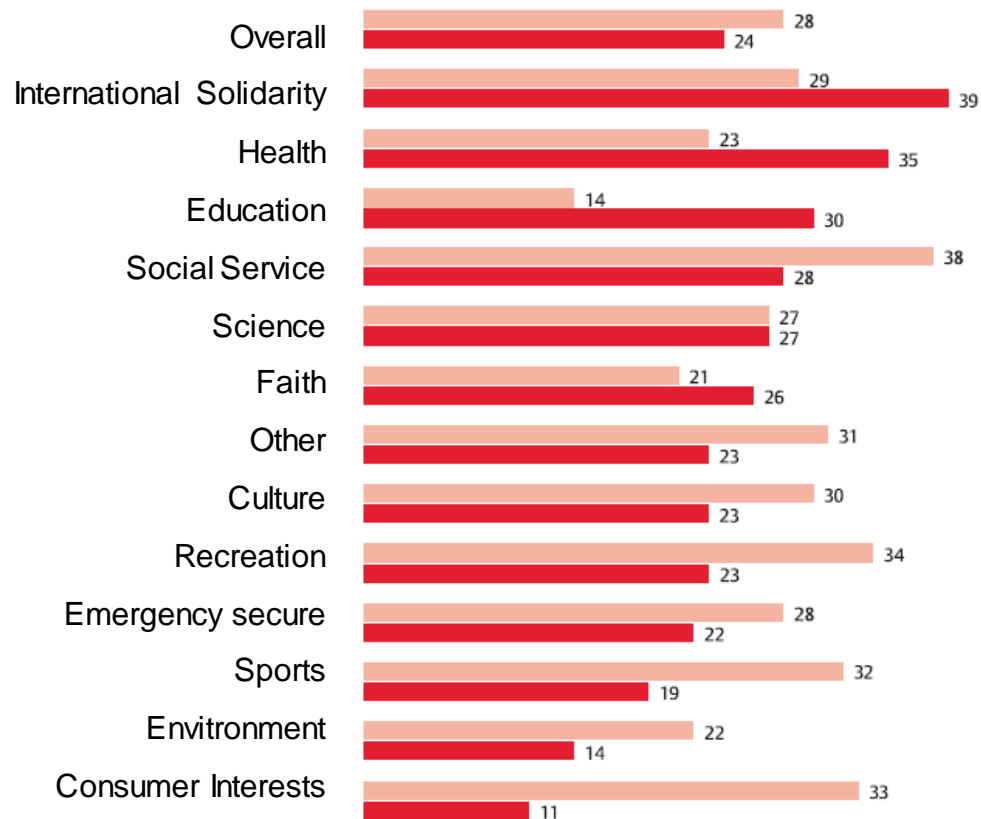


Source: DZI Spendenalmanach 2014



# 3. Statistics on Donations

## Amount of Donations by fields of Activity since 2007



Decreased ■ Increased ■

Source: ZIVZ Survey, 2012



### 3. Statistics on Donations

- More than 80% knew about the possibility of tax deductibility
- 54% of donors in Germany does not have the tax receipt in mind when donating
- 33% of all taxpayers used tax deduction in 2007
  - Higher income leads to more frequent use of the possibilities of tax deduction
  - these have more often professional assistance in tax declaration

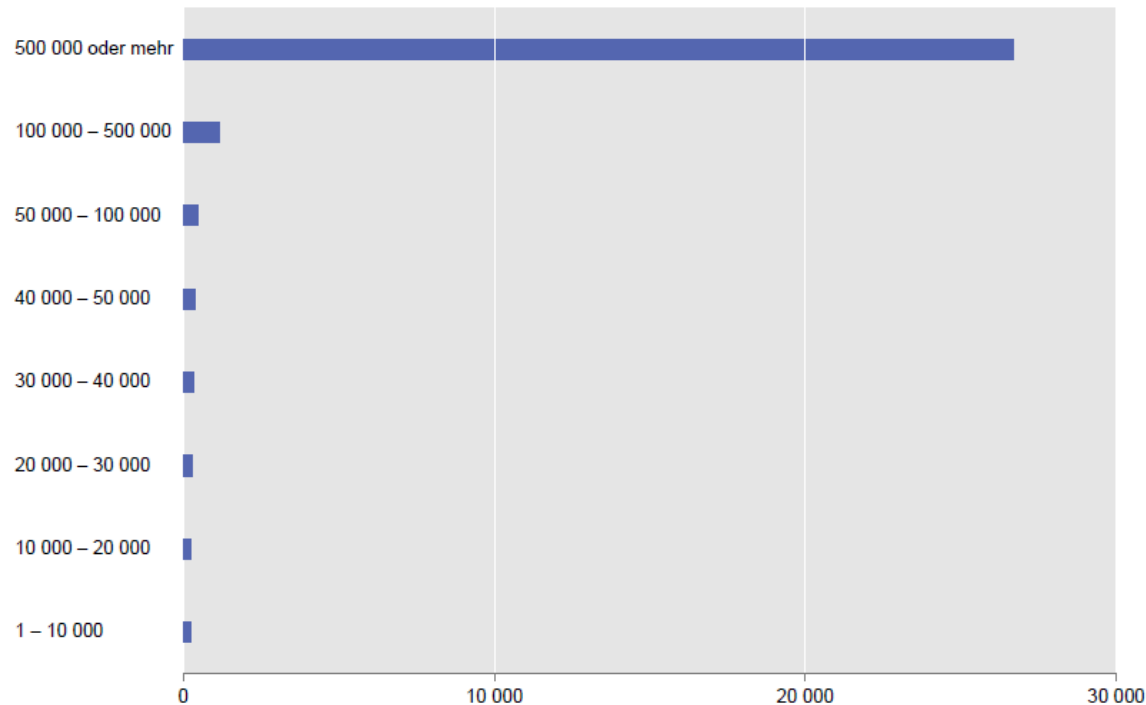
Source: Einkommenssteuerstatistik 2010; DZI Study 2009





# 3. Statistics on Donations

## Average amount of tax effective donations per donor 2007 by income categories

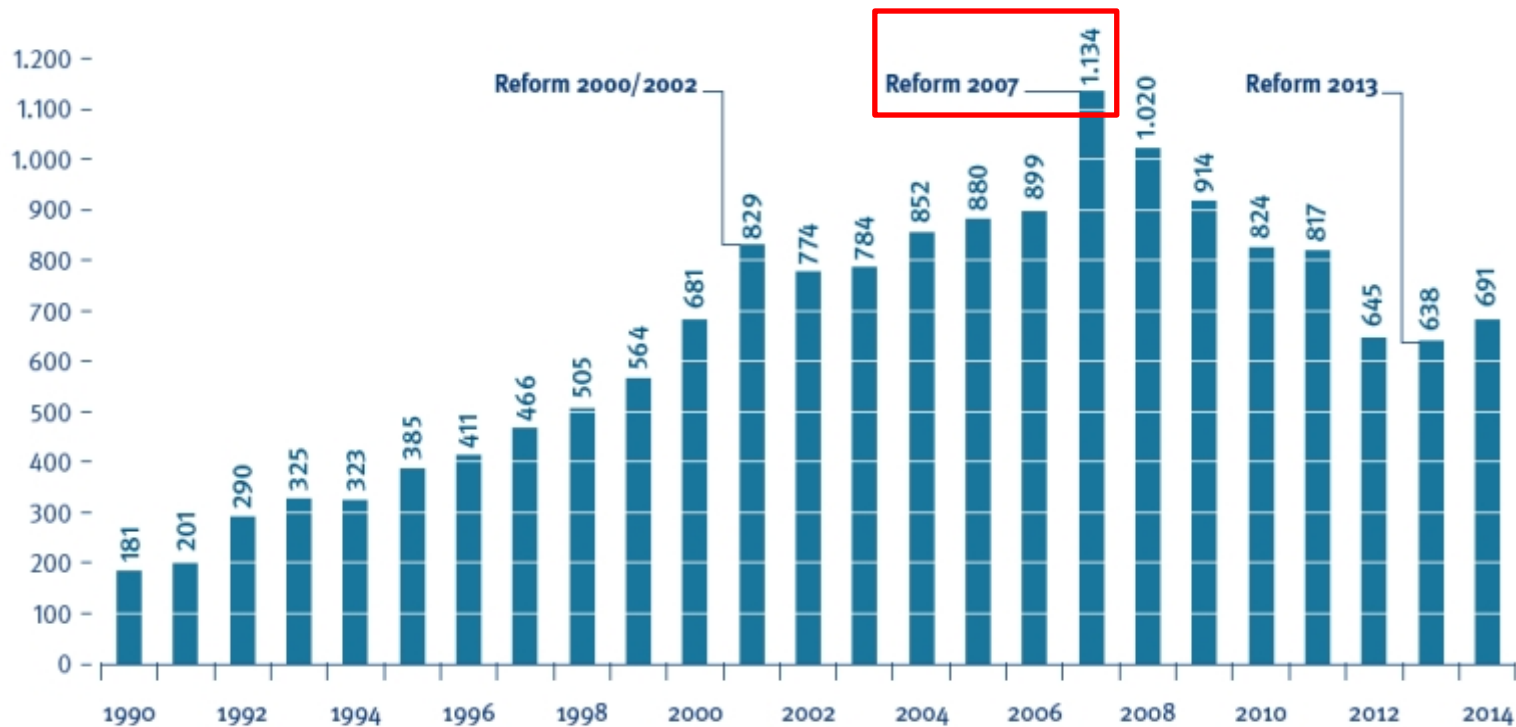


Source: Einkommenssteuerstatistik 2010



# 3. Statistics on Donations

## Nr. of new Foundations under Civil Law in Germany (BGB)

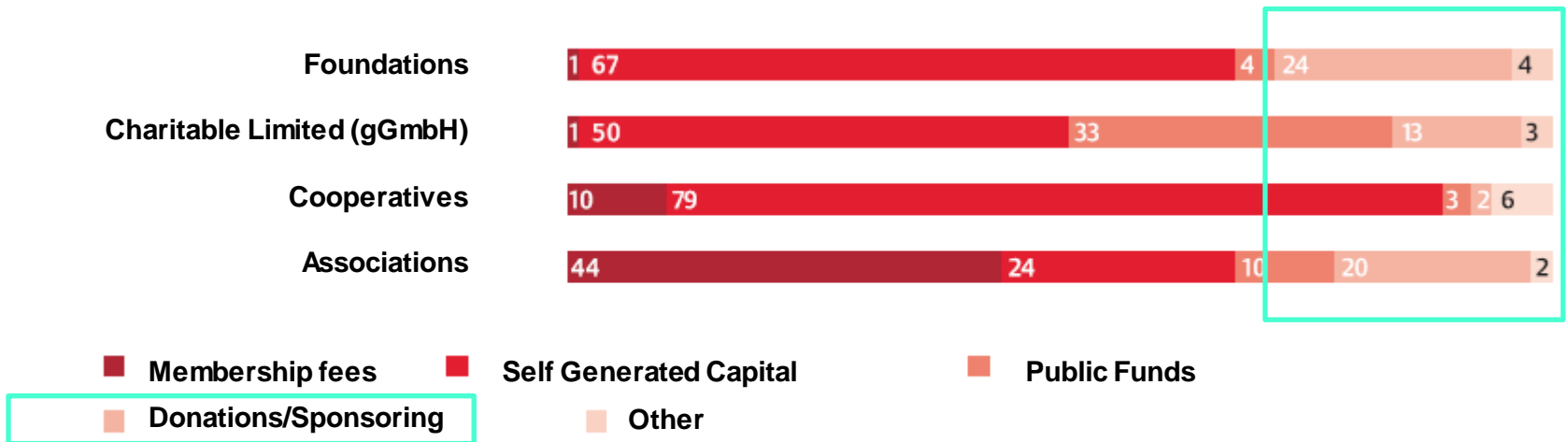


Source: BVDS. 2015



# 3. Statistics on Donations

## Resources of NPOs in Germany



Source: ZIVIZ Survey 2012



## 4. Trends

- What is the purpose of Civil Society?
- What might help to strengthen civil society in general?
- E.g.:
  - Support of new forms of PBOs
  - Social Entrepreneurs
  - Rise of Transparency
  - Become more ‚disruptive‘ and innovative to drive social change