

Development in the number of foundations in Denmark 1999-2019

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Purpose

The purpose of this analysis is to shed light on the development in the number of Danish foundations.

The analysis is part of the effort by The Knowledge Center for Danish Foundations to determine the overall development among Danish foundations and their general welfare.

Executive summary

In brief, the analysis shows:

1. That, in 17 out of 20 years between 1999 and 2019, the number of Danish foundations has declined. There has been an overall decrease by 1,546 foundations during the period.
2. That, in 2019, there are more grant-providing foundations than non-grant-providing foundations.
3. That the number of foundations is declining – especially the number of general purpose (non-commercial) foundations.

Main points

In the period from 1999 to 2019, the number of foundations has been consistently declining

In 17 of the 20 years between 1999 and 2019, there has been a negative development in the number of foundations. Although 2,452 new foundations and foundation-like associations were established during the period, 3,998 have disappeared. In total, the number of foundations has fallen from 11,343 at the end of 1999 to 9,797 at the end of 2019. Thus, the number of foundations has fallen by 1,546 during the period.

In 2019, the number of grant-providing foundations exceeded non-grant-giving foundations

In 2019, for the first time since 2016 when the 'Foundation Statistic' started, there were more grant-providing foundations than non-grant-providing foundations. In 2019, there were 5,280 grant-providing foundations as opposed to 4,118 in 2016 - an increase of 28%.

A number of foundations have begun providing grants – especially among general purpose (non-commercial) foundations. Whereas there were 3,602 grant-providing foundations in 2016, there were 4,676 grant-providing foundations in 2019. This is an increase of 30% over four years.

More grant-providing foundations but fewer foundations in total

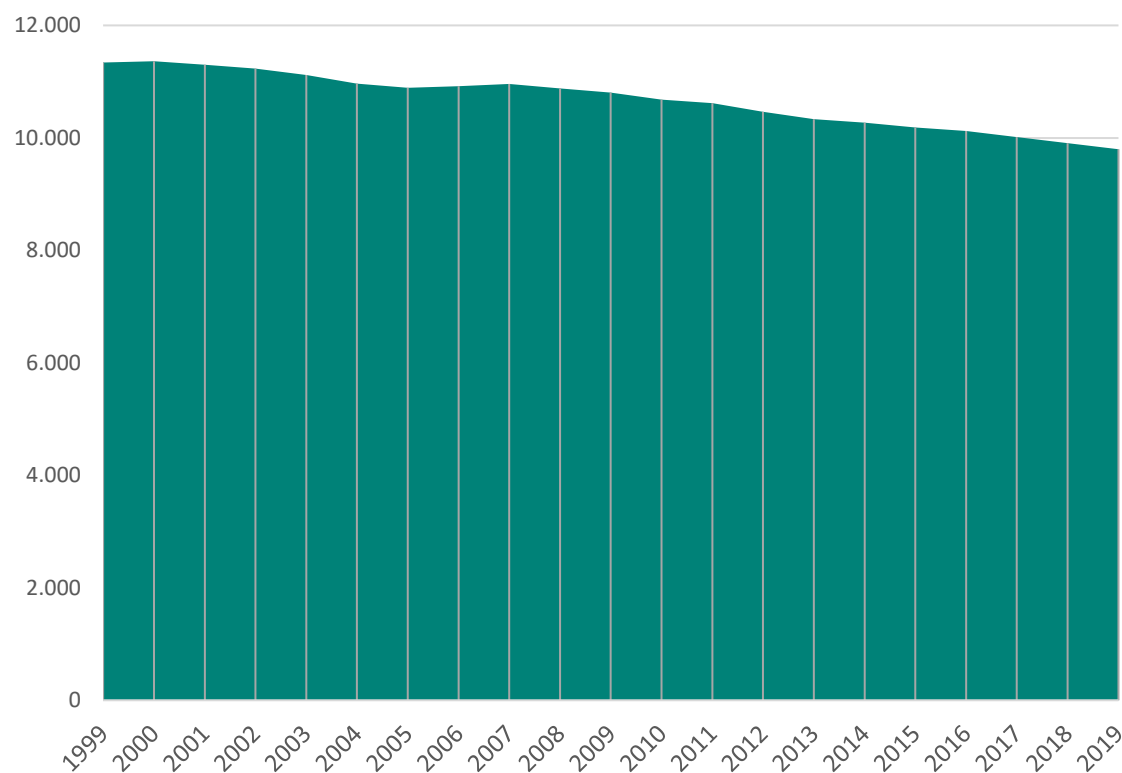
Foundations are created to last forever; but, since the 'Foundation Statistic' was established in 2016, the total number of public foundations has been declining.

In total, the number of foundations has fallen by 5% from 2016 to 2019. Although the number of commercial foundations has increased by 26 during the period, there has been a declining trend in the number of general purpose foundations. In total, there were 533 fewer general purpose foundations in the period from 2016 to 2019, corresponding to a decrease of 6%.

Analysis

- The development in the number of foundations in Denmark 1999-2019

The development in the number of foundations 1999-2019



In the period from 1999 to 2019, the number of foundations has declined in 17 out of the 20 years.

In total, the number of foundations has fallen from 11,343 at the end of 1999 to 9,797 at the end of 2019.

Although 2,452 new foundations and foundation-like associations were established during the period, 3,998 have disappeared in the same period. That equals a net change of 1,546 foundations

The development in new and closed foundations

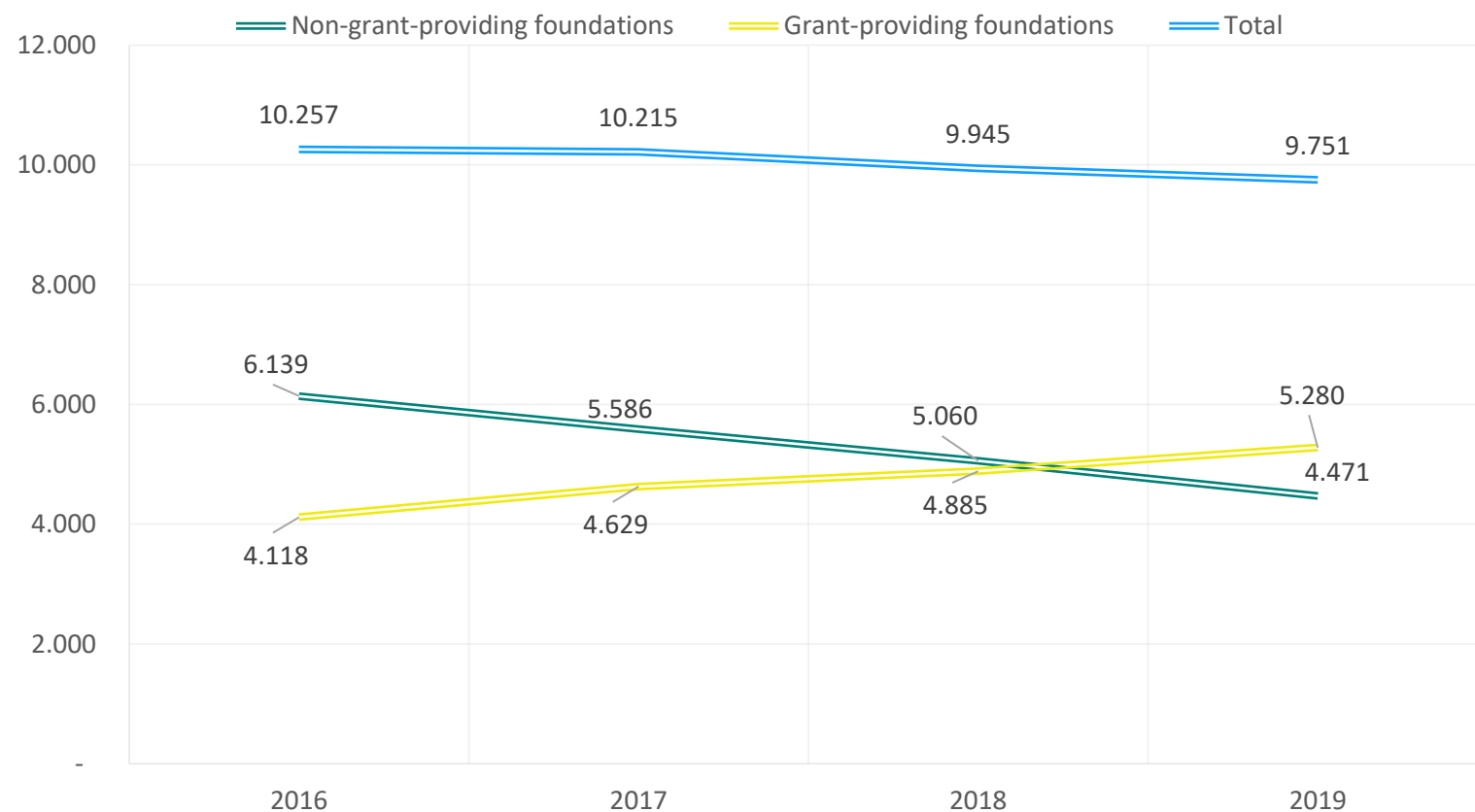
Year	Number of established (new) foundations	Number of closed foundations	Total number of foundations	Net change
1999			11,343	
2000	187	166	11,364	21
2001	165	228	11,301	-63
2002	146	212	11,235	-66
2003	117	235	11,117	-118
2004	134	287	10,964	-153
2005	110	182	10,892	-72
2006	185	158	10,919	27
2007	156	117	10,958	39
2008	101	176	10,883	-75
2009	65	143	10,805	-78
2010	54	180	10,679	-126
2011	80	140	10,619	-60
2012	64	219	10,464	-155
2013	133	261	10,336	-128
2014	117	184	10,269	-67
2015	114	196	10,187	-82
2016	128	194	10,121	-66
2017	166	272	10,015	-106
2018	124	232	9,907	-108
2019	106	216	9,797	-110

The table is based on an analysis from the Business Statistics Register (BSR) following the same model as the 'Foundation Statistic'.

Deviations between the population in the 'Foundation Statistic' and the analysis from BSR are due to the timing of the analysis. BSR is continuously updated.

Please note that there may be foundations in the BSR that are closed but not yet classified as closed in the register.

The development in the number of foundations



In 2019, there were more grant-providing foundations than non-grant-providing foundations. It is the first time this has happened since the 'Foundation Statistic' started in 2016.

In 2019, there were 5,280 grant-providing foundations as opposed to 4,118 in 2016 – an increase of 28%.

Number of foundations calculated by type and whether they distribute funds or not

		2016	2017	2018	2019	Change 2016-2019	Change 2017-2019	Change 2018-2019	% change 2016-2019
Commercial foundations	Non-grant-giving foundations	828	820	713	766	-62	-54	53	-7%
	Grant-giving foundations	516	542	652	604	88	62	-48	17%
	Total	1,344	1,362	1,365	1,370	26	8	5	2%
General purpose foundations and foundation-like associations	Non-grant-giving foundations	5,312	4,766	4,347	3,705	-1,607	-1,061	-642	-30%
	Grant-giving foundations	3,602	4,087	4,233	4,676	1,074	589	443	30%
	Total	8,914	8,853	8,580	8,381	-533	-472	-199	-6%

Fewer general purpose (non-commercial) foundations, while the number of commercial foundations has increased slightly.

533 fewer general purpose foundations in the period from 2016 to 2019, while an additional 26 commercial foundations have been established.

Source: The Knowledge Center for Danish Foundations 2021 and Statistics Denmark

Appendix

Number of foundations by registration of real owners

	Company type (30. November 2020)				Company type (4. November 2019)			
	Number of active	Missing	Registered	% registered	Number of active	Missing	Registered	% registered
Partnership and Limited Partnership	19,496	4,390	15,106	77.48%	19,102	3,660	15,442	80.84%
Foundations and Other Self-Governing Institutions	7,335	1,933	5,402	73.65%	7,548	2,222	5,326	70.56%
Associations	2,731	1,419	1,312	48.04%	2,787	1,519	1,268	45.50%
Other Company Types	4,241	1,389	2,852	67.25%	4,272	1,520	2,752	64.42%
Evangelical Lutheran Institutions (without church council)	624	538	86	13.78%	552	466	86	15.58%
Co-operative Society	1,498	417	1,081	72.16%	1,488	421	1,067	71.71%
Limited Partnership	3,291	78	3,213	97.63%	3,303	92	3,211	97.21%
European Economic Interest Grouping (EEIG)	11	11		0.00%	11	11	0	0.00%
Private Limited Company	266,182	5	266,177	100.00%	245,289	6	245,283	100.00%
Special Financial Companies	194	3	191	98.45%	197	2	195	98.98%
Public Limited Company	33,935	2	33,933	99.99%	34,339	6	34,333	99.98%
SE Company	1	0	1	100.00%	1	0	1	100.00%
Association or Company with Limited Liability	875	0	875	100.00%	907	0	907	100.00%
Co-operative Society with Limited Liability	524	0	524	100.00%	531	0	531	100.00%
Commercial Foundation	1,356	0	1,356	100.00%	1,338	0	1,338	100.00%
Public Limited Partnership/Partner Company	1,419	0	1,419	100.00%	1,304	0	1,304	100.00%
Entrepreneurial Company	26,614	0	26,614	100.00%	38,609	1	38,608	100.00%
Total	370,327	10,185	360,142	97.25%	361,578	9,926	351,652	97.25%

Source: The Danish Business Authority, processed by the Knowledge Center for Danish Foundations 2021

Number of foundations by grant level 2016-2019

	2016	2017	2018	2019	Change 2016-2019	Change 2017-2019	Change 2018-2019	% change 2016-2019	% change 2017-2019	% change 2018-2019
Total	10,257	10,215	9,945	9,751	-506	-464	-194	-5%	-5%	-2%
Non-grant-giving	6,139	5,586	5,060	4,471	-1,668	-1,115	-589	-27%	-20%	-12%
DKK 1 –0.25 mill.	3,366	3,782	3,607	4,020	654	238	413	19%	6%	11%
DKK 0.25-0.5 mill.	320	183	492	387	67	204	-105	21%	111%	-21%
DKK 0.5-0.75 mill.	28	170	241	130	102	-40	-111	364%	-24%	-46%
DKK 0.75-1 mill.	48	53	15	33	-15	-20	18	-31%	-38%	120%
DKK 1-2 mill.	81	105	213	381	300	276	168	370%	263%	79%
DKK 2-5 mill.	104	162	171	114	10	-48	-57	10%	-30%	-33%
DKK 5-10 mill.	89	61	41	80	-9	19	39	-10%	31%	95%
DKK 10-25 mill.	31	58	38	75	44	17	37	142%	29%	97%
DKK 25-50 mill.	7	10	21	18	11	8	-3	157%	80%	-14%
DKK 50-100 mill.	17	19	18	13	-4	-6	-5	-24%	-32%	-28%
DKK 100-500 mill.	20	22	20	23	3	1	3	15%	5%	15%
DKK 500+ mill.	7	4	8	6	-1	2	-2	-14%	50%	-25%

Source: The Knowledge Center for Danish Foundations 2021 and Statistics Denmark

Method and sources

Worth knowing

Foundations and foundation-like associations

In general, we use the term "foundations" for both "foundations" and "foundation-like associations" for ease of analysis

General purpose grants and other grants

In Statistics Denmark's fund statistics, which form the basis for this analysis, it is not possible to identify whether a grant has been given for general-purpose activities or whether it has been given, e.g., for family purposes or non-profit business purposes. However, on the basis of the current data, it is not possible to say exactly how much money is involved. In this analysis, therefore, we focus on the total distributed grants.

Very large, large, medium, smaller, and small foundations

We categorize the individual foundations as "very large foundations", "large foundations", "medium foundations", "smaller foundations", and "small foundations" on the basis of the total amount that the individual foundation has granted in the given year. "Very large" refers to foundations that have allocated DKK 500 million and above; "large" are foundations that have granted between DKK 50 and 500 mill.; "medium" are foundations that have granted between DKK 10 and 50 mill.; "smaller" are foundations that have granted between DKK 1 and 10 mill., while "small" foundations have granted less than DKK 1 million.

Distributions, grants, and disbursements

When assessing a foundation's distributions, it is important to be aware of the difference between grants and disbursements. A grant is a commitment made by a foundation to contribute money to a purpose or activity. A disbursement is the amount that the foundation actually paid out on the basis of a grant. A grant and the related contribution often take place in different calendar years. An example might be a foundation that agrees to support a festival in 2018 but does not contribute the money until 2019 when the festival is completed. Another example might be when, for example, large grants for construction projects are paid out over several years. The word distribution is often used as a collective term for both grants and disbursements.

Current prices

The amounts in the analysis tables are stated in current prices. Therefore, the figures are comparable with the statement of fund statistics published by Statistics Denmark. A statement of the development in fixed 2018 prices (adjusted for the net price index) may be found as an appendix at the end of the analysis.

Varying distribution level

If, one year, a foundation grants several hundred million Danish crowns for a specific purpose and does not do the same the following year, it can be clearly seen in the fund statistics. For example, in 2018, there has been a significant increase in large grants for international humanitarian purposes, social purposes, and educational and public information purposes. The fluctuations in grant levels, for example, may be because a foundation has decided to give regular, major, and multi-year grants to an area every three to five years, that the foundation has changed its strategy, or that the funds that the foundation has available for distributions vary from one year to the next. It may also have an impact on distribution levels for projects the foundations consider.

Sources and the population used

This analysis is based on the latest figures from [Statistics Denmark's statistics on foundations](#), including a number of special analyses made for the Knowledge Center of Danish Foundations.

Statistics Denmark's statistics contain data from 2016 to 2019. Therefore, comparisons can only be made for these 3 years. For this reason, one should be hesitant to reach general conclusions on the development trends described in this analysis.

The analysis is based on grant providing foundations and foundation-like associations. Out of the 9,945 foundations and foundation-like associations that in 2018 are included in Statistics Denmark's data, we focus primarily on the 4,885 foundations that distributed grants in 2018.

Statistic Denmark's statistics are based on a data collected in three categories of foundations and foundation-like associations:

1. Private commercial foundations
2. Private general purpose foundations and other private, self-governing institutions
3. Private associations and the like that act as foundations with significant distributions, e.g., patient associations and philanthropic associations.

The private associations are selected on the basis of the list of approved associations under section 8 A of the Danish Tax Assessment Act. In addition, a few other organizations that define themselves and work as foundations have been selected as part of the population.

Since there is no tax deduction for for-profit distributions, it may be conceivable to compare Statistic Denmark's statistics with the records of the Danish tax authorities on the amount of funds on which tax has been paid. In that way, we might get an overview of purely non-profit distributions. However, commercial foundations with a subsidiary or subsidiaries that constitute their main source(s) of income might not always be given a tax deduction for their grants, even though the grants are, in fact, non-profit. This is due to the so-called prioritization rule (<https://skat.dk/skat.aspx?oid=2047570>). Therefore, it is not possible to compare Statistics Denmark's statistics directly with the statements of the Danish tax authorities.

Statistics Denmark draws information from, *inter alia*, the Central Business Register (CVR Register). In some cases, foundations that no longer exist are registered in the CVR register since there is a transition period from the time a foundation closes until it is recorded in the register. This means that Statistics Denmark's calculation is not 100% accurate when it comes to the number of foundations.