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Grant-making foundations in Germany

How do grant-making foundations work? Characteristics and typology of the grant-making landscape in Germany

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Grant-making foundations in Germany

Andrea Hasl und Luise Burkhardt

Key points

- *Grant-making foundations account for approximately 59 percent of foundations with legal capacity under civil law in Germany, yet little systematic knowledge has existed about their working methods.*
- *The study identifies three types of grant-making foundations based on their organisational culture and funding practices.*
- *Group 1 (44% of sample): Predominantly small, volunteer-based foundations with local focus, high control over grant usage, short funding periods (approx. 2 years), and emphasis on social services.*
- *Group 2 (43% of sample): Hybrid type with medium budgets, longer funding periods than Group 1, coverage of overhead costs, and focus on arts and culture.*
- *Group 3 (13% of sample): Financially strong foundations with full-time staff, high importance of capacity building, long funding periods, national/international scope, and focus on environment.*
- *The majority of grant-making foundations (66%) distribute less than €100,000 annually, while only 16.6% have budgets exceeding €1 million.*
- *Differences between groups demonstrate that financial resources do not necessarily determine strategic orientation.*

Summary

Grant-making foundations in Germany represent a group of foundations that are to some extent very heterogeneous in terms of how they design their funding approaches and practices. Representative empirical analyses based on data from the Foundation Panel of the Association of German Foundations allowed three distinct groups to be identified that differ with respect to their organisational culture characteristics such as capacity building, fund control or grant duration, as well as to structural characteristics such as grant-making budgets, geographic orientation or funding areas. These findings have relevance not only for further research on this specific group of civil society organisations but also for individuals wishing to submit grant applications and for decision-makers who collaborate with grant-making foundations in the sector.

I Introduction

Active and organised philanthropy in Germany has given rise to various forms of non-profit organisations. These include foundations. Since the 1990s, the number of foundations has almost tripled. In 2024, there were 26,349 registered foundations with legal capacity under civil law, which is still the "classic" legal form of foundations in Germany.[1] Of these, 89 percent are purely public-benefit, charitable or religious in nature. Numerous grant-making foundations such as the Volkswagen Foundation, the Carl Zeiss Foundation and the Robert Bosch Foundation also contribute to the annual sum of at least €5 billion[2] that the foundation sector makes available for the common good. What these foundations have in common is that they award grants to third parties, which is why they are also referred to as "grant-making foundations".[3,4]

Although foundations engaged in grant-making activities account for a considerable proportion of the tax-privileged (i.e. public-benefit, charitable or religious) foundations in Germany, little systematic information is available about them. Based on representative data from the Foundation Panel of the Association of German Foundations, this paper therefore answers two research questions: *First, how can the world of grant-making foundations in Germany be characterised in terms of its structure and organisational culture? And second, based on these characteristics, can distinct groups or "types" of grant-making foundations be identified?* In answering the first research question, this paper provides the first systematic insight into relevant key aspects such as the duration, scope and areas of funding of grant-making foundations in Germany. The second research question is exploratory and examines the extent to which characteristics relating to organisational culture can be used to identify different types of foundations or characteristic groupings within grant-making foundations. Together, the findings offer a deeper insight into the German funding landscape – a perspective that is of great interest both from an academic point of view of the NPO sector and on a practical level for the foundations themselves, applicants and policymakers.

Objectives and funding approaches of grant-making foundations

Public-benefit, charitable and religious foundations can be categorised according to how they achieve their statutory purposes. Conventionally, a distinction is made

[1] Bundesverband Deutscher Stiftungen, Stiftungslandschaft wächst weiter. Available online. Retrieved 7 July 2025.
[2] Bundesverband Deutscher Stiftungen, Liste der größten Stiftungen. Available online. Retrieved 7 July 2025.
[3] Schnurbein, G. v., & Timmer, K. (2015). *Die Förderstiftung*. BHelbing Lichtenhahn.
[4] Anheier, H., & Leat, D. (2013). Philanthropic Foundations: What Rationales? *Social Research, 80* (2), 449-472.

between operating foundations and grant-making foundations. While operating foundations primarily pursue their own projects or programmes, grant-making foundations achieve their goals by awarding funds to third parties in the form of grants.[5] Funding is usually provided to individuals, projects or other (non-profit) organisations (e.g. associations, universities), which then indirectly fulfil the purpose of the funding foundation.[6]

In 2023, approximately 59 percent of foundations with legal capacity under civil law in Germany were exclusively grant-making foundations, while 18 percent were purely operating foundations. In reality, there are also mixed forms, with 23 percent of foundations being both operational and grant-making. In addition to foundations with legal capacity under civil law, grant-making foundations can also take other legal forms, such as the legal form of a non-profit limited liability company (LLC).

How do grant-making foundations operate? Von Schnurbein[7] classifies the grant-making activities of foundations according to two key dimensions, which address the questions of who receives funding and how it is provided (Figure 1). For the purposes of this paper, the question of how funding is provided is particularly important. It is clear that there can be considerable variation between foundations in this regard. On the one hand, grant-making activities may be limited to the allocation of financial resources alone. In this case, selected projects and programmes are funded ("support") or targeted investments are made in entrepreneurial approaches that aim to develop solutions to relevant social problems ("investment"). Projects to be funded are typically selected via an application process.

Depending on the foundation's perception of itself, grant-making can also go beyond purely financial contributions. For example, capacity building [8] ("competence development") is part of some foundations' grant-making activities. This involves strengthening the internal organisational structures of the institutions receiving funding, for example by staging workshops and providing access to networks. The grant-making foundation's reputation often plays an additional role as an intangible asset. Finally, some foundations provide funding not only to individuals or projects but also to participatory formats such as dialogue forums, think tanks or surveys that are intended to contribute to forming social opinion ("participatory transformation").

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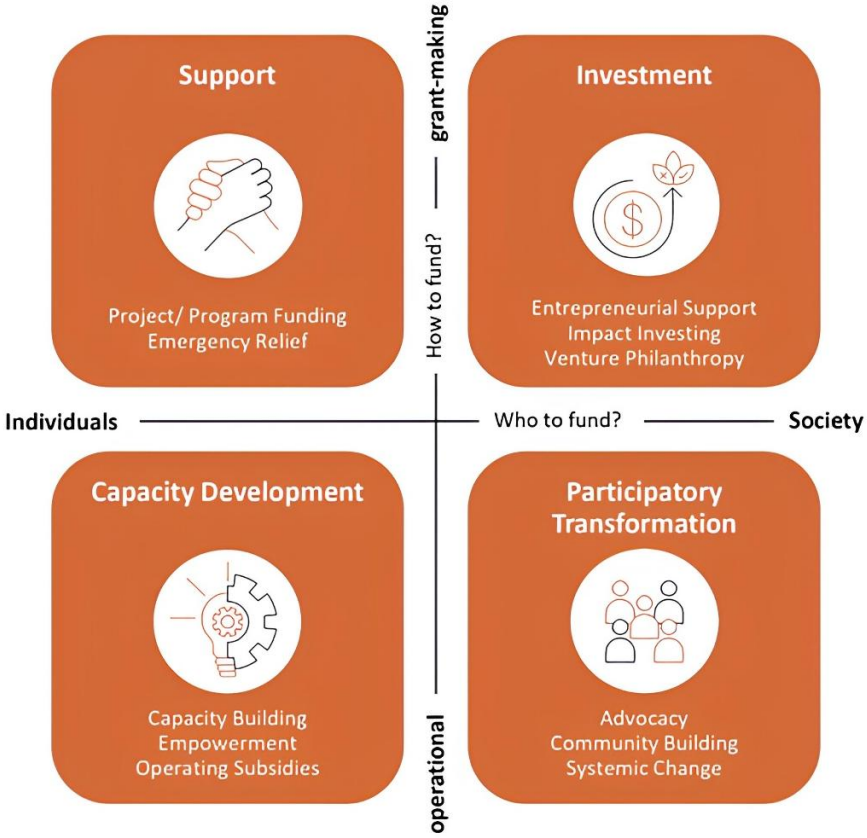
[5] Anheier, H., Foerster, S., Mangold, J., & Striebing, C. (2017). Einleitung und Vorgehensweise. In H. Anheier, S. Foerster, J. Mangold, & C. Striebing (Eds.), *Stiftungen in Deutschland 3: Portraits und Themen* (pp. 1–12). Springer VS.
[6] Schnurbein, G. v., & Timmer, K. (2015). *Die Förderstiftung*. Helbing Lichtenhahn.
[7] Schnurbein, G. v. (2025). Fördern in der Zukunft: Variable, partizipativ und mit anhaltender Wirkung. In K. Schönenberger, D. Jakob, & Schnurbein, G.v. (Eds.), *Der Schweizer Stiftungsreport 2025* (pp. 40–42). Center for Philanthropy Studies.
[8] Boesso, G., Cerbioni, F., Menini, A. & Redigolo, G. (2022). Beyond the money: Grantors supporting their grantees. *Journal of Management & Governance, 27* (2), 479–603.

Figure 1: Framework of diverse funding approaches



Reference: Schnurbein, G. v. (2025). Fördern in der Zukunft: Variable, partizipativ und mit anhaltender Wirkung. In K. Schönenberger, D. Jakob, & Schnurbein, G.v. (Eds.), *Der Schweizer Stiftungsreport 2025* (pp. 40–42). Center for Philanthropy Studies.

Dimensions of organisational culture in grant-making foundations

What are the reasons for the different grant-making approaches and working methods among grant-making foundations? An organisation's observable behaviour – in this case its grant-making practices – often reflects its underlying organisational culture. This includes "shared values and basic assumptions that explain why organizations act the way they do and focus on what they focus on".[9]

The foundation's statutes define unchangeable, structural characteristics such as its financial resources or the content of its statutory purposes. In contrast, there are dynamic characteristics of organisational culture through which the established purposes are achieved. These include the grant-making approach, type and duration, as well as the nature of the cooperation with the recipients of funding.

[9] Schneider, B., González-Romá, V., Ostroff, C., & West, M. (2017). Organizational climate and culture: Reflections on the history of the constructs in the Journal of Applied Psychology. *Journal of Applied Psychology, 102*(3), 468– 482.

Based on the Competing Values Framework,[10,11] which is widely used in organisational research, and the work of v. Schnurbein and Timmer,[12] two possible dimensions of organisational culture are presented to provide context.

Dimension Stability (control) – Flexibility (discretion).[10,11] Organisations at the stability end of the spectrum have clear guidelines for decision-making processes, formalised rules and procedures. Control is seen as the key to success. In the case of foundations, standardised processes, e.g. for initiating, executing and awarding grants, and mechanisms by which to control the use of grants, help to ensure that the organisation runs smoothly and that grants are used in a targeted manner. Organisations at the flexibility end of the spectrum are characterised by the fact that they operate in a more person- and needs-oriented manner.[13] Grant-making foundations thus award grants with greater risk and uncertainty and give recipients more dynamic freedom in designing their projects. In this scenario, it is less important to control the way grants are used, and the foundation might possible cooperate more frequently with other organisations when awarding grants (co-funding). It remains to be seen where funding durations would be positioned on this dimension.

Dimension Funding – Service.[12] Grant-making can take various forms. Some foundations for example provide purely financial funding for projects but have little contact with the recipients beyond the funding decision. From the perspective of these foundations, the mere distribution of grants may be the most effective strategy for achieving their goals if for example the grants are awarded to recipients with better suited human resources or skills.[14] At the other end of the spectrum, grant-making is viewed as a service, which corresponds to the "competence development" approach to grant-making. Personal interaction with the grantees and their feedback is relevant, and support with capacity building and organisational development is provided. Administrative costs of funding and overheads may also be seen as part of service-oriented grant-making. The Robert Bosch Academy,[15] where grantees meet with people from science and politics to exchange ideas, is an example of funding being provided for capacity building.

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[10] Cameron, K., & Quinn, R. (2006). *Diagnosing and changing organizational culture.* Jossey-Bass.
[11] Hartnell, C. A., Ou, A. Y., Kinicki, A. J., Choi, D., & Karam, E. P. (2019). A meta-analytic test of organizational culture's association with elements of an organization's system and its relative predictive validity on organizational outcomes. *Journal of Applied Psychology, 104*(6), 832–850.
[12] Schnurbein, G. v., & Timmer, K. (2015). *Die Förderstiftung.* Helbing Lichtenhahn.
[13] Cameron, K., & Quinn, R. (2006). *Diagnosing and changing organizational culture.* San Francisco: Jossey-Bass.
[14] Striebing, C. (2017). Engagementstiftungen. In H. Anheier, S. Foerster, J. Mangold, & C. Striebing (Eds.), *Stiftungen in Deutschland 3: Portraits und Themen* (pp. 13-32). Springer VS.
[15] Robert Bosch Academy (2025, June 30). https://www.robertboschacademy.de/de

II Methodology

Sample

The data used for the statistical analyses conducted for the purposes of this paper stems from the Foundation Panel of the Association of German Foundations. The Foundation Panel is a voluntary online survey of foundations that collects information on the working methods of foundations and current issues in the foundation sector once or twice a year. This information is not or only partially to be found in other sources (e.g. from the foundation supervisory authorities).

The survey used here focused on the topic of "How do grant-making foundations provide support?" and aimed to gain a structured and systematic insight into the structures and working methods of grant-making foundations in Germany. The period covered was between 11 June and 5 July 2024. 414 fully completed questionnaires were received in total. 316 of the responding foundations primarily fund projects, programmes or organisations; 98 foundations were excluded because they mainly support individuals. To ensure representativeness by means of statistical weighting, only foundations with legal capacity under civil law were included, which excluded a further 38 foundations with other legal forms. The final analysis sample thus comprises n = 278 foundations.

All results presented were statistically weighted using inverse probability weighting (IPW), which means they can be considered broadly representative of the population of foundations with legal capacity under civil law in Germany.[16]

Survey instruments

The questionnaire was developed in a multi-stage process in collaboration with the head of the Grant-making Foundations working group of the Association of German Foundations. To ensure the questionnaire's external validity, the initial version was presented to a group of representatives of grant-making foundations in the working group. After incorporating the experts' feedback, the final questionnaire was implemented using the Rogator survey software.

Table 1 presents the questions about organisational culture characteristics used for analysis in this article. Table O1 (Online Supplement [OS]) provides an overview of the structural characteristics (funding budget, funding areas, geographical focus, donations, employees).

[16] Burkhardt, L., & Müller, K.U. (2023). Stiftungspanel des Bundesverbandes Deutscher Stiftungen. Methodenbericht. Bundesverband Deutscher Stiftungen. Available online. Retrieved 2 July 2025.

Table 1. Survey instruments for organisational culture characteristics

Dimension	Survey Question
Collaborations	Does your foundation collaborate with other foundations or funding organisations in grant allocation? (Select from 0 – 7 options, maximum value 7 points)
	When working with grantees, it is important to us to ...
Fund control	... be able to precisely track how grantees use the foundation's resources. 1 = not at all important, 2 = not so important, 3 = quite important, 4 = very important
Feedback	... obtain feedback from grantees on our grant-making strategies and grant-making processes. 1 = not at all important, 2 = not so important, 3 = quite important, 4 = very important
Capacity building	... support our grantees with advisory and networking services ("capacity building"). 1 = not at all important, 2 = not so important, 3 = rather important, 4 = very important
Funding duration	On average, our foundation's funding commitments extend over ___ years. [Note: Here the average was calculated across all stated funding areas per foundation.]
Overhead costs	Does your foundation contribute to the administrative/overhead costs of funded projects? 0 = no, 1 = yes
Institutional funding	What percentage of the total number of grants your foundation awards do institutional grants approximately represent? Definition of institutional funding: The foundation awards unrestricted grants that are not tied to individual activities or projects of the partner organisation. The funding partner has the freedom to decide how to use the funds.

Statistical analysis

All statistical analyses were performed using the statistical software R (v4.3.2)[17] and RStudio (v2024.12.1.563).[18] Prior to the analyses, missing values were replaced by simple imputation. The entire code is available in the OS.

Distance metrics were applied to identify (dis)similarities between observations, that is to say between individual foundations. These statistical methods are part of the classic machine learning approach to identifying clusters – i.e. groups or "types" – in data. Gower's distance was used here, which is an effective method for dealing with mixed data types.[19] First, the differences between all pairs of characteristics were

[17] R Core Team (2021). *The R project for statistical computing*. https://www.r-project.org/
[18] Posit Team (2025). *RStudio Desktop*. https://posit.co/download/rstudio-desktop/
[19] Van de Velden, M., D'Enza, A. I., & Marcos, A. G. (2018). Distance-based clustering of mixed data. *WIREs Computational Statistics*, *11*(3).

calculated and converted to the same scale format based on the range, then their weighted mean was determined. The resulting distance values range from [0.1], with lower values indicating a higher similarity between observations.

The distance values determined in this way were used to assign the foundations to different groups. The k-medoids and partitioning around medoids (PAM) algorithms were used to identify the best division of the data into a number of k groups. In doing so, the sums of the distances to the medoid of each group were minimised.[20] The medoid is defined as the observation that minimises the sum of the distances to the other observations in this group, in this case a real foundation in the sample. The fit of the number of groups (k) was evaluated using average silhouette widths (ASW). The closer the ASW is to 1, the more clearly the groups can be distinguished. ASW values of 0.25 or higher indicate weak distinguishability, 0.5 indicates medium distinguishability and 0.75 indicates strong distinguishability.[21]

Finally, multivariate analysis of variance (MANOVA) and Tukey post-hoc tests were used to check whether the identified groups of grant-making foundations differed significantly in terms of the organisational culture and structural characteristics examined. For this purpose, mean values of the characteristics per group were modelled and compared with each other.[22]

III Results

Selected descriptive statistics for the total sample

Grant-making foundations in Germany show a wide range of characteristics in terms of grant-making practices and organisational structures. A detailed breakdown of the descriptive statistics can be found in Table O2 (OS).

The funding budgets available to foundations engaged in grant-making activities range from less than €5,000 to more than €50 million. 47.8 percent have budgets of less than €50,000; only 16.6 percent have funds in excess of €1 million available for allocation. Across all foundations, the most common areas of grant-making are social services (42.1 percent) and education (36.4 percent), while science and research and the environment were significantly less common (22.7 and 21.1 percent respectively). On average, individual grants are awarded for a period of 2.4 years. The shortest funding periods were around eight months and the longest ten years.

[20] Studer, M. (2013). WeightedCluster Library Manual: A practical guide to creating typologies of trajectories in the social sciences with R. *LIVES Working Papers*, 24.
[21] Kaufman, L., & Rousseeuw, P. J. (1990). *Finding groups in data: An introduction to cluster analysis*. John Wiley & Sons.
[22] Pituch, K.A., & Stevens, J. P. (2015). K-Group MANOVA. In K.A. Pituch & J. P. Stevens (Eds.), Stevens, *Applied Multivariate Statistics for the Social Sciences* (pp. 175 – 219). Routledge.

With multiple answers being possible, the majority of grant-making foundations reported that they were active locally (78.1 percent), around a quarter (26.0 percent) also said they funded projects on a national basis (throughout Germany) and 13.4 percent operate at an international level. 27.5 percent of all foundations stated that their grant-making budget came primarily from donations. With around two thirds (66.0 percent) of all foundations engaged in grant-making activities, grant-making management activities (searching for, selecting and supporting projects) are primarily entrusted to volunteers. 27.5 percent of foundations primarily employ full-time staff in grant-making management, while 6.5 percent employ both volunteers and full-time staff. 54.7 percent of all grant-making foundations contribute to the administrative and overhead costs of the grantees.

Group affiliation and inference statistics

Based on the ASW for each group solution, it was shown that the $k = 2$, $k = 3$ and $k = 4$ groups had the best values (ASW2 = 0.37, ASW3 = 0.34, ASW4 = 0.34). Based on theoretical considerations regarding the dimensions of the organisational culture of grant-making foundations, more than two groups were considered; to reduce complexity, however, the version with three rather than four groups was chosen. In the following, the $k = 3$ group solution will therefore be examined in more detail and validated on the basis of further analyses. Empirically, the $k = 4$ group solution is also plausible and could be examined in more detail. However, this would exceed the scope of this paper.

Table 2 compares the weighted measures of location and dispersion as well as the frequencies of organisational culture and structural characteristics for each group. The weighted MANOVA showed a significant effect of group membership (Pillai trace = 0.85, $F(14, 540) = 28.73$, $p < .001$), indicating that the groups differ significantly across all the characteristics examined. Table O3 (OS) presents the results of the post hoc tests.

Table 2. Weighted descriptive statistics of the three groups of grant-making foundations

	Group 1 (n = 122)		Group 2 (n = 120)		Group 3 (n = 36)	
	M (SD)	MD	M (SD)	MD	M (SD)	MD
Collaboration	0.39 (0.71)	0	0.40 (0.88)	0	3.53 (1.45)	4
Fund control	3.69 (0.51)	4	3.43 (0.85)	4	2.23 (0.49)	2
Feedback	2.61 (0.89)	3	2.80 (1.05)	3	3.41 (0.74)	4
Capacity building	1.58 (0.80)	1	2.05 (0.90)	2	3.48 (0.80)	4
Funding duration	1.93 (1.68)	1.00	2.89 (2.83)	1.81	2.65 (1.12)	3
Institutional funding (%)	9.62 (28.86)	0	12.09 (29.52)	0	26.25 (33.41)	10
	Percentage (%)		**Percentage (%)**		**Percentage (%)**	
Overhead costs (yes = 1)	0.00		100		97.56	
Funding radius						
local	84.82		82.11		51.21	
national	18.92		18.95		62.50	
international	2.70		9.47		52.50	
Donations	36.94		26.04		5.00	
Staff						
Volunteer (V)	82.88		68.42		15.00	
Full-time (FT)	15.32		22.11		75.00	
V & FT	1.80		9.47		10.00	
Funding areas						
Social services	45.95		40.00		35.00	
Education	42.34		38.54		17.50	
Arts and culture	28.82		44.21		40.00	
Science	20.72		25.00		22.50	
Environment	10.81		18.75		55.00	
International Development	1.80		8.42		7.50	
Grant-making budgets						
< 5k	16.22		18.56		0.00	
5k – 10k	12.61		9.28		0.00	
10k – 50k	27.02		27.84		10.00	
50k – 100k	20.72		16.49		10.00	
100k – 500k	18.02		15.46		0.00	
500k – 1 m	0.00		4.12		12.50	
1 m – 5 m	1.80		7.22		45.00	
5 m – 10 m	0.00		1.03		0.00	
10 m – 50 m	0.00		0.00		22.50	
> 50 m	3.60		0.00		0.00	

Note. M = mean, SD = standard deviation, MD = median. Weighted values based on inverse probability weighting (IPW).

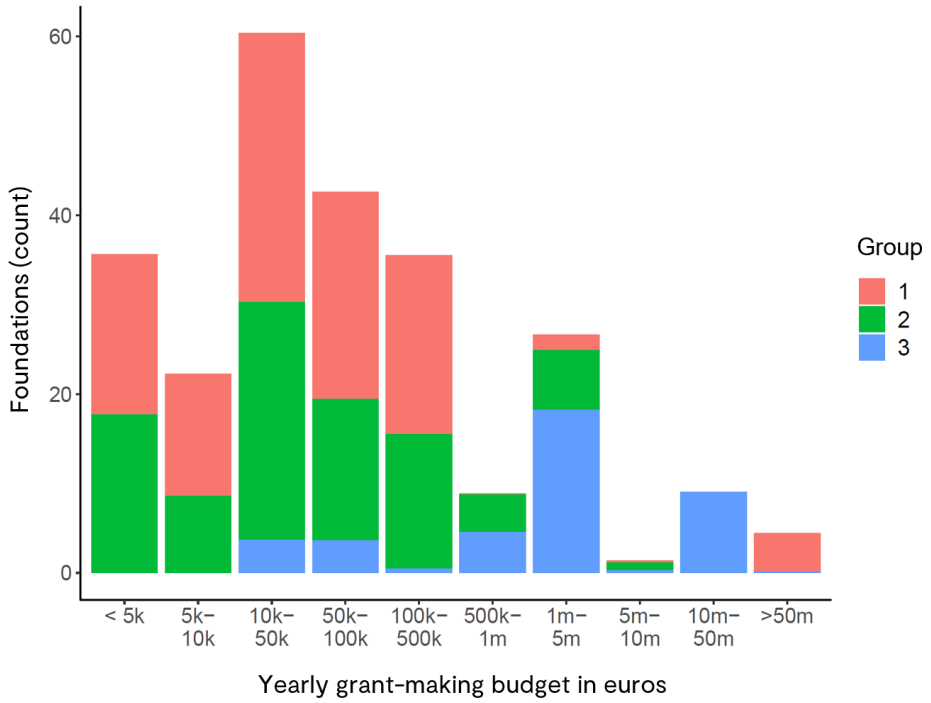
The *first group* is characterised by an organizational culture that attaches great importance to monitoring how grantees use their grants. Though feedback is also valued in the grant-making process, little capacity building is provided. Foundations in this group rarely provide institutional funding, do not cover overhead costs and cooperate to only a low extent with other organisations in allocating grants. The average funding period here, which is the shortest of all groups, is 1.93 years. Structurally, this group has primarily small to medium annual funding budgets (77 percent under €100,000; Figure 2), although it is also represented in the highest funding budget category (> €50 million). Grant-making management is mainly carried out by volunteers. More than a third (37 percent) of the grant-making is financed by donations, while the geographical radius is local. The main area of grant-making is "social services." In the present sample, 122 foundations belong to this group. The first group therefore comprises fairly small, volunteer-based and locally rooted foundations that provide short-term financial support at the local level.

The *second group* shows a similar profile to the first group in terms of feedback, cooperation, institutional funding and donations (all $p > 0.05$). It also has small to medium annual funding budgets (72 percent under €100,000) and provides local funding. Yet there are also significant differences: the average funding period of 2.89 years is significantly longer than in the first group ($p = 0.002$). These foundations attach less – though still relatively high ("rather important"; $p = 0.003$) – importance to controlling the use of grants by the grantees. Capacity building is considered part of grant-making to a greater extent than in the first group, but less so than in the third group (both $p < 0.005$). In addition, 100 percent of the second group cover overhead costs as part of the funding (group 1: 0 percent), and grant-making management is carried out by both volunteers and full-time staff. The main funding area is "arts and culture." 120 foundations in the present sample belong to this group. The second group represents a hybrid between the first and third groups. It is characterised by smaller foundations with a local focus but operates in a more formalised manner than the first group due to longer funding periods, full-time staff and the funding of overhead costs.

The *third group* differs significantly from the first two groups. Across all groups, the third group attaches the greatest importance to the relevance of capacity building and feedback in grant-making, while control of how grants are used is less important (all $p < 0.005$). Cooperation on grant allocation is more common than in the other groups ($p < 0.001$), institutional funding is more prevalent ($p < 0.001$) and overhead costs are covered as part of grants. The average funding period is 2.65 years. Structurally, this group has (very) high annual grant-making budgets (68 percent over €1 million). Full-time staff manage the grant-making, the grants are not financed by donations (but rather by income from the foundation's invested capital, for example), and the grant-making radius also includes Germany-wide and international

projects. The main area of funding is “environment”. 36 foundations in the present sample belong to this group. The third group comprises financially strong foundations with full-time employees. Capacity building is considered ann important part of grant-making, and longer funding periods, including national and international projects, are a priority.

Figure 2: Grant-making budget by group membership



IV Discussion

Contextualising results in an international context

Although grant-making foundations constitute a considerable portion of tax-privileged foundations in Germany, there has been little systematic knowledge about them to date. This paper identified reliable key indicators regarding funding activities, practices and the structural framework conditions of foundations. These indicators can be examined and compared with international findings. They are compared in the following section with grant-making foundations in Switzerland and the USA.

According to the Swiss Foundation Report 2025,[23] 12,722 charitable foundations were active in Switzerland in 2025, of which nearly half – 49.1 percent – are engaged in grant-making. The annual expenditure for charitable purposes by grant-making foundations in Switzerland amounts to approximately 6 billion Swiss francs. About 29 percent of grant-making foundations distributed less than 100,000 Swiss francs annually. In 2023, approximately 59 percent of Germany's 25,777 (2024: 26,349) foundations with legal capacity under civil law were purely grant-making foundations; however, the distribution of funding is structured somewhat differently. Approximately 66 percent of German grant-making foundations distribute funding of less than €100,000 annually, which suggests that there are considerably more foundations with smaller funding amounts in the sector. Germany and Switzerland both show a similar pattern in the sense that most foundations distribute smaller amounts while a few foundations distribute very large sums. Furthermore, the boundaries between operational and grant-making foundations are fluid: in Switzerland, 18.5 percent of foundations (Germany 2023: 23 percent) can be classified as hybrid foundations in this sense.

Comparisons with the USA are also particularly interesting: just two of the largest grant-making foundations there distribute funding equivalent to the estimated total funding budgets of Switzerland and Germany respectively. The Gates Foundation awarded grants totaling $8.6 billion in 2024,[24] while the Silicon Valley Community Foundation distributed nearly $4.6 billion.[25] Global and international funding by grant-making foundations in the USA has consistently amounted to approximately one quarter of the total funding volume since 2008.[26] Nearly half of these funds are deployed to promote health. In Germany, approximately 13 percent of grant-making foundations have an international funding radius; unfortunately, no reliable estimates exist to date regarding the proportion of the grant-making budget in Germany that is actually spent on international activities.

Grant-making foundations and their groups

The identified groups reflect the complex world of grant-making foundations. How can they be positioned within the model of diverse funding approaches[27] and the

[23] Schönenberger, K., Jakob, D., & Schnurbein, G.v. (2025). *Der Schweizer Stiftungsreport 2025*. Center for Philanthropy Studies
[24] Suzman, M. (2024). *Philanthropy's once-in-a-generation opportunity*. Gates Foundation. https://www.gatesfoundation.org/ideas/articles/2024-gates-foundation-annual-letter
[25] Silicon Valley Community Foundation (2025). *2023-24 annual report*. https://www.svcf.org/annual-reports/2023
[26] Council on Foundations (2022). The State of Global Giving by US Foundations. Candid and the Council on Foundations.
[27] Schnurbein, G. v. (2025). Fördern in der Zukunft: Variable, partizipativ und mit anhaltender Wirkung. In K. Schönenberger, D. Jakob, & Schnurbein, G.v. (Eds.), *Der Schweizer Stiftungsreport 2025* (pp. 40–42). Center for Philanthropy Studies.

dimensions of organisational culture[28,29]? The following section discusses the clearly differentiable first and third groups first and then addresses the second group as a hybrid form.

The first group comprises mainly smaller foundations with lower budgets that operate for the most part locally. They award short-term funding and consider it important to track how grants are used for their designated purposes but focus less on capacity building of the grantees. Within the model of funding approaches, this group can be assigned to the "support" category (at the point where individuals/grant-making intersect). In terms of organisational culture, it largely falls within the field of stability/funding, as these foundations maintain high control over funding while providing little in terms of services. It is noteworthy that alongside foundations with very small funding budgets, those with the largest possible budget (> €50 million) also fall within this group. This demonstrates that financial resources do not necessarily dictate whether foundations view grant-making as funding or service provision. Instead, this reflects a conscious strategic orientation – as the comparison with the third group illustrates, which pursues a fundamentally different funding approach despite having comparable financial strength. The first group focuses its funding on the social sector; examples include one-off grants to finance holiday programmes for disadvantaged children or equipment for a local primary school.

The third group, by contrast, includes financially stronger foundations that employ full-time grant managers and support projects with national and international scope. They see capacity building as part of their grant-making and attach importance to feedback in the funding process. At the same time, they grant recipients flexibility by covering overhead costs and providing institutional funding. Within the model of funding approaches, this group can be assigned to the "competence development" category (at the point where individuals/operational intersect). Regarding organisational culture dimensions, it falls more within the field of flexibility/service, as these foundations report that formal control over funding is not of great relevance to them; at the same time, it should be noted that their close collaboration with recipients also provides more control over how foundation funds are deployed strategically,[30] even when no formal fund control is practised. As their main funding area is "the environment", such funding might involve co-financing a longer-term, EU-wide project that promotes forest resilience in times of climate change, which would also include offering networking workshops.

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[28] Cameron, K., & Quinn, R. (2006). *Diagnosing and changing organizational culture*. Jossey-Bass.
[29] Schnurbein, G. v., & Timmer, K. (2015). *Die Förderstiftung*. Helbing Lichtenhahn.
[30] Schnurbein, G. v. (2025). Fördern in der Zukunft: Variable, partizipativ und mit anhaltender Wirkung. In K. Schönenberger, D. Jakob, & Schnurbein, G.v. (Eds.), *Der Schweizer Stiftungsreport 2025* (pp. 40–42). Center for Philanthropy Studies.

The second group appears to be a hybrid form of the first and third groups. Like the first group, it consists of smaller, locally operating foundations whose funds are partly financed by donations. At the same time, it shares with the third group longer funding periods and covers overhead costs as part of its funding. As far as fund control, capacity building and staff structure are concerned, the second group is positioned exactly midway between the first and third groups. In terms of its grant-making approach, it can be assigned more to the "support" category in absolute terms (at the point where individuals/grant-making intersect). Although in terms of organisation it displays cultural tendencies towards the intersection of stability/funding, it cannot be clearly positioned there due to the way it differs substantially from the first group in terms of relevant characteristics, as elements of flexibility (e.g. reduced fund control) are also present. Let us give a practical example to make this hybrid form more tangible: the second group focuses its grant-making on arts and culture, providing for instance multi-year support and funding (similar to group 3) for a local youth theatre or cultural centre (similar to group 1).

This second group in particular could provide an interesting starting point for further refining the underlying theories of organisational culture in the grant-making context and identifying more precise dimensions than the flexibility-stability continuum currently allows. Figure O1 (online supplement) illustrates how the groups are positioned within the framework of diverse funding approaches.

V Limitations and outlook

Like any empirical study, the present paper has limitations in interpretability and methodology.

Differentiation of identified groups

The silhouette values of the present group solution of 0.3 showed weak clustering, meaning that the identified groups cannot be clearly distinguished from each other statistically. However, this finding is not uncommon in social science data, as empirical reality is complex and overlaps between groups regularly occur.[3131] It is nonetheless reasonable to assume that there are three distinct groups of grant-making foundations due to the theoretical foundation and the empirically supported differences in the examined characteristics. Future studies are recommended to precisely examine measurement errors in and the discriminatory power of the survey instruments employed. Even if this does not reduce the complexity of reality,

[31] Bolin, J. H., Edwards, J. M., Finch, W. H., & Cassady, J. C. (2014). Applications of cluster analysis to the creation of perfectionism profiles: A comparison of two clustering approaches. *Frontiers in Psychology*, *5*.

improved concept measurement through well-constructed scales instead of single items, as were used here for practical survey reasons, could increase the clarity of cluster formation and assignment.[32,33]

Number of groups considered

Every analysis involves decisions by researchers. At this point, it should be noted once again that it would have been plausible from an empirical perspective to justify both $k = 3$ and $k = 4$ groups (both ASW = 0.34). Based on theoretical considerations regarding dimensions of organisational culture, more than two groups were hypothesized in the interests of reducing complexity, the three-group solution was examined more thoroughly than the four-group solution. The hybrid type could perhaps be more clearly differentiated if four groups were considered. Future research could therefore focus on comparing the results of three versus four groups. This would also be of interest from the perspective of deeper theoretical work and attempts to differentiate the postulated dimensions of organisational culture.

Selection of characteristics for group formation

The boundaries between structural and organisational culture characteristics, as defined in the present paper, are sometimes fluid. One illuminating example of this is the presence of written evaluation criteria for awarding grants. Though there is no legal requirement for these to be laid down in the foundation statutes, they are recorded there in some cases nevertheless. For this reason, they were not included in the analyses conducted for this paper. Content was selected and differentiated into structural and organisational culture characteristics in the present study together with experts in the field to ensure maximum external validity. Nevertheless, it should be noted that including other or additional characteristics in future studies might possibly lead to a different number of groups. As is the case with all studies dealing with clustering, it is therefore important to interpret the results against the background of the characteristics used to form the group.

[32] Pankowska, P., Oberski, D., Garnier-Villarreal, M., & Pavlopoulos, D. (2025). The effect of measurement error on clustering. *Quality & Quantity*. Advance online publication. https://doi.org/10.1007/s11135-025-02177-9

[33] Diamantopoulos, A., Sarstedt, M., Fuchs, C., Wilczynski, P., & Kaiser, S. (2012). Guidelines for choosing between multi-item and single-item scales for construct measurement: A predictive validity perspective. *Journal of the Academy of Marketing Science*, *40*(3), 434–449.

Online Supplement

Table O1. Survey instruments for structural characteristics of foundations

Dimension	Survey Question
Grant-making budget	What is your foundation's average annual grant-making budget in euros? 0 = under 5,000, 1 = 5,000 – under 10,000, 2 = 10,000 – under 50,000, 3 = 50,000 – under 100,000, 4 = 100,000 – under 500,000, 5 = 500,000 – under 1 million, 6 = 1 million – under 5 million, 7 = 5 million – under 10 million, 8 = 10 million – under 50 million, 9 = over 50 million
Funding areas	In which area does your foundation primarily provide funding (multiple responses possible)? Social services, education, arts and culture, science and research, environment and climate protection, development cooperation, other
Geographic orientation	Where does your foundation primarily provide funding (multiple responses possible)? 0 = local/regional, 1 = supraregional/nationwide, 2 = international
Donations	Our foundation's grant-making budget is essentially funded by donation income. 0 = no, 1 = yes
Staff	Who in your foundation is responsible for finding, selecting and supporting grant-making projects (multiple responses possible)? 1 = volunteers, 2 = full-time employees, 3 = volunteers and full-time employees

Table O2. Weighted descriptive statistics of the overall sample of grant-making foundations

	M	SD	MD	Min	Max	Q1	Q3
Collaboration	0.90	1.49	0	0	6	0	1
Fund control	3.35	0.83	4	1	4	3	4
Feedback	2.82	0.97	3	1	4	2	4
Capacity building	2.07	1.06	2	1	4	1	3
Funding duration	2.42	2.18	1.5	0.63	10	1	3
Institutional funding (%)	13.28	30.33	0	0	100	0	7.02
	Percentage (%)						
Overhead costs (yes = 1)	54.66						
Funding radius							
local	78.14						
national	26.02						
international	13.36						
Donations	27.53						
Staff							
Volunteer (V)	65.99						
Full-time (FT)	27.53						
V & FT	6.48						
Funding areas							
Social services	42.11						
Education	36.44						
Arts and culture	36.59						
Science	22.67						
Environment	21.05						
Grant-making budgets							
< 5k	14.57						
5k – 10k	8.91						
10k – 50k	24.29						
50k – 100k	17.41						
100k – 500k	14.57						
500k – 1 m	3.64						
1 m – 5 m	10.93						
5 m – 10 m	0.40						
10 m – 50 m	3.64						
> 50 m	1.62						

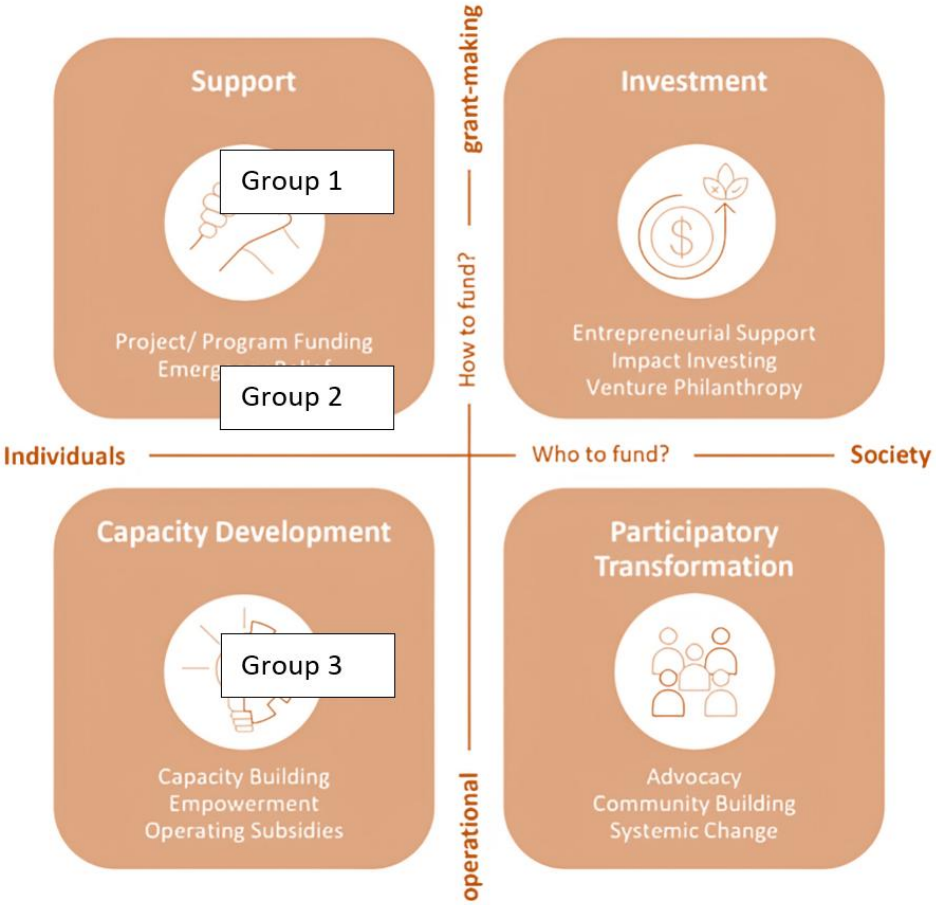
Note. M = mean, SD = standard deviation, MD = median, Min = minimum, Max = maximum, Q1 = 1st quartile, Q3 = 3rd quartile. Weighted values based on inverse probability weighting (IPW).

Table O3. Weighted Tukey post hoc tests across all groups of grant-making foundations and their characteristics

	Comparison	M-Diff	95% CI	SE	p
Collaboration	Group 1 vs. group 2	-0.00	[-0.29; 0.29]	0.12	0.999
	Group 1 vs. group 3	-3.14	[-3.52; -2.76]	0.16	< 0.001
	Group 2 vs. group 3	-3.14	[-3.53; -2.75]	0.17	< 0.001
Fund control	Group 1 vs. group 2	0.10	[0.03; 0.18]	0.03	0.003
	Group 1 vs. group 3	0.51	[0.41; 0.61]	0.04	< 0.001
	Group 2 vs. group 3	0.41	[0.31; 0.51]	0.04	< 0.001
Feedback	Group 1 vs. group 2	-0.19	[-0.48; 0.10]	0.12	0.272
	Group 1 vs. group 3	-0.80	[-1.18; -0.41]	0.16	< 0.001
	Group 2 vs. group 3	-0.61	[-1.00; -0.21]	0.17	0.001
Capacity building	Group 1 vs. group 2	-0.47	[-0.73; -0.21]	0.11	< 0.001
	Group 1 vs. group 3	-1.90	[-2.24; -1.55]	0.15	< 0.001
	Group 2 vs. group 3	-1.43	[-1.78; -1.08]	0.15	< 0.001
Funding duration	Group 1 vs. group 2	-0.29	[-0.49; -0.09]	0.09	0.002
	Group 1 vs. group 3	-0.45	[-0.71; -0.18]	0.11	< 0.001
	Group 2 vs. group 3	-0.16	[-0.43; 0.11]	0.12	0.34
Institutional funding (%)	Group 1 vs. group 2	-0.30	[-0.75; 0.16]	0.19	0.270
	Group 1 vs. group 3	-2.02	[-2.62; -1.42]	0.25	< 0.001
	Group 2 vs. group 3	-1.72	[-2.33; -1.11]	0.26	< 0.001
Donations	Group 1 vs. group 2	0.11	[-0.02; 0.25]	0.06	0.130
	Group 1 vs. group 3	0.31	[0.13; 0.49]	0.08	< 0.001
	Group 2 vs. group 3	0.20	[0.02; 0.38]	0.08	0.029

Note. M-Diff = mean difference; 95% CI = 95% confidence interval; SE = standard error; p = p-value. All comparisons used the Tukey HSD adjustment for multiple comparisons. Negative values in group comparisons indicate that the first comparison group had lower mean values than the second comparison group. Weighted analyses based on inverse probability weighting (IPW).

Figure O1: Locating the groups in the framework of diverse funding approaches



Reference: Schnurbein, G. v. (2025). Fördern in der Zukunft: Variable, partizipativ und mit anhaltender Wirkung. In K. Schönenberger, D. Jakob, & Schnurbein, G.v. (Eds.), *Der Schweizer Stiftungsreport 2025* (pp. 40–42). Center for Philanthropy Studies.

Note. Because individual and project funding was an inclusion criterion for the present sample, the second side of the model (society) is not covered.

Publications

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