

Summary International Symposium on Government Policy and Nonprofit Finance



On January 29 the Center for Philanthropic Studies (Vrije Universiteit Amsterdam) organized an international symposium about Government Policies and Nonprofit Finance.

During this symposium we addressed two fundamental questions about the relation between government policy and nonprofit finance. How is government funding affecting private giving? The second question relates to the possible influence of tax advantages: how will indirect funding through tax incentives affect giving? In the often heated debates about optimal design of tax incentives for charitable giving, empirical evidence on their effects is of crucial importance. Three speakers presented results of academic research. The audience consisted out of fundraising practitioners and government officials. This opened an interesting discussion about the policy implications of the presented findings.

Charitable giving does not substitute government support

Arjen de Wit (Center for Philanthropic Studies (VU), for slides click [here](#)) started the symposium with a presentation about the results of his dissertation: *'Philanthropy in the welfare state: Why charitable donations do not simply substitute government support'*. The defense of this dissertation took place on January, 30.

Advice for policy officers

De Wit gave some practical implementations for government policy: 1) Do not expect too much of the nonprofit sector. It is hard for nonprofit organizations to substitute budget cuts with donations 2) Communication is key! It is important to inform donors about policy changes and their consequences in order to stimulate them to give. and 3) Look further than just one project. Budget cuts in one sector can draw donors from one project to another.

Jan Kamphuis (UNICEF) reflected on the practical implementations of De Wit. He expressed his doubts about communicating changes in government support, because UNICEF is largely dependent on government funding. Will donors still think it is necessary to donate to UNICEF? De Wit thinks with the right framing it will help. Sabine de Wijckerslooth-Lhoëst (EY Tax advisors LLP) states that it is definitely important to communicate about the income of your organization, in times of transparency. It remains a dilemma for fundraisers.



Donors prefer a rebate

Mark Ottoni-Wilhelm (Lilly Family School of Philanthropy, IUPUI, USA, for slides click [here](#)) continued by discussing results from his article *'Matching donations to higher education in Indiana: Evidence from a natural experiment'*. His findings suggest that donors prefer a rebate, but will still give more with matching than without any tax incentive.

Carolyn Wever (Foundation University of Amsterdam) responded to the findings of Ottoni-Wilhelm. From a charity point of view we would prefer matching, because then you know what you will receive. It is noted that it is important to tell donors what amount of money eventually will end at the organization.

A rebate also creates a social bond

The first part of the symposium was closed by Sigrid Hemels (Erasmus School of Law, for slides click [here](#)). There are different ways to support charitable causes. It is important to take price elasticity into account, because if people won't react to a tax incentive it is negligible. Different studies show that donations increase if giving is deductible. The way countries set up tax incentives varies from country to country.

Hemels also stressed the importance of private gifts: social problems could be solved, it strengthens the financial basis of a charitable cause and creates a social bond. Also, the government can still have an important role; which organization can use the rebate?

Good news: the rebate stays

The rebate in the Netherlands will stay, but the government wants to improve the regulations in terms of practicability and maintenance.

Looking for partners

After the first part of the symposium, where government policy and nonprofit finance was discussed from different viewpoints, the symposium continued with the award for the best master thesis in the field of philanthropy, the NAP Thesis Award.



This part was introduced by Geert Sanders (Nyenrode University, for slides click [here](#)). How can we make research on philanthropy more visible? Looking for partners, like other researchers on philanthropy, could be important.

A good example is the [Netherlands Academy of Philanthropy \(NAP\)](#), a partnership between the Major Alliance and Dutch scientists.

And the prize goes to...

One initiative of the NAP is a thesis award. The handing over of the prize was executed by Mariëtte Hamer (president of the Social and Economic Council of the Netherlands). Of all entries there were three contenders for the prize: Pam van Wanrooij, Sophie Janssen and Timothy Nahr.

The prize went to Timothy Nahr (University of Amsterdam) for: *Assessing the relation between accountability, performance and donation levels: A view from the Dutch NGO sector*. Nahr studied if accountability leads to more charitable giving. On behalf of the Center for Philanthropic Studies congratulations!



Thank you for your presence and we would like to invite you all again soon on the VU! Follow us on twitter (@geveninnl) or via www.geveninnderland.nl / www.giving.nl for upcoming events.