

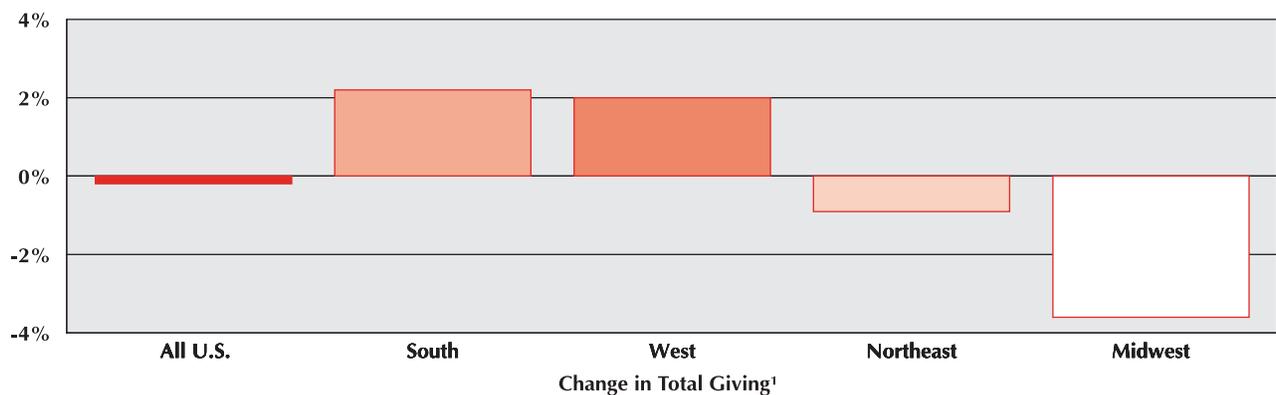
Grantmakers in the South and West increased their funding in 2002, despite a modest overall decline in foundation giving.

OVERVIEW

Giving by U.S. foundations slipped 0.2 percent in 2002, marking the first year of negative growth recorded since 1983. Nonetheless, foundations in the South increased their level of giving 2.2 percent in 2002, led by strong growth in funding by foundations based in Mississippi and Arkansas. Grantmakers in the West trailed closely with a gain of 2 percent, reflecting robust giving by foundations in Arizona and Montana. By comparison, Midwestern foundations reported a 3.6 percent decrease in giving, while Northeastern funders showed a 0.9 percent decline.

Reduced foundation resources took a much greater toll on giving by the nation's nearly 65,000 grantmaking foundations in 2003. Overall, foundation giving declined an estimated 2.5 percent to \$29.7 billion, down from \$30.4 billion in 2002. Yet, this decrease was modest given the more than 10 percent loss in foundation assets between 2000 and 2002, the continued stock market slump into early 2003, and the completion in 2002 of exceptional giving in response to the 9/11 attacks. By foundation type, independent and corporate foundations reduced their overall giving in 2003, while community foundations continued to increase giving, albeit at a much slower pace than in recent years.

Between 2001 and 2002, the South showed the fastest growth in foundation giving, while the Midwest experienced the largest decline



Source: The Foundation Center, *Foundation Yearbook*, 2004.

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.

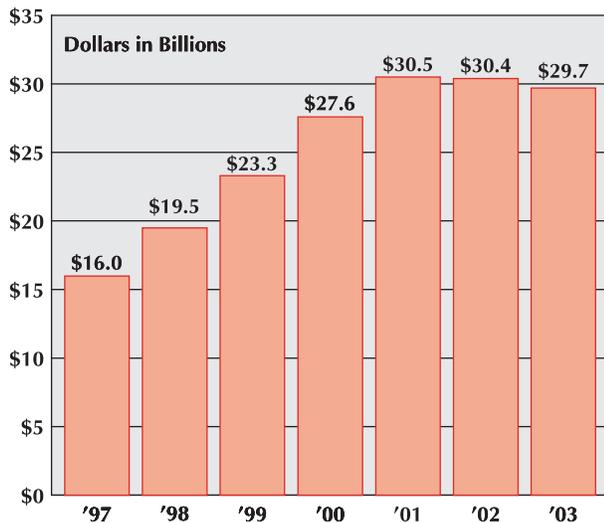
Current State of Foundation Giving

- Giving declined to an estimated \$29.7 billion in 2003, down 2.5 percent from \$30.4 billion in 2002
- Giving in 2004 is likely to rise moderately with the economic recovery
- Over the near term, giving increases are likely to lag behind growth in foundation assets

Foundation Giving and Assets through 2002

- Giving by the nation's nearly 65,000 grantmaking foundations slipped 0.2 percent in 2002 to \$30.4 billion

Despite recent reductions, foundation giving has nearly doubled since 1997*



Source: The Foundation Center, *Foundation Yearbook*, 2004.
*Figures estimated for 2003. All figures based on current dollars.

Foundations in five states accounted for close to half of 2002 giving



Source: The Foundation Center, *Foundation Yearbook*, 2004.

- Assets of all active U.S. foundations fell for the second consecutive year—down 7 percent to \$435.2 billion in 2002
- Gifts and bequests from donors to their foundations dropped 23 percent in 2002, following a 4 percent rise in 2001
- Gifts into foundations in 2002 totaled \$22.2 billion—the lowest level since 1997
- 713 foundations received at least \$5 million in gifts and bequests from their donors in the latest year, down about 7 percent from 2001

Foundations by Region and State

Regions:

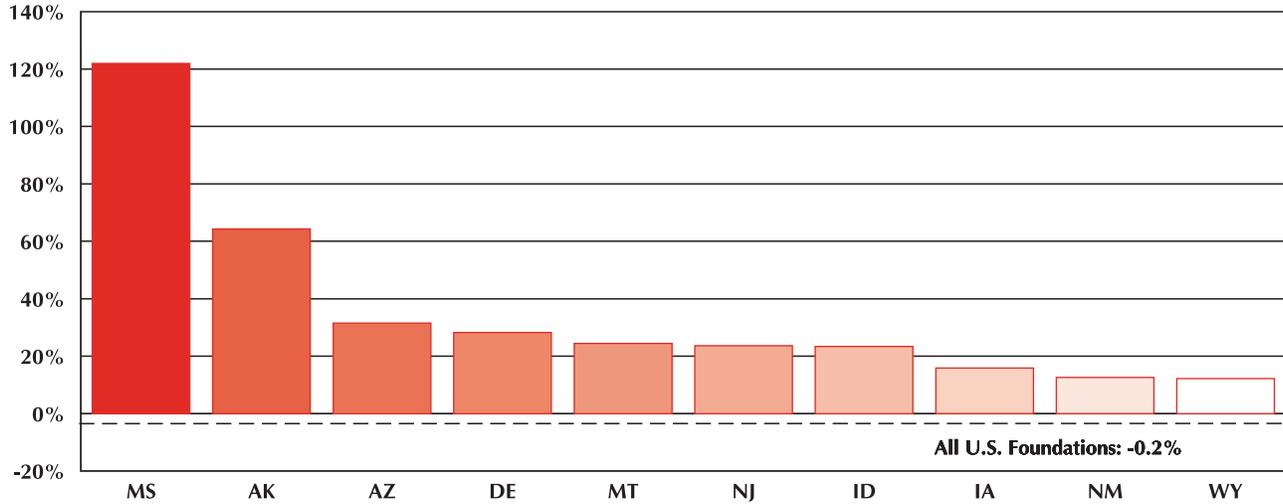
- South experienced fastest rate of growth and largest increase in number of foundations in 2002
- South posted fastest rate of growth in giving and largest increase in grant dollars in 2002
- West poised to surpass South and Midwest by share of foundation giving in next few years
- All four regions lost assets in latest year
- Midwest registered largest decline in assets in latest year

About *Foundation Yearbook*

Foundation Yearbook, 2004 Edition, documents changes in the actual number, giving, and assets of all active U.S. foundations from 1975 through 2002 and provides estimates of foundation giving through 2003. 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.

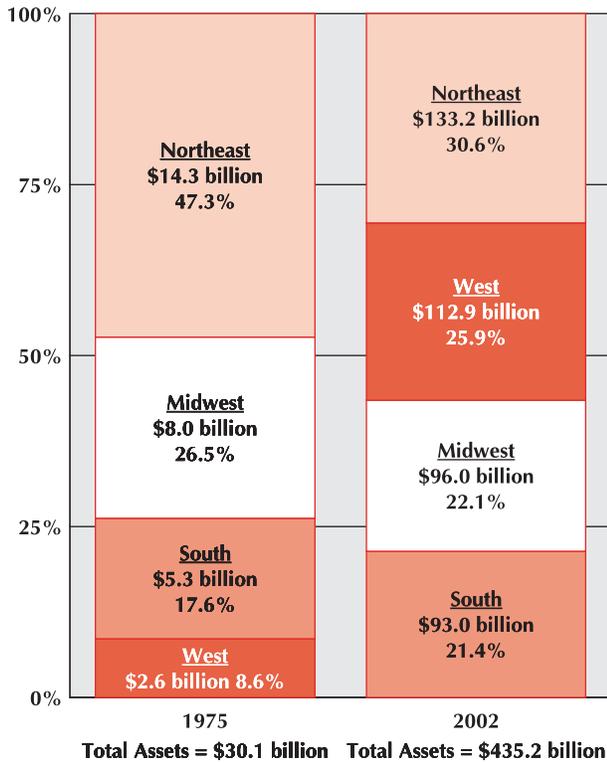
Findings presented in *Foundation Yearbook* are based on aggregate fiscal data collected by the Foundation Center on all active U.S. foundations. Estimates for 2003 are based on survey figures reported by over 900 large and mid-size foundations combined with year-end fiscal indicators.

Mississippi surpassed all other states in the rate of growth in foundation giving between 2001 and 2002*



Source: The Foundation Center, *Foundation Yearbook*, 2004.
 *Percent change based on current dollars.

The West and South increased their shares of foundation assets between 1975 and 2002*



Source: The Foundation Center, *Foundation Yearbook*, 2004.
 *Figures based on unadjusted dollars. Total assets include assets of foundations based in the Caribbean and South Pacific, which accounted for 0.0 percent of total foundation assets in 1975 and 2002.

Change in Foundation Statistics, 2001 to 2002*

	2001	2002	% Change
All Foundations			
No. of Foundations	61,810	64,843	4.9
Total Giving	\$ 30,502	\$ 30,432	-0.2
Total Assets	\$467,336	\$435,190	-6.9
Gifts Received	\$ 28,714	\$ 22,163	-22.8
Independent			
No. of Foundations	55,120	57,834	4.9
Total Giving	\$ 23,705	\$ 23,254	-1.9
Total Assets	\$394,074	\$364,143	-7.6
Gifts Received	\$ 20,539	\$ 13,952	-32.1
Corporate			
No. of Foundations	2,170	2,362	8.8
Total Giving	\$ 3,284	\$ 3,457	5.3
Total Assets	\$ 15,578	\$ 14,428	-7.4
Gifts Received	\$ 3,040	\$ 3,002	-1.3
Community			
No. of Foundations	602	661	9.8
Total Giving	\$ 2,403	\$ 2,526	5.1
Total Assets	\$ 30,301	\$ 29,772	-1.7
Gifts Received	\$ 3,185	\$ 3,175	-0.3
Operating			
No. of Foundations	3,918	3,986	1.7
Total Giving	\$ 1,110	\$ 1,195	7.7
Total Assets	\$ 27,384	\$ 26,847	-2.0
Gifts Received	\$ 1,950	\$ 2,035	4.4

Source: The Foundation Center, *Foundation Yearbook*, 2004.
 *Dollars in millions. Percent change represents current dollars.

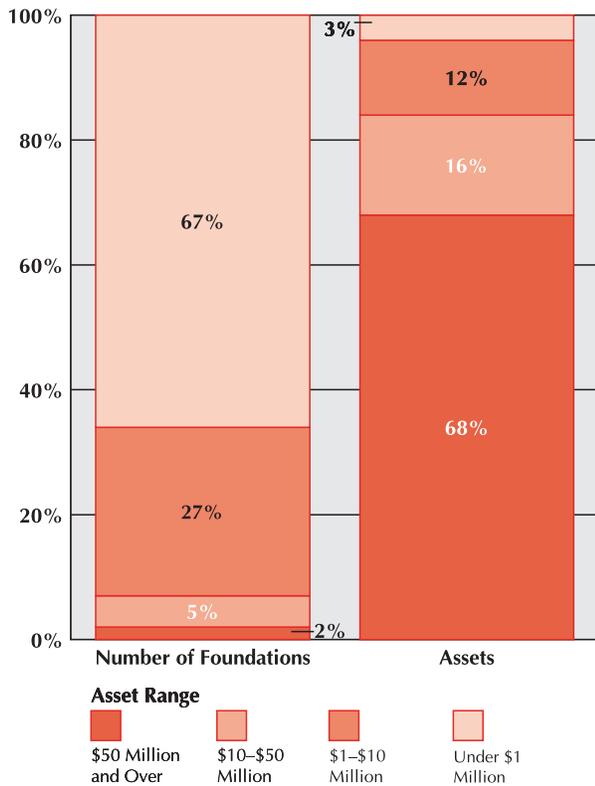
States:

- Mississippi experienced most rapid rate of growth in giving in 2002
- New Jersey led in actual grant dollar gain in latest year
- New York foundations ranked first by overall giving, but second by giving as a share of Gross State Product and by giving per capita
- Arizona ranked first by rate of growth in assets in 2002
- 41 states reported decreases in assets in 2002
- New York topped all states by actual asset dollar decline

Giving and Growth of Independent, Corporate, and Community Foundations

- Giving by independent foundations fell 2 percent in 2002, following an 11 percent gain in 2001
- Independent foundation assets decreased 7.6 percent in 2002—a second consecutive decline
- Corporate foundation giving grew 5.3 percent in 2002, compared to a 10 percent gain in 2001
- Assets of corporate foundations dropped 7.4 percent in 2002
- Gifts from companies to their foundations (pay-in) slid 1.3 percent
- Giving by community foundations grew 5.1 percent in 2002, following a nearly 11 percent rise in 2001
- Community foundations' assets slid 1.7 percent in the latest year, compared to a 0.5 percent dip in 2001

Two percent of foundations held nearly seven out of ten asset dollars in 2002



Source: The Foundation Center, *Foundation Yearbook*, 2004.

Foundation Development

- Foundation community grew 4.9 percent in 2002
- Number of grantmaking foundations increased by 3,000 in the latest year, reaching a record 64,843
- Close to half of larger foundations were formed after 1989

Ordering Information

Foundation Yearbook, 2004 Edition, is available for \$45 or through subscription to the *Foundations Today Series* (\$95), which includes three research reports. Orders may be charged with Visa, MasterCard, or Amex by calling our toll-free number, 800-424-9836 (in New York, call 212-807-3690); by using our on-line order form at www.fdncenter.org; or by mailing orders to the Foundation Center, Dept. FK1, 79 Fifth Avenue, New York, NY 10003-3076. Prepayment is required. Discounts are available for bulk orders. Please call 800-424-9836 for details.