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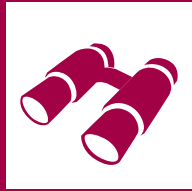
Foundations Today Series



2011 EDITION

FOUNDATION GROWTH AND GIVING ESTIMATES

CURRENT
OUTLOOK



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OUTLOOK

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ABOUT THE REPORT

Foundation Growth and Giving Estimates is part of the annual *Foundations Today Series* of reports on foundation growth and trends in foundation giving. It provides a “first look” at 2010 giving and directions for 2011 and 2012 giving, together with aggregated actual 2009 giving and asset figures for more than 76,000 grantmaking U.S. foundations. Other reports in the series include *Foundation Giving Trends* (June) and *Foundation Yearbook* (August). Reports are available separately or through subscription to the complete series (\$95) and may be purchased at the Foundation Center’s online Marketplace (foundationcenter.org/marketplace). To order by phone, call toll-free (800) 424-9836.

ABOUT THE FOUNDATION CENTER

Established in 1956 and today supported by close to 550 foundations, the Foundation Center is the leading source of information about philanthropy worldwide. Through data, analysis, and training, it connects people who want to change the world to the resources they need to succeed. The Center maintains the most comprehensive database on U.S. and, increasingly, global grantmakers and their grants — a robust, accessible knowledge bank for the sector. It also operates research, education, and training programs designed to advance knowledge of philanthropy at every level. Thousands of people visit the Center’s web site each day and are served in its five regional library/learning centers and its network of 450 funding information centers located in public libraries, community foundations, and educational institutions nationwide and beyond. For more information, please visit foundationcenter.org or call (212) 620-4230.

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Key Findings

In the context of an uneven economic recovery, U.S. foundation giving was nearly unchanged in 2010. The country's more than 76,000 grantmaking foundations had estimated giving totaling \$45.7 billion last year, almost matching giving in 2009.

The relative stabilization of foundation giving in 2010 reflected numerous factors. Among these were the beginning of a modest recovery in foundation assets in 2009; new gifts and bequests from donors into recently established and existing foundations; and the continuing commitment of some funders to maintaining their giving levels or minimizing reductions in their

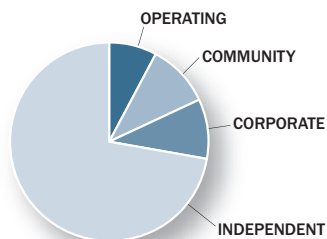
support, despite substantial losses in the value of their endowments. These positive trends helped to balance out lower levels of funding by the many foundations that felt the need to reduce giving in 2010.

Findings from the Foundation Center's annual "Foundation Giving Forecast Survey" suggest that 2011 giving will grow between 2 and 4 percent. Looking ahead to 2012, grantmakers appear to be fairly optimistic about their prospects. On balance and assuming no unexpected economic strife, foundation giving should realize another modest year-over-year gain.

ALL FOUNDATIONS

\$45.7 billion
Estimated giving by all foundations in 2010

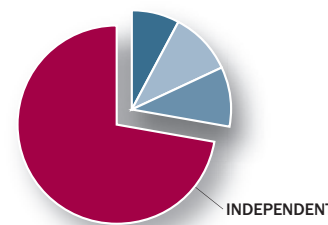
-0.2 percent
Estimated change in giving between 2009 and 2010



INDEPENDENT FOUNDATIONS

\$32.5 billion
Estimated giving by independent foundations in 2010

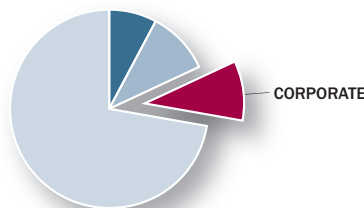
-0.8 percent
Estimated change in giving between 2009 and 2010



CORPORATE FOUNDATIONS

\$4.7 billion
Estimated giving by corporate foundations in 2010

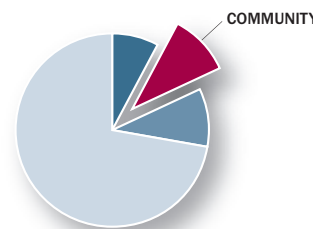
0.2 percent
Estimated change in corporate foundation giving between 2009 and 2010



COMMUNITY FOUNDATIONS

\$4.1 billion
Estimated giving by community foundations in 2010

-2.1 percent
Estimated change in community foundation giving between 2009 and 2010



Foundation Growth and Giving Estimates

OVERVIEW OF FOUNDATION GIVING THROUGH 2010

Foundation Giving Stabilizes Following Largest Decline on Record

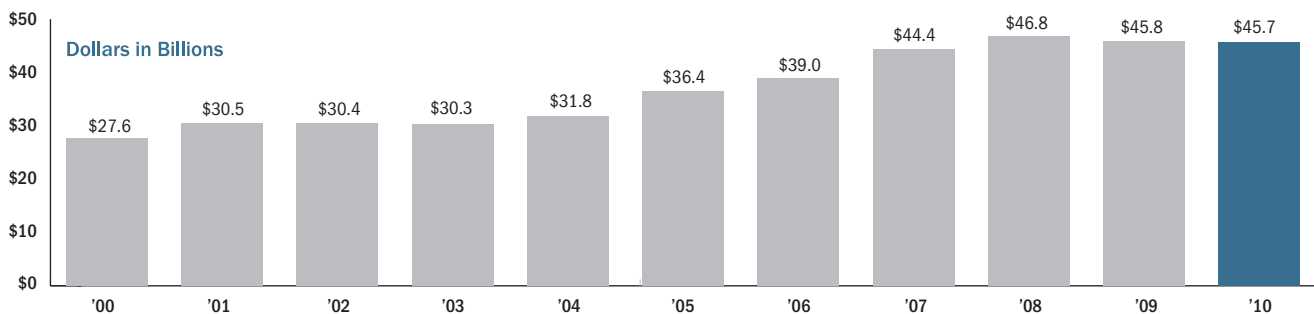
In the context of an uneven economic recovery, U.S. foundation giving was nearly unchanged in 2010. The country's more than 76,000 grantmaking foundations had estimated giving totaling \$45.7 billion last year, almost matching giving in 2009. This followed a record 2.1 percent reduction in foundation support between 2008 and 2009.

The remarkably modest decline in 2009 foundation giving, relative to the record 17 percent loss in foundation assets in 2008, and the relative stabilization of giving in 2010 reflect numerous factors. The beginning of a resurgence in the stock market in the latter half of 2009

helped to raise foundation assets by 4.5 percent above their 2008 total by year's end. Of equal or greater importance were the efforts of many foundations to maintain their grants budgets or reduce the extent of reductions through means ranging from drawing upon their endowments to reducing their administrative expenses, including the size of their staff.¹

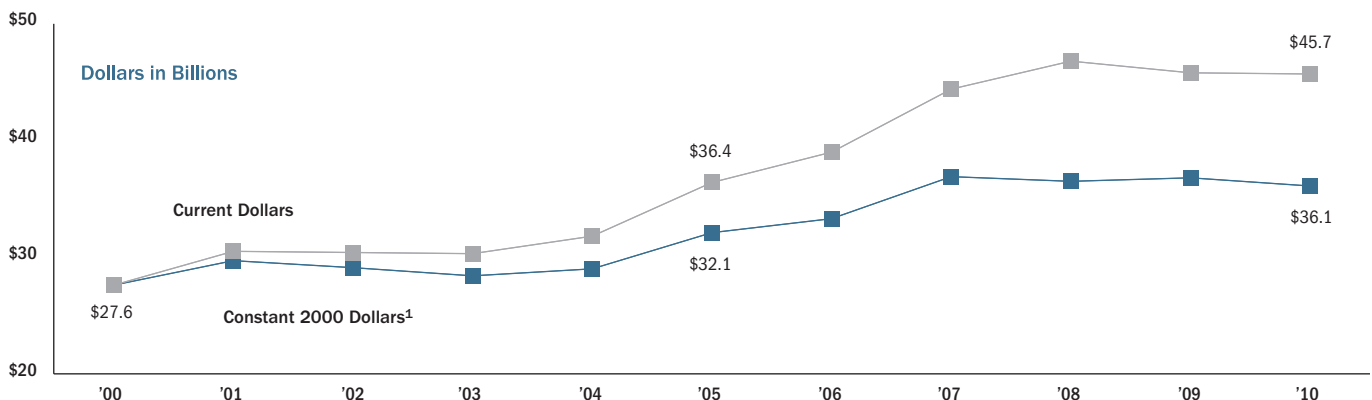
Another critical factor has been significant giving coming from newly large and recently established foundations. Even in the depths of the recent economic crisis, some foundations showed dramatic growth in their giving resulting from new gifts and bequests from their donors. In addition, while the rate of new foundation creation has slowed, several very large foundations have been established in the past couple of years, such as the New Jersey-based Novartis Patient Assistance Foundation and the New York-based Foundation to Promote Open Society.

Foundation giving held steady in 2010



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. All figures based on unadjusted dollars. Figure estimated for 2010.

After inflation, foundation giving has grown 31 percent since 2000



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. Figures estimated for 2010.

¹Percent change in constant 2000 dollars based on annual average Consumer Price Index, all urban consumers (Source: U.S. Department of Labor, Bureau of Labor Statistics, as of March 2011).

Because of the actions of grantmakers such as these, giving remained nearly unchanged in 2010 despite the fact that more than 45 percent of respondents to the Foundation Center's latest "Foundation Giving Forecast Survey" indicated that they had reduced their funding.

Although the recent 19-month recession officially ended in June 2009 and there has been an ongoing, albeit inconsistent, economic recovery, a number of foundations felt the need to reduce giving in 2010. This may have been particularly true for foundations that increased their payout rate in 2009 to shore up support for their grantees during the depths of the downturn. While their endowments may have rebounded to some degree from the extreme 2008 losses, most of these foundations will have fewer resources than they did at the peak of the market. As a result, they will have to adjust their long-range giving levels accordingly.

Some foundations also chose to reduce spending in 2010 for strategic reasons. For example, giving by the nation's largest foundation—the Seattle, WA-based Bill & Melinda Gates Foundation—declined substantially because staff were allowed to hold off on spending 2010 allocations until later years when they felt the funds could be best used.² Other foundations undoubtedly reduced their spending as they underwent strategic reviews of their funding priorities, a process that takes place in both more and less prosperous economic times.

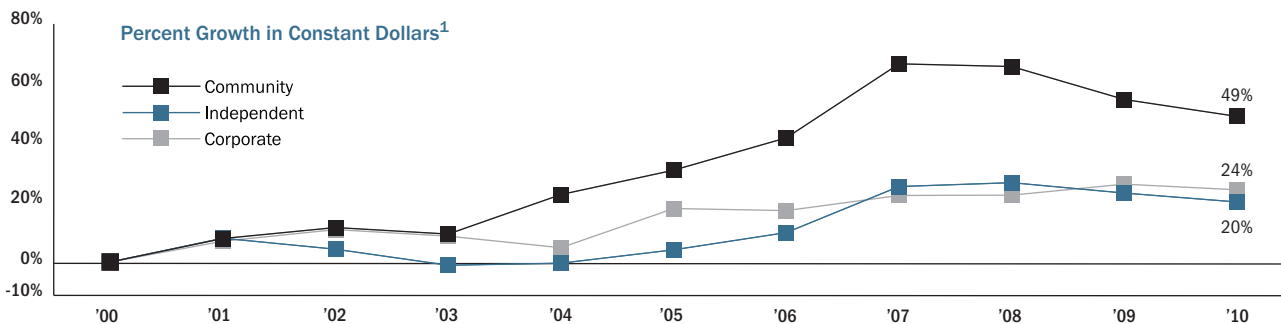
OUTLOOK FOR FOUNDATION GIVING IN 2011 AND BEYOND

Foundation Center Anticipates a Return to Modest Growth in Giving

Consistent with earlier Foundation Center predictions, foundation giving should return to modest growth in 2011.³ While U.S. job growth was marginal last year and the housing market continued to suffer, corporate profits showed healthy increases and year-end stock market gains for the major indices ranged from 8.9 percent (NYSE composite) to 12.4 percent (NASDAQ) and 12.8 percent (S&P 500). Foundation assets grew an estimated 5.3 percent last year to \$621.7 billion—the highest level recorded since 2006. (Adjusted for inflation, foundation assets grew 3.6 percent.)

According to the Foundation Center's latest "Foundation Giving Forecast Survey," giving by the nation's foundations should grow between 2 and 4 percent in 2011. It appears likely that inflation will also remain low this year, allowing for a real-dollar gain in foundation support. However, rising fuel demands from China and India, along with repercussions from unrest in the Middle East, could build inflationary pressure and consume some of the growth.

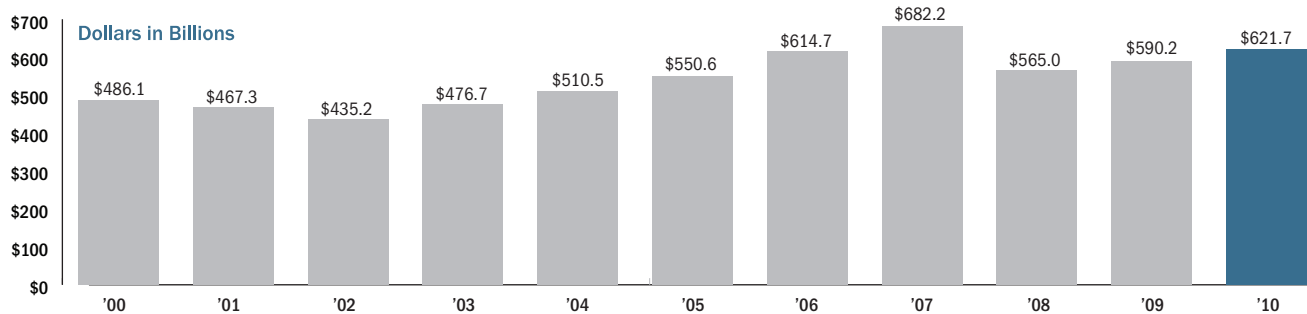
After inflation, community foundations reported the fastest cumulative growth in giving since 2000



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. Figures estimated for 2010.

¹Percent change in constant 2000 dollars based on annual average Consumer Price Index, all urban consumers (Source: U.S. Department of Labor, Bureau of Labor Statistics, as of March 2011).

Foundation assets increased 5 percent in 2010



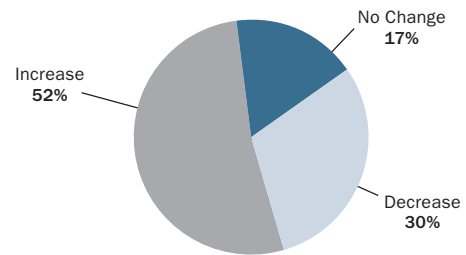
Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. All figures based on unadjusted dollars. Figure estimated for 2010.

About seven out of ten respondents to the recent survey expect either to increase their giving in 2011 (52 percent) or keep it about the same (17 percent). Smaller foundations—those with less than \$1 million in giving—were more likely to anticipate higher or consistent levels of giving this year (74 percent) than were foundations with more than \$10 million in giving (55 percent). Overall, 30 percent of respondents anticipate that their giving will decline in 2011. Regardless of grantmaker type— independent, corporate, or community—roughly two-thirds of foundations expect to increase or maintain their giving this year.

Looking ahead to 2012, grantmakers appear to be fairly optimistic about their prospects. Just 6.5 percent of respondents anticipate lower levels of giving next year, while close to four out of five expect to raise their giving (27.2 percent) or keep it steady (50.6 percent). The remaining 16 percent are uncertain at this point. On balance and assuming no unexpected economic strife, foundation giving should realize another modest year-over-year gain.

In the wake of the Great Recession, continued moderate growth in foundation giving comes as a welcome prospect. Yet the demand for foundation resources has grown even faster. Beyond the long-term challenges foundations regularly address—from reducing infant mortality in developing countries, to addressing climate change globally, to ensuring that the arts remain a viable part of our communities—the economic downturn slashed government revenues at all levels, leaving political leaders and the organizations they support scrambling

Anticipated Changes in 2011 Foundation Giving



Percent of Number of Foundations

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. Based on 1,065 responses to the Foundation Center's 2011 "Foundation Giving Forecast Survey." See Appendix B for details. Due to rounding, figures do not equal 100 percent.

to replace lost dollars. There are also no guarantees that natural disasters, political turmoil, or other unforeseen circumstances will not jeopardize the fragile economic recovery. At some point in the future, U.S. foundations and the organizations and individuals they support will benefit again from robust across-the-board growth in resources. But for now, making the most of the resources available will be the necessary strategy.

Endnotes

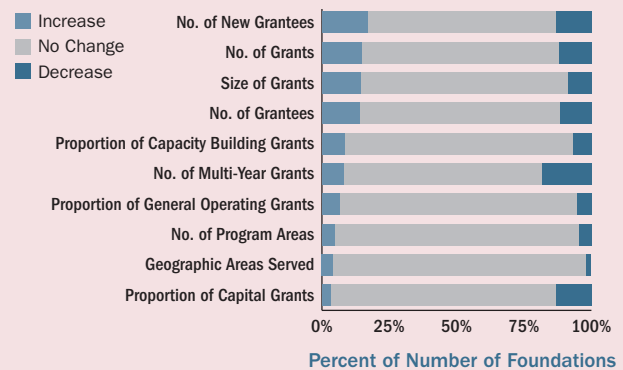
1. See Lawrence, S., *Foundations' Year-end Outlook for Giving and the Sector*, New York: Foundation Center, 2009 and Lawrence, S., *Moving Beyond the Economic Crisis: Foundations Assess the Impact and Their Response*, New York: Foundation Center, 2010. Both reports are available at foundationcenter.org/focus/economy.
2. See Preston, C., "Gates Fund's CEO Outlines Giving Plans for 2011," *The Chronicle of Philanthropy*, Internet accessed on March 8, 2011. The Gates Foundation does not expect to release final figures for their 2010 grant payments until November 2011.
3. See Lawrence, S. and R. Mukai, *Foundation Growth and Giving Estimates: Current Outlook*, New York: Foundation Center, 2010.

GRANTMAKING STRATEGIES

Decrease in Multi-year and Capital Grants Likely to Continue in 2011

Reflecting a more stable economic environment, the vast majority of foundations responding to the Foundation Center's latest "Foundation Giving Forecast Survey" anticipate making no changes in their grantmaking strategies in 2011. Nonetheless, larger shares of respondents expect to decrease the number of multi-year grants they award and the proportion of funding that they provide as capital support, relative to those that plan to increase these types of funding. This suggests that a number of foundations are remaining cautious about making major long-term commitments for the time being.

Changes in Foundation Grantmaking Strategies, 2011



Percent of Number of Foundations

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. A total of 1,159 foundations responded to this question.

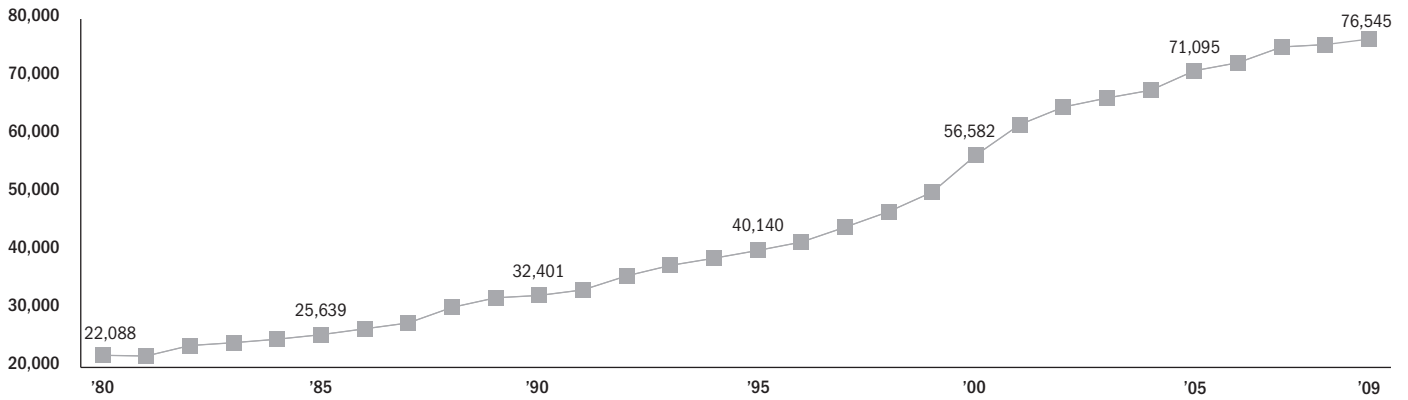
ESTABLISHMENT OF NEW FOUNDATIONS

Number of Grantmaking Foundations Rose Slightly Between 2008 and 2009

The number of grantmaking U.S. foundations has increased each year since the early 1980s, and the nation's foundation community is now more than three times larger. In the latest year, the number of active foundations rose a marginal 1.3 percent, from 75,595 in 2008 to 76,545. While modest, this increase was up from the 0.5 percent growth recorded between 2007 and 2008.

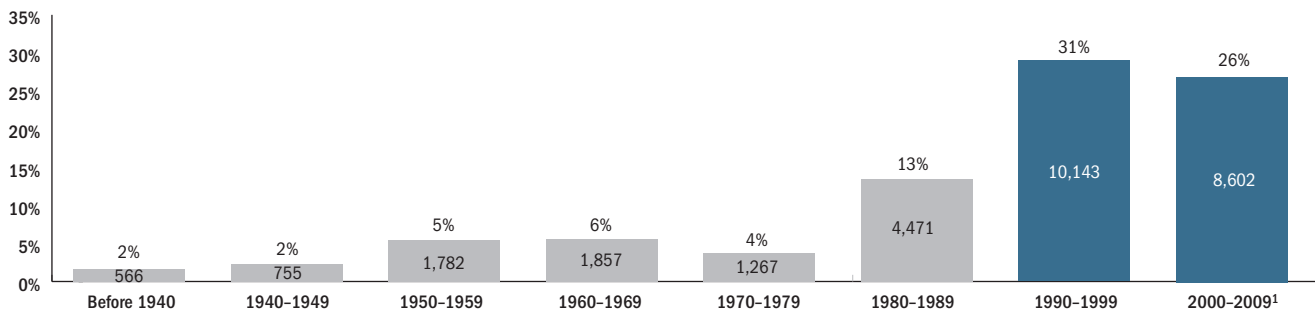
Among the approximately 32,200 larger foundations that held assets of at least \$1 million or gave \$100,000 or more in 2009, well over half (56.4 percent) were established in the 1990s and 2000s. Many of these foundations were created during the economic boom years of the late 1990s. Nonetheless, about 26 percent of larger foundations have been formed after 1999, and these 8,602 larger foundations already surpass the number of active foundations formed in any decade prior to the 1990s.

The number of active private and community foundations increased by more than 900 in 2009



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. Figures exclude foundations that reported no grant activity.

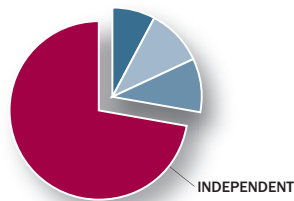
Close to two-thirds of active larger foundations were established in the past two decades



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. Based on Foundation Center data on grantmaking foundations with assets of at least \$1 million or making grants of \$100,000 or more in 2008-2009. Establishment data was not available for 3,806 foundations. The number above each bar indicates the number of foundations formed in that period and still active in 2008-2009.

¹Data incomplete for the period 2000-2009.

Independent Foundations



Giving Declined Slightly to \$32.5 Billion in 2010

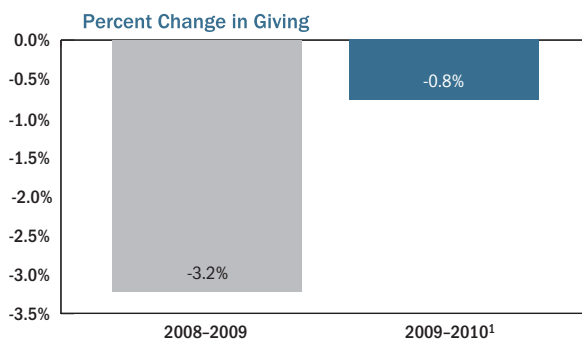
Most U.S. foundations are independents—including family foundations and the majority of foundations formed through health care conversions—and they consistently account for more than 70 percent of giving. Following a record 3.2 percent decline in their funding in 2009, estimated independent foundation giving slipped less than 1 percent in 2010. (Adjusted for inflation, the value of independent foundation grant dollars declined 2.4 percent.) Among independent foundation respondents to the “Foundation Giving Forecast Survey,” the median change in 2010 giving reported was 0.0 percent.

Giving by independent foundations totaled an estimated \$32.5 billion in 2010, down by just over \$250 million from 2009. This represented the second time that independent foundation giving has declined in consecutive years since the early 2000s. However, if the nation’s largest foundation—the Bill & Melinda Gates Foundation—were excluded from this analysis, giving by independent foundations would have risen in 2010. As noted earlier, the Gates Foundation reduced its grant payments last year.

Several factors helped to shore up independent foundation giving in 2010, including 5.9 percent asset growth in 2009. (Adjusted for inflation, assets grew 4.8 percent.) Especially for foundations that base their grants budgets on their prior years’ assets, this return to growth provided a welcome boost following 2008’s more than 19 percent year-end asset decline. New gifts and bequests from donors into existing foundations and the establishment of some very large new foundations also helped to balance out cuts in giving by other funders.

Each year, independent foundations must pay out at least 5 percent of the value of their assets at the end of the preceding year in grants and other qualifying charitable expenses. (They may carry forward payout in excess of 5 percent over several years.) In 2010, estimated giving represented 6.8 percent of overall independent foundation assets at the close of 2009—the second highest share ever tracked by the Foundation Center.

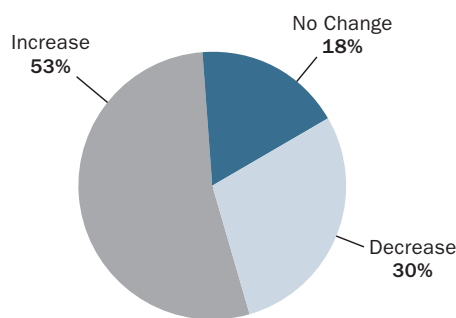
Independent foundation giving was almost unchanged in 2010



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. All figures based on unadjusted dollars.

¹Based on actual giving in 2008 and 2009 and estimated giving in 2010.

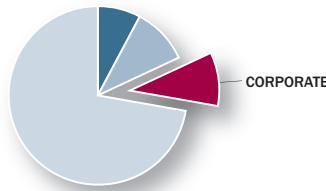
Over half of surveyed independent foundations expect to increase giving in 2011



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011.

Based on 797 responses to the Foundation Center’s 2011 “Foundation Giving Forecast Survey.” See Appendix B for details. Due to rounding, figures do not equal 100 percent.

Corporate Foundations



Funding Held Steady in 2010

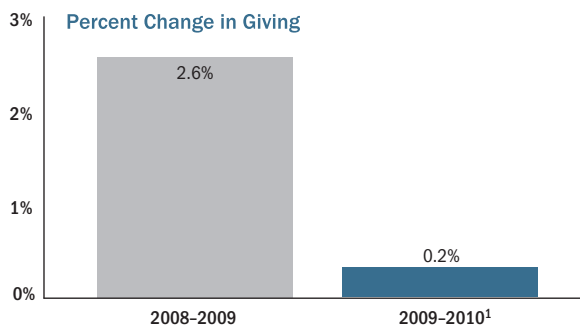
In contrast to the modest declines reported by independent and community foundations in 2010, corporate foundation giving remained basically unchanged. Their funding totaled an estimated \$4.7 billion last year, a marginal 0.2 percent higher than in 2009. (Although, adjusted for inflation, corporate foundation giving in fact decreased 1.6 percent in 2010.) Among corporate foundation respondents to the “Foundation Giving Forecast Survey,” the median change in 2010 giving reported was 0.0 percent.

Despite the severity of the economic downturn, and especially its impact on the banking and financial services sector, corporate foundation giving remains at its highest level on record. Similar to other types of foundations, a number of corporate foundations made exceptional efforts to minimize cuts in giving during the economic crisis. Evidence of this includes the 5.1 percent reduction in

corporate foundation assets in 2009—a year when overall foundation assets grew 4.5 percent. A number of corporate foundations build up their endowments during more prosperous years so that they can draw on those resources to stabilize giving during downturns. Productivity gains have also helped the corporate sector to return to profitability more quickly than could have been anticipated at the outset of the financial crisis.

As with independent foundations, corporate foundations must pay out each year at least 5 percent of the value of their assets in the preceding year in grants and other qualifying charitable expenses. However, because corporate foundations generally make grants based on annual contributions from their companies and retain relatively few assets, their ratio of giving to assets tends to be much higher. Overall, estimated giving in 2010 represented over 24 percent of corporate foundations’ \$19.3 billion in assets at the close of 2009.

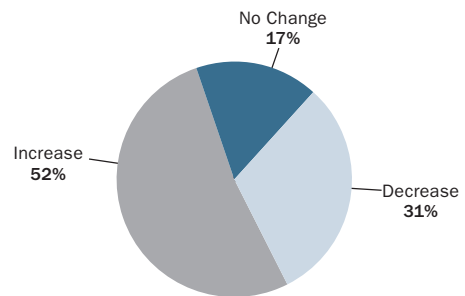
Corporate foundation giving held steady in 2010



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. All figures based on unadjusted dollars.

¹Based on actual giving in 2008 and 2009 and estimated giving in 2010.

More than half of surveyed corporate foundations expect to increase giving in 2011

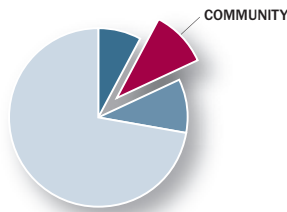


Percent of Number of Foundations

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011.

Based on 90 responses to the Foundation Center’s 2011 “Foundation Giving Forecast Survey.” See Appendix B for details.

Community Foundations



Giving Dipped Another 2.1 Percent in 2010

Community foundation giving took the biggest hit last year as a result of the economic downturn. Giving by community foundations declined an estimated 2.1 percent in 2010, following a 7.1 percent reduction in 2009. (Adjusted for inflation, community foundation funding decreased 3.7 percent last year.) This is the first consecutive-year decline in community foundation giving recorded since the Foundation Center began separately tracking community foundations in 1981.

At the same time, the reduction in community foundation giving last year was far from universal. In fact, community foundations responding to the latest “Foundation Giving Forecast Survey” reported a notably higher median increase in 2010 giving (2.5 percent) than did independent and corporate foundations (0.0 percent). However, the largest community foundations—those with giving of \$10 million or more—were more likely to have reported lower funding levels in 2010. Because they account for the vast majority of giving by community foundations, these large foundations that reduced giving brought the overall total into the negative range.

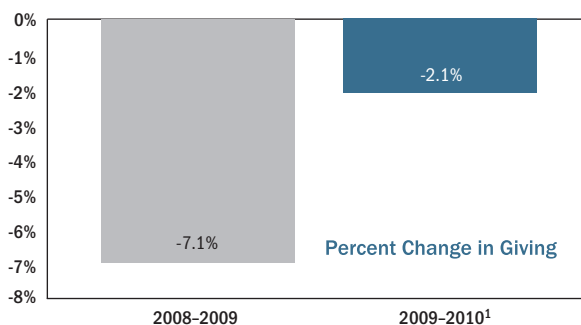
In prior economic downturns, community foundations fared relatively better from having a broad pool of individual donors. Decreased giving by some donors tended to be balanced out by increased contributions from others. But as institutions that must raise funds, community foundations appear to have been particularly

hard-hit by the economic panic that led individuals to pull back on their charitable contributions. For example, while independent foundation assets began to rebound in 2009 (growing by close to 6 percent), community foundation assets were down marginally (0.3 percent) to \$49.5 billion, or more than \$7 billion below their 2008 peak. Similarly, new gifts into independent foundations climbed 12.4 percent in 2009, while they fell another 14.3 percent for community foundations.

Some community foundations also faced restrictions on giving through their donor-advised funds, specifically with funds stipulating that their current value cannot drop below the value of the donors’ original contributions. Especially for donor funds established in recent years, their values may not return to the level of the donors’ contributions until the market regains all of its 2008 losses, which will likely take a number of years.

Despite these challenges, community foundations appear to be optimistic about prospects for increased giving in 2011. According to the Foundation Center’s latest “Foundation Giving Forecast Survey,” half of community foundations (50 percent) anticipate increasing their giving this year and another roughly 16 percent expect it to remain steady. Nonetheless, just over one-third (34.3 percent) expect to reduce their funding in 2010. Larger community foundations—those with more than \$10 million in giving—are the most likely to anticipate reductions.

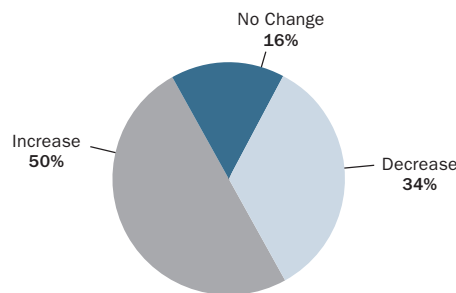
Community foundation giving decreased again in 2010



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. All figures based on unadjusted dollars.

¹Based on actual giving in 2008 and 2009 and estimated giving in 2010.

Half of surveyed community foundations expect to increase giving in 2011



Percent of Number of Foundations

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011.

Based on 178 responses to the Foundation Center’s 2011 “Foundation Giving Forecast Survey.” See Appendix B for details.

APPENDIX A

Review of Foundation Giving Through 2009

In the wake of the worst economic crisis since the Great Depression, the nation's more than 76,000 grantmaking foundations reduced their giving 2.1 percent in 2009. Overall, foundation giving decreased by about \$1 billion to \$45.8 billion. (Adjusted for modest deflation, foundation giving declined 1.8 percent.)

Factors affecting foundation giving in 2009 included:

- ◆ **The largest decline in foundation assets on record**
Foundation assets fell a record 17.2 percent in 2008. While assets began a modest recovery in 2009—growing 4.5 percent—they still totaled close to \$90 billion less than their 2007 peak. (Adjusted for deflation, assets grew 4.8 percent.) Since the vast majority of endowed foundations base their grants budgets on their prior year's asset level or an average of their asset values over several years, this unprecedented decline undoubtedly had an impact on their giving.
- ◆ **Exceptional giving by many foundations**
A number of foundations took exceptional steps to maintain their grants budgets or minimize the extent of reductions in their 2009 giving. According to Foundation Center surveys conducted during the economic crisis, foundations' efforts to help shore up their grants budgets ranged from drawing on their endowments to reducing their administrative expenses. In fact, the 8.1 percent ratio of 2009 foundation giving to 2008 assets—a rough proxy for foundation payout—was the highest level recorded by the Foundation Center since 1985.
- ◆ **New and newly large foundations**
Helping to balance out the reductions in giving reported by the majority of U.S. foundations in 2009 were recently established foundations and funders that had received substantial gifts into their endowments from living donors and via bequests. Despite the severity of the economic downturn, gifts into foundations overall rose 3.3 percent in 2009 to nearly \$41 billion. For independent foundations—which account for the vast majority of U.S. foundations—new gifts and bequests were up 12.4 percent.

Change in Foundation Statistics, 2008 to 2009 (Dollars in millions)

	2008	2009	% Change
All Foundations			
No. of Foundations	75,595	76,545	1.3
Total Giving	\$46,781	\$45,778	-2.1
Total Assets	\$564,951	\$590,188	4.5
Gifts Received	\$39,554	\$40,862	3.3
Independent			
No. of Foundations	67,379	68,508	1.7
Total Giving	\$33,819	\$32,753	-3.2
Total Assets	\$456,025	\$482,954	5.9
Gifts Received	\$24,068	\$27,054	12.4
Corporate			
No. of Foundations	2,745	2,733	-0.4
Total Giving	\$4,570	\$4,691	2.6
Total Assets	\$20,335	\$19,299	-5.1
Gifts Received	\$4,615	\$3,966	-14.1
Community			
No. of Foundations	709	737	3.9
Total Giving	\$4,492	\$4,174	-7.1
Total Assets	\$49,623	\$49,491	-0.3
Gifts Received	\$5,620	\$4,814	-14.3
Operating			
No. of Foundations	4,762	4,567	-4.1
Total Giving	\$3,900	\$4,161	6.7
Total Assets	\$38,968	\$38,444	-1.3
Gifts Received	\$5,250	\$5,027	-4.3

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. Percent change represents current dollars. Includes only foundations that awarded grants in the latest fiscal year.

Giving increased just over 12 percent among the top 25 foundations by giving in 2009; median change in giving was 14.2 percent

Foundation	Rank '08	Total Giving '08 ¹	Total Giving '09 ¹	Change in Dollar Amount	% Change	Graphic Representation of % Change
1. Bill & Melinda Gates Foundation	1	\$2,805,251,969	\$3,055,067,596	\$249,815,627	8.9	
2. AstraZeneca Foundation	2	612,000,000	796,600,000	184,600,000	30.2	30.2%
3. Ford Foundation	3	528,823,692	476,173,989	-52,649,703	-10.0	
4. GlaxoSmithKline Patient Access Programs Foundation	5	386,079,449	440,796,603	54,717,154	14.2	
5. Susan Thompson Buffett Foundation	7	347,911,661	407,931,970	60,020,309	17.3	
6. Walton Family Foundation	28	168,874,434	360,407,050	191,532,616	113.4	113.4%
7. Robert Wood Johnson Foundation	4	408,831,456	354,956,931	-53,874,525	-13.2	
8. William and Flora Hewlett Foundation	6	379,599,742	342,475,000	-37,124,742	-9.8	
9. Johnson & Johnson Patient Assistance Foundation	11	280,784,371	340,010,850	59,226,479	21.1	
10. Abbott Patient Assistance Foundation	32	160,262,854	335,441,512	175,178,658	109.3	109.3%
11. Sanofi-Aventis Patient Assistance Foundation	14	260,740,827	321,376,881	60,636,054	23.3	
12. John D. and Catherine T. MacArthur Foundation	17	228,248,284	298,527,310	70,279,026	30.8	30.8%
13. Genentech Access To Care Foundation	15	256,821,547	292,060,925	35,239,378	13.7	
14. Bristol-Myers Squibb Patient Assistance Foundation	18	227,622,788	289,040,651	61,417,863	27.0	
15. David and Lucile Packard Foundation	9	301,979,479	282,825,448	-19,154,031	-6.3	
16. Lilly Endowment	8	336,551,359	281,129,330	-55,422,029	-16.5	
17. W.K. Kellogg Foundation	16	244,511,126	270,011,667	25,500,541	10.4	
18. Lilly Cares Foundation	19	221,813,118	269,729,300	47,916,182	21.6	
19. Andrew W. Mellon Foundation	12	267,479,576	216,162,000	-51,317,576	-19.2	
20. Kresge Foundation	24	181,439,048	200,616,569	19,177,521	10.6	
21. Merck Patient Assistance Program	35	155,841,970	198,897,705	43,055,735	27.6	
22. Bank of America Charitable Foundation	22	204,502,934	186,149,230	-18,353,704	-9.0	
23. Greater Kansas City Community Foundation	33	157,506,162	183,493,211	25,987,049	16.5	
24. Novartis Patient Assistance Foundation	55	95,708,417	177,195,258	81,486,841	85.1	85.1%
25. Annie E. Casey Foundation	30	167,212,409	171,184,418	3,972,009	2.4	
Total		\$9,386,398,672	\$10,548,261,404	\$1,161,862,732	12.4	

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. Aggregate foundation fiscal information in tables and figures is based on data provided to the Center as of March 2011. Fiscal data on individual foundations included in this table may be more current. The Wal-Mart Foundation (AR) was omitted from the list because updated fiscal information was not available. The foundation's giving in 2008 totaled \$216.6 million.

¹Total giving includes grants scholarships and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses. For some operating foundations program expenses are included.

THE IMPACT OF FOUNDATIONS ESTABLISHED BY PHARMACEUTICAL CORPORATIONS

The vast majority of corporate foundations are established as private non-operating foundations, with a principal focus on making grants to organizations for charitable purposes. Corporations may also choose to set up private operating foundations, although this is far less common. Generally, operating foundations are established to conduct research or provide a direct service. However, in the case of many of the largest corporate operating foundations, most of their charitable support takes the form of giving medicine to individuals in need. Between 1996 and 2007, 12 pharmaceutical manufacturers established operating foundations to distribute medicine to patients with financial hardships (primarily within the United States).¹ In addition, two pharmaceutical manufacturers established non-operating corporate foundations for this purpose in the early 1990s and 2008. Together, these 14 "pharmaceutical foundations" provided \$3.7 billion in in-kind support in 2009.

In-kind giving of medicines by some of these new pharmaceutical foundations may simply represent a shift from in-kind giving through corporate direct giving programs. Observers of the field may be surprised to learn that contributions of product are counted as part of foundations' total giving. In fact, other types of private foundations occasionally make gifts of works of art, land, or other non-cash items, which are assigned a monetary value and counted toward total giving. However, nothing in the prior history of the nation's foundation community approaches the scale of product giving by this handful of foundations.

1. In addition to providing pharmaceuticals to patients in need, one of these foundations, the Boehringer Ingelheim Cares Foundation, also provides monetary support to organizations involved with arts and culture, education, health, disaster relief, and human services.

Assets increased 13 percent among the top 25 foundations by assets in 2009; the median change in assets was 13 percent

Foundation	Rank '08	Assets '08	Assets '09	Change in Dollar Amount	% Change	Graphic Representation of % Change
1. Bill & Melinda Gates Foundation	1	\$29,889,702,125	\$33,912,320,600	\$4,022,618,475	13.5	
2. Ford Foundation	2	11,184,655,197	10,742,611,000	-442,044,197	-4.0	
3. J. Paul Getty Trust	3	10,837,340,620	9,339,172,138	-1,498,168,482	-13.8	
4. Robert Wood Johnson Foundation	4	7,513,607,363	8,490,415,783	976,808,420	13.0	
5. W.K. Kellogg Foundation	5	6,813,784,639	7,238,160,845	424,376,206	6.2	
6. William and Flora Hewlett Foundation	6	6,208,980,453	6,869,108,000	660,127,547	10.6	
7. David and Lucile Packard Foundation	9	4,650,858,492	5,699,231,606	1,048,373,114	22.5	
8. John D. and Catherine T. MacArthur Foundation	8	5,014,059,260	5,237,796,061	223,736,801	4.5	
9. Gordon and Betty Moore Foundation	10	4,509,705,996	5,200,576,871	690,870,875	15.3	
10. Lilly Endowment	7	5,718,809,817	5,149,544,355	-569,265,462	-10.0	
11. Andrew W. Mellon Foundation	11	4,363,563,000	5,051,530,000	687,967,000	15.8	
12. Tulsa Community Foundation	12	3,802,617,000	4,412,774,000	610,157,000	16.0	
13. William Penn Foundation	50	1,076,817,288	4,127,571,213	3,050,753,925	283.3	283.3%
14. Rockefeller Foundation	15	3,053,944,733	3,317,100,678	263,155,945	8.6	
15. Kresge Foundation	13	3,100,000,000	3,130,801,054	30,801,054	1.0	
16. California Endowment	14	3,083,096,943	3,699,473,000	616,376,057	20.0	
17. Leona M. and Harry B. Helmsley Charitable Trust	N/A	23,495,366	2,667,531,657	2,644,036,291	11,253.4	11,253.4%
18. Annie E. Casey Foundation	18	2,294,628,649	2,636,849,147	342,220,498	14.9	
19. Duke Endowment	19	2,350,049,705	2,480,075,314	130,025,609	5.5	
20. Carnegie Corporation of New York	16	2,662,702,247	2,432,582,536	-230,119,711	-8.6	
21. Robert W. Woodruff Foundation	21	2,013,371,188	2,403,030,271	389,659,083	19.4	
22. Walton Family Foundation	22	1,948,806,804	2,275,851,898	327,045,094	16.8	
23. Susan Thompson Buffett Foundation	17	2,517,560,936	2,241,538,887	-276,022,049	-11.0	
24. Foundation to Promote Open Society	N/A	990,000	2,239,745,868	2,238,755,868	226,137.0	226,137.0%
25. Charles Stewart Mott Foundation	23	1,933,369,747	2,080,000,000	146,630,253	7.6	
Total		\$126,566,517,568	\$143,075,392,782	\$16,508,875,214	13.0	

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2011. Aggregate foundation fiscal information in tables and figures is based on data provided to the Center as of March 2011. Fiscal data on individual foundations included in this table may be more current.

N/A = Not available.

GRANTS PAID VS. GRANTS AWARDED

Foundation Growth and Giving Estimates reports giving information based on the grants paid by foundations in their latest fiscal year, which provides a comprehensive measure of U.S. foundation dollars “reaching the ground” in a given year.

The limitation of this measure is that it does not capture the full extent of commitments being made by individual foundations. For example, the California Wellness Foundation *awarded* approximately \$50 million in new grant commitments in 2009, while the foundation’s grant *payments* that year totaled just over \$32 million. Conversely, a foundation may be paying out on a substantial multi-year commitment made at an earlier point in time, while its new grant awards total much less. Thus, depending on what time period is being examined, a foundation’s grant payments may appear to undercount—or overcount—a foundation’s current commitments.

APPENDIX B

Methodology

2010 ESTIMATES AND 2011 AND 2012 OUTLOOK

The original research upon which the growth and giving estimates in this report are based was conducted by the Foundation Center. Giving estimates for 2010 are based on figures reported by large and mid-size independent, corporate, and community foundations that responded to the Foundation Center's latest "Foundation Giving Forecast Survey," combined with year-end fiscal indicators. Actual 2009 giving and asset figures were taken from foundation web sites, annual reports and other publications, the IRS Form 990-PF information return, and the Foundation Center's 2010 survey of larger private and community foundations.

In early January 2011, the Foundation Center mailed its annual "Foundation Giving Forecast Survey" to approximately 5,000 large and mid-size U.S. independent, corporate, and community foundations. The survey included questions on foundations' giving and assets in 2010, directions for giving in 2011 and 2012, and engagement in mission investing. (Findings based on the latter questions will be presented in a research brief to be published in mid-2011.)

A total of 1,141 foundations provided estimates of their 2010 giving. This represented 22.5 percent of surveyed foundations overall, and nearly half (45.9 percent) of surveyed foundations with giving of at least \$30 million. Survey respondents accounted for 28.5 percent of total estimated giving by independent, corporate, and community foundations in 2010. By foundation type, the 196 community foundation respondents represented 50.5 percent of total estimated giving by community foundations, while the 848 independent foundation respondents accounted for 29.1 percent of estimated independent foundation giving. The 97 corporate foundation respondents represented 25.3 percent of estimated corporate foundation giving.

The assessment of prospects for 2011 giving is based on information reported by 1,065 respondents: 178 community, 797 independent, and 90 corporate foundations. For 2012, the assessment is based on information reported by 1,156 respondents: 198 community, 853 independent, and 105 corporate foundations.

The Foundation Center's annual giving forecast survey does not include operating foundations. Therefore, an

estimate of 2010 giving by these foundations could not be developed using the same model that was used to estimate independent, corporate, and community foundation giving. For the purpose of estimating total giving by operating foundations in 2010, the Center assumed the rate of change in giving by these foundations (which accounted for about 10 percent of foundation giving overall in 2009) would be a roughly 6 percent increase, based on a review of recent historical trends.

A total of 1,097 respondents to the Foundation Center's 2011 "Foundation Giving Forecast Survey" provided estimates of their 2010 fiscal year-end asset values. Independent foundations, which represent the vast majority of respondents (74.3 percent), reported a 4.6 percent overall increase. By comparison, community foundations, which represent 17.6 percent of the sample, reported a much stronger asset gain (8.6 percent). Also included in the Foundation Center's asset projections is an estimate of the assets that newly established foundations will contribute.

REVISITING 2009 FOUNDATION GIVING ESTIMATES

In April 2010, the Foundation Center released an *estimate of 2009 foundation giving totaling \$42.9 billion, down 8.4 percent from 2008*. Findings from the Center's annual "Foundation Giving Forecast Survey" projected a low single-digit decline for corporate foundation giving and higher single-digit decreases for independent and community foundations. *Final figures for 2009 show that giving by the nation's more than 76,000 grantmaking foundations actually totaled \$45.8 billion, down just 2.1 percent from 2008*. A more modest than expected decline in independent foundation giving—resulting primarily from high levels of giving by a few new and newly large foundations—and modest growth in giving by corporate and operating foundations accounted for most of this difference. Nonetheless, while the total decline in giving was 2.1 percent, the median decline in foundation giving between 2008 and 2009 was a much higher 8 percent—meaning that half of U.S. grantmakers showed declines of more than 8 percent, while half decreased their giving by less than 8 percent or reported growth in their giving.

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Documents changes in the number and resources of all U.S. foundations since 1975.