

Survey on the attitudes of Lithuanian population on the „2 percent Law“

BAPP

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SUMMARY

The following results were obtained during the survey (carried out on 14 – 20 August and 28 August – 3 September 2006, with 1019 respondents interviewed), whose aim was to find out the attitude of population towards the law of up to 2 percent of the residents income tax:

Occupation of respondents

43% of the Lithuanian residents aged 15 – 74 interviewed have the work contract, whereas 51% of respondents are currently unemployed.

Awareness of the law of 2 percent of the income tax

- Half (51%) of the Lithuanian residents interviewed claimed they knew that every working person can transfer up to 2 percent of the sum of the paid income tax to an organization having the status of a sponsorship beneficiary, at own discretion. 18% of respondents have heard something about such a possibility, but they do not know anything specifically. One-third of the Lithuanian population interviewed claimed they knew nothing about such an option.

The following groups statistically significantly more often claimed they knew about a possibility to transfer up to 2 percent of the amount of the income tax to an organization having the status of a sponsorship beneficiary:

- Lithuanian residents aged 30-49 interviewed, than people aged 60-74 (64% of respondents aged 30-39, 60% - aged 40-49 and 32% - aged 60-74);
- The persons having a university (83%) or secondary vocational (66%) education, than respondents having a basic (28%) or primary (17%) education;
- Employed people (72%), than those unemployed, i.e. the unemployed, looking for a job (22%), the retired (28%), homemakers and females on a maternity leave (31%);
- People who are married/living with a partner (58%), than single respondents, separated, divorced, widows/widowers (39%);
- Respondents whose households consist of 4 members (66%), than people living alone (39%);

- Residents of large towns (over 200 thousand inhabitants) (63%), than people from rural areas (up to 2000 inhabitants) - 37%;
- Residents of Vilnius (64%), Kaunas (61%) and Šiauliai (68%) than respondents from Utena (38%), Kaunas (36%) or Šiauliai (32%) districts.
- 59% of the employed Lithuanian residents interviewed claimed they knew to what organizations up to 2 percent of the sum of the income tax could be transferred. One-third of respondents have heard something, but do not know anything specifically.
 - People with a university education more often claimed they knew who could become a sponsorship beneficiary (76%), compared to the respondents having a secondary education (50%).
- According to the employed Lithuanian residents interviewed, the support of up to 2 percent of the income tax may be received by **charity and sponsorship funds** (64%), **public organizations** (47%) and **religious communities** (44%). 42% of respondents mentioned state institutions having the status of a sponsorship beneficiary, 29% - other non-governmental organizations, 28% - municipality institutions having the status of a sponsorship beneficiary and 17% - associations. Although the law of 2 percent of the income tax does not provide for a possibility to support political parties or business enterprises this way, 9% and 8% of respondents accordingly think that a share of their income tax can be transferred to the mentioned organizations.
- Only 7% of the employed Lithuanian residents interviewed are aware of the amount of money the state receives each year from the up to 2 percent of the residents income tax not transferred to any organization by tax payers themselves, 13% of respondents have heard something about it, the majority of respondents (80%), however, claimed they did not have such information.
 - People with a university education (12%) more often, compared to the respondents having a lower level of education, claimed they had information on the amount of money the state receives each year from the income tax not transferred to any organization by tax payers themselves.
- Only 5% of the employed Lithuanian residents interviewed know for what purposes the state uses the funds received from up to 2 percent of the income tax not transferred by people to any organization. 15% of respondents have heard something and the majority (81%) of respondents claimed they did not know anything about the usage of the above income.
 - The people having a university education more often claimed they had the above information (11%).

Directions of transferring 2 percent of the income tax

- In 2005, 50% of the employed Lithuanian residents interviewed transferred up to 2 percent of the amount of the paid income tax to the organization having the status of a sponsorship beneficiary, at own discretion. Almost the same share (49%) of respondents claimed they did not transfer such sponsorship.

The following groups statistically significantly more often indicated they transferred a share of their income tax to any organization having the status of a sponsorship beneficiary in 2005:

- Females (59%), than males (41%);
 - Respondents aged 40-49 (60%), than those aged 20-29 (27%);
 - Respondents having a university education (59%), than people having a secondary education (39%);
 - Respondents who are married /living with a partner (53%), than singles (31%).
- 23% of the employed Lithuanian residents interviewed claimed they transferred up to 2 percent of the amount of the paid income tax to the organization having the status of a sponsorship beneficiary for all the three years when they had a possibility to do so. 16% of respondents dedicated this sponsorship only once, i.e. 12% of them did so in 2005, 3% - in 2004 and 1% - in 2003. 14% of the employed Lithuanian residents interviewed transferred a share of the amount of the income tax twice, i.e. 13% of them dedicated this sponsorship in 2004 and 2005.
 - Compared to males (15%), the females interviewed (31%) statistically significantly more often transferred a share of their income tax to a sponsorship beneficiary for all the three years;
 - Respondents who are married/living with a partner (17%) more often claimed they transferred the sponsorship for two years;
 - Single respondents (35%) more often claimed they transferred the sponsorship for only one year.
 - Majority (76%) of respondents, who dedicated the sponsorship of up to 2 percent of the income tax for several years, sponsored the one and only organization. 23% of respondents sponsored different organizations in different years.
 - In 2005, vast majority (97%) of the employed Lithuanian residents interviewed dedicated all the possible 2 percent of the amount of the paid income tax to the organization they had chosen. 93% of respondents dedicated this amount to one organization.

Organizations sponsored in 2005

- The employed Lithuanian residents interviewed most often claimed they sponsored **state institutions, having the status of a sponsorship beneficiary (31%), public organizations (25%) and municipality institutions, having the status of a sponsorship beneficiary (12%)** in 2005. 9% of respondents mentioned they sponsored religious communities, 6% - charity and sponsorship funds. Still, a remark should be made that respondents not always identify the type of the organization sponsored correctly.

- *State institutions* were more often sponsored by females (38%), than males (22%), moreover, by the people having a basic education (82%), than by respondents with a university education;
- Respondents with a university education (10%) more often sponsored other *non-governmental organizations*, compared to the people having a lower level of education;
- Single respondents (29%) more often sponsored *charity and sponsorship funds*, compared to the respondents who are married/living with a partner (3%).

Factors encouraging a dedication of up to 2 percent of the income tax sponsorship

- In 2005, the employed Lithuanian residents interviewed most often dedicated up to 2 percent of the income tax to the **organization which they had faced personally** (36%). 20% of respondents sponsored the **organization where friends, acquaintances or close relatives work**, 19% - **their own place of work**. Every tenth respondent dedicated a share of the amount of the income tax to a sponsorship beneficiary, as they had been asked by acquaintances to do so, the same share of respondents (10%) sponsored the organization involved in the activities important to the person.
- Almost a half (47%) of respondents chose the organization, which they dedicated up to 2 percent of income tax, **independently and not urged by anyone**. Every fifth respondent claimed he/she sponsored the **organization which required to do so**, 17% of respondents claimed they had chosen a sponsorship beneficiary only **according to recommendations or proposals, not urged by anyone**. There was a considerably small share of respondents forced by an employer (8%), manager (5%) or a spouse/partner (3%) to dedicate up to 2 percent of the amount of the income tax to a concrete organization.

Being informed on how sponsorship beneficiaries use the funds received

- 40% of respondents, who had sponsored a concrete organization, inquired later on how the sponsorship beneficiary made use of the funds received. 60% of respondents claimed they had not done do.
- 34% of respondents saw the reports indicating how the sponsorship beneficiary had used the funds received. 65% of respondents claimed they had not seen such reports.

The following groups more often claimed they had seen the sponsorship beneficiary's reports on the use of the funds received:

- Respondents having a university education (53%), than people with a secondary vocational education (24%);
- The respondents who are marries/living with a partner (42%).

Concept of the law of 2 percent of the income tax

- According to the employed Lithuanian residents interviewed, **a possibility for citizens to decide themselves whom to sponsor** is the biggest advantage of the law of up to 2 percent of the income tax (35%). **A possibility to sponsor the organizations providing important public services personally** (23%) and **a possibility to dedicate funds to the non-governmental sector** (9%) are correspondingly the second and the third biggest advantages of this law. 6% of respondents mentioned encouraging the consciousness of citizens and 5% of them indicated a possibility to dedicate sponsorship for the non-governmental sector more efficiently.
- 63% of respondents think that dedication of up to 2 percent of the amount of the income tax to an organization having the status of a sponsorship beneficiary is philanthropy. 18% of respondents disagree with the above statement.

The following groups statistically significantly more often claimed that dedication of up to 2 percent of the amount of the paid income tax to a sponsorship beneficiary is philanthropy:

- Respondents living in rural areas (74%), than residents of larger towns;
 - Residents of Klaipėda city (81%) and Vilnius district (88%), than residents of Kaunas city (45%) and district (21%).
- One-third of the employed Lithuanian residents interviewed had suggestions on how to improve the law of dedicating up to 2 percent of the income tax. Respondents most often suggested **leaving only non-governmental organizations in the list of sponsorship beneficiaries** (12%), 7% of respondents suggested **including neighbourhoods into the list of sponsorship beneficiaries** and 6% of respondents suggested including **small business enterprises**. 5% of respondents suggested leaving only non-governmental organizations and religious communities in the list of the sponsorship beneficiaries.

Reasons for not using a possibility of dedicating up to 2 percent of income tax

- Every fourth respondent, who did not dedicate up to 2 percent of the amount of his/her income tax to any organization in 2005, claimed **he/she had never come to thought why he/she had not done so**. 19% of respondents claimed they **had no time to engage and go deeper in that**, 14% of respondents claimed their **income received was too small, the tax inspection does not administrate this amount of tax**. 9% of the people interviewed mentioned they did not know where to look for information on the organizations having the status of a sponsorship beneficiary. 7% of respondents thought that such a distribution of income was not efficient. 6% of the people interviewed claimed they were lazy to engage in the distribution of the share of the income tax.