Highlights of the Foundation Center's **FOUNDATION YEARBOOK**

In spite of three consecutive years of stock market declines and continuing weakness in the economy, giving by the nation's nearly 62,000 grantmaking foundations held steady in 2002 at an estimated \$30.3 billion, almost unchanged from \$30.5 billion in 2001. Nonetheless, this 0.7 percent decrease represented the first reported decline in giving since 1983, and followed six straight years of double-digit growth in grant dollars. By foundation type, independent and family foundations reduced their overall giving, while corporate and community foundations continued to increase giving, albeit at a much slower pace than in 2001.

Across the country, the number of active grantmaking foundations continued to grow in the latest year. Foundations in the West posted the fastest rate of growth in number between 2000 and 2001, although the South reported the biggest gain in actual number of foundations. Funders in the South also reported the fastest growth in giving in the latest year, while the Northeast showed the largest increase in actual grant dollars. In contrast, foundation assets declined in all four major regions, with the Northeast experiencing the steepest decline.

Foundation Yearbook, 2003 Edition, documents changes in the actual number, giving, and assets of all active U.S. foundations from 1975 through 2001 and provides estimates of foundation giving through 2002. The report provides an overview of the state of foundation giving in the current year and beyond; comparisons of foundation activities by foundation size; breakdowns of foundation resources by geographic location and grantmaker type; and a brief history of foundation development since the early 1900s. *Foundation Yearbook* is part of the *Foundations Today Series* of annual research reports on foundation growth and trends in foundation giving.

Findings presented in *Foundation Yearbook* are based on aggregate fiscal data collected by the Foundation Center on all active U.S. foundations. Estimates for 2002 are based on survey figures reported by more than 760 large and mid-size foundations combined with year-end fiscal indicators.

State of Foundation Giving, 2002

- Giving held steady at an estimated \$30.3 billion in 2002, almost unchanged from \$30.5 billion in 2001
- Giving in 2003 is likely to decline, although not as much as might be expected
- Over the long term, steady increases in giving are unlikely without sustained economic growth

Foundation Giving and Growth, 2001

- Giving by the nation's nearly 62,000 grantmaking foundations rose 10.7 percent in 2001 to \$30.5 billion
- Giving by the 25 largest funders increased 10.6 percent in 2001, nearly matching overall growth in foundation giving
- Assets of all active U.S. foundations decreased 3.8 percent to \$476.8 billion in 2001—first decline since 1981
- Assets of the 25 largest foundations decreased 10 percent in 2001, exceeding the overall asset decline

The South showed the fastest growth in foundation giving between 2000 and 2001

Source: The Foundation Center, *Foundation Yearbook*, 2003.

¹Percent change based on current dollars.

For more information on this report, contact Josie Atienza, Research Analyst/Coordinator of the Foundations Today Series, at 212-620-4230, or e-mail, jsa@fdncenter.org. Foundation Yearbook "Highlights" are also available at www.fdncenter.org.

- Gifts and bequests from donors to their foundations increased 4 percent in 2001, following a 14 percent decrease in 2000
- Gifts into foundations in 2001 totaled \$28.7 billion—second highest level on record
- 769 foundations received at least \$5 million in gifts and bequests from their donors in 2001, up 7 percent from 2000

Foundations by Region and State

Regions:

- West experienced fastest rate of growth in number of foundations in 2001
- Nearly half of larger Western foundations were established in the 1990s
- South reported largest gain in actual number of foundations since 1975
- South posted fastest rate of growth in giving in 2001; West ranked first by rate of growth in giving since 1975
- West poised to surpass South by share of foundation giving in next few years
- Northeast showed largest increase in actual grant dollars in 2001
- All four regions lost assets in 2001
- Northeast registered largest decline in assets in 2001
- Despite loss, West increased its share of all U.S. foundation assets

- Corporate foundations in Midwest accounted for largest share of corporate foundation giving by region; community foundations in Midwest and West provided largest shares of community foundation giving by region

States:

- South Dakota experienced most rapid rate of growth in giving in 2001
- New York and Connecticut led in actual grant dollar gains in 2001
- New York foundations ranked first by overall giving and giving as a share of Gross State Product; funders in the state ranked second based on giving per capita
- District of Columbia ranked first based on giving per capita—due to its small population and the presence of a few large national and international funders
- Alaska ranked first by rate of growth in assets in 2001
- New York topped all states by actual asset dollar decline in 2001

Giving and Growth of Independent, Corporate, and Community Foundations

- Giving by independent foundations grew 11.1 percent in 2001, following an 18.7 percent gain in 2000
- Independent foundation assets decreased 3.5 percent in 2001—first decline recorded since separate tracking of independent foundations began in 1987
- 62 active private “new health” foundations, a subset of independent foundations, held assets of over \$7.9 billion in 2001 and gave \$341 million
- Corporate foundation giving grew 10 percent in 2001, up from a 6.1 percent gain in 2000

Foundation giving has nearly doubled since 1997*

Source: The Foundation Center, *Foundation Yearbook*, 2003.
 *Figures estimated for 2002. All figures based on current dollars.

Foundations in five states accounted for close to half of 2001 giving

Source: The Foundation Center, *Foundation Yearbook*, 2003.

South Dakota surpassed all other states in the rate of growth in foundation giving between 2000 and 2001*

Source: The Foundation Center, *Foundation Yearbook*, 2003.

*Percent change based on current dollars.

- Assets of corporate foundations decreased 2 percent in 2001
- Gifts from companies to their foundations (pay-in) increased 4.8 percent

- Pay-in fell behind giving (payout) in the latest year by 8 percent, drawing down corporate foundation assets
- Giving by community foundations grew 10.9 percent in 2001, following a 17.1 percent rise in 2000

The West continued to increase its share of foundation assets in 2001*

Source: The Foundation Center, *Foundation Yearbook*, 2003.

*Figures based on current dollars. Excludes assets of foundations based in the Caribbean and South Pacific, which accounted for 0.0 percent of total foundation assets in 1975 and 2001.

Foundation Profile, 2000 to 2001*

	2000	2001	% Change
All Foundations			
No. of Foundations:	56,582	61,810	9.2
Total Giving:	\$ 27,563	\$ 30,502	10.7
Total Assets:	\$486,085	\$476,789	-3.8
Gifts Received:	\$ 27,614	\$ 28,714	4.0
Independent			
No. of Foundations:	50,532	55,120	9.1
Total Giving:	\$ 21,346	\$ 23,705	11.1
Total Assets:	\$408,749	\$403,526	-3.5
Gifts Received:	\$ 19,156	\$ 20,539	7.2
Corporate			
No. of Foundations:	2,018	2,170	7.5
Total Giving:	\$ 2,985	\$ 3,284	10.0
Total Assets:	\$ 15,899	\$ 15,578	-2.0
Gifts Received:	\$ 2,902	\$ 3,040	4.8
Community			
No. of Foundations:	560	602	7.5
Total Giving:	\$ 2,166	\$ 2,403	10.9
Total Assets:	\$ 30,464	\$ 30,301	-0.5
Gifts Received:	\$ 3,829	\$ 3,185	-15.8
Operating			
No. of Foundations:	3,472	3,918	12.8
Total Giving:	\$ 1,065	\$ 1,110	4.1
Total Assets:	\$ 30,973	\$ 27,384	-11.6
Gifts Received:	\$ 1,727	\$ 1,950	12.9

Source: *Foundation Yearbook*, 2003.

*Dollars in millions. Percent change represents current dollars. Includes only foundations that awarded grants in the latest fiscal year.

- Community foundations' assets dipped 0.5 percent in 2001, following 10.2 percent growth in 2000

Foundation Development

- Foundation community grew 9.2 percent in 2001
- Actual number of grantmaking foundations climbed by 5,228—second largest increase on record
- Over two-fifths of larger foundations were formed during 1990s
- More than three-fifths of larger foundations were created since 1980

ORDERING INFORMATION

The *Foundations Today Series*, 2003 Edition, includes five reports available exclusively through annual subscriptions. The series may be ordered by calling our toll-free number, 800-424-9836; by using our on-line order form at www.fdncenter.org/marketplace; or by mailing orders to the Foundation Center, Dept. NN12, 79 Fifth Avenue, New York, NY 10003-3076. Prepayment of \$95.00 is required. Discounts are available for multiple-copy orders. Please call 800-424-9836 for details.

Only two percent of foundations or just over 1,100 held more than seven out of ten asset dollars in 2001

Source: The Foundation Center, *Foundation Yearbook*, 2003.

Independent foundation giving in 2002 totaled close to 6 percent of prior year's assets*

Source: The Foundation Center, *Foundation Yearbook*, 2003.

*Giving figures for 2002 based on estimates.

¹Figures exclude private foundations that have been defined by the IRS as "Operating" foundations. These foundations are not subject to the same payout requirement as other private foundations. Community foundations are excluded as they are grantmaking public charities, not private foundations.

²Figures exclude private foundations identified by the Foundation Center as serving as vehicles for corporate philanthropy, many of which operate as "pass-through" foundations.

Note: Private (non-operating) foundations are required to pay out each year at least 5 percent of the value of their assets in the preceding year. (They may carry forward payout in excess of 5 percent over several years.) "Qualifying Distributions" is the amount used in calculating the required 5 percent payout and includes total giving, as well as reasonable administrative expenses, set-asides, program-related investments (PRIs), operating program expenses, and the amount paid to acquire assets used directly for charitable purposes. Actual payout can only be calculated for individual foundations. The ratio of total giving to prior year asset values illustrated above therefore serves as only a rough proxy for payout.