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Summary Report on Crowdfunding in Social  
Enterprises in Europe

# Crowdfunding in Poland



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## The Basics

Crowdfunding is not a big market in Poland, actually the reports show that during 2020 it became more and more popular due to pandemic- people were looking for alternative solutions for raising money and that's how they found their way to crowdfunding. Here you can find how it plays in numbers:

- 1.RCF (Reward crowdfunding) - 5 000 000 PLN
- 2.SCF (Subscription crowdfunding) - 25 000 000 PLN
- 3.ECF (Equity crowdfunding) - 92 000 000 PLN
- 4.DCF (Donation crowdfunding)- 786 000 000 PLN
- 5.Others - 182 000 000 PLN

Share of Crowdfunding at GDP  
1 089 718 491 PLN

During the COVID-19 pandemic, crowdfunding became very popular and the GDP grew a lot. In 2019, it was around 700 million PLN in 2020 it was 1,09 billion

PLN and experts created prognosis that in 2021 it might get over 2,04 billion PLN (a growth of 86.6%)

### Challenges

It's not a very popular form, it's usually used either by artists or people who need money for treatments. Now social projects are getting more and more popular. The challenges are usually to properly promote the initiative. Statistics show that, people in the age of 18-24 are donating the most, which looking from perspective is the group with the lowest income. So the challenge here would be to promote an initiative, in a way that people with higher income would start donating.

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## Social Enterprises/ 3rd Sector

It's the non-governmental organizations who work non-profit and are not related in any way with the governmental sector. It works in between government and business. All social initiatives are there, it's called "citizen sector" or "social sector".

### Size and structure of third sector market

In 2018, 101.0 thousand register non-profit organizations conducted active operations. As compared to 2014, number of these entities increased by 0.3 thousand (i.e. by 0.3%). Among them the majority were associations and similar organizations - 69.1 thousand entities (68.4%), then foundations - 14.5 thousand (14.4%) and trade unions - 12.5 thousand (12.4%). In addition, there were 2.7 thousand business and professional organizations conducting activities and 1.8 thousand faith-based charities (2.6% and 1.8% respectively). The least numerous

groups among the register non-profit organizations were employers' organizations (0.3 thousand) and political parties (0.1 thousand).

Additionally, among the register non-profit organizations, 87.3 thousand entities belonged to the social economy sector, 9.3 thousand had the status of a public benefit organization, and 0.2 thousand were on the list of social enterprises. Apart from the register non-profit organizations, social activities were also conducted by less formalized organizations. According to the data from poviats boards, in 2018 activities were conducted by 5.9 thousand ordinary associations. In turn, survey of the Institute for Catholic Church Statistics confirmed 65.5 thousand Catholic parish-based organizations active in 2018. After taking into account these two types of non-registered organizations, the non-profit sector is increased to nearly 172.4 thousand entities.

As at the end of 2018, register non-profit organizations had around 10.9 mln members, of which 98.4% concerned memberships of natural

persons, i.e. 10.7 mln. The total number of memberships (natural and legal persons) of the register non-profit organizations decreased by 0.4 mln persons in comparison to 2014.

In the register organizations, associations and similar organizations were the largest part of natural persons' membership (69.4%). Then, 14.7% of the memberships concerned trade unions, followed by business and professional organizations (12.4%). In accordance with the 2018 parish census, catholic parish-based organizations had 2.6 mln persons, which was the same number as in 2013.

Share of 3rd Sector at GDP  
around 907 000 000 PLN

### General situation of the 3rd Sector

There are more than 143 thousand organizations in the 3rd sector. Most of them are financed by grant projects and are very small - with less than 10 people. Average budget of an organization is around 28 thousand PLN. 83% of them have a relationship

with the local government- because they are mostly financed by it. 38% of them do fundraising and 67% cooperate with business.

In 2018, 91.6% of the register non-profit organizations stated obtaining revenues and the total value of the funds accumulated by them amounted to PLN 32.9 bn. As compared to 2014, this represented an increase by 26.1% in nominal terms and by 23.5% in real terms. Average annual revenues of a register non-profit organization in 2018 were at the level of PLN 906.5 thousand, while the median amounted to PLN 85.0 thousand.

The Polish non-profit sector is characterized by a very high economic stratification among the entities forming it. The scale of this phenomenon is indicated, on the one hand, by significant differences between the average and the median of the revenues obtained, and, on the other hand, by the low share of entities generating revenues above PLN 1 mln (5.2%) in the total number of entities, even though they generated 75.7% of revenues of the entire sector

In 2018, more than half of the total of revenues of the non-profit organizations (without trade unions) originated from the non-market sources (56.5%). In this category, the largest share belong to funds provided by the central and local government administrative bodies (30.3%). The share of revenues obtained from market sources amounted to 34.0% of the accumulated funds. Among them, there were funds originating from paid mission-related activity (17.1% of total revenues) and economic activity (14.8% of total revenues).

In 2018, 90.8% of the register non-profit organizations showed that they had costs of their activity. The total costs incurred amounted to PLN 30.9 bn and were lower by PLN 2.0 bn than the total revenues obtained. In 2018, the share of salary costs in the total number of costs incurred was 36.5%.

#### Challenges to the 3rd Sector

At the end of 2018, in the total of all register non-profit organizations,

employment contracts were held by 176.6 thousand persons (by 12.7% more than in 2014), of which for 144.6 thousand persons the organizations were the main source of income. Due to pervasiveness of part-time employment, the average number of employees in the register non-profit organizations in 2018 was lower than the number of persons working at the end of the year, and amounted to 144.5 thousand full-times. As compared to the average number of employees in the national economy, employment in the register non-profit organizations as at 31 December 2018 amounted to 0.9%, as compared to employment under employment contract - 1.2%.

This might be a result of lack of money for many projects, due to which people are underpaid and overworked.

#### Share of crowdfunding in 3rd Sector

38% of 3rd sector does fundraising- the number for crowdfunding is not known officially but it's not a common practice- it's becoming more and more popular now.







## Policies and Strategies

Currently, there are no legal regulations in Poland that directly refer to crowdfunding activities. In our country, investment crowdfunding platforms operate mainly on the principles resulting from the Act on Public Offering. On its basis, project owners are allowed to run advertisements for public offers via a website provided by the crowdfunding platform.

How is crowdfunding integrated in third sector enterprises?

Mostly in donations in the form of auctions, little shops etc. If the social enterprise is a café or a charity shop, then donations. There is once per year action where people can give 1% of their tax to a charity. This is a big project in terms of fundraising.

The future vision is to create the first policy regarding the UE unification of policies on crowdfunding. In the draft, the Polish Financial Supervision Authority is indicated as the authority competent to supervise crowdfunding platforms (e.g. issuing permits to operate a crowdfunding platform and the possibility of carrying out

Inspections in these entities). Administrative and criminal sanctions will also be introduced for non-compliance with the regulations, including for providing false information in the issue of documents.

Which other reportson crowdfunding in third sector exist?

- NGO.pl- <https://publicystyka.ngo.pl/crowdfunding-czyli-finansowanie-spolecznosciowe-przez-internet> and a booklet tutorial: <https://api.ngo.pl/media/get/100399>
- website: <http://crowdfunding.pl/>
- there is a person who runs workshops and wrote a book about fundraising and crowdfunding: <https://mjjjo.pl/mjjjo1/en/mjjjo-fundraising-crowdfunding/>

Which bureaucratic/tax rules have to be considered for crowdfunding?

It depends on the portal you are using. The portals also charge an additional commission for the electronic payment operator. It is usually around 2.5%.

Donation: As a rule, legal entities are taxed with 19% or 15% corporate income tax. However, organizations non-governmental organizations do not pay income tax from legal entities, if received by them the donation will be transferred for statutory purposes, which are included in the catalog of goals exempts from personal income tax legal regulations (Article 17 of the Act on the Personal Income Tax).

Non-governmental organizations using funds under sales crowdfunding or pre-sale, are not direct exempt from personal income tax legal entities (19% or 15%). Basically, they are covered too VAT as for "normal" sales.





## Education and Training

Which other crowdfunding training exist?

1. There is an e-book guide called "tools of fundraising in Poland" which is a guide on non profit organizations to raise money. There are guides on the crowdfunding platforms. <https://mjjo.pl/mjjo1/en/mjjo-fundraising-crowdfunding/>
2. There is an organization "We the crowd" that provides 5 hour workshops dedicated to the type of crowdfunding you might need. <https://wethecrowd.pl/szkolenia/>
3. Local entrepreneurship hubs and NGO Hubs also organize workshops for the local NGO- usually from governmental projects.

How are those training performed? What is their content and who is delivering them?

- They are mostly done by the platforms in a written step by step guide. Sometimes there are training "for NGOs" done by a member of an organization that has success stories- they are usually organized by the NGO Hubs.
- Workshops

What courses for 3rd Sector organisations exist and who is delivering them?

There is a national platform [ngo.pl](http://ngo.pl) where organizations can announce their courses, they are usually on fundraising, administrative knowledge, sometimes social media, project management, and the state of NGOs. They are run by different associations, foundations and NGOs. Organizations learn from each others experience.

## Crowdfunding Platforms

There are 8 genres to which there were created platforms but not all platforms are actually used. The categories are: universal, culture, sport, social initiatives, charity, science, Equity crowdfunding, real estate. Projects support individual and organizational initiatives and projects. There are also platforms which support individual creators or sports clubs. You can also gather money for personal projects.

How are campaigns structured and run?

Most of the campaigns have a prize structure- the bigger amount you pay you can get something fun. It's usually a one time payment, but there are also some, mostly for creators with a subscription model.

There are step by step guides on how to run a successful campaign with tips and success stories. They are on in a blog form.





## Crowdfunding Practices

### Practice 1 Crowdfunding in education

LOOK AT YOURSELF is the first campaign addressing the issue of body positivity directly with young people. The goal is to make teenagers aware that appearance begins in the head. We want young people to accept their own body, gain self-esteem and begin to be proud of their natural appearance. We want young people to stop comparing themselves to each other, competing with retouched photos or fighting with their "imperfections". After all - LOOK AT YOURSELF - you are great! So why should young people not know about it?

We will not change the whole world right away, but we will slowly and systematically build a sense of self-acceptance and self-worth in young people. We will start by creating a body-positive space in Gdańsk schools and we will create a series of free workshops for young people from Tricity. We will also provide access to free consultations with

experienced psychologists and psychologists, during which teenagers will be able to individually work on the perception of themselves and their body.  
<https://zrzutka.pl/53vgcf>

### Practice 2 Crowdfunding in NGOs

Dare, show that you can! Choose your rewards and be part of this project!

The Artistic Initiative was established with the mission of supporting the mentally ill in Luzino. We need support in the form of contributions to this fundraiser and the creation of a unique and only mural in Luzino, which will be a symbol of cooperation and breaking barriers. We also intend to provide specialist counseling and therapeutic support to people from the Luzino Commune who suffer from mental illness and experience stigma and exclusion.

Engaging in artistic work is a remedy for many of the problems of our time. Especially now, let's not forget what is so important to all of

us - mental health.

You can take part in a special fundraiser - creating a mural for solidarity with the mentally ill in Luzino. Let us show ourselves boldly, let us be part of taming the unknown and disenchanting stereotypes.  
<https://zrzutka.pl/r9anmf>

### Practice 3 Crowdfunding in social enterprises

cieKAWA is a coffee place, which hires volunteers and people who are in a difficult life situation or have disabilities and can't find a job :  
<http://ciekawaw.com.pl/>

CIEKAWA Spółdzielnia Socjalna (Social Economy) is a project of two non-governmental organizations - the Polish Association for People with Intellectual Disability Circle in Gdańsk and the Teneo Foundation - aimed at launching a social enterprise running a cafe and kitchen, thus creating jobs for people at risk of poverty or social exclusion. The main beneficiaries of this action will be our pupils - adults with intellectual disabilities leaving the Occupational Therapy Workshops.



#### Practice 4 Crowdfunding in typical context

Typical context that people have in mind is gathering money for treatment

<https://www.siepomaga.pl/zycie-mai>

The fight for Maja's life is on! For almost a year now, oncology has been our second home. My daughter was diagnosed with acute lymphoblastic leukemia. The current treatment is not working - recently the doctors informed us about another relapse! I am desperate.

My child tells me that he has had enough, that he will not take the pain anymore. Sometimes only morphine helps ... The hope to overcome leukemia is the very modern CAR-T Cell therapy! Unfortunately - its price is shocking. The cost of treatment is over a million zlotys!

