

GIVING BY FOUNDATIONS IN THE NATIONAL CAPITAL REGION

How Much Stays Local?

As a major world center, the Washington metropolitan area is home to more national and international nonprofit organizations than most cities of comparable size. In such an environment, how much foundation funding is directed to nonprofit organizations with a predominantly local focus? In this report, we present the results of the Foundation Center's first-ever examination of locally-focused giving within a specific metropolitan area.¹

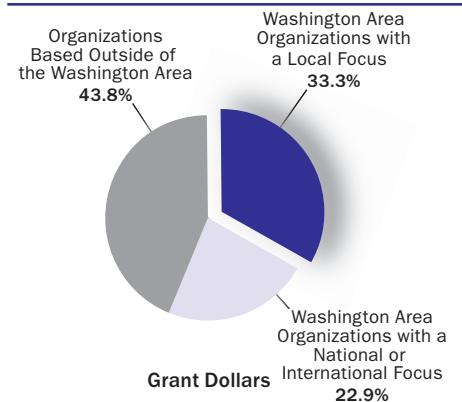
The present study focuses specifically on the grantmaking patterns of foundations in the Washington metropolitan area. We analyzed the giving of 1,191 foundations based in the District of Columbia, suburban Maryland, and northern Virginia to determine what proportion of their grantmaking was targeted to Greater Washington organizations with a predominantly local focus. Collectively,

these foundations awarded more than 24,500 grants in 2006, accounting for nearly \$560 million in giving.² We further analyzed the giving of 26 of the largest foundations in the sample to identify the subject areas in which locally-focused grants were being given. (See Table 6.)

Giving to Locally-Focused Organizations

About a third of the grants awarded by the Greater Washington foundations in our sample went to *locally-focused* organizations based in the Washington metropolitan area (7,926 grants, or 32 percent). Another 17 percent of grants (4,167) went to area organizations with a national or international focus. The remaining 51 percent of grants (12,560) went to organizations based outside of the National Capital Region.

FIGURE 1. Giving by Washington Area Foundations by Location and Focus of Recipients, 2006



Source: The Foundation Center, 2009. Figures based on 2006 giving by 1,191 foundations based in the Washington metropolitan area. Only recipient organizations that received at least \$1,000 in total grants from these 1,191 foundations are included.

By grant dollars received, locally-focused organizations accounted for 33 percent (or nearly \$186 million awarded by the sampled foundations), while area organizations with a national or international focus garnered 23 percent (about \$128 million). (See Figure 1.) The average grant awarded to locally-focused organizations was about \$23,500, while the average grant awarded to organizations with a national or international focus was about \$30,700—31 percent larger than the average grant awarded to locally-focused organizations.³

TABLE 1. Giving by 26 Larger Washington Area Funders, 2006

Type of Recipient	Grant Dollars	%	No. of Grants	%	Average Grant Size
Greater Washington Organizations With a Local Focus	\$114,292,292	33.2	2,531	34.4	\$45,157
Greater Washington Organizations With a National or International Focus	89,014,640	25.9	1,184	16.1	75,181
Nonprofits Based Outside the Greater Washington Area	141,028,739	41.0	3,652	49.6	38,617
Total	\$344,335,671		7,367		\$46,740

Source: The Foundation Center, 2009. Figures based on giving by 26 larger foundations based in the Washington metropolitan area. Only recipients that received at least \$1,000 in total grants from the full set of 1,191 foundations were included.

TABLE 2. Giving by Smaller Washington Area Funders, 2006

Type of Recipient	Grant Dollars	%	No. of Grants	%	Average Grant Size
Greater Washington Organizations With a Local Focus	\$ 71,705,207	33.4	5,395	31.2	\$13,291
Greater Washington Organizations With a National or International Focus	39,109,868	18.2	2,983	17.3	13,111
Nonprofits Based Outside the Greater Washington Area	103,589,626	48.3	8,908	51.5	11,629
Total	\$214,404,701		17,286		\$12,403

Source: The Foundation Center, 2009. Figures based on 2006 giving by 1,165 smaller foundations based in the Washington metropolitan area to recipients that received at least \$1,000 from these foundations. Percentages may not add up due to rounding.

¹In this report, "locally-focused organizations" are those whose programs and activities primarily benefit residents of the Washington metropolitan area. See "Methodology" for details on how these organizations were identified.

²As of 2006, there were 1,608 grantmaking foundations located in the Washington metropolitan area, including seven neighboring counties in Maryland and six counties and four cities in Virginia. Together, these foundations held nearly \$12.7 billion dollars in assets and were responsible for more than \$828 million in grants.

³The size of the average grant awarded to Washington area organizations with a national or international focus drops to \$25,007 if one exceptionally large grant of almost \$24 million is excluded from the totals.

While grants made to recipients outside of the Greater Washington area accounted for a slight majority (51 percent) of all grants awarded by area foundations, they represented just 44 percent of grant dollars (about \$245 million). The average grant awarded to organizations outside of the Washington metropolitan area was about \$19,500, 17 percent smaller than the average grant to locally-focused organizations.

Giving by Foundation Size

One might expect larger foundations to be less likely than smaller ones to award grants to locally-focused organizations, on the assumption that foundations with greater resources might be more likely to tackle issues of national or international scope. But, somewhat surprisingly, the proportion of grants awarded to locally-focused organizations by the 26 largest metropolitan area foundations in the sample (which accounted for 62 percent

of all grant dollars awarded by the 1,191 foundations analyzed) did not differ significantly from the proportion awarded by the 1,165 smaller foundations.⁴

The 26 largest foundations in the sample awarded 34 percent of their grants and 33 percent of grant dollars to locally-focused organizations in the Greater Washington region. In comparison, the 1,165 smaller foundations awarded 31 percent of their grants and an identical 33 percent of their grant dollars to locally-focused organizations in the region.

It should be noted, however, that the single largest metropolitan area foundation in the sample of 26 large foundations was the Community Foundation for the National Capital Region (CFNCR). Grantmaking by the CFNCR accounted for nearly one-fifth (18 percent) of all giving by this group of large foundations. Not surprisingly, it awarded a far larger share of both grants and grant dollars to locally-focused organizations in the region than

did the other 25 large foundations, a group consisting of 15 independent foundations, six family foundations, three corporate foundations, and one grantmaking operating foundation. Excluding CFNCR from the totals, the other 25 large foundations awarded 27 percent of their grants and 30 percent of their grant dollars to locally-focused organizations.

Giving by Subject

To what purposes was the locally-focused giving of regional foundations directed? An analysis of the giving patterns of the 26 largest foundations in the sample shows that by far the highest percentage of grants (45 percent) went to projects with a human services focus, with most of the giving targeting multipurpose human services activities, housing and shelter, and youth

⁴Data for the 26 largest Washington metropolitan area foundations included in this study came from the Foundation Center's grants database, which contains grants information for 800 of the 1,000 largest foundations by total grant dollars in the country and the 15 largest foundations in nearly every state.

Methodology

The findings presented in this report are based on an analysis of 24,653 grants awarded in 2006 by 1,191 foundations located in Washington, DC, and surrounding areas in Maryland and Virginia. For the purposes of this study, the Greater Washington region was defined as Anne Arundel, Calvert, Charles, Frederick, Howard, Montgomery and Prince George's counties in Maryland, as well as Alexandria City, Arlington County, Fairfax County, Fairfax City, Falls Church City, Fauquier County, Manassas City, Prince William County, and Stafford County in Virginia.

Recipients were classified as being in or outside the Greater Washington region based on this geographic definition. Recipients were further classified as "locally-focused" if their programs and activities were determined to primarily benefit residents of the Greater Washington region, as defined above. Organizations had to have a primary but not necessarily exclusive focus on the local community to be identified as locally-focused.

Grants to individuals were excluded from the analyses in this study, as were grants to organizations that received less than \$1,000 from the 1,191 foundations examined.

Through inspection of the 24,653 grants in our sample, we were able to identify a total of 11,418 organizations as recipients of at least \$1,000 in total grants from these Greater Washington foundations—7,983 located outside of the Washington metropolitan area and 3,435 within.

Of the 3,435 Washington area organizations, the primary geographic focus of 2,439 was researched and coded as either local or non-local. In the aggregate, these 2,439 organizations received the vast majority (more than 98 percent) of grant dollars awarded to all Washington area organizations by the foundations included in this study.

For the remaining 996 Washington area recipients in the sample (each of which received between \$1,000 and \$25,000 in total grants), we derived estimates of the proportion of grant dollars that went to those that were locally focused by analyzing a random sample of 159 of these organizations. The margin of error for these estimates was plus or minus 4.2 percent. Since these estimates accounted for such a small proportion of the total grant dollars awarded by the 1,191 foundations in the sample (less than 2 percent), the impact of this margin of error on the overall findings is minuscule.

development. This category accounted for the largest share of grant dollars, as well (33 percent).

Education ranked second in terms of grant dollars awarded to locally-focused recipients (17 percent), followed closely by health and arts and culture (17 percent and 14 percent, respectively). Altogether, the top four subject categories accounted for 82 percent of grant dollars awarded to locally-focused recipients.

In contrast, arts and culture received the highest percentage of grant dollars awarded to regional organizations with a national or international focus (37 percent), but ranked sixth in terms of number of grants (9 percent). This was due to the impact of a single large grant of nearly \$24 million awarded by The Freedom Forum, an operating foundation, to one of its operating programs (the Newseum), which accounted for more than a quarter

(28 percent) of all grant dollars awarded to regional organizations with a national or international focus.

Taking the Newseum grant out of the mix, education received the highest share of grant dollars awarded to regional organizations with a national or international focus (27 percent), followed by human services (16 percent) and the environment (15 percent). Arts and culture would fall to fourth place (13 percent), just ahead of public affairs/society benefit (12 percent).

Final Observations

Because this is the first study of foundation philanthropy to examine the proportion of local foundation giving to locally-focused organizations anywhere in the U.S., there are no existing benchmarks against which to compare the results. Foundations in other

metropolitan areas may award larger or smaller proportions of their grant dollars to locally-focused organizations, but until additional research is conducted we cannot say whether the results of the present study are typical or not.

A final point to keep in mind is that foundation giving patterns vary somewhat from year to year, although general tendencies tend to remain fairly stable over time. In other words, while foundations in the Greater Washington region may have awarded 33 percent of grant dollars to locally-focused organizations in 2006, that figure could be slightly higher or lower in other years, depending upon such things as the impact of extraordinarily large grants in a particular year, as well as changes in grantmaking priorities, the awarding of multi-year grants in particular years, and other factors.

TABLE 3. Giving by 26 Larger Washington Area Foundations to Area Recipients with a Local Focus by Major Subject Categories, 2006

Subject	Grant Dollars	%	No. of Grants	%
Human Services	\$ 37,338,466	33.3	703	44.5
Education	19,400,783	17.3	250	15.8
Health	18,897,022	16.9	134	8.5
Arts and Culture	15,849,054	14.1	246	15.6
Public Affairs/Society Benefit ¹	11,343,146	10.1	162	10.2
Environment and Animals	6,046,782	5.4	49	3.1
Religion	3,009,622	2.7	34	2.2
Science and Technology	125,000	0.1	2	0.1
Other	10,000	0.0	1	0.1
Total	\$112,019,875	100.0	1,581	100.0

Source: The Foundation Center, 2009. Figures based on grants of \$10,000 or more awarded to Greater Washington organizations with a local focus by the 26 largest foundations based in the Washington metropolitan area in 2006.

¹Includes Civil Rights and Social Action, Community Improvement and Development, Philanthropy and Voluntarism, and Public Affairs.

TABLE 4. Giving by 26 Larger Washington Area Foundations to Area Recipients with a National or International Focus by Major Subject Categories, 2006

Subject	Grant Dollars	%	No. of Grants	%
Arts and Culture	\$31,812,959	36.7	66	8.5
Education	16,814,295	19.4	93	11.9
Human Services	9,787,881	11.3	168	21.6
Environment and Animals	9,686,800	11.2	103	13.2
Public Affairs/Society Benefit ¹	7,243,803	8.3	138	17.7
International Affairs, Development, Peace, and Human Rights	6,881,327	7.9	125	16.0
Health	3,405,184	3.9	66	8.5
Religion	500,000	0.6	4	0.5
Social Sciences	305,000	0.4	8	1.0
Science and Technology	292,654	0.3	7	0.9
Other	25,000	0.0	1	0.1
Total	\$86,754,903	100.0	779	100.0

Source: The Foundation Center, 2009. Figures based on grants of \$10,000 or more awarded to Greater Washington organizations with a national or international focus by the 26 largest foundations based in the Washington metropolitan area in 2006.

¹Includes Civil Rights and Social Action, Community Improvement and Development, Philanthropy and Voluntarism, and Public Affairs.

TABLE 5. Top 25 Locally-Focused Recipients of Giving by Washington Area Foundations, 2006

Organization Name	City	State	Dollar Amount	No. of Grants
1 Jewish Federation of Greater Washington	Rockville	MD	\$7,060,956	87
2 Hebrew Home of Greater Washington	Rockville	MD	6,932,300	55
3 Suburban Hospital	Bethesda	MD	5,025,316	14
4 Washington Opera	Washington	DC	4,660,520	44
5 Chesapeake Bay Foundation	Annapolis	MD	3,773,345	36
6 Montgomery Community College Foundation	Rockville	MD	3,636,500	14
7 Northern Virginia Family Service	Oakton	VA	2,511,559	26
8 Elizabeth Seton High School	Bladensburg	MD	2,258,000	5
9 Jewish Day School	Washington	DC	2,250,000	1
10 John F. Kennedy Center for the Performing Arts	Washington	DC	1,978,276	82
11 Saint Albans School	Washington	DC	1,920,550	30
12 Latin American Youth Center	Washington	DC	1,918,338	26
13 Archdiocese of Washington	Washington	DC	1,865,129	20
14 Sidwell Friends School	Washington	DC	1,681,034	25
15 WETA—Greater Washington Educational Telecommunications Association	Arlington	VA	1,637,761	125
16 Mount Vernon Ladies Association	Mount Vernon	VA	1,621,950	20
17 CentroNia	Washington	DC	1,482,339	10
18 District of Columbia Primary Care Association	Washington	DC	1,417,000	6
19 Children's Hospital Foundation	Washington	DC	1,346,125	53
20 Potomac School	McLean	VA	1,334,004	20
21 Washington Regional Association of Grantmakers	Washington	DC	1,291,635	23
22 Boys and Girls Clubs of Greater Washington	Silver Spring	MD	1,234,868	55
23 Heads Up: A University Neighborhood Initiative	Washington	DC	1,127,306	16
24 Mary's Center for Maternal and Child Care	Washington	DC	1,115,467	24
25 See Forever Foundation	Washington	DC	1,113,500	15

Source: The Foundation Center, 2009. Figures based on giving by 1,191 foundations based in the Washington metropolitan area.



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Source for all data:
 The Foundation Center

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 "Giving by Foundations in the National
 Capital Region" is available at
[foundationcenter.org/
 gainknowledge](http://foundationcenter.org/gainknowledge).

Learn more about grantmaking in
 the Greater Washington region at the
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 (202) 331-1400,
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TABLE 6. 26 Larger Washington Area Foundations Analyzed in this Report, 2006

Foundation	State	Type ¹	Assets	Total Giving ²	Fiscal Date
1 Community Foundation for the National Capital Region	DC	CM	\$ 355,962,950	\$ 95,704,049	3/31/2007
2 Fannie Mae Foundation	DC	CS	71,714,426	37,935,448	12/31/2006
3 Ellison Medical Foundation ³	MD	IN	0	29,176,554	12/31/2006
4 Freedom Forum	VA	OP	1,102,246,568	28,276,096	12/31/2006
5 Sherman Fairchild Foundation	MD	IN	566,440,843	23,525,542	12/31/2006
6 J. Willard and Alice S. Marriott Foundation	DC	IN	659,318,682	22,027,920	12/31/2006
7 Public Welfare Foundation	DC	IN	535,898,092	20,037,575	10/31/2006
8 Freddie Mac Foundation	VA	CS	214,833,217	19,671,509	12/31/2006
9 Robert M. Fisher Memorial Foundation	MD	IN	12,806,624	15,977,235	11/30/2006
10 Jack Kent Cooke Foundation	VA	IN	637,795,172	15,759,958	5/31/2006
11 Morris and Gwendolyn Cafritz Foundation	DC	IN	478,121,965	12,762,065	4/30/2006
12 Charles E. Smith Family Foundation	VA	IN	97,749,916	12,260,450	2/28/2006
13 Wyss Foundation	DC	IN	81,473,494	11,717,474	12/31/2006
14 Wallace Global Fund	DC	IN	280,608,684	10,621,748	12/31/2006
15 Gottesman Fund	DC	IN	284,010,239	10,288,996	8/31/2006
16 Eugene B. Casey Foundation	MD	IN	294,420,803	9,961,290	8/31/2006
17 Gannett Foundation	VA	CS	29,493,789	9,176,473	12/31/2006
18 Moriah Fund	DC	IN	172,528,715	8,760,254	12/31/2006
19 Eugene and Agnes E. Meyer Foundation	DC	IN	212,031,850	8,729,449	12/31/2006
20 Keith Campbell Foundation for the Environment	MD	IN	161,940,951	7,761,087	12/31/2006
21 John W. Kluge Foundation	MD	IN	63,361,879	6,594,100	9/30/2006
22 Case Foundation	DC	IN	16,282,031	5,775,632	12/31/2006
23 Wallace Genetic Foundation	DC	IN	111,031,898	5,278,000	12/31/2006
24 Bauman Family Foundation	DC	IN	127,042,727	4,936,500	6/30/2006
25 Naomi and Nehemiah Cohen Foundation	MD	IN	84,337,228	4,644,500	12/31/2006
26 Samberg Family Foundation	VA	IN	92,631,241	4,559,486	11/30/2006
Total			\$6,744,083,984	\$441,919,390	

Source: The Foundation Center, 2009.

¹IN = Independent; CS = Corporate; CM = Community; OP = Operating.

² Includes grants, scholarships, and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses.

³The Ellison Medical Foundation is listed as having no assets because it is a "pass-through" foundation. Such foundations retain few or no assets but instead award grants from yearly or periodic gifts to the foundation.