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Foundations Today Series



2009 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 2008 giving and directions for 2009 and 2010 giving, together with aggregated actual 2007 giving and asset figures for more than 75,000 grantmaking U.S. foundations. Other reports in the series include *Foundation Giving Trends* (February) 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 600 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. 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 more than 400 funding information centers located in public libraries, community foundations, and educational institutions in every U.S. state and beyond. For more information, please visit foundationcenter.org or call (212) 620-4230.

Key Findings

Giving by this country's more than 75,000 grantmaking foundations rose by an estimated 2.8 percent to \$45.6 billion in 2008—about \$1.2 billion more than in 2007. A number of factors helped to buoy foundation giving or reduce the extent of cutbacks in this challenging economic environment. Foundation assets posted double-digit year-end gains in 2006 and 2007—the first consecutive years of double-digit asset growth since the end of the 1990s. This increase reflected both positive market performance and, in the latter year, a record \$46.8 billion in new gifts and bequests coming into foundations from donors. A marked increase in giving by

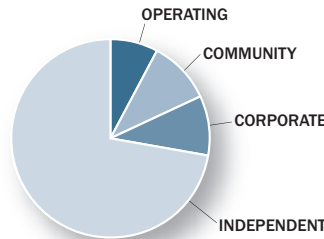
the Bill & Melinda Gates Foundation also contributed to the overall positive result.

Findings from the Foundation Center's annual "Foundation Giving Forecast Survey" suggest that 2009 foundation giving will decrease in the range of the high single digits to low double digits. By comparison, the Center estimates that foundation assets dropped a far greater 21.9 percent in 2008. Nonetheless, just over two-thirds of respondents expect to reduce their giving, with community foundations being most likely to anticipate decreased funding. Looking ahead, foundation giving appears likely to decline further in 2010.

ALL FOUNDATIONS

\$45.6 billion
Estimated giving by all foundations in 2008

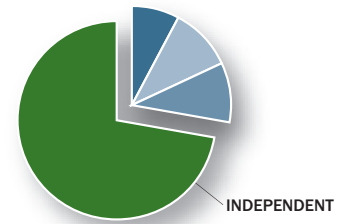
2.8 percent
Estimated increase in giving between 2007 and 2008



INDEPENDENT FOUNDATIONS

\$33 billion
Estimated giving by independent foundations in 2008

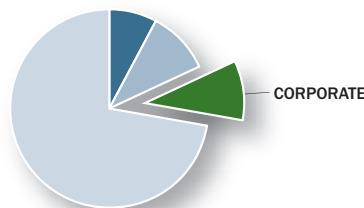
2.5 percent
Estimated increase in giving between 2007 and 2008



CORPORATE FOUNDATIONS

\$4.4 billion
Estimated giving by corporate foundations in 2008

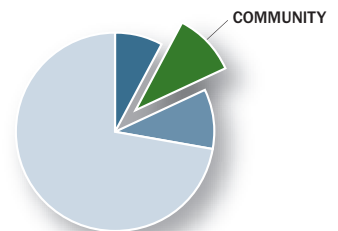
0.8 percent
Estimated increase in corporate foundation giving between 2007 and 2008



COMMUNITY FOUNDATIONS

\$4.6 billion
Estimated giving by community foundations in 2008

6.7 percent
Estimated increase in community foundation giving between 2007 and 2008



Foundation Growth and Giving Estimates

OVERVIEW OF FOUNDATION GIVING THROUGH 2008

Despite the Economic Crisis, Foundation Giving Held Steady in the Latest Year

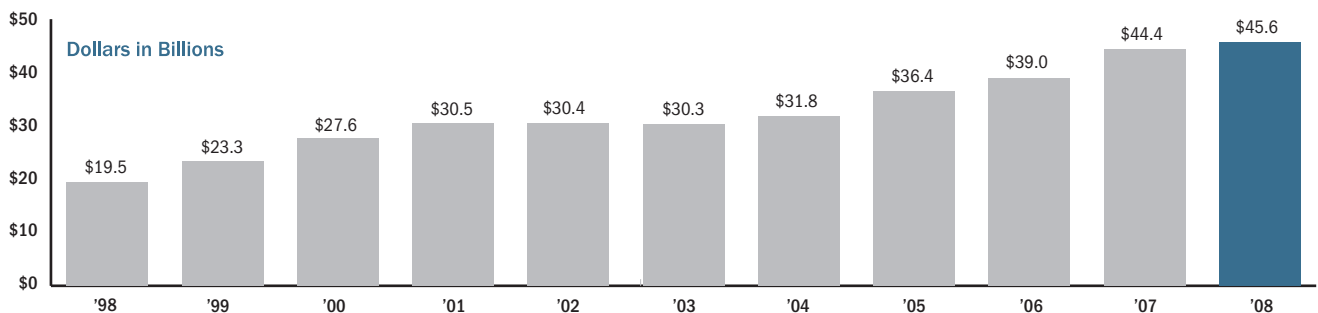
As the world descended into economic crisis in 2008, U.S. foundations remained a relatively stable source of philanthropic support. Giving by this country's more than 75,000 grantmaking foundations rose by an estimated 2.8 percent to \$45.6 billion—about \$1.2 billion more than in 2007. Nonetheless, record oil and commodities prices fueled inflation mid-year, resulting in a 1 percent real-dollar reduction in foundation giving.

The extreme nature of the current economic downturn had a more immediate impact on foundation giving than was expected just a year ago. Among the more than

1,200 respondents to the Foundation Center's early 2008 "Foundation Giving Forecast Survey," about 29 percent *expected* to reduce their giving in 2008. But according to findings from the latest survey conducted in early 2009, close to half (46.9 percent) of the top U.S. funders actually reduced their giving in 2008. (For more details on the survey sample, see Appendix B.)

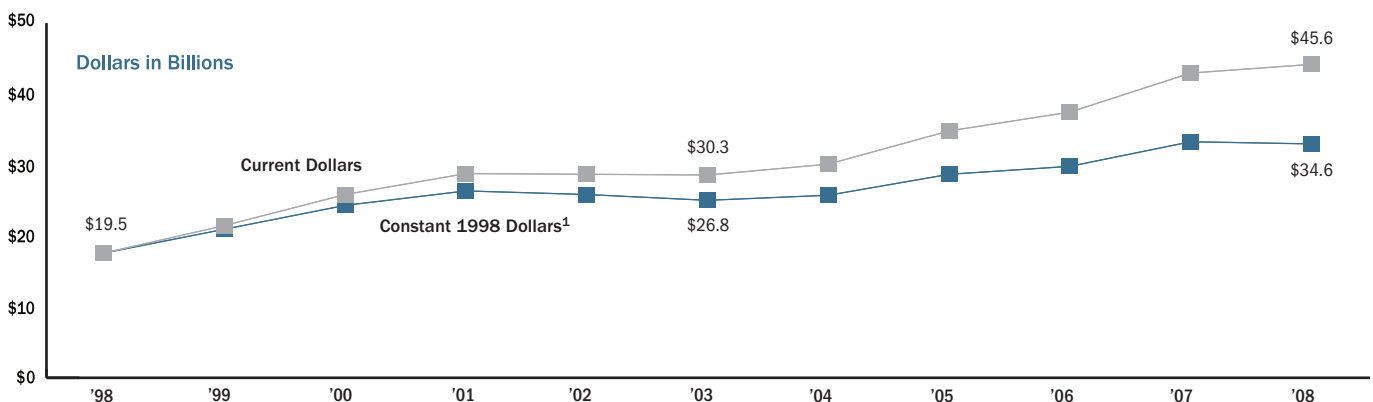
Yet, a number of factors helped to buoy foundation giving or reduce the extent of cutbacks in this challenging economic environment. Foundation assets posted double-digit year-end gains in 2006 and 2007—up 11.6 percent and 11 percent, respectively—the first consecutive years of double-digit asset growth since the end of the 1990s. (Adjusted for inflation, assets rose 16.7 percent during this two-year period.) Assets reached \$682.2 billion in 2007, or more than double the value of foundation assets in 1997. This increase reflected both positive market

Foundation giving rose \$1.2 billion, or 2.8 percent, in 2008



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009. All figures based on unadjusted dollars. Figure estimated for 2008.

After inflation, grant dollars have grown nearly 80 percent since 1998



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009. Figures estimated for 2008.

¹Percent change in constant 1998 dollars based on annual average Consumer Price Index, all urban consumers (Source: U.S. Department of Labor, Bureau of Labor Statistics, as of March 2009).

performance and a record \$46.8 billion in new gifts and bequests coming into foundations in 2007 from donors. (For more details on changes in 2007 foundation resources, see Appendix A.)

The Seattle-based Bill & Melinda Gates Foundation—the nation’s largest private foundation—also continued to ramp up its giving from roughly \$2 billion in 2007 to \$2.8 billion in 2008. In 2006, the foundation benefited from an exceptional philanthropic commitment to its mission by investor Warren Buffett, which has contributed to dramatic growth in its giving. Excluding the Gates Foundation, combined giving by the nation’s other foundations increased just over 1 percent.

Beyond these factors, donors continued to make new gifts and bequests to their existing foundations, although it is likely that the combined value of these gifts will be down markedly from the record \$46.8 billion recorded in 2007. Donors also created new foundations in 2008. However, the deteriorating economic circumstances likely reduced the rate of establishment compared to recent years. (See “Establishment of New Foundations” for more details.)

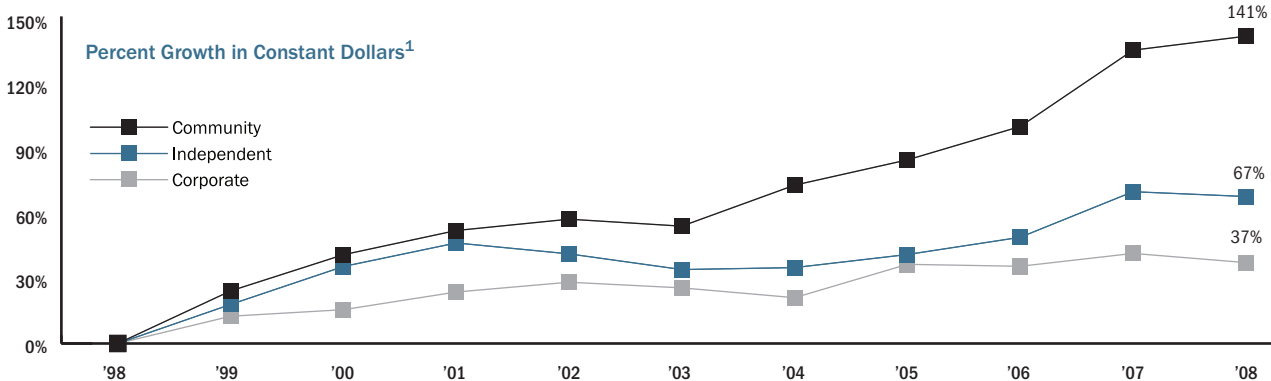
OUTLOOK FOR FOUNDATION GIVING IN 2009 AND BEYOND

Foundation Center Anticipates Giving Will Drop Far Less Than Assets

The implosion of the housing market, onset of recession, freefalling stock market, credit contraction, and the worst job reductions since the end of World War II have contributed to enormous losses in private wealth and charitable endowments. The major stock market indices posted year-end 2008 decreases ranging from 34 to 47 percent. By comparison, the Foundation Center estimates that foundation assets declined far less—21.9 percent. (Adjusted for inflation, assets fell 24.7 percent.) Nonetheless, while foundations still held more than \$530 billion at the end of 2008, this represents nearly \$150 billion in charitable resources that have been lost in a single year.

The outlook for 2009 does not appear much brighter, with most economists anticipating a modest pick-up in

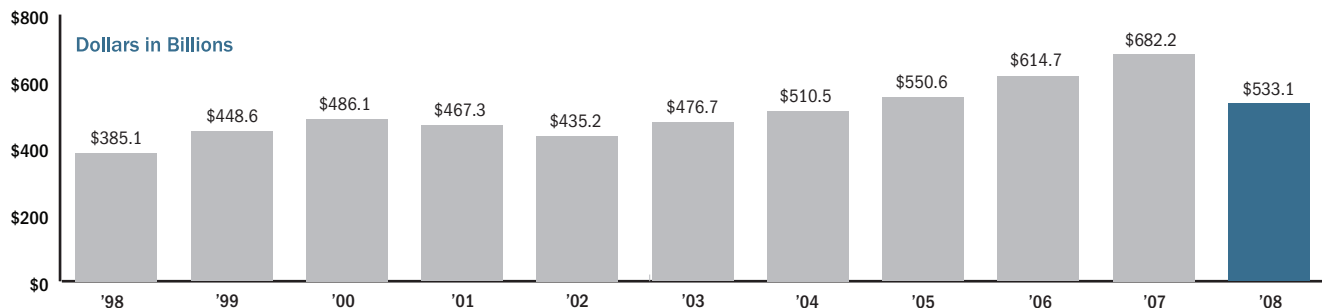
After inflation, community foundations reported fastest cumulative growth in giving since 1998



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009. Figures estimated for 2008.

¹Percent change in constant 1998 dollars based on annual average Consumer Price Index, all urban consumers (Source: U.S. Department of Labor, Bureau of Labor Statistics, as of March 2009).

Foundation assets declined nearly 22 percent in 2008



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009. All figures based on unadjusted dollars. Figure estimated for 2008.

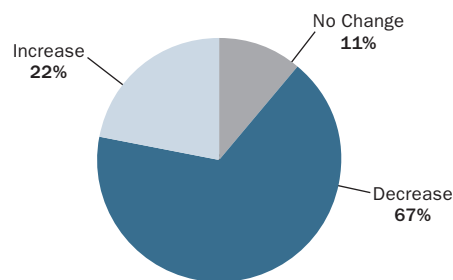
the latter half of the year but no meaningful recovery until sometime in 2010. Yet findings from the Foundation Center’s annual “Foundation Giving Forecast Survey” suggest that 2009 foundation giving will decrease in the range of the high single digits to low double digits—far less than foundations’ asset losses in the prior year would suggest. But most respondents (67.1 percent) do expect to reduce their giving at least to some extent, with mid-size foundations—those giving between \$1 million and \$10 million—being the most likely to expect to decrease their giving (71 percent).

A larger share of community foundation respondents (74.2 percent) anticipate reducing their giving in 2009, compared to independent (67.7 percent) and corporate (51 percent) foundations. This is the exact reverse of the pattern for 2008 giving, when community foundations were far less likely than the other types of foundations to anticipate reductions. Corporate foundation respondents were the most likely to expect to increase their giving in 2009, although the share anticipating growth in giving was far smaller than those expecting to decrease giving (28 percent). Nonetheless, the fact that some foundations still expect to increase giving in this economic climate strikes an optimistic note for the future. But this finding must be tempered by the reality of 2008 giving, when a far larger share of respondents reduced their support by year’s end than expected to do so before the economic crisis deepened.

Helping to lessen the potential impact on giving of this record decline in assets is the practice among some foundations of determining their grants budgets based on a rolling average of their asset values over two or more prior years. As noted earlier, both 2006 and 2007 posted double-digit year-end growth in foundation assets. For foundations that calculate their grants budgets this way, these two especially good years would have helped to minimize the impact of the 2008 decline on that year’s giving and will continue to moderate the impact on 2009 giving.

Several foundations have also announced plans to increase their payout rate, which represents the share of their assets that they distribute each year for charitable purposes, and/or reduce operating costs to shore up their grants budgets. In addition, a number of grantmakers have made exceptional commitments to directly address the

Anticipated Changes in 2009 Foundation Giving



Percent of Number of Foundations

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009. Based on 1,141 responses to the Foundation Center’s 2009 “Foundation Giving Forecast Survey.” See Appendix B for details.

current crisis, such as assisting homeowners in foreclosure, providing credit counseling, and supporting food banks. (For more details, see “Grantmakers Describe the Impact of the Economic Crisis on Their Giving,” a March 2009 research advisory available at foundationcenter.org/focus/economy/.)

The outlook beyond 2009 remains unclear, and much depends on when and how strongly the economy and stock market begin to recover. More than half of respondents to the latest survey expect to maintain (39.4 percent) or increase their giving (14.1 percent) in 2010, although larger foundations—those giving \$10 million or more each year—were roughly half as likely as smaller foundations to expect to raise their giving. About one in five foundations (20 percent) expect to decrease their giving in 2010. The remaining roughly one-quarter of funders (26.5 percent) are uncertain at this point.

Even if a solid economic recovery begins in 2010, foundations that establish their grants budgets based on a rolling average of asset values—including a number of the largest U.S. foundations—will be forced to factor in dismal 2008 investment performance. Of course, given the continuing deterioration of the market in early 2009, foundation assets could potentially be down more by year’s end. In either case, it appears reasonable to expect that foundation giving will decline further in 2010.

ESTABLISHMENT OF NEW FOUNDATIONS

The Number of Foundations Continued to Grow Between 2006 and 2007

Since the early 1980s, the nation's foundation community has expanded each year. By 1997, the number of active grantmaking foundations reached 44,146. A decade later, the number of grantmaking independent, corporate, community, and operating foundations totaled 75,187. Of the roughly 31,000 foundations added between 1997 and 2007, close to 90 percent are independent foundations.

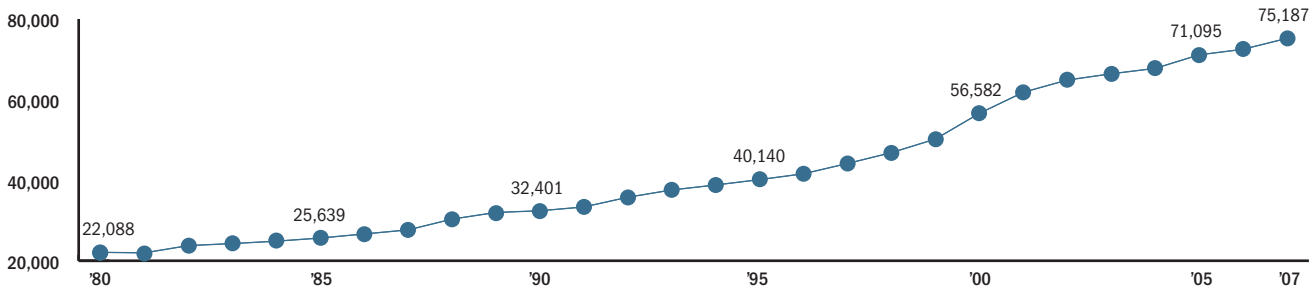
While the number of active grantmaking foundations has grown consistently for more than two decades, the annual rate of increase slowed after the 2001 economic downturn. In 2005, however, growth in the number of grantmaking foundations accelerated, with a net gain of 3,359 funders that year, or an increase of 5 percent. Relatively slower growth returned in 2006, with a rise in funders of about 2 percent, then bounced back in 2007, with a 3.7 percent net gain in the number of grantmaking foundations (2,710). The number of independent foundations increased at a faster rate than either corporate or community foundations. In fact, the number of grantmaking corporate foundations showed a net decline of 2 percent in 2007—from 2,548 to 2,498—following a 2.3 percent decrease in the previous year. Looking ahead, the establishment of new foundations of all types is likely to slow markedly until the economic climate improves.

Among the approximately 31,100 larger foundations that held assets of at least \$1 million or gave \$100,000 or more in 2007, close to two-thirds (63.4 percent) were established in the 1990s and early 2000s, mainly in the 1990s and especially during the economically robust latter half of the decade. However, almost 27 percent of larger foundations have been formed since 1999, and these 8,354 foundations already surpass the number of active larger foundations formed in any decade prior to the 1990s.

Finally, while the overall number of grantmaking foundations has grown annually for more than two decades, each year some foundations do close down. In 2007, the Foundation Center identified 1,163 foundations active in the previous year that had since ended operations and either spent out their assets or transferred them to another private or community foundation. By comparison, 1,080 foundations closed in 2006 and 842 in 2005. As a result, the termination rate increased to 1.6 percent.¹ Given the extent of the current economic crisis, it seems likely that the number of terminating foundations will continue to increase over the next several years.

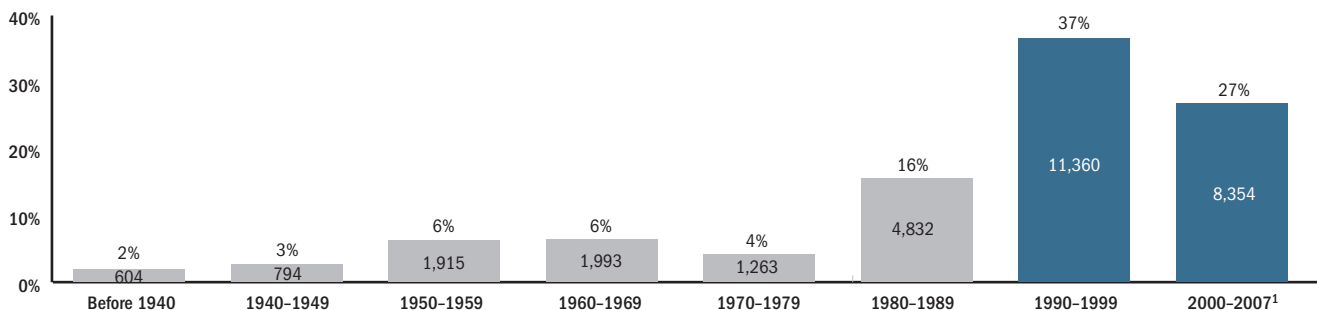
1. Figures on foundations that have closed down exclude 403 grantmakers identified as "inactive" by the Foundation Center in the latest year. If the Center does not receive updated fiscal information for a foundation for four consecutive years, it is deemed "inactive." These foundations may or may not have terminated.

Number of active private and community foundations increased by over 2,700 in 2007



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009.

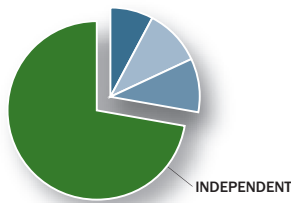
Close to two-thirds of active larger foundations were established after 1989



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009. Based on Foundation Center data on grantmaking foundations with assets of at least \$1 million or making grants of \$100,000 or more in 2006-2007. Establishment data was not available for 3,576 foundations. The number above each bar indicates the number of foundations formed in that period that are still active in 2006-2007.

¹Data incomplete for period 2000-2007.

Independent Foundations



Giving Rose 2.5 Percent to \$33 Billion in 2008

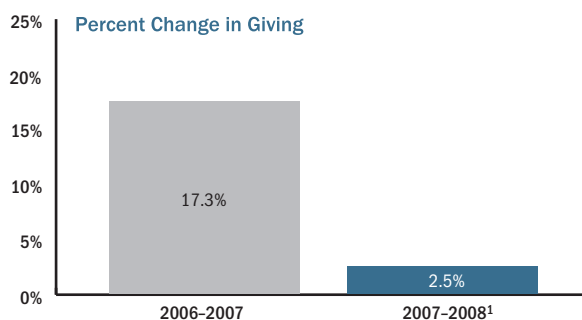
The vast majority of U.S. foundations are independents, including family foundations and most of the foundations formed through health care conversions. In 2007, they accounted for about 89 percent of foundations and 73 percent of giving. In the challenging economic climate of 2008, their giving rose a minimal 2.5 percent, which represented a 1.3 percent decline after adjusting for inflation. In marked contrast, giving by independent foundations jumped 17.3 percent in 2007—a rate of growth last seen at the tail end of the 1990s economic boom.

Despite the modest gain in independent foundation support in 2008, estimated grant dollars did reach a record \$33 billion, up by \$809.2 million from 2007. Nonetheless, in a less economically devastating year, independent foundation giving would likely have risen far more. Independent foundation assets grew by over

10 percent in both 2006 and 2007, which represented the first consecutive years of double-digit growth since the late 1990s. Assets rose 10.8 percent in the latter year alone to \$564.2 billion. (Adjusted for inflation, assets grew 7.8 percent.) In addition to gains in the value of existing foundation assets, independent foundations benefited from a record \$31.3 billion in new gifts and bequests from donors into their foundations—up by nearly \$10 billion from the prior year—along with the continued establishment of new and sometimes very large foundations, such as the Bloomberg Family Foundation and Shimon ben Joseph Foundation.

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 2008, estimated giving represented 5.9 percent of overall independent foundation assets at the close of 2007.

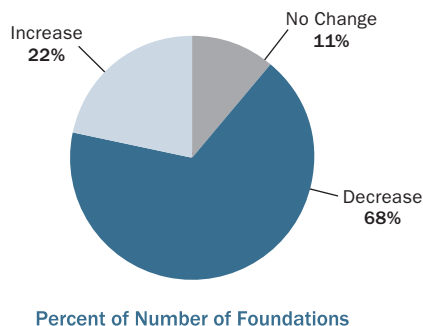
In 2008, independent foundation giving grew at its slowest rate in five years



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

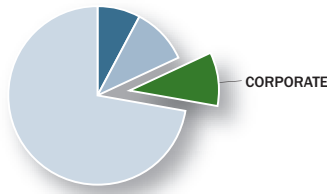
¹Based on actual giving in 2006 and 2007 and estimated giving in 2008.

More than two-thirds of surveyed independent foundations expect to reduce giving in 2009



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009. Based on 882 responses to the Foundation Center's 2009 "Foundation Giving Forecast Survey." See Appendix B for details.

Corporate Foundations



Giving Held Steady at \$4.4 Billion in 2008

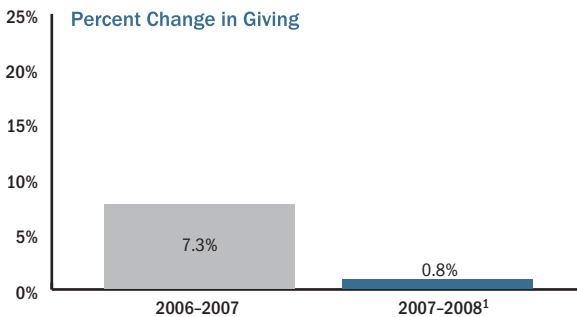
Grantmaking by corporate foundations remained basically unchanged at an estimated \$4.4 billion in 2008. Grant dollars rose 0.8 percent over 2007, although this translated into a 3 percent decline after adjusting for inflation. However, given the beleaguered state of corporate America last year, the relative stability of its foundation giving seems particularly notable.

Arguably, corporate foundations have been even more directly impacted by the rapid deterioration of the economic situation in 2008 than independent and community foundations. This conclusion in part reflects the historical importance of foundations established by companies in the banking and finance sector. In 2007, just over one-quarter of corporate foundation giving was provided by foundations tied to companies working in the industry at the center of the current crisis. The impact of

this economic calamity has also moved well beyond the financial sector, with a sustained drop in personal and corporate spending prolonging the recession and affecting corporate earnings across the board. It remains to be seen to what extent corporate foundations that are holding the line on their giving will be able to balance out those needing to cut their giving or that have ceased to exist.

Finally, like 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 2008 represented just over 20 percent of corporate foundations' \$21.9 billion in assets at the close of 2007.

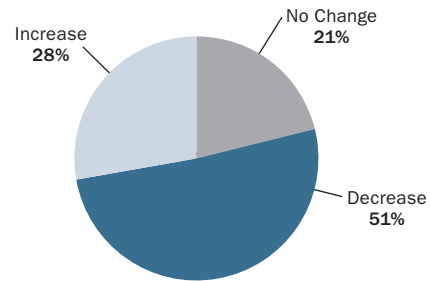
Corporate foundation giving remained almost unchanged in 2008



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

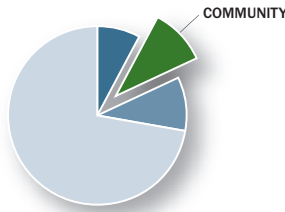
¹Based on actual giving in 2006 and 2007 and estimated giving in 2008.

Over half of corporate foundations expect to decrease giving in 2009



Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009. Based on 100 responses to the Foundation Center's 2009 "Foundation Giving Forecast Survey." See Appendix B for details.

Community Foundations



Giving Climbed to \$4.6 Billion in 2008, Surpassing Corporate Foundations for the First Time

Despite the worsening economic climate, community foundations raised their giving by an estimated 6.7 percent in 2008 to a record \$4.6 billion. (Adjusted for inflation, giving rose 2.7 percent.) This increase surpassed the rate of growth reported by independent and corporate foundations and, for the first time on record, community foundations gave more than corporate foundations. As recently as the mid-1990s, community foundations accounted for only half as much giving as corporate foundations.

Community foundations have benefited in recent years from strong increases in the value of their existing assets and from new gifts and bequests from donors. In 2007, community foundation assets rose 13.5 percent to \$56.7 billion. (Adjusted for inflation, assets increased 10.3 percent.) Compared to independent and corporate foundations, community foundations benefited from five consecutive years of double-digit asset growth (2003-2007), compared to two years of double-digit growth (2006-2007) for the others.

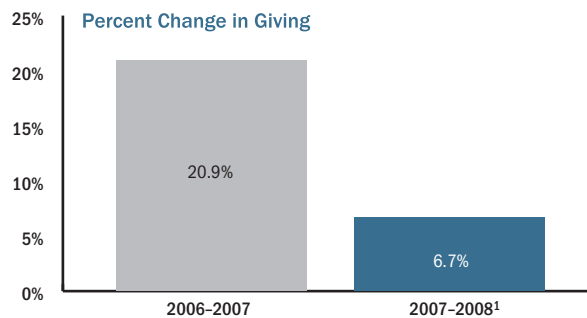
Undoubtedly, community foundations will be forced to reduce giving in 2009, along with independent and corporate foundations. When asked to project 2009

giving, about three-quarters (74.2 percent) of community foundation respondents to the Foundation Center's latest "Foundation Giving Forecast Survey" anticipated a reduction. This follows a year in which just over one-third (34.7 percent) of community foundations decreased their giving, compared to close to half for the other types of foundations.

One factor that may work in favor of community foundations in the current economically challenging environment is that their donor-advised funds can be seen as a less costly alternative to maintaining a separate, endowed institution. This could make community foundations attractive to those donors who are still interested in establishing a formal vehicle for their philanthropy or those considering closing down their existing foundations due to a significant loss in charitable resources.

Community foundations have also tended to benefit in both more and less prosperous times from having a broad pool of individual donors. The decreased contributions of some donors tend to be balanced out by increased giving from others. But given the broad impact of the current financial crisis, the benefits of this pooling of support on overall community foundation giving may be limited in the near term.

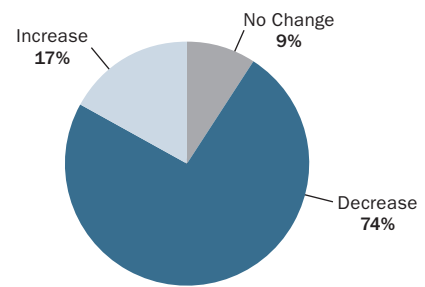
Community foundations reported the fastest growth in giving in 2008



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

¹Based on actual giving in 2006 and 2007 and estimated giving in 2008.

Nearly three-quarters of community foundations expect to reduce giving in 2009



Percent of Number of Foundations

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009.

Based on 159 responses to the Foundation Center's 2009 "Foundation Giving Forecast Survey." See Appendix B for details.

APPENDIX A

Review of Foundation Giving Through 2007

The country's grantmaking foundations raised their giving 13.8 percent in 2007, following a 7.1 percent rise in 2006. Overall, foundation giving increased from \$39 billion to \$44.4 billion. (Adjusted for inflation, giving grew 10.7 percent.)

Factors affecting the growth of foundation giving in 2007 included:

◆ A rise in foundation assets in the prior year

Foundation assets rose 11.6 percent in 2006, from \$550.6 billion to \$614.7 billion. (Adjusted for inflation, assets increased 8.2 percent.) This represented the first double-digit increase in foundation assets recorded since the economic boom years of the late 1990s. While corporate foundations benefited from a 10.9 percent increase, independent and community foundations showed asset gains in the 12 percent range. Contributing to the growth in independent foundation assets was a nearly 25 percent jump in the amount of new gifts coming into these foundations from donors. By comparison, gifts into corporate foundations rose 9.1 percent, while community foundations benefited from an 8 percent rise.

◆ Continued new foundation establishment

Foundations just beginning grantmaking in 2007 gave just over \$900 million and represented 16.7 percent of the \$5.4 billion gain in foundation giving that year.

◆ A lower level of giving reported by operating foundations

Giving by operating foundations declined from \$3.85 billion in 2006 to \$3.4 billion in 2007. Reduced giving reported by operating foundations formed by pharmaceutical corporations for the purpose of distributing medications to needy individuals accounted for most of the reduction in support.

Change in Foundation Statistics, 2006 to 2007

	2006	2007	% Change
All Foundations			
No. of Foundations	72,477	75,187	3.7
Total Giving	\$ 39,004	\$ 44,394	13.8
Total Assets	\$614,656	\$682,222	11.0
Gifts Received	\$ 36,569	\$ 46,844	28.1
Independent			
No. of Foundations	64,405	67,034	4.1
Total Giving	\$ 27,457	\$ 32,220	17.3
Total Assets	\$509,077	\$564,216	10.8
Gifts Received	\$ 21,591	\$ 31,279	44.9
Corporate			
No. of Foundations	2,548	2,498	-2.0
Total Giving	\$ 4,098	\$ 4,397	7.3
Total Assets	\$19,730	\$21,924	11.1
Gifts Received	\$ 4,374	\$ 4,418	1.0
Community			
No. of Foundations	717	717	0.0
Total Giving	\$ 3,596	\$ 4,348	20.9
Total Assets	\$49,942	\$56,680	13.5
Gifts Received	\$ 6,033	\$ 6,232	3.3
Operating			
No. of Foundations	4,807	4,938	2.7
Total Giving	\$ 3,853	\$ 3,429	-11.0
Total Assets	\$35,906	\$39,403	9.7
Gifts Received	\$ 4,571	\$ 4,915	7.5

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009. Dollars in millions. Percent change represents current dollars. Includes only foundations that awarded grants in the latest fiscal year.

Giving increased just over 25 percent among the top 25 foundations by giving in 2007; the median change in giving was +10.2 percent

Foundation	Rank '06	Total Giving '06 ¹	Total Giving '07 ¹	Change in Dollar Amount	% Change	Graphic Representation of % Change
1. Bill & Melinda Gates Foundation	1	\$1,562,514,000	\$2,011,675,000	\$ 449,161,000	28.7	
2. Ford Foundation	2	532,961,821	583,915,463	50,953,642	9.6	
3. AstraZeneca Foundation	41	99,652,132	517,675,952	418,023,820	419.5	419.5%
4. William and Flora Hewlett Foundation	16	211,762,000	421,400,000	209,638,000	99.0	
5. Robert Wood Johnson Foundation	4	367,570,000	407,698,000	40,128,000	10.9	
6. GlaxoSmithKline Patient Access Programs Foundation	7	324,284,214	344,193,427	19,909,213	6.1	
7. Lilly Endowment	5	352,335,165	341,863,979	-10,471,186	-3.0	
8. David and Lucile Packard Foundation	12	238,242,075	307,935,012	69,692,937	29.3	
9. Andrew W. Mellon Foundation	22	177,229,000	300,199,000	122,970,000	69.4	
10. Gordon and Betty Moore Foundation	13	231,158,757	290,694,047	59,535,290	25.8	
11. W.K. Kellogg Foundation	8	302,844,012	272,511,561	-30,332,451	-10.0	
12. Annenberg Foundation	9	279,575,225	266,898,723	-12,676,502	-4.5	
13. Janssen Ortho Patient Assistance Foundation	6	339,648,095	259,736,936	-79,911,159	-23.5	
14. Silicon Valley Community Foundation ²	N/A	N/A	243,245,861	243,245,861	N/A	
15. Bristol-Myers Squibb Patient Assistance Foundation	3	416,632,202	235,562,386	-181,069,816	-43.5	
16. John D. and Catherine T. MacArthur Foundation	15	216,757,656	231,856,772	15,099,116	7.0	
17. Walton Family Foundation	20	188,906,015	218,864,851	29,958,836	15.9	
18. California Community Foundation	11	245,487,000	216,019,934	-29,467,066	-12.0	
19. Genentech Access To Care Foundation	17	206,613,175	215,418,960	8,805,785	4.3	
20. Starr Foundation	18	198,580,427	207,284,873	8,704,446	4.4	
21. Jay and Betty Van Andel Foundation	N/A	3,288,333	205,265,000	201,976,667	6,142.2	6,142.2%
22. Susan Thompson Buffett Foundation	40	100,229,020	202,684,478	102,455,458	102.2	
23. Greater Kansas City Community Foundation	23	172,145,251	192,905,943	20,760,692	12.1	
24. Annie E. Casey Foundation	21	184,096,622	192,006,321	7,909,699	4.3	
25. Bank of America Charitable Foundation	29	144,833,778	188,236,685	43,402,907	30.0	
Total		\$7,097,345,975	\$8,875,749,164	\$1,778,403,189	25.1	-50% 0% 100%

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009. Aggregate foundation fiscal information in tables and figures is based on data provided to the Center as of January 2009. Fiscal data on individual foundations included in this table may be more current.

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.

²In 2007, the Peninsula Community Foundation and Community Foundation Silicon Valley merged to become the Silicon Valley Community Foundation.

N/A = Not available.

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 2003, twelve 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 thirteen “pharmaceutical foundations” provided \$2.6 billion in in-kind support in 2007.

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, which the Foundation Center does not track. 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 recently established 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 about 12 percent among top 25 foundations by assets in 2007;
the median change in assets was +9.8 percent***

Foundation	Rank '06	Assets '06	Assets '07	Change in Dollar Amount	% Change	Graphic Representation of % Change
1. Bill & Melinda Gates Foundation	1	\$ 33,120,381,000	\$ 38,921,022,000	\$ 5,800,641,000	17.5	
2. Ford Foundation	2	12,252,645,528	13,798,807,066	1,546,161,538	12.6	
3. J. Paul Getty Trust	3	10,133,371,844	11,187,006,719	1,053,634,875	10.4	
4. Robert Wood Johnson Foundation	4	10,094,684,000	10,722,296,000	627,612,000	6.2	
5. William and Flora Hewlett Foundation	5	8,520,765,000	9,284,917,000	764,152,000	9.0	
6. W.K. Kellogg Foundation	6	8,402,996,155	8,058,127,639	-344,868,516	-4.1	
7. Lilly Endowment	7	7,601,664,181	7,734,860,156	133,195,975	1.8	
8. John D. and Catherine T. MacArthur Foundation	9	6,178,196,933	7,052,165,312	873,968,379	14.1	
9. David and Lucile Packard Foundation	8	6,350,664,410	6,594,540,283	243,875,873	3.8	
10. Andrew W. Mellon Foundation	10	6,130,848,000	6,539,865,000	409,017,000	6.7	
11. Gordon and Betty Moore Foundation	11	5,836,161,877	6,409,252,816	573,090,939	9.8	
12. Rockefeller Foundation	13	3,810,308,773	4,615,428,564	805,119,791	21.1	
13. Susan Thompson Buffett Foundation	159	457,605,808	3,907,771,072	3,450,165,264	754.0	754%
14. Kresge Foundation	14	3,329,856,115	3,841,141,730	511,285,615	15.4	
15. Tulsa Community Foundation	24	3,136,698,010	3,740,241,151	603,543,141	19.2	
16. Duke Endowment	17	2,981,737,964	3,344,776,129	363,038,165	12.2	
17. Annie E. Casey Foundation	16	3,265,655,271	3,326,105,746	60,450,475	1.9	
18. Carnegie Corporation of New York	20	2,530,191,576	3,073,837,326	543,645,750	21.5	
19. Starr Foundation	15	3,300,622,910	2,801,697,830	-498,925,080	-15.1	
20. Robert W. Woodruff Foundation	25	2,250,689,422	2,715,991,495	465,302,073	20.7	
21. Charles Stewart Mott Foundation	19	2,629,297,078	2,711,459,525	82,162,447	3.1	
22. John S. and James L. Knight Foundation	22	2,342,624,401	2,618,700,006	276,075,605	11.8	
23. Casey Family Programs	21	2,490,713,955	2,596,706,893	105,992,938	4.3	
24. Annenberg Foundation	18	2,685,286,093	2,487,703,921	-197,582,172	-7.4	
25. Harry and Jeanette Weinberg Foundation	23	2,278,259,681	2,480,251,109	201,991,428	8.9	
Total		\$152,111,925,985	\$170,564,672,488	\$18,452,746,503	12.1	

Source: The Foundation Center, *Foundation Growth and Giving Estimates*, 2009. Aggregate foundation fiscal information in tables and figures is based on data provided to the Center as of January 2009. Fiscal data on individual foundations included in this table may be more current.

*The California Endowment was omitted because updated fiscal information was not available.

APPENDIX B

Methodology

2008 ESTIMATES AND 2009 AND 2010 OUTLOOK

The original research upon which the estimates in this report are based was conducted by the Foundation Center. Giving estimates for 2008 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 2007 giving and asset figures were taken from the Foundation Center's 2008 survey of larger private and community foundations, foundation web sites, annual reports and other publications, and the IRS Form 990-PF information return.

In early January 2009, 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 2008, directions for giving in 2009 and 2010, and how foundations are responding to the economic downturn. (Findings based on the latter questions will be presented in the Center's next research advisory on the economic crisis, to be released in April 2009.)

A total of 1,225 foundations provided estimates of their 2008 giving. This represented 23 percent of surveyed foundations overall, and nearly half of surveyed foundations with giving of at least \$30 million. Survey respondents accounted for 30.9 percent of total estimated giving by independent, corporate, and community foundations in 2008. By foundation type, the 173 community foundation respondents represented 41 percent of total estimated giving by community foundations, while the 942 independent foundation respondents accounted for 30.4 percent of estimated independent foundation giving and the 109 corporate foundation respondents represented 23.5 percent of estimated corporate foundation giving. The assessment of prospects for 2009 giving is based on information reported by 1,140 respondents: 159 community, 881 independent, and 100 corporate foundations. For 2010, the assessment is based on information reported by 1,224 respondents: 170 community, 947 independent, and 107 corporate foundations.

The Foundation Center's annual giving forecast survey does not include operating foundations. Therefore, an estimate of 2008 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 2008, the Center assumed the rate of change in giving by these foundations (which accounted for about 8 percent of foundation giving overall in 2009) would be a roughly 3.3 percent increase, based on a review of recent historical trends.

A total of 1,180 respondents to the Foundation Center's 2009 "Foundation Giving Forecast Survey" provided estimates of their 2008 fiscal year-end asset values. Independent foundations, which represent the vast majority of respondents (77.4 percent), reported a 22.6 percent overall decrease. By comparison, community foundations, which represent 14.7 percent of the sample, reported a notably lower overall asset decline (15.8 percent). Also included in the Foundation Center's asset projections is an estimate of the assets that newly established foundations will contribute.

REVISITING 2007 FOUNDATION GIVING ESTIMATES

In April 2008, the Foundation Center released an estimate of 2007 foundation giving totaling \$42.9 billion, up 10 percent from 2006. Findings from the Center's annual "Foundation Giving Forecast Survey" projected double-digit growth in independent and community foundation giving, and modest single-digit growth in corporate foundation giving. Final figures for 2007 presented for the first time in this report show that the actual growth in foundation giving totaled \$1.5 billion more than the Center's estimate. Giving by the nation's more than 75,000 grantmaking foundations totaled \$44.4 billion, up 13.8 percent from 2006, and actual funding was 3.5 percent above the estimated total. A higher level of 2007 giving by independent and community foundations, compared to the estimated amount, accounted for most of this discrepancy.

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