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Foundations Today Series

2010 EDITION

FOUNDATION GROWTH AND GIVING ESTIMATES

CURRENT 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 2009 giving and directions for 2010 and 2011 giving, together with aggregated actual 2008 giving and asset figures for more than 75,000 grantmaking U.S. foundations. Other reports in the series include *Foundation Giving Trends* (May) and *Foundation Yearbook* (July). 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 nation's leading authority on philanthropy, connecting nonprofits and the grantmakers supporting them to tools they can use and information they can trust. The Center maintains the most comprehensive database on U.S. 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. Every day thousands of people gain access to valuable resources through the Center's web site and in its five regional library/learning centers and national network of more than 425 Cooperating Collections at libraries, nonprofit resource centers, and organizations in every U.S. state and Puerto Rico and in Australia, Brazil, Mexico, Nigeria, South Korea, and Thailand. For more information, please visit foundationcenter.org or call (212) 620-4230.

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Key Findings

The worst economic crisis since the Great Depression resulted in the biggest reduction in U.S. foundation giving on record. In 2009, the nation's more than 75,000 grantmaking foundations cut their giving by an estimated 8.4 percent, or $3.9 billion. This was by far the largest decline in foundation giving ever tracked by the Foundation Center.

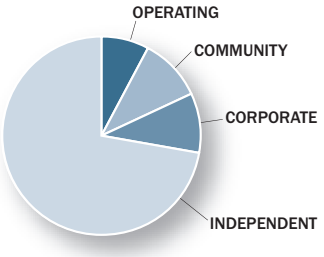
Despite its unprecedented severity, the reduction in 2009 foundation giving could have been worse. Among factors helping to moderate the overall decline in giving were the decision of a significant number of funders to reduce their operating expenses and/or use their endowments to shore up their giving during the crisis; increased giving by the Bill & Melinda Gates Foundation; continuing gifts and bequests from donors into new and existing foundations; and the practice of asset-averaging by some foundations, which reduces the impact on giving of year-to-year fluctuations in asset values.

Findings from the Foundation Center's annual "Foundation Giving Forecast Survey" suggest that 2010 foundation giving will remain flat—a prospect that would have seemed improbably optimistic at the nadir of the market just over one year ago. Should poor housing sales, increasing oil prices, persistent unemployment, or other unforeseen factors not derail the economic rebound that began late last year, it appears likely that foundation giving will show positive, albeit very modest growth in 2011.

ALL FOUNDATIONS

$42.9 billion
Estimated giving by all foundations in 2009

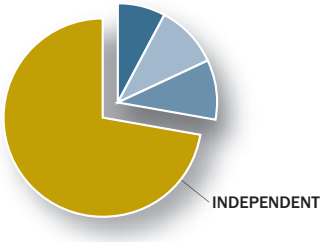
-8.4 percent
Estimated decrease in giving between 2008 and 2009



INDEPENDENT FOUNDATIONS

$30.8 billion
Estimated giving by independent foundations in 2009

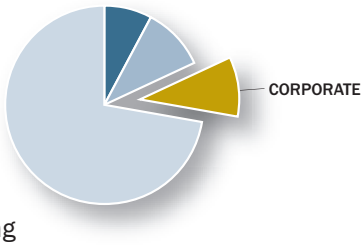
-8.9 percent
Estimated decrease in giving between 2008 and 2009



CORPORATE FOUNDATIONS

$4.4 billion
Estimated giving by corporate foundations in 2009

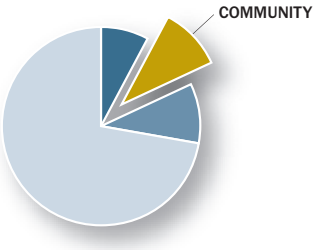
-3.3 percent
Estimated decrease in corporate foundation giving between 2008 and 2009



COMMUNITY FOUNDATIONS

$4.1 billion
Estimated giving by community foundations in 2009

-9.6 percent
Estimated decrease in community foundation giving between 2008 and 2009



Foundation Growth and Giving Estimates

OVERVIEW OF FOUNDATION GIVING THROUGH 2009

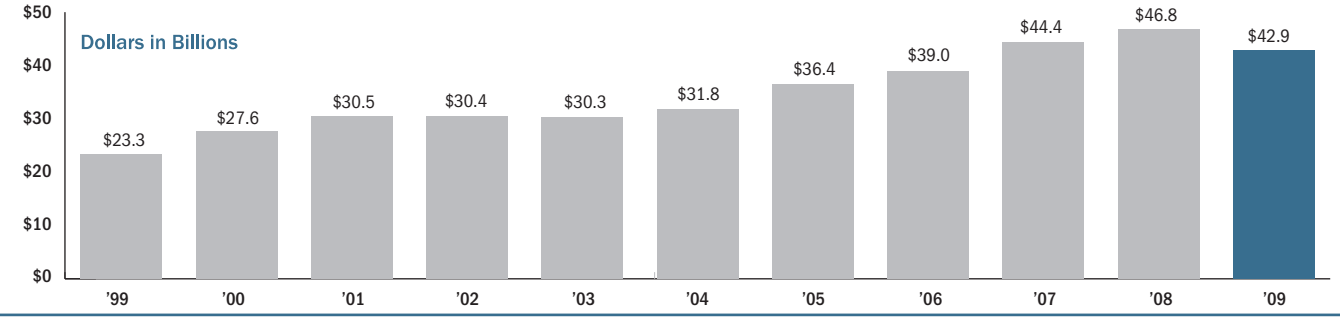
Record Decline in Foundation Giving Moderated by Various Factors

The worst economic crisis since the Great Depression resulted in the biggest reduction in U.S. foundation giving on record. In 2009, the nation's more than 75,000 grantmaking foundations cut their giving by an estimated 8.4 percent, or $3.9 billion, to $42.9 billion. Since the Foundation Center began tracking foundation giving in 1975, current-dollar giving had declined in only three years—1983, 2002, and 2003—and in each year by less than 1 percent.

Despite its unprecedented severity, the reduction in 2009 foundation giving could have been worse. According to a 2009 Foundation Center survey, roughly four out of five foundations indicated that they determine their grants budgets based primarily on their assets, with half of these funders basing their calculations on their prior year's assets (see *Foundations Address the Impact of the Economic Crisis* at foundationcenter.org). Given the 17.2 percent drop in foundation assets recorded in 2008—a $117.3 billion loss—a larger reduction in giving would not have been surprising. (For more details on changes in 2008 foundation resources, see Appendix A.)

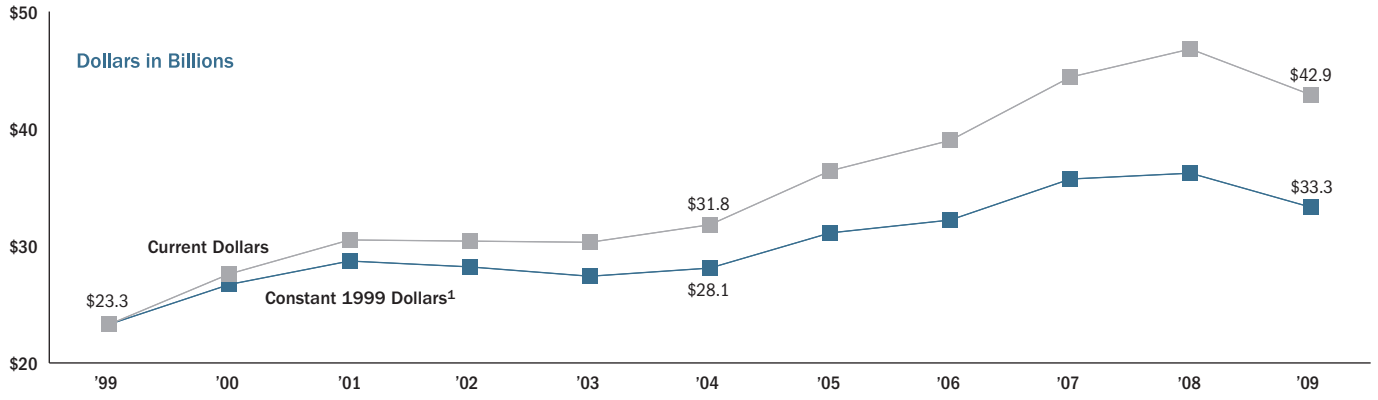
Several factors helped to moderate the overall decline in foundation giving. Among foundations that base their grants budgets on their asset values, more than one-quarter do so using an average of their asset values over the prior two-to-five years. During less volatile economic periods, this practice allows grantmakers to maintain more stable levels of giving. In the current period, it enabled foundations to average in the asset growth in years prior to 2008, which lessened the amount by which they had to reduce their giving in 2009.

Foundation giving dropped $3.9 billion, or 8.4 percent, in 2009



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010. All figures based on unadjusted dollars. Figure estimated for 2009.

After inflation, grant dollars have grown 43 percent since 1999



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010. Figures estimated for 2009.

[1]Percent change in constant 1999 dollars based on annual average Consumer Price Index, all urban consumers (Source: U.S. Department of Labor, Bureau of Labor Statistics, as of March 2010).

A notable share of foundations actually *increased* their giving in 2009. Among respondents to the Foundation Center's annual "Foundation Giving Forecast Survey," just over 27 percent raised their giving last year, while another 5 percent kept their giving at the same level as in 2008. The biggest increase was reported by the Bill & Melinda Gates Foundation—the nation's largest foundation—which stepped up its giving from approximately $2.8 billion to $3 billion. Without this increase in giving by the Gates Foundation, combined giving by the nation's other foundations would have declined 9.4 percent.

A significant number of foundations took exceptional steps in 2009 to maintain their grants budgets or minimize the extent of reductions in their giving. Among respondents to a Fall 2009 Foundation Center survey, nearly two out of five grantmakers reported using their endowments to help shore up their grants budgets (see *Foundations' Year-end Outlook for Giving and the Sector* at foundationcenter.org). More than two-thirds of respondents indicated that they had reduced administrative expenses since the start of the economic crisis, often to allow additional funds to be shifted to grantmaking. These cutbacks ranged from reducing staff travel to freezing salaries to laying off staff. As a result, the ratio of 2009 foundation giving to 2008 assets—a rough proxy for foundation payout—was at the highest level recorded by the Foundation Center since 1985.

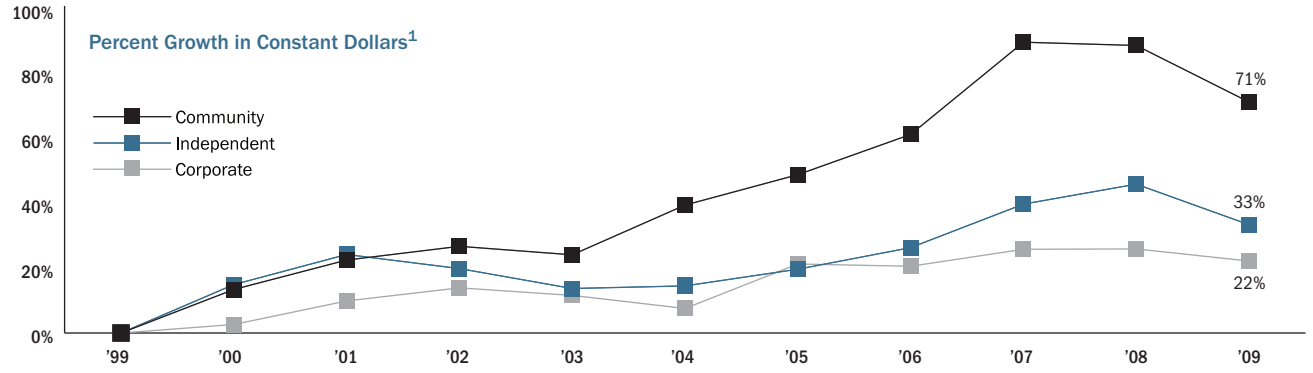
In typical years, the creation of new foundations also serves to boost foundation giving, but this was almost certainly less of a factor in 2009 than it has been in recent years. As the economy recovers, foundation establishment will likely pick up. (See "Establishment of New Foundations" for more details.) At the same time, though, donors continued to put new and often substantial resources into existing foundations in 2009 through gifts and bequests. Examples include the Druckenmiller Foundation, which received $705 million from its founders, Stanley and Fiona Druckenmiller; and the John Templeton Foundation, which benefited from a $573 million bequest from its founder.

OUTLOOK FOR FOUNDATION GIVING IN 2010 AND BEYOND

Foundation Center Expects Giving to Hold Steady

The end of the longest recession in the post-World War II era and an unexpected resurgence in the stock market have helped to leaven an otherwise pessimistic outlook for foundation giving. The major stock market indices posted year-end 2009 increases ranging from roughly 19 percent (Dow Jones) to 37 percent (S&P 500) to 62.3 percent (NASDAQ). Foundation assets rose a far

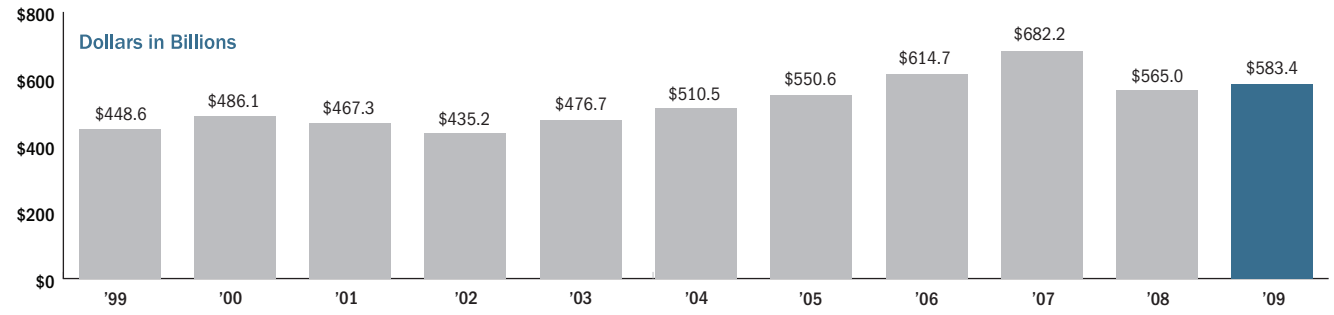
After inflation, community foundations reported fastest cumulative growth in giving since 1999



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010. Figures estimated for 2009.

[1]Percent change in constant 1999 dollars based on annual average Consumer Price Index, all urban consumers (Source: U.S. Department of Labor, Bureau of Labor Statistics, as of March 2010).

Foundation assets increased 3.3 percent in 2009



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010. All figures based on unadjusted dollars. Figure estimated for 2009.

more modest but still positive 3.3 percent to an estimated $583.4 billion. (Adjusted for the marginal deflation recorded in 2009, foundation assets grew 3.7 percent.) While still well below their 2007 peak, foundation assets surpassed the $550.6 billion recorded in 2005.

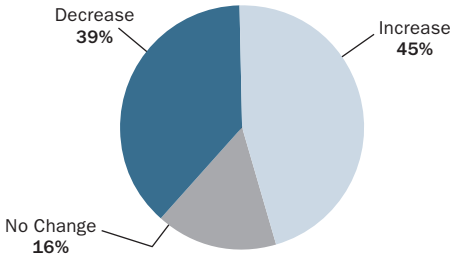
It now appears likely that foundation giving will remain flat in 2010—a prospect that would have seemed improbably optimistic at the nadir of the market just over one year ago. According to the Foundation Center's latest "Foundation Giving Forecast Survey," the expected change in foundation giving from 2009 to 2010 lies somewhere between a 1 percent decline and a 1 percent increase. While the majority of respondents expect to increase their giving (44.7 percent) or keep it about the same (16.4 percent), a substantial minority (38.9 percent) anticipates that their giving will decline in 2010. Moreover, even with foundation giving remaining flat, the purchasing power of these dollars may decline if inflation resurges.

Among independent foundations specifically—which account for the vast majority of the nation's foundations—a larger share of respondents expect to increase their giving in 2010 than reduce it (45.6 percent versus 38.1 percent). This holds true for corporate foundation respondents as well, although the difference was less pronounced (42.9 percent versus 40 percent). Among community foundations, about the same number reported that their giving would decrease as said it would increase (42.2 percent vs. 41.4 percent). The median change in 2010 giving anticipated by surveyed community foundations was also lower (-1.4 percent) than it was for independent (0 percent) and corporate (0 percent) foundations.

Given the economic volatility of the past two years, the accuracy of predictions about 2011 giving will depend greatly on the economy and stock market showing continued stability and, ideally, growth. Nonetheless, the increasing optimism in economic forecasts appears to have buoyed the outlook of many grantmakers. Among respondents, only 8.3 percent expect to reduce their giving in 2011, while 47.3 percent expect it to remain about the same and 25.9 percent are anticipating an increase. Of course, close to 19 percent of respondents remain uncertain about the prospects for their 2011 giving, reflecting a general, although perhaps lessening, nervousness regarding the sustainability of the economic recovery.

Should poor housing sales, increasing oil prices, persistent unemployment, or other unforeseen factors not derail the economic rebound that began late last year, it appears likely that foundation giving will show positive, albeit very modest growth in 2011. This may not be the robust resurgence in foundation giving that nonprofits, and foundations themselves, would wish for. It will take a strong and consistent economic recovery over a number of years to repair the damage of the Great Recession and return foundation giving to its historical pattern of reliable year-over-year growth.

Anticipated Changes in 2010 Foundation Giving



Percent of Number of Foundations

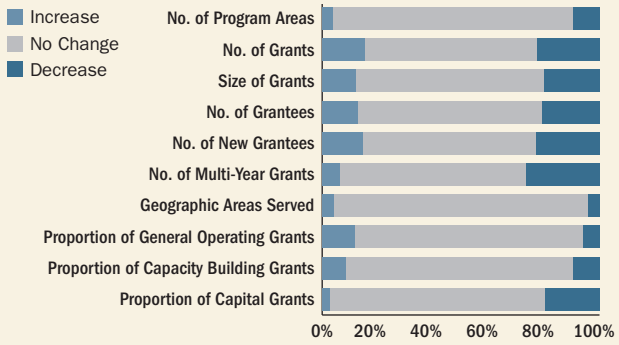
Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010.
Based on 1,180 responses to the Foundation Center's 2010 "Foundation Giving Forecast Survey." See Appendix B for details.

GRANTMAKING STRATEGIES

Fewer Foundations Anticipate Decreasing the Number and Size of Grants in 2010

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 2010. In contrast, a year ago close to two-thirds of respondents (63 percent) expected to reduce the number of grants they awarded and/or the size of their grants. Nonetheless, the shares of foundations that anticipate reducing the number and size of their grants in 2010 continue to be larger than the shares that anticipate increases, reflecting continuing repercussions from the economic crisis.

Changes in Foundation Grantmaking Strategies, 2010



Percent of Number of Foundations

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010. A total of 1,289 foundations responded to this question.

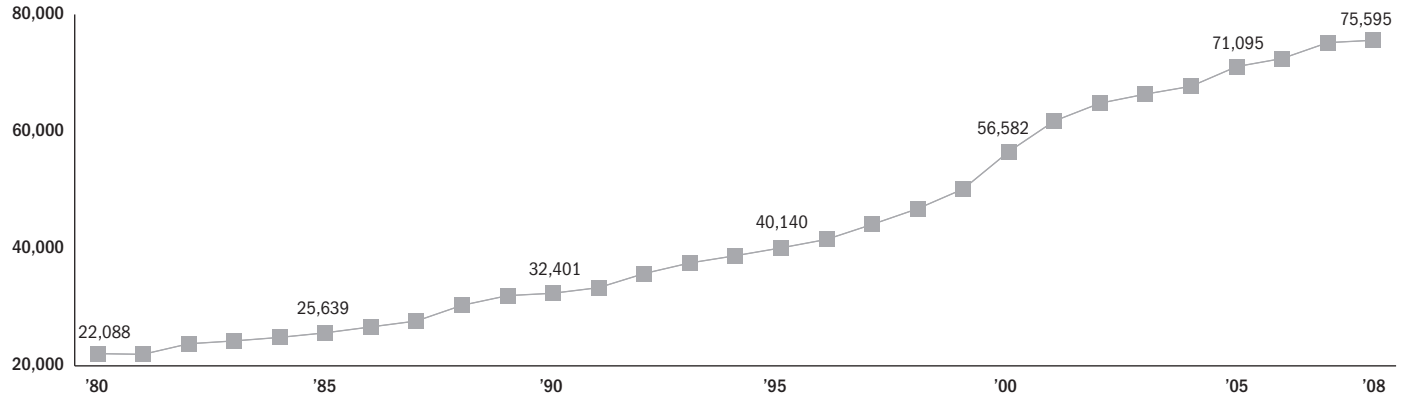
ESTABLISHMENT OF NEW FOUNDATIONS

Number of Grantmaking Foundations Increased Slightly Between 2007 and 2008

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 0.5 percent, from 75,187 in 2007 to 75,595 in 2008—the slowest annual rate of growth tracked since 1981. This finding undoubtedly reflects in part a lower rate of foundation creation in the wake of the economic crisis.

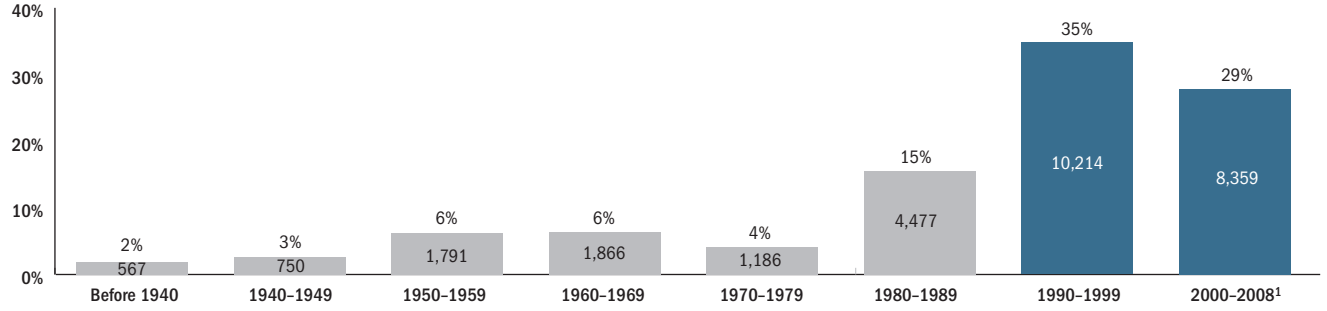
Among the approximately 32,300 larger foundations that held assets of at least $1 million or gave $100,000 or more in 2007, close to two-thirds (63.6 percent) were established in the 1990s and 2000s. Many of these foundations were created during the economic boom years of the late 1990s. Close to 29 percent of larger foundations have been formed after 1999, and these 8,359 larger foundations already surpass the number of active foundations formed in any decade prior to the 1990s.

Number of active private and community foundations increased by just over 400 in 2008



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010.

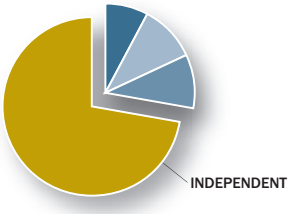
Close to two-thirds of active larger foundations were established after 1989



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010. Based on Foundation Center data on grantmaking foundations with assets of at least $1 million or making grants of $100,000 or more in 2007-2008. Establishment data was not available for 3,106 foundations. The number within each bar indicates the number of foundations formed in that period that are still active in 2007-2008.

[1]Data incomplete for period 2000-2008.

Independent Foundations



Giving Declined 8.9 Percent to $30.8 Billion in 2009

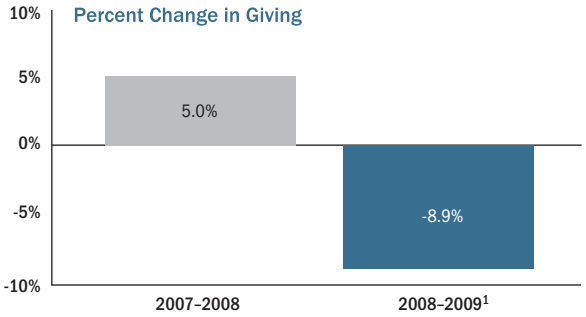
The vast majority of U.S. foundations are independents, including family foundations and most of the foundations formed through health care conversions. In 2008, they accounted for about 89 percent of foundations and 72 percent of giving. The economic crisis took a toll on independent foundations, and their giving decreased an estimated 8.9 percent in 2009—by far the largest single-year decline recorded since the Foundation Center began separately tracking information on grantmaking independent foundations in 1987. (Adjusted for modest deflation, the value of independent foundation grant dollars declined about 8.5 percent.)

Giving by independent foundations totaled an estimated $30.8 billion in 2009. While down nearly $3 billion from the record $33.8 billion recorded in 2008, this total surpassed the $27.5 billion independent foundations awarded in 2006. Moreover, independent foundation giving declined at less than half the rate of independent foundation assets in the prior year. Overall, independent foundation assets dropped 19.2 percent in 2008 to $456 billion. (Adjusted for inflation, assets declined 22.2 percent.) Independent foundations also accounted for most of the decline in total foundation assets that year—$108.2 billion of the total $117.3 billion loss.

Among the principal factors that helped to moderate the impact of asset losses on independent foundation giving were the practice of some foundations to establish their grants budgets based on an average of their assets values over several prior years, new gifts and bequests from donors into existing foundations, and the decisions of funders to reduce administrative expenses and tap their endowments to shore up their grants budgets during the economic crisis.

Each year independent foundations must pay out at least 5 percent of the value of their assets in the preceding year in grants and other qualifying charitable expenses. (They may carry forward payout in excess of 5 percent over several years.) In 2009, estimated giving as a share of overall independent foundation assets at the close of 2008 (a rough proxy for payout) was 6.8 percent—the highest share ever tracked by the Foundation Center.

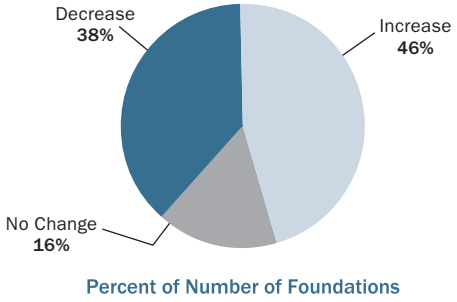
Independent foundation giving decreased for the first time since 2003



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

[1]Based on actual giving in 2007 and 2008 and estimated giving in 2009.

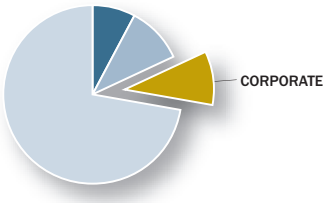
Over three-fifths of surveyed independent foundations expect to increase or maintain giving in 2010



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010.

Based on 883 responses to the Foundation Center's 2010 "Foundation Giving Forecast Survey." See Appendix B for details.

Corporate Foundations



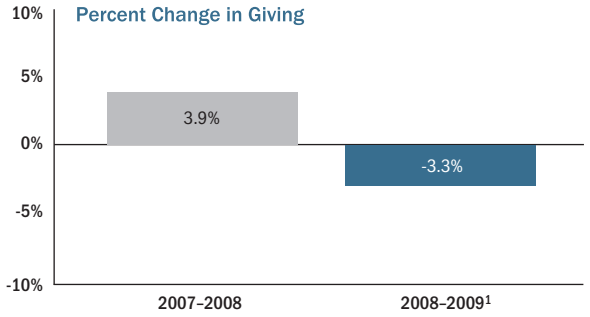
Funding Decreased 3.3 Percent in 2009

Corporate foundations reduced their giving by an estimated 3.3 percent in 2009—a much smaller decline than those reported for independent and community foundations. (Marginal deflation last year reduced this loss to just under 3 percent.) Grant dollars slipped to $4.4 billion, falling below the record $4.6 billion posted in 2008 but matching the level of corporate foundation giving reported in 2007.

The relatively less severe reduction in giving reported by corporate foundations may come as a surprise given both the across-the-board reductions in corporate earnings and the large share of giving—typically about one-quarter—historically accounted for by foundations established by companies in the banking and finance sector. This finding suggests that, as with other types of foundations, corporate foundations were making exceptional efforts to minimize reductions in giving during the economic crisis, despite the need to cut expenses as profits slumped. It may also reflect in part the surprisingly rapid return to profitability of several major firms in the banking and finance industry.

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 2009 represented close to 22 percent of corporate foundations' $20.3 billion in assets at the close of 2008.

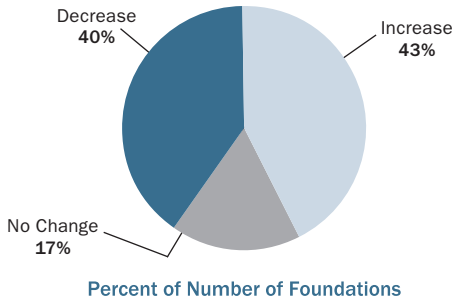
Corporate foundation giving declined for the first time since 2004



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

[1]Based on actual giving in 2007 and 2008 and estimated giving in 2009.

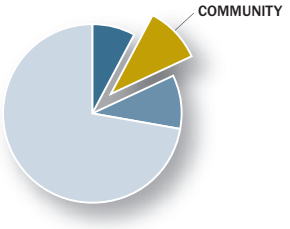
Three-fifths of surveyed corporate foundations expect to increase or maintain giving in 2010



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010.

Based on 105 responses to the Foundation Center's 2010 "Foundation Giving Forecast Survey." See Appendix B for details.

Community Foundations



Grantmaking Dropped 9.6 Percent in 2009, Exceeding Declines Reported for Independent and Corporate Foundations

For most of the past two decades, annual growth in community foundation giving has surpassed gains reported by independent and corporate foundations. This pattern reversed in 2009, with community foundation giving declining by an estimated 9.6 percent, exceeding the reductions estimated for independent (-8.9 percent) and corporate (-3.3 percent) foundations. (Adjusted for modest deflation, giving decreased 9.2 percent.) This was the first decline in current-dollar community foundation giving recorded since 1994.

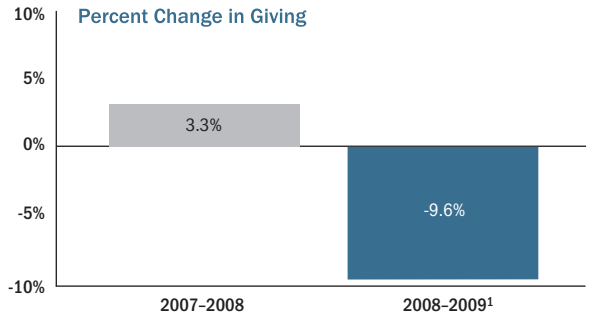
Community foundations also appear to be somewhat more pessimistic about the outlook for their giving in 2010. According to the Foundation Center's latest "Foundation Giving Forecast Survey," a larger share of community foundations (42.2 percent) anticipate reducing giving this year, compared to corporate (40 percent) and independent (38.1 percent) foundations. Moreover, among the largest community foundations—those giving more than $10 million—half expect to reduce their funding in 2010.

Historically, community foundations have tended to fare relatively better in both more and less prosperous times from having a broad pool of individual donors. Decreased giving by some donors would tend to be balanced out by increased contributions from others. Community foundations also experienced a more modest reduction in their assets in 2008 (-12.5 percent) relative to independent foundations (-19.2 percent). Nonetheless, as institutions that must raise funds, community foundations may have been particularly hard hit by the economic panic that led individuals to pull back drastically on their personal consumption and charitable contributions.

Community foundations may also face 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' original contributions until the market regains all of its 2008 losses, which could take a number of years.

Despite reductions in giving, community foundations have been leaders in responding to needs generated by the economic crisis. According to a Foundation Center survey conducted at the height of the crisis in early 2009, 35 percent of community foundation respondents were engaging in special initiatives to help their communities cope with repercussions from the economic downturn, such as rising unemployment and homelessness. By comparison, about 14 percent of overall foundation respondents reported providing exceptional support related to the crisis (see *Foundations Address the Impact of the Economic Crisis* at foundationcenter.org). To date the Foundation Center has tracked nearly $60 million in grants and program-related investments from community foundations that specifically addressed the economic crisis (see foundationcenter.org/focus/economy).

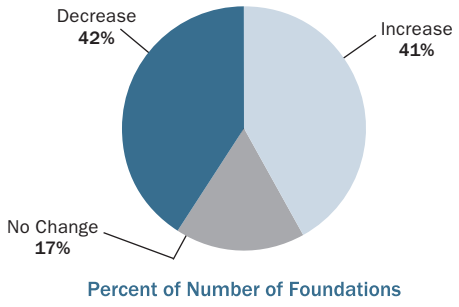
Community foundation giving decreased for the first time since 1994



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

[1]Based on actual giving in 2007 and 2008 and estimated giving in 2009.

Close to three-fifths of surveyed community foundations expect to increase or maintain giving in 2010



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010.

Based on 192 responses to the Foundation Center's 2010 "Foundation Giving Forecast Survey." See Appendix B for details.

APPENDIX A

Review of Foundation Giving Through 2008

The nation's more than 75,000 grantmaking foundations increased their giving 5.4 percent in 2008, following a 13.8 percent rise in 2007. Overall, foundation giving increased from $44.4 billion to $46.8 billion. (Adjusted for inflation, giving grew 1.5 percent.)

Factors affecting the growth of foundation giving in 2008 included:

- **Consecutive years of double-digit gains in foundation assets**
  Foundation assets climbed 11 percent in 2007 to a record $682.2 billion. (Adjusted for inflation, assets rose 7.9 percent.) This followed an 11.6 percent increase in foundation assets in 2006 and represented the first consecutive years of double-digit asset growth since the end of the 1990s. While most of this increase was lost in the 2008 market freefall, foundations that base their grants budgets on their assets in prior years would have taken at least part of this increase into account when setting their 2008 grants budgets.
- **Continued new foundation establishment**
  Foundations just beginning grantmaking in 2008 gave $617 million and represented one-quarter (25.8 percent) of the $2.4 billion gain in foundation giving that year.
- **Increased giving by the Bill & Melinda Gates Foundation**
  The Seattle-based Bill & Melinda Gates Foundation—the nation's largest private foundation—ramped up its giving from approximately $2 billion in 2007 to $2.8 billion in 2008. Excluding the Gates Foundation, combined giving by the nation's other foundations increased 3.8 percent.
- **The onset of the economic crisis**
  Given the severity of the economic crisis that unfolded in 2008, a number of grantmakers ratcheted down their giving. Among foundations responding to the Foundation Center's early 2008 "Foundation Giving Forecast Survey," about 29 percent expected to reduce their giving in 2008. But findings from the early 2009 edition of the survey found that close to half (46.9 percent) had in fact reduced their giving in 2008.

Change in Foundation Statistics, 2007 to 2008 (Dollars in millions)

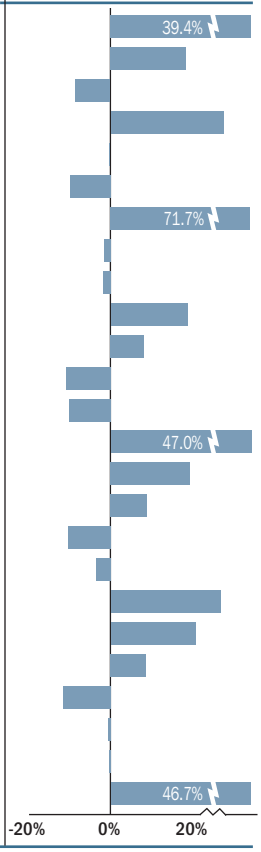
	2007	2008	% Change
All Foundations			
No. of Foundations	75,187	75,595	0.5
Total Giving	$44,394	$46,781	5.4
Total Assets	$682,222	$564,951	-17.2
Gifts Received	$46,844	$39,554	-15.6
Independent			
No. of Foundations	67,034	67,379	0.5
Total Giving	$32,220	$33,819	5.0
Total Assets	$564,216	$456,025	-19.2
Gifts Received	$31,279	$24,068	-23.1
Corporate			
No. of Foundations	2,498	2,745	9.9
Total Giving	$4,397	$4,570	3.9
Total Assets	$21,924	$20,335	-7.2
Gifts Received	$4,418	$4,615	4.5
Community			
No. of Foundations	717	709	-1.1
Total Giving	$4,348	$4,492	3.3
Total Assets	$56,680	$49,623	-12.5
Gifts Received	$6,232	$5,620	-9.8
Operating			
No. of Foundations	4,938	4,762	-3.6
Total Giving	$3,429	$3,900	13.8
Total Assets	$39,403	$38,968	-1.1
Gifts Received	$4,915	$5,250	6.8

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010. Percent change represents current dollars. Includes only foundations that awarded grants in the latest fiscal year.

Giving increased nearly 15 percent among the top 25 foundations by giving in 2008; the median change in giving was +8.1 percent

Foundation	Rank '07	Total Giving '07[1]	Total Giving '08[1]	Change in Dollar Amount	% Change
1. Bill & Melinda Gates Foundation	1	$2,011,675,000	**$2,805,251,969**	$793,576,969	39.4
2. AstraZeneca Foundation	3	517,675,952	**612,000,000**	94,324,048	18.2
3. Ford Foundation	2	583,915,463	**528,823,692**	-55,091,771	-9.4
4. GlaxoSmithKline Patient Access Programs Foundation	6	344,193,427	**438,000,000**	93,806,573	27.3
5. Robert Wood Johnson Foundation	5	407,698,000	**408,831,456**	1,133,456	0.3
6. William and Flora Hewlett Foundation	4	421,400,000	**379,599,742**	-41,800,258	-9.9
7. Susan Thompson Buffett Foundation	22	202,684,478	**347,911,661**	145,227,183	71.7
8. Lilly Endowment	7	341,863,979	**336,551,359**	-5,312,620	-1.6
9. David and Lucile Packard Foundation	8	307,935,012	**301,979,479**	-5,955,533	-1.9
10. Silicon Valley Community Foundation	14	243,245,861	**291,096,834**	47,850,973	19.7
11. Janssen Ortho Patient Assistance Foundation	13	259,736,936	**280,784,371**	21,047,435	8.1
12. Andrew W. Mellon Foundation	9	300,199,000	**267,479,576**	-32,719,424	-10.9
13. Gordon and Betty Moore Foundation	10	290,694,047	**261,740,279**	-28,953,768	-10.0
14. Sanofi-Aventis Patient Assistance Foundation	27	177,414,396	**260,740,827**	83,326,431	47.0
15. Genentech Access To Care Foundation	19	215,418,960	**256,821,547**	41,402,587	19.2
16. John D. and Catherine T. MacArthur Foundation	16	231,856,772	**252,254,918**	20,398,146	8.8
17. W.K. Kellogg Foundation	11	272,511,561	**244,511,126**	-28,000,435	-10.3
18. Bristol-Myers Squibb Patient Assistance Foundation	15	235,562,386	**227,622,788**	-7,939,598	-3.4
19. Lilly Cares Foundation	28	175,211,475	**221,813,118**	46,601,643	26.6
20. Roche Patient Assistance Foundation	29	170,175,708	**205,258,898**	35,083,190	20.6
21. Bank of America Charitable Foundation	25	188,236,685	**204,502,934**	16,266,249	8.6
22. California Community Foundation	18	216,019,934	**191,222,000**	-24,797,934	-11.5
23. Annie E. Casey Foundation	24	192,006,321	**190,575,097**	-1,431,224	-0.7
24. Kresge Foundation	26	180,935,871	**181,439,048**	503,177	0.3
25. T. Boone Pickens Foundation	39	120,425,524	**176,692,885**	56,267,361	46.7
Total		**$8,608,692,748**	**$9,873,505,604**	**$1,264,812,856**	**14.7**

Graphic Representation of % Change



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010. Aggregate foundation fiscal information in tables and figures is based on data provided to the Center as of January 2010. Fiscal data on individual foundations included in this table may be more current.

[1]Total 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, thirteen pharmaceutical manufacturers established operating foundations to distribute medicine to patients with financial hardships (primarily within the United States).[1] In addition, one pharmaceutical manufacturer established a non-operating corporate foundation for this purpose in the early 1990s. Together, these fourteen "pharmaceutical foundations" provided $3.1 billion in in-kind support in 2008.

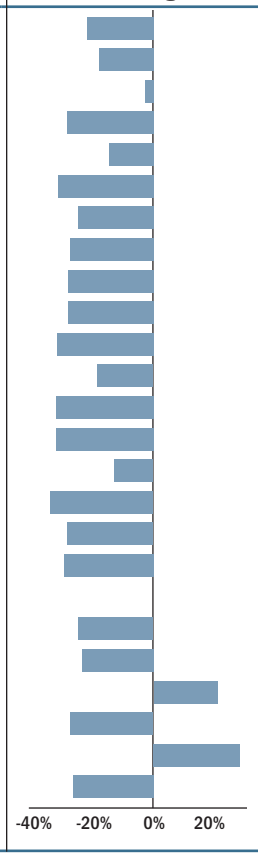
In-kind giving of medicines by some of these new pharmaceutical foundations may simply represent a shift from in-kind giving through corporate direct giving programs. Observers of the field may be surprised to learn that contributions of product are counted as part of foundations' total giving. In fact, 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 decreased about 24 percent among top 25 foundations by assets in 2008; the median change in assets was -28.4 percent*

Foundation	Rank '07	Assets '07	Assets '08	Change in Dollar Amount[1]	% Change[1]
1. Bill & Melinda Gates Foundation	1	$38,921,022,000	**$29,889,702,125**	-$9,031,319,875	-23.2
2. Ford Foundation	2	13,798,807,066	**11,184,655,197**	-2,614,151,869	-18.9
3. J. Paul Getty Trust	3	11,187,006,719	**10,837,340,620**	-349,666,099	-3.1
4. Robert Wood Johnson Foundation	4	10,722,296,000	**7,513,607,363**	-3,208,688,637	-29.9
5. W.K. Kellogg Foundation	6	8,058,127,639	**6,813,784,639**	-1,244,343,000	-15.4
6. William and Flora Hewlett Foundation	5	9,284,917,000	**6,208,980,453**	-3,075,936,547	-33.1
7. Lilly Endowment	7	7,734,860,156	**5,718,809,817**	-2,016,050,339	-26.1
8. John D. and Catherine T. MacArthur Foundation	8	7,052,165,312	**5,014,059,260**	-2,038,106,052	-28.9
9. David and Lucile Packard Foundation	9	6,594,540,283	**4,650,858,492**	-1,943,681,791	-29.5
10. Gordon and Betty Moore Foundation	11	6,409,252,816	**4,509,705,996**	-1,899,546,820	-29.6
11. Andrew W. Mellon Foundation	10	6,539,865,000	**4,363,563,000**	-2,176,302,000	-33.3
12. Kresge Foundation	15	3,841,141,730	**3,100,000,000**	-741,141,730	-19.3
13. California Endowment	12	4,657,176,628	**3,083,096,943**	-1,574,079,685	-33.8
14. Rockefeller Foundation	13	4,615,428,564	**3,053,944,733**	-1,561,483,831	-33.8
15. Carnegie Corporation of New York	19	3,073,837,326	**2,662,702,247**	-411,135,079	-13.4
16. Susan Thompson Buffett Foundation	14	3,907,771,072	**2,517,560,936**	-1,390,210,136	-35.6
17. Duke Endowment	17	3,344,776,129	**2,350,049,705**	-994,726,424	-29.7
18. Annie E. Casey Foundation	18	3,326,105,746	**2,294,628,649**	-1,031,477,097	-31.0
19. Margaret A. Cargill Foundation	N/A	N/A	**2,118,125,342**	2,118,125,342	N/A
20. Robert W. Woodruff Foundation	21	2,715,991,495	**2,013,371,188**	-702,620,307	-25.9
21. John S. and James L. Knight Foundation	23	2,618,700,006	**1,972,507,394**	-646,192,612	-24.7
22. Walton Family Foundation	42	1,595,597,053	**1,948,806,804**	353,209,751	22.1
23. Charles Stewart Mott Foundation	22	2,711,459,525	**1,933,369,747**	-778,089,778	-28.7
24. Open Society Institute	46	1,484,154,992	**1,928,806,825**	444,651,833	30.0
25. Harry and Jeanette Weinberg Foundation	26	2,480,251,109	**1,785,028,000**	-695,223,109	-28.0
Total		**$166,675,251,366**	**$129,467,065,475**	**-$39,326,311,233**	**-23.6**

Graphic Representation of % Change



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2010. Aggregate foundation fiscal information in tables and figures is based on data provided to the Center as of March 2010. Fiscal data on individual foundations included in this table may be more current.

*The Tulsa Community Foundation was omitted because updated fiscal information was not available. The foundation ranked 15th by assets in 2007.

[1]The Margaret A. Cargill Foundation's assets were excluded from this analysis because the foundation's 2007 asset figure was not available.

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* last 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

2009 ESTIMATES AND 2010 AND 2011 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 2009 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 2008 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 2009 survey of larger private and community foundations.

In early January 2010, 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 2009, directions for giving in 2010 and 2011, and engagement in public policy-related activities. (Findings based on the latter questions will be presented in a research brief to be published in Spring 2010.)

A total of 1,248 foundations provided estimates of their 2009 giving. This represented 24 percent of surveyed foundations overall, and nearly half of surveyed foundations with giving of at least $30 million. Survey respondents accounted for 35.3 percent of total estimated giving by independent, corporate, and community foundations in 2009. By foundation type, the 203 community foundation respondents represented 55.9 percent of total estimated giving by community foundations, while the 930 independent foundation respondents accounted for 33.6 percent of estimated independent foundation giving and the 115 corporate foundation respondents represented 28.7 percent of estimated corporate foundation giving. The assessment of prospects for 2010 giving is based on information reported by 1,180 respondents: 192 community, 883 independent, and 105 corporate foundations. For 2011, the assessment is based on information reported by 1,284 respondents: 209 community, 960 independent, and 115 corporate foundations.

The Foundation Center's annual giving forecast survey does not include operating foundations. Therefore, an estimate of 2009 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 2009, the Center assumed the rate of change in giving by these foundations (which accounted for about 8 percent of foundation giving overall in 2008) would be a roughly 8.8 percent decrease, based on a review of recent historical trends.

A total of 1,204 respondents to the Foundation Center's 2010 "Foundation Giving Forecast Survey" provided estimates of their 2009 fiscal year-end asset values. Independent foundations, which represent the vast majority of respondents (74.6 percent), reported a 3.4 percent overall increase. By comparison, community foundations, which represent 16.4 percent of the sample, reported a marginal asset gain (0.5 percent). Also included in the Foundation Center's asset projections is an estimate of the assets that newly established foundations will contribute.

REVISITING 2008 FOUNDATION GIVING ESTIMATES

In March 2009, the Foundation Center released an estimate of 2008 foundation giving totaling $45.6 billion, up 2.8 percent from 2007. Findings from the Center's annual "Foundation Giving Forecast Survey" projected low single-digit growth in independent foundation giving, higher single-digit growth in giving for community foundations, and marginal growth in corporate foundation giving. Final figures for 2008 presented for the first time in this report show that the actual growth in foundation giving totaled $1.1 billion more than the Center's estimate. Giving by the nation's more than 75,000 grantmaking foundations totaled $46.8 billion, up 5.4 percent from 2007, and actual funding was 2.5 percent above the estimated total. A modestly higher level of 2008 giving by independent foundations and a much higher level of giving by operating foundations accounted for most of this discrepancy. Excluding operating foundations, actual 2008 giving was 1.9 percent above the estimated total.

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