Danish foundations during corona
Analysis: Danish Foundations during corona
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Excerpt

For a number of foundations and foundation-like associations in Denmark, the corona crisis has prompted emergency grants both for initiatives to be launched “here and now” and for more long-term initiatives, many of them focusing on existing projects and organizations that were hit hardest by the crisis. In a number of ways, the corona crisis has also helped shed light on the interaction and close collaborations that exist among foundations, civil society, and the public sector in Denmark.

The corona crisis has sparked uncertainty for civil society organizations in particular. Is the crisis affecting the ability of foundations to donate grants? The ability of foundations to grant money is closely linked to whether they have a positive return on their financial investments and their (co)ownership of companies. When a crisis hits, it can also affect a foundation’s returns. It is against this background that the Knowledge Center for Danish Foundations has carried out this analysis.

The analysis is based on a questionnaire sent to 130 Danish foundations of which 84 foundations answered. The foundations were asked about, e.g., their expectations for their amount of grants in 2020, 2021, and 2022 and whether they have already provided and/or expect to provide grants directly related to the corona crisis.

In addition, via KANTAR Gallup, we asked a representative sample of the population (2,066 respondents) about their assessment of foundation activities during the corona crisis.

People in Denmark believe that foundations play an important role during the corona crisis

Of the 2,066 respondents in Denmark who responded to the KANTAR Gallup survey, 69% answered that the role of foundations during the corona crisis is important or very important. And when asked why they believe the role of foundations is important, 60% responded that it is because foundations support projects that are not supported by others. 49% answered that it is because foundations support particularly vulnerable groups, and 46% answered that it is because foundations support long-term efforts.

Over half of the foundations have allocated funds to corona-related efforts

49 of the 84 foundations that responded to the questionnaire stated that they have provided grants to corona-related efforts. The grants come mainly from foundations with annual grants of more than DKK 10 million.

Very large foundations, each with an annual grant of more than DKK 100 million, have been particularly active in the corona crisis. Of this group, 19 of 23 foundations (83%) have provided corona-related grants.

Several foundations also have plans for additional corona-related efforts. This includes 14 of the 23 foundations (61%), each with annual grants of more than DKK 100 million.

Expectations for grants in 2020, 2021, and 2022

Foundations with annual grants of more than DKK 100 million expect to increase their grants – but, primarily, in 2020. Of the total of 23 foundations in this group, 10 (43%) expect to increase their grants in 2020. Looking at 2021 and 2022, respectively, 5 foundations (22%) and 4 foundations (17%) in this group expect to donate more money than budgeted in 2020. If we look at foundations which expect to grant the
same amount in 2020, 2021 and 2022 as budgeted in 2020, respectively 7 out of 23 (30%) expect to donate as budgeted in 2020, 10 out of 23 (43%) expect to grant the same in 2021 and 11 out of 23 (48%) expect to grant the same in 2022.

4 out of 23 foundations (14%) with annual grants of more than DKK 100 million expect to donate less than budgeted in 2020. Looking at 2021 and 2022, respectively, 4 foundations (17%) and 3 foundations (13%) in this group expect to donate less than budgeted.

Most foundations with annual grants between DKK 10 and 100 million expect to provide the same amount in grants in 2020, 2021, and 2022 as budgeted for 2020.

Relatively few foundations expect to reduce their grants in the period 2020 to 2022. However, they are found in all groups, including the large foundations.

ANALYSIS: FOUNDATIONS DURING CORONA
The assessment of foundations during the corona crisis among Danes
On behalf of the Knowledge Center for Danish Foundations, KANTAR Gallup asked a representative sample of the Danish population (2,066 respondents) about their assessment of the contribution foundations have made during the corona crisis.

Figure 1: The popular assessment of the importance of foundation support during the corona crisis

69% of the Danish population find the role of foundations to be important or very important during the corona crisis
69% of the Danish population answered that they find the role of foundations to be important (39%) or very important (30%) during the corona crisis. 11% think that the role of foundations is not very important (9%) or not at all important (2%). 21% of the population answered that they did not know.
Figure 2: The perception of the role of foundations during the corona crisis among those in the Danish population who answered that foundations have an important or extremely important role

<table>
<thead>
<tr>
<th>Role Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>They support projects that are not supported by others</td>
<td>60%</td>
</tr>
<tr>
<td>They support particularly vulnerable groups</td>
<td>49%</td>
</tr>
<tr>
<td>They support long-term efforts</td>
<td>46%</td>
</tr>
<tr>
<td>They help to solve urgent needs with money, knowledge and/or other resources</td>
<td>44%</td>
</tr>
<tr>
<td>They support activities that can keep society and the economy going</td>
<td>34%</td>
</tr>
<tr>
<td>They enter into partnerships with voluntary associations</td>
<td>33%</td>
</tr>
<tr>
<td>They help existing grant recipients with money and/or knowledge to complete existing projects</td>
<td>29%</td>
</tr>
<tr>
<td>They enter into partnerships with the business community</td>
<td>26%</td>
</tr>
<tr>
<td>They enter into partnerships with public authorities</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
<tr>
<td>Uncertain</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: KANTAR Gallup 2020, n=1,415

Note: The survey asked the following questions: How/in what way do Danish foundations and foundation-like associations play an important role?

60% believe that foundations play an important role in supporting projects that are not supported by others

Those who answered that foundations play an important or extremely important role during the corona crisis were subsequently asked a question about their perception of the role of foundations in society. 60% answered that foundations play an important role in supporting projects that are not supported by others. 49% answered that foundations play an important role in supporting particularly vulnerable groups, while 46% answered that they play an important role because they support long-term efforts.
Foundation corona grants
The Knowledge Center for Danish Foundations sent out a questionnaire to 130 foundations and foundation-like associations. The survey was conducted from 16 June to 1 July 2020. Of the foundations and foundation-like associations contacted, 84 responded to the survey (a 65% response rate).

We asked how many of the foundations have already provided grants or taken other public interest initiatives as a consequence of the corona crisis - and how many have planned to provide grants or public interest initiatives as a consequence of the corona crisis in the future.

The Danish foundation landscape is characterized by a few large and many smaller foundations in terms of annual grants. See how the respondents are distributed among the different grant levels in the table below.

<table>
<thead>
<tr>
<th>Total annual grant level</th>
<th>Number of responses in this survey</th>
<th>Total number of foundations in 2018*</th>
<th>% share of responses in this study relative to 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than DKK 100 million</td>
<td>23**</td>
<td>28</td>
<td>82%</td>
</tr>
<tr>
<td>From DKK 10 to 100 million</td>
<td>24</td>
<td>77</td>
<td>31%</td>
</tr>
<tr>
<td>From DKK 1 to 10 million</td>
<td>23</td>
<td>425</td>
<td>5%</td>
</tr>
<tr>
<td>Under DKK 1 million</td>
<td>14</td>
<td>9,415</td>
<td>0.1%</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>9,945</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

* The total number of foundations is based on Statistic Denmark’s official statistics on foundations.

** Of the 23 foundations with grants over DKK 100 million, eight foundations provided grants of more than DKK 500 million in 2018. All eight foundations are included in the study.
60% of the foundations have provided grants to corona-related efforts
60% (49 foundations) responded that they have already provided grants to corona-related efforts, while 28% (23 foundations) responded that they plan to provide grants for corona-related efforts.

Source: Knowledge Center for Danish Foundations 2020, n= 84
80% of foundations with grants over DKK 10 million have already provided corona-related grants
37 of the 46 foundations (80%), each of which had annual grants DKK 10 million or above in 2019, have already provided grants for corona-related initiatives.

18 of the 23 foundations (78%), each of which had grants of between DKK 10 and 100 million in 2019, have already provided grants for corona-related initiatives.

19 of the 23 foundations (83%), each of which had annual grants of more than DKK 100 million in 2019, have already provided grants for corona-related initiatives.

Of all the foundations participating in the survey, 58% (49 out of 84) have donated money to corona-related efforts.

Several foundations have plans for additional corona grants – especially the group of foundations with annual grants above DKK 100 million.
18 of the 46 foundations (39%), each of which had annual grants of DKK 10 million or above in 2019, have plans for additional corona grants.

14 of the 23 foundations (61%), each of which had annual grants of more than DKK 100 million in 2019, have plans for new corona grants.

5 of the 23 foundations (22%), each of which had annual grants of between DKK 10 and 100 million in 2019, have plans for new corona grants.

Of all the foundations participating in the study, 27% (23 out of 84) plan to grant additional funding for corona-related efforts.
Expectations for grants in 2020, 2021, and 2022

The money that foundations grant comes from profits from foundation investments and ownership in companies. Thus, negative economic effects of the corona crisis may also affect the ability of foundations to make distributions. We have asked the foundations about their expectations for their grants for 2020, 2021, and 2022 - seen in relation to the amount of grants budgeted for 2020.

Please note that we also asked for their expectations in relation to their grants in 2019, but this did not change the results.

**Figure 5: Expectations for grants for 2020-2022 in relation to what is budgeted in 2020 (number of foundations)**

Most foundations expect to provide either the same amount of grants (in DKK) or more in the period 2020-2022

68 of the 84 participating foundations (81%) expect to grant the same amount of money or more in 2020, compared to the budgeted grants for 2020. For 2021 and 2022, 74% of the participating foundations expect to grant the same or more.

16 foundations (19%) expect to grant more money in 2020 than budgeted, and 11 foundations (13%) expect to grant more money in both 2021 and 2022.

13 foundations (15%) expect to grant less money in 2020 than budgeted, and 10 foundations (12%) expect to grant less money in 2021, while 4 foundations (5%) expect to grant less money in 2022.

To give a picture of what types of foundations expect to maintain, increase, or decrease their grants, respectively, we have provided in figures 6-8 below differentiated expectations for grant-giving according to the size of the foundations (measured on the basis of their total annual grants).
Figure 6: Expectations for grants for 2020 in relation to that budgeted for 2020 - grouped by annual grants in 2019 (number of foundations)

Figure 7: Expectations for grants for 2021 in relation to that budgeted for 2020 - grouped by annual grants in 2019 (number of foundations)

Figure 8: Expectations for grants for 2022 in relation to that budgeted for 2020 - grouped by annual grants in 2019 (number of foundations)

Source for figures 6-8: The Knowledge Center for Danish Foundations 2020, n= 84
Large foundations expect to increase donations - primarily, in 2020
Large foundations with annual grants of more than DKK 100 million expect to increase their donations. Out of a total of 23 foundations in this group, 10 (43%) expect to increase their grant amounts in 2020. If we look at 2021 and 2022, respectively, 5 foundations (22%) and 4 foundations (17%) in this group expect to donate more than budgeted in 2020.

Most of the foundations that allocate between DKK 10 and 100 million expect to donate the same as budgeted in 2020
For the group of foundations with annual grants between DKK 10 and 100 million, 16 out of 23 (70%) expect to maintain their budgeted grants in 2020. Looking at 2021 and 2022, respectively, 15 foundations (65%) and 14 foundations (61%) in this group expect to maintain their amount of grants as budgeted in 2020.

A smaller number of foundations from all groups expect to donate less money compared to what was budgeted in 2020
4 out of 23 foundations (14%) with annual grants of more than DKK 100 million expect to donate less than budgeted in 2020. Looking at 2021 and 2022, respectively, 4 foundations (17%) and 3 foundations (13%) in this group expect to donate less than budgeted.

3 out of 23 foundations (13%) that annually allocate between DKK 10 and 100 million expect to reduce their donations in 2020. Looking at 2021 and 2022, respectively, 3 foundations (13%) and 2 foundations (9%) in this group expect to donate less than budgeted in 2020.

Please note that, even though (according to the results) most foundations intend to donate either the same or more than what was budgeted in 2020, this does not mean that no foundations expect losses. 13 foundations (15%) expect to grant less money in 2020 than budgeted, and 10 foundations (12%) expect to grant less money in 2021, while 4 foundations (5%) expect to grant less money in 2022. Note that grants from foundations in Denmark usually fluctuate from year to year, and this study supports the statement that most Danish foundations expect to be able to donate the same as or more than what was budgeted in 2020.
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