

**PHILANTHROPY  
WEEK**



**CEFIS:**  
Trends in institutional philanthropy  
in Latin America

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CENTRO DE FILANTROPIA  
E INVERSIONES SOCIALES  
UNIVERSIDAD ADOLFO IBÁÑEZ

## CEFIS: Trends in institutional philanthropy in Latin America

The expansion of institutional philanthropy is a recent phenomenon in Latin America. Throughout the twentieth century, a significant number of philanthropic entities were created (45%), but in the twenty-first century the process accelerated. More than half of the entities (54%) started activities, and between 2000 and 2009 one third of the foundations in the region (34%) were established. That period was the one with the greatest emergence of foundations for Chile, Colombia and Mexico. For Peruvians, the youngest in the region, the period of greatest creation began in 2010. Argentina, with an older tradition in institutional philanthropy, is the only one of the countries analyzed in which more foundations were created in the twentieth century than in the twenty-first.

The high increase in the opening of foundations in the region since 2000 coincides with the international trend. At the global level, 44% of foundations were started in the 21st century and 72% have been incorporated in the last 25 years (Johnson, 2018, p. 14). Based on the data collected in the framework of the Global Philanthropy Report (2015), we identified some trends in institutional philanthropy in this group of Latin American countries.

- **Business foundations predominate.** Latin America is the only region in the world where corporate foundations represent the highest percentage of entities in relation to independent and family foundations. While globally 90% of these are independent or family (Johnson, 2018, p. 15), in the five countries analyzed half of all foundations are business, 29% are independent and 20% are family. The countries where business foundations predominate are Argentina, Colombia and Mexico. In Chile, most are relatives, and in Peru, independent.
- **Philanthropic entities are small.** Half of philanthropic entities (52%) have 10 or fewer employees, and those with 5 or fewer are one-third (35%), and 12% have no paid staff. These percentages show a sector of foundations mostly made up of small entities; However, when compared to the rest of the world, those in the region are slightly larger. In the global context, 51% have no paid staff and 43% have fewer than 10 full-time or equivalent employees (Johnson, 2018, p. 29).
- **Among business, family and independent foundations there are differentiated trends and features.** Business foundations are the majority in the region and the most recently created. They predominate over the other types of foundations in Argentina, Colombia and Mexico. In their governance, business women have lower annual meeting averages and also lower percentages of women on the board. In terms of collaboration, the percentage of business companies that collaborate with the Executive is higher when compared to family and independent companies. As for the evaluation, they stand out for contracting with external parties in greater proportions than the other types of entities.
- Most family foundations were created before 2000 in Argentina, Colombia and Mexico, and after 2000 in Chile and Peru. Only in Chile are family members predominant over business and independent ones. On governance, family members have a higher percentage of women on the board in all countries, except Mexico. In the region they are the ones with the highest percentage with patrimonial fund; the same happens in Argentina, Chile and Colombia. Family foundations are the ones that collaborate the least with the Government, and in all countries, except Argentina, they publish the audited financial statements the least.
- Most independent foundations were created before 2000 in Argentina, Chile and Colombia. In Peru and Mexico, most independents were created after 2000. Only in Peru do independents predominate over family and business ones.
- **Among donor, operating and mixed foundations, there are also differentiated features and trends.** The former tend to be the oldest; More than half of those currently donors were established before the year 2000. Operators are more recent starters: 70% of them started after 2000. Mixed schools are the ones that predominate in the region and in all countries.
- Mexican community foundations differ from other types of foundations. They have a territorial vocation and orient their work to the sustainable development of the communities where they work. They are young entities, like the rest of the foundations, and there are none among them created before 1990, as is the case among the other types of foundations. Like the rest, the combination of own programs and donations

is the most common modality of operation of the community. They are slightly larger than average organizations, in terms of employees and volunteers, but smaller in terms of financial resources.

- Its governing bodies have an average of directors slightly lower than their Mexican peers, but higher than the regional average. The annual average of meetings is higher than that of the other foundations. Community foundations make greater use of election as a mechanism for selecting their members. The percentage of foundations in which women participate in the boards is higher than that of other Mexican organizations of this type and the regional average, but the number of women in the governing bodies is similar.
- Social investment is quite different in relation to the rest of the foundations, since the community ones give priority to the sustainable development of the communities where they work. With this approach, they prioritize their programs toward grassroots community organizations. Community development and institutional strengthening are its two main thematic areas.
- Community foundations collaborate more with other philanthropic entities than other foundations and give greater weight to collaborative learning. They place more importance on evaluation and use it more often than the rest to raise funds and to link with outsiders. They are more transparent than the other foundations, in terms of the publication of management reports and audited financial statements. Perhaps the greatest weight of evaluation and transparency is determined by the need to maintain legitimacy and trust with donors and actors.

Excerpt and adaptation of chapter 1 "Institutional Philanthropy in Latin America ¡Así Vamos!" by author Rodrigo Villar, included in *"Towards the strengthening of Institutional Philanthropy in Latin America"*, published in 2020 by the Universidad del Pacífico of Peru, in collaboration with the Association of Business and Family Foundations, AFE Colombia, the Center for [Philanthropy](#) and Social Investments CEFIS of the Adolfo Ibáñez University of Chile, the University of San Andrés of Argentina and Alternatives and Capacities of Mexico.

This chapter is based on information generated from the questionnaire used in the Hauser Institute Harvard Kennedy School's and UBS Global Philanthropy Report (GPR) initiative.

#### **Bibliographic sources:**

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