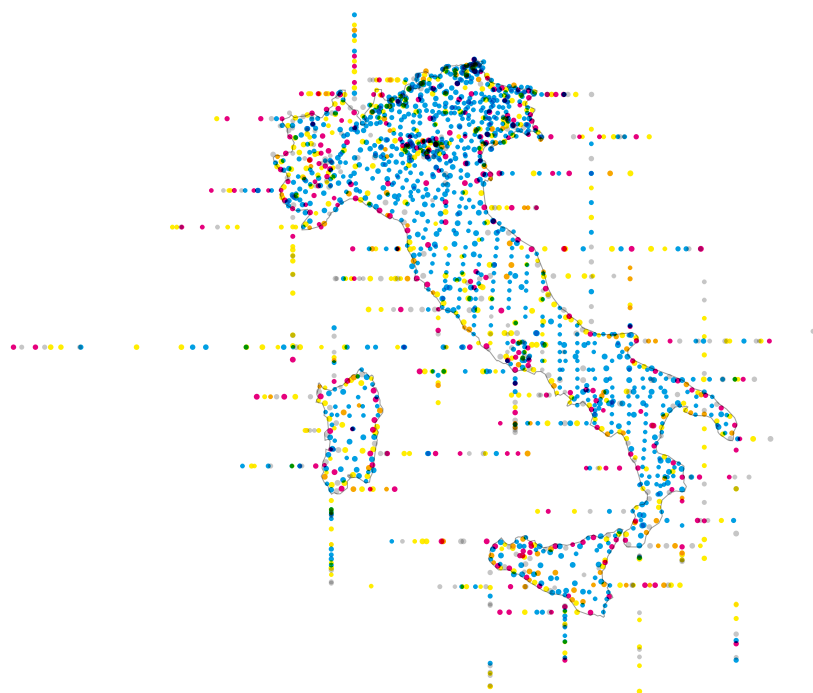


EXECUTIVE SUMMARY

# CORPORATE FOUNDATIONS IN ITALY 2019 RESEARCH REPORT



*Bracco Foundation, Fondazione Sodalitas and the research laboratory "Percorsi di secondo welfare" carried out in 2019 research to map the corporate foundations in Italy and discover their main characteristics and operating methods. The study provides an updated picture of the role of corporate foundations in Italy: an increasingly important sector both for the efficacy of corporate intervention programs in communities and territories and for their propensity to work with the service sector on strategic philanthropy. Below are the main findings.*

## **111 corporate foundations, most of them in the North.**

We mapped hundred and 11 foundations based in Italy, founded between 1963 in 2018 (40 foundations were created after 2005). 45% were in Lombardy, followed by Lazio with 13%. Dominant among the cities were Milan with 25% of foundations and Rome with 13%. Territorial imbalances that is confirmed, with a concentration of corporate foundations in northern Italy (72%), falling to 24% in the centre, 3% in the South and 1% in the islands.

As regards the production sector of the companies involved, finance and credit leads with 20% followed by clothing – textiles – fashion – clothing accessories and energy – environment – municipal companies (both at 10%) and by food, beverages and tobacco (9%). Among the other sectors consultancy services, chemistry and pharmaceuticals and insurance were the only ones above 5%.

## **The sample: young foundations and big companies.**

The 62 foundations who answered the question-

naire reflected the mapped population in terms of the economic sector of the companies involved and their geographical distribution. The foundations that answered the questionnaire were mostly young: 43% were formed after 2005 and 18% after 2011.

They were mostly foundations created by medium to large companies: 74% had more than 1000 employees and 26% more than 10,000. 52% were created by multinational companies. The companies are involved in the governance of foundations, but the foundations often feel they are little-known inside their companies. The relationship between foundations and companies is very strong on the governance front: in 50% of cases the governing organ of the foundation as an exclusive or majority presence of company representatives. 69% of the foundations interviewed report a constant in fluid relationship with the company's with regular discussions between the company and board of the foundation on the progress of activities and programs in 43% of cases, and with general indications the foundation receives from the company in 26% of cases. However, the most frequent issue in relationships with the company is the lack of awareness of the foundation on the part of the company. As many as 22 foundations, 35% of the sample, feel there is a "lack of knowledge of the foundation on the part of the company and company employees". Companies, in addition to being the main source of finance for foundations, offer other services, mostly in the form of offices, goods and specialist services. But there is still little sharing of networks, contacts, activities and personnel closely connected with the company.

**Among the reasons for creating foundations ethical and personal ones prevail.** For 72% of the foundations a very important reason for creation is “commitment to the common good is an expression of company culture” while for 47% it is “the strong personal motivation of the entrepreneur”. 70% of corporate foundations have not changed the reason behind their work compared with the initial years of activity. However, a majority of the foundations that mentioned a change in the motivations behind their activities so it was due to a strategic alignment with the company’s policies of value creation.

**Foundations and the companies that create them: integrated but autonomous.** The relationship between the corporate foundation and the company lies on a continuum from total independence to strong integration. We can say that corporate foundations, while maintaining their autonomy, have a large degree of integration with companies who are their main financiers and with which they share headquarters, structures, offices, skills and management processes. Moreover, the activities of corporate foundations often concern the communities where the company is present, a further sign of the fact that foundations are an important tool for companies to relate to the environment in which they operate. However, this is not always translated into a strategic alignment with the objectives of the mother company.

**Resources: big companies and small foundations.** 32% of the foundations in our sample receive annually from their companies more than 1 million Euro. 37% of the sample (23 foundations) received between 100,000 and €500,000; 22 of the 30 foundations whose mother companies have between 1001 in 10,000 employees receive annually from the companies less than 1 million. 60% of the foundations with companies of these dimensions (18 foundations) receive an annual budget of between 100,000 and €500,000. In most cases sources outside the mother company contribute only up to 20% of the total budget available. Excluding one foundation which is an exception with a high number of staff, on average foundations can count on to full-time employees and one part-time employee, and also use collaborators and personnel separate from the company. The

most common figures are the Secretary-General and the project manager. 35% have a communication manager on their staff: foundations are increasingly “connected” and use online communication (the Internet and social media) to promote their activities.

**There is a prevalence of “mixed” foundations, engaged in the sectors of instruction, culture and society in Italy.** Among the most widespread sectors of intervention are instruction (55% of foundations); art and culture (50%), economic development and social cohesion and research (both 43%). The least frequent our international activities and sport and leisure. More than half of the foundations say they address, among the various kinds of beneficiaries, “citizens in general”. Among the specific targets the most common are minors, distressed minors, the disabled, people with economic problems and the ill. In addition, 64% are also concerned with employment and professional training. 40% of corporate foundations define themselves as mixed – both donating and operating – 34% is exclusively operational and 23% exclusively donating. 79% operate also were exclusively in Italy against 19% that operate also were exclusively in developing countries. Corporate foundations collaborate with other no profit bodies and universities, but have little involvement with local authorities such as municipalities and regions.

**The future of corporate foundations:** growing interest in strategic philanthropy, but the ability to promote this in concrete terms is not yet completely adequate. 70% of corporate foundations say they evaluate their activities. However, only a few use more sophisticated methods of evaluation (such as impact evaluation). 42% of foundations intend to make changes in the next three years in their methods of intervention and/or in the sector of intervention. In particular, 48% of the sample feel the need to improve communication, 34% the ability to plan long-term, 30% see the need to improve the way interventions are evaluated while 22% feel the need for a better relationship with other operators present in the territory. 22% hope for greater focus on a selected number of interventions. 69% intend in the next three years to reinforce their partnerships with other institutions and/or organisations possibly forming stable networks.

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