

# KEY FACTS ON CORPORATE FOUNDATIONS

## Outlook for Corporate Foundation Giving

Giving by the nation's approximately 2,700 grantmaking corporate foundations remained basically unchanged in 2010 at an estimated \$4.7 billion. Grant dollars rose 0.2 percent from 2009,<sup>1</sup> although, adjusted for inflation, corporate foundation giving in fact decreased 1.6 percent in 2010.

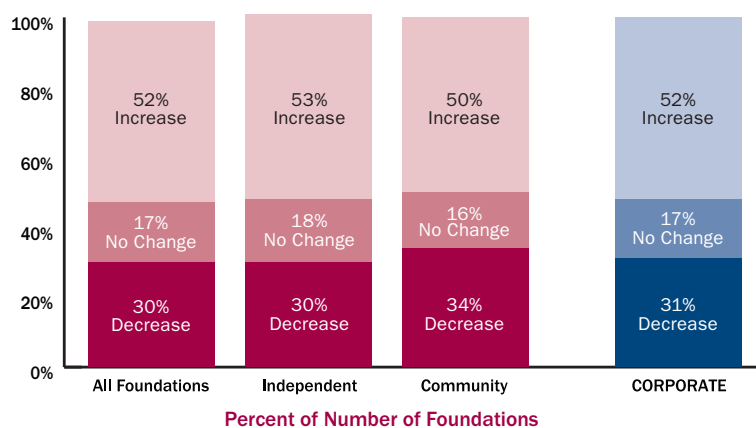
Despite the severity of the economic downturn, and especially its impact on the banking and financial services sector, corporate foundation giving remains at its highest level on record. Similar to other types of foundations, a number of corporate foundations made exceptional efforts to minimize cuts in giving during the economic crisis. A number of corporate foundations build up their endowments during more prosperous years so that they can draw on those resources to stabilize giving during downturns. Productivity gains have also helped the corporate sector to return to profitability more quickly than could have been anticipated at the outset of the financial crisis.

Looking ahead, just over half (52 percent) of corporate foundations responding to the Foundation Center's annual forecasting survey expect to increase their giving in 2011.<sup>2</sup>

<sup>1</sup>Figures exclude giving by corporate operating foundations. For more details see "The Impact of Foundations Established by Pharmaceutical Corporations" on page 5.

<sup>2</sup>For more details see S. Lawrence and R. Mukai, *Foundation Growth and Giving Estimates: Current Outlook*, The Foundation Center, New York, 2011.

## More than half of corporate foundations expect to increase giving in 2011



Note: A total of 1,065 foundations responded to this question, including 797 independent, 178 community, and 90 corporate foundations. Due to rounding, figures may not add up to 100 percent.

**\$4.7 billion**  
Estimated giving by corporate foundations in 2010

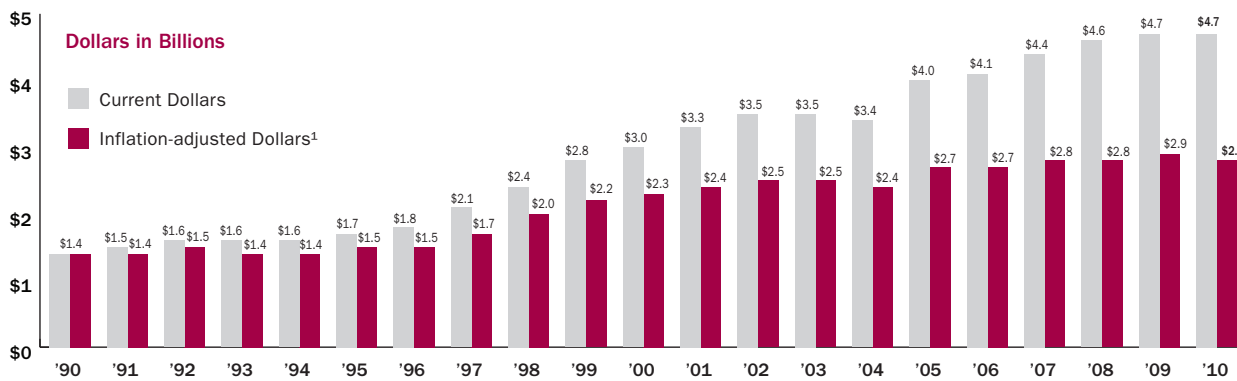
**0.2%**  
Estimated increase in corporate foundation giving between 2009 and 2010

**2,733**  
Number of grantmaking corporate foundations in 2009

**18.7%**  
Share of corporate foundations reporting more than \$1 million in giving in 2009

**10%**  
Corporate foundation giving as a share of all foundation giving in 2009

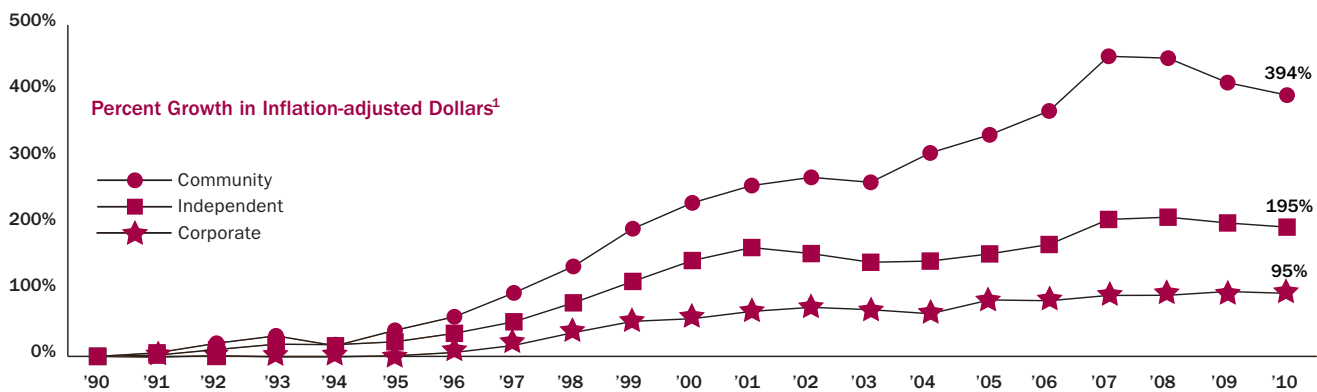
## Inflation-adjusted corporate foundation giving has remained flat in recent years



Note: Figure estimated for 2010. Excludes giving by corporate operating foundations.

<sup>1</sup>Constant 1990 dollars based on annual average Consumer Price Index, all urban consumers (Source: U.S. Department of Labor, Bureau of Labor Statistics, as of February 2011).

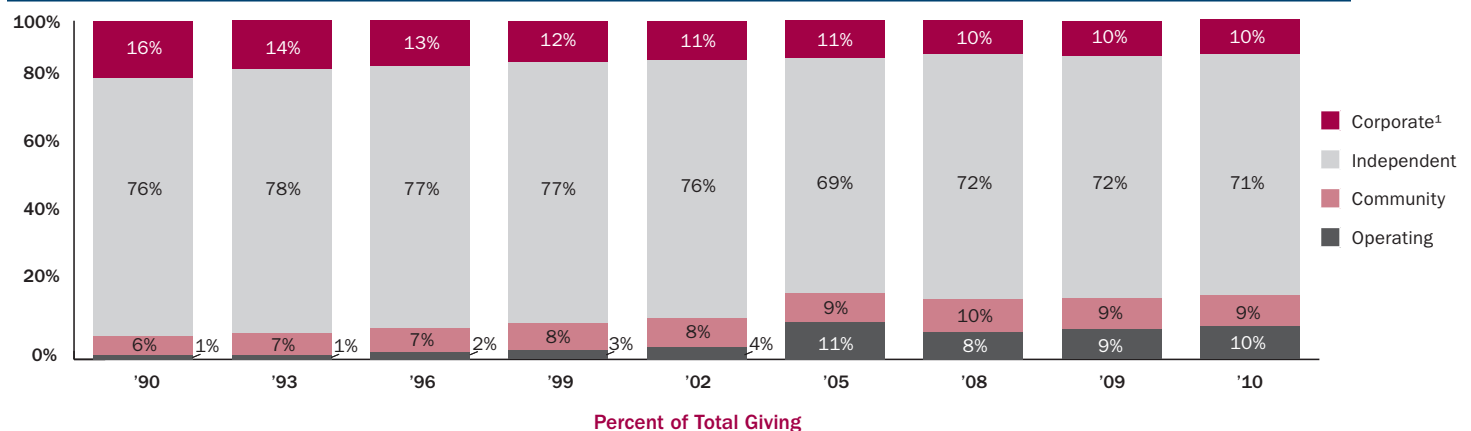
## Accounting for inflation, corporate foundations reported slower cumulative growth in giving than other types of foundations since 1990



Note: Figure estimated for 2010.

<sup>1</sup>Percent change in constant 1990 dollars based on annual average Consumer Price Index, all urban consumers (Source: U.S. Department of Labor, Bureau of Labor Statistics, as of February 2011).

## Corporate foundation giving accounted for one-tenth of all foundation giving in 2010



Note: Figures estimated for 2010; due to rounding, figures may not add up.

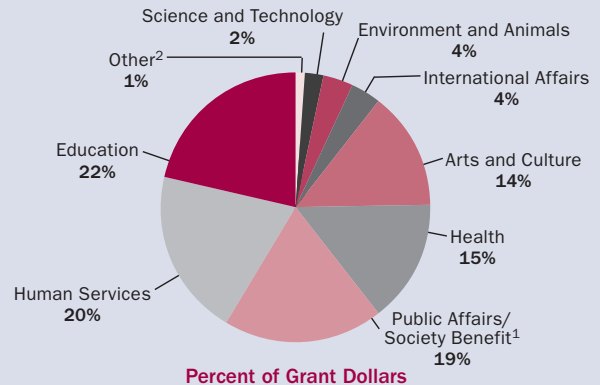
<sup>1</sup>Excludes giving by corporate operating foundations.

## Corporate Foundation Giving Patterns, 2009

Compared to community and independent foundations, the larger corporate foundations included in the Foundation Center's 2009 grants sample<sup>1</sup> were more likely to allocate funding for the arts and public affairs/society benefit. Much of the larger share of support for public affairs/society benefit reflected giving for philanthropy and voluntarism, including federated funds. By types of support, corporate foundations favored program support, followed by general operating support—consistent with giving patterns of independent foundations.

<sup>1</sup>The Foundation Center's 2009 grants sample database includes all grants of \$10,000 or more awarded by 1,384 of the largest U.S. foundations, including 193 corporate foundations. The overall sample accounted for roughly half of grant dollars awarded by the more than 76,000 grantmaking U.S. foundations.

### Education and Human Services were the top priorities of corporate foundations in 2009

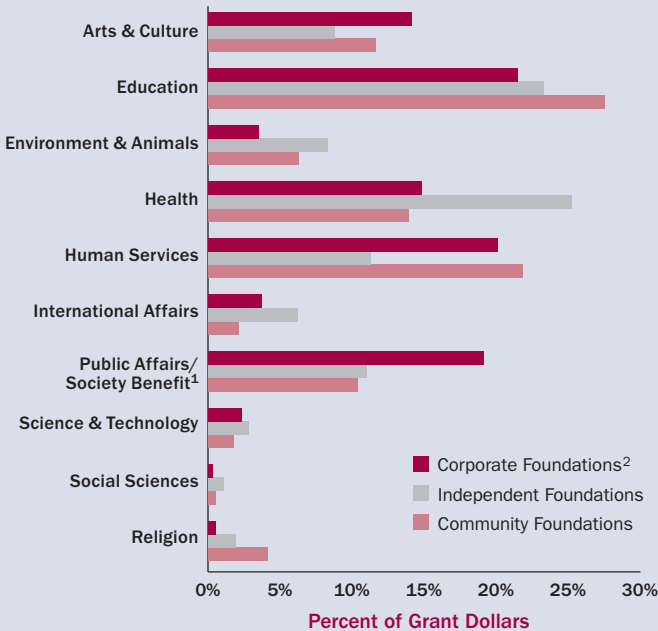


Note: Based on grants of \$10,000 or more awarded by a sample of 193 larger corporate foundations. Excludes giving by corporate operating foundations.

<sup>1</sup>Includes civil rights and social action, community improvement and development, philanthropy and voluntarism, and public affairs.

<sup>2</sup>Includes religion and the social sciences.

### Corporate foundations provided larger shares of funding for arts and culture and public affairs/society benefit than other foundations in 2009

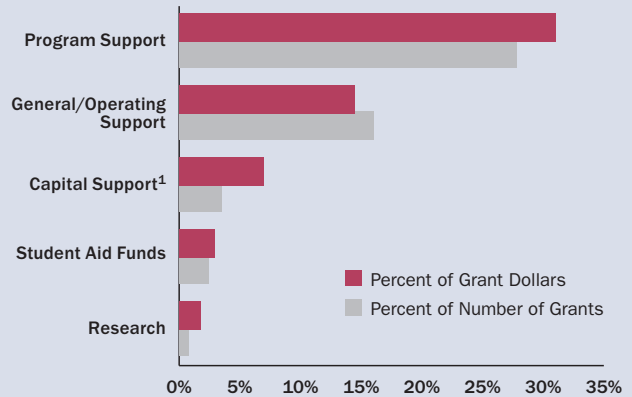


Note: Based on a sample of 1,384 larger foundations, including 193 corporate foundations.

<sup>1</sup>Includes civil rights and social action, community improvement and development, philanthropy and voluntarism, and public affairs.

<sup>2</sup>Excludes giving by corporate operating foundations.

### Nearly half of all corporate grants provided program or operating support in 2009

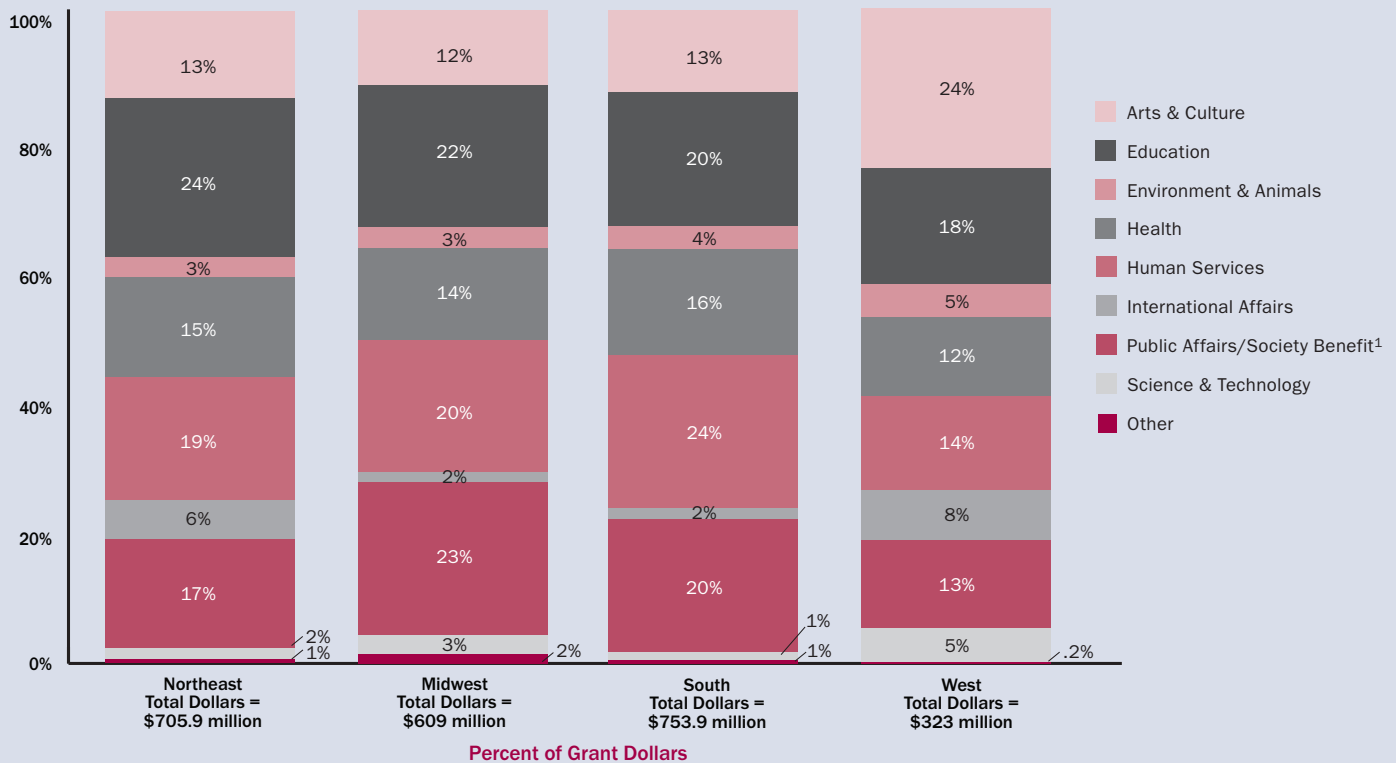


Note: Based on a sample of 193 larger corporate foundations. Nearly half of grant dollars and grants could not be identified by type of support. Excludes giving by operating foundations.

<sup>1</sup>Includes endowment funds.

## Corporate Foundation Giving Patterns, 2009, continued

Education was a top priority of corporate foundations in three of the four major regions in 2009



Note: Based on a sample of 193 larger corporate foundations. Excludes giving by corporate operating foundations.

<sup>1</sup>Includes civil rights and social action, community improvement and development, philanthropy and voluntarism, and public affairs.

<sup>2</sup>Includes religion and the social sciences.

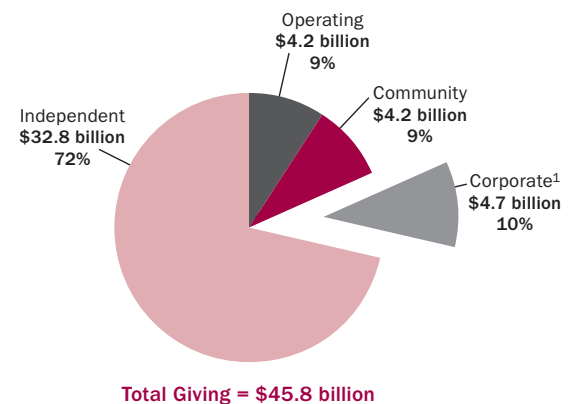
## Summary 2009 Statistics for Corporate Foundations

### Change in Corporate Foundations, 2008 to 2009

	2008	2009	% Change
No. of Foundations	2,745	2,733	-0.4
Total Giving	\$ 4,570,362	\$ 4,690,601	2.6
Total Assets	\$ 20,335,165	\$ 19,298,935	-5.1
Gifts Received	\$ 4,615,135	\$ 3,966,250	-14.1

Note: Dollars in thousands. Excludes giving by corporate operating foundations.

Corporate foundation giving represented about one-tenth of total foundation giving in 2009



Note: Based on total giving by 76,545 grantmaking private and community foundations.

<sup>1</sup>Excludes giving by corporate operating foundations.

## Summary 2009 Statistics for Corporate Foundations, continued

### Top 25 Corporate Foundations by Total Giving, 2009

Foundation	State	Total Giving <sup>1</sup>	Qualifying Distribution <sup>2</sup>	Assets	Fiscal Date
1. Sanofi-Aventis Patient Assistance Foundation	NJ	\$321,376,881	\$321,376,881	\$ 0	12/31/2009
2. Bank of America Charitable Foundation	NC	186,149,230	186,149,230	25,110,853	12/31/2009
3. Novartis Patient Assistance Foundation	NJ	177,195,258	177,195,258	19,844,478	12/31/2009
4. GE Foundation	CT	103,573,293	105,072,677	22,187,320	12/31/2009
5. Wachovia Wells Fargo Foundation	NC	99,435,085	99,435,085	83,546,364	12/31/2009
6. JPMorgan Chase Foundation	NY	77,145,399	77,145,399	77,079,283	12/31/2009
7. ExxonMobil Foundation	TX	73,544,150	73,882,599	61,693,236	12/31/2009
8. Wells Fargo Foundation	CA	68,367,615	68,367,615	314,171,569	12/31/2009
9. Citi Foundation	NY	66,507,524	66,508,299	60,195,428	12/31/2009
10. Verizon Foundation	NJ	56,289,332	65,077,811	241,741,456	12/31/2009
11. Johnson & Johnson Family of Companies Contribution Fund	NJ	49,556,298	49,558,298	8,647,433	12/31/2009
12. Merck Company Foundation	NJ	42,238,719	42,867,239	332,720,965	12/31/2009
13. Coca-Cola Foundation	GA	40,968,382	40,968,382	119,126,648	12/31/2009
14. Intel Foundation	OR	40,481,300	40,590,568	66,657,695	12/31/2009
15. MetLife Foundation	NY	39,465,498	39,465,498	110,366,885	12/31/2009
16. UPS Foundation	GA	38,913,155	38,930,361	1,563,822	12/31/2009
17. AT&T Foundation	TX	38,176,693	38,177,734	68,650,008	12/31/2009
18. BP Foundation	TX	37,210,977	38,411,733	115,121,028	12/31/2009
19. California Physicians' Service Foundation	CA	34,725,931	38,887,152	54,545,476	12/31/2009
20. Abbott Fund	IL	34,202,053	43,580,165	171,252,256	12/31/2009
21. Caterpillar Foundation	IL	31,239,085	31,675,129	32,093,038	12/31/2009
22. Eli Lilly and Company Foundation	IN	30,345,734	30,345,734	68,512,626	12/31/2009
23. Boeing Company Charitable Trust	TX	30,053,296	30,053,296	12,110,504	12/31/2009
24. PNC Foundation	PA	29,694,921	30,632,837	183,609,085	12/31/2009
25. Nationwide Foundation	OH	27,990,598	28,173,159	110,375,913	12/31/2009

Note: The Wal-Mart Foundation (AR) was omitted from the list because updated fiscal information was not available. The foundation's giving in 2008 totaled \$216.6 million. List also excludes corporate operating foundations.

<sup>1</sup>Includes grants, scholarships, and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses.

<sup>2</sup>Qualifying distributions are the expenditures used in calculating the required 5 percent payout; includes total giving, as well as reasonable administrative expenses, set-asides, PRIs, operating program expenses, and amount paid to acquire assets used directly for charitable purposes.

## 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 1992 and 2008, 12 pharmaceutical manufacturers established operating foundations to distribute medicine to patients with financial hardships (primarily within the United States).<sup>1</sup> In addition, one pharmaceutical manufacturer established a non-operating corporate foundation for this purpose in the early 1990s and another in 2008. Together, these

14 “pharmaceutical foundations” provided \$3.7 billion in in-kind support in 2009. 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 noncash 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.

<sup>1</sup>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.

## Corporations' Share of All Private Giving

Individuals account for the vast majority of private giving, followed by independent and community foundations, and then corporations and corporate foundations. Nonetheless, corporations and corporate foundations provide an essential share of support. *Giving USA* estimated overall corporate contributions in 2009, including both foundation and direct corporate giving, at \$13.4 billion. According to the Foundation Center, corporate foundation giving of \$4.7 billion represented 35 percent of all corporate contributions, up from 32 percent in 2008. However, if corporate foundation giving is combined with the in-kind medication giving by operating foundations established by pharmaceutical manufacturers, the 2009 share would rise to nearly 50 percent. (For more details on these grantmakers, see "The Impact of Foundations Established by Pharmaceutical Corporations" on page 5.)

Generally, corporate foundation giving represents cash contributions, while a notable portion of corporate direct giving and giving through operating foundations may reflect in-kind gifts of product. Therefore, if only cash giving were being tracked, corporate foundations would account for a larger share of overall corporate support.

Historically, corporate giving as a share of companies' pre-tax profits—excluding giving by corporate operating foundations—reached a record 2 percent in 1986.

Following that peak, corporate giving fluctuated between 1 and 1.6 percent of pre-tax profits until 2004, when the share had dropped to below 1 percent. As of 2009, the share is back up to 1 percent.

## Summary 2009 Statistics for Corporate Foundations, continued

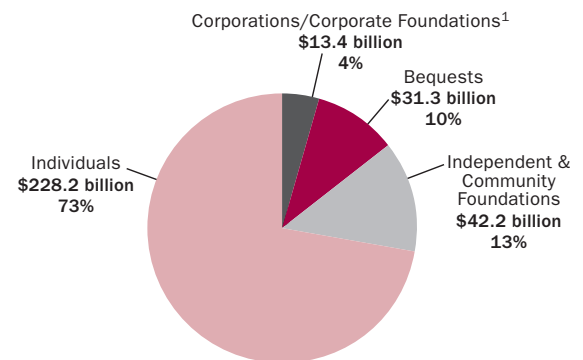
### Companies in banking and finance accounted for the largest share of corporate foundation giving in 2009

Industrial Classification	Number of Foundations	%	Total Giving <sup>1</sup>	%	Average Giving per Foundation
Chemicals	51	1.9	\$ 98,332	2.1	\$ 1,928
Computers/Office Equipment	17	0.6	35,979	0.8	2,116
Food and Agriculture	113	4.1	199,627	4.3	1,767
Industrial and Commercial Machinery	160	5.9	338,424	7.2	2,115
Paper and Like Products	34	1.2	28,241	0.6	831
Petroleum/Gas/Mining	49	1.8	170,680	3.6	3,483
Pharmaceuticals	33	1.2	713,428	15.2	21,619
Primary Metals	39	1.4	32,299	0.7	828
Printing/Publishing/Media	78	2.9	72,304	1.5	927
Textiles and Apparel	74	2.7	51,239	1.1	692
Transportation Equipment	69	2.5	113,997	2.4	1,652
Other Manufacturing	274	10.0	238,955	5.1	872
<b>Total Manufacturing</b>	<b>991</b>	<b>36.2</b>	<b>\$2,093,505</b>	<b>44.6</b>	<b>\$2,113</b>
<b>Banking and Finance</b>	<b>474</b>	<b>17.3</b>	<b>\$1,010,373</b>	<b>21.6</b>	<b>\$2,362</b>
Insurance	160	5.9	455,097	9.7	2,844
Retail and Wholesale Trade	371	13.6	471,693	10.1	1,271
Telecommunication	46	1.7	139,148	3.0	3,025
Transportation	36	1.3	71,399	1.5	1,983
Utilities	101	3.7	176,953	3.8	1,752
Other Services	534	19.5	267,657	5.7	501
<b>Total Nonmanufacturing</b>	<b>1,722</b>	<b>63.0</b>	<b>\$2,592,231</b>	<b>55.4</b>	<b>\$1,505</b>
Unspecified	20	0.7	\$4,777	0.1	\$239
<b>Total</b>	<b>2,773</b>	<b>100.0</b>	<b>\$4,690,601</b>	<b>100.0</b>	<b>\$1,692</b>

Note: Dollars in thousands. Categories are based on the Conference Board's classification of corporations using Standard Industrial Classification codes.

<sup>1</sup>Includes grants, scholarships, and employees matching gifts; excludes set-asides, loans, PRIs, and program expenses.

### Corporate giving accounted for about 4 percent of private philanthropic giving in 2009



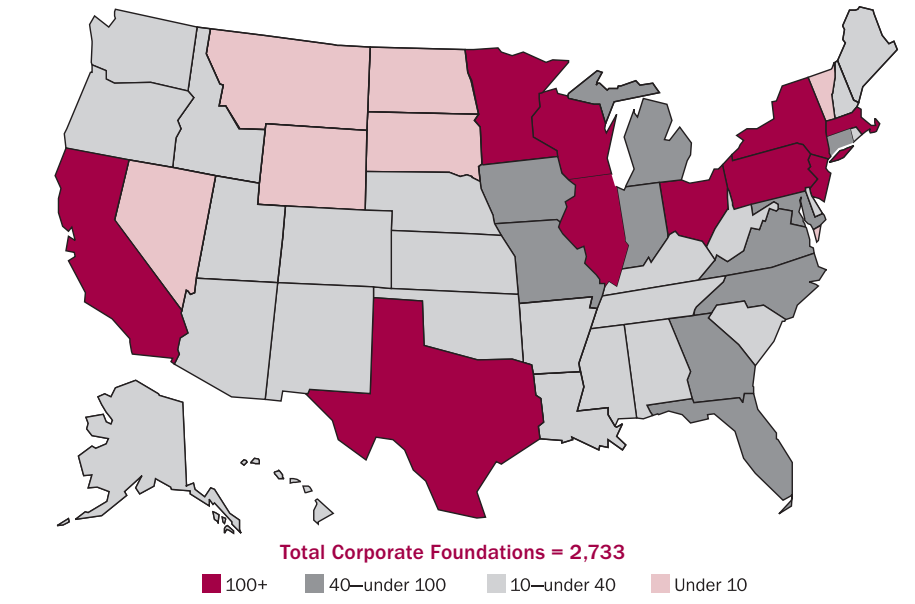
**Total Private Philanthropic Giving = \$315.1 billion**

Note: Based on data from Giving USA Foundation, *Giving USA 2010*, ed. by M. Brown, Indianapolis, IN: Giving USA Foundation, 2010.

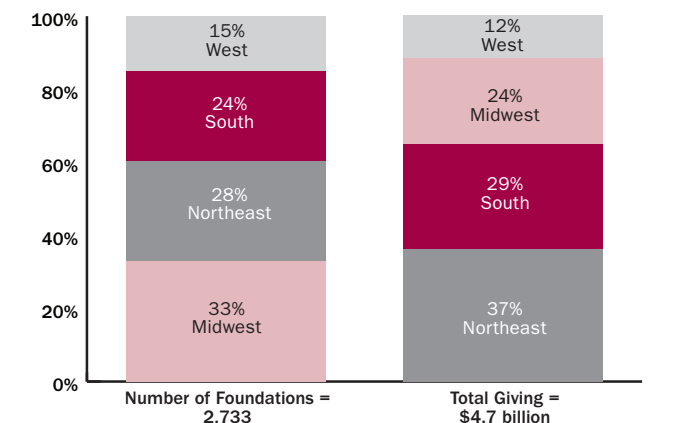
<sup>1</sup>Of total corporate giving for 2009, \$4.7 billion (35%) was paid through corporate foundations.

# Summary 2009 Statistics for Corporate Foundations, continued

## Corporate Foundations by State, 2009

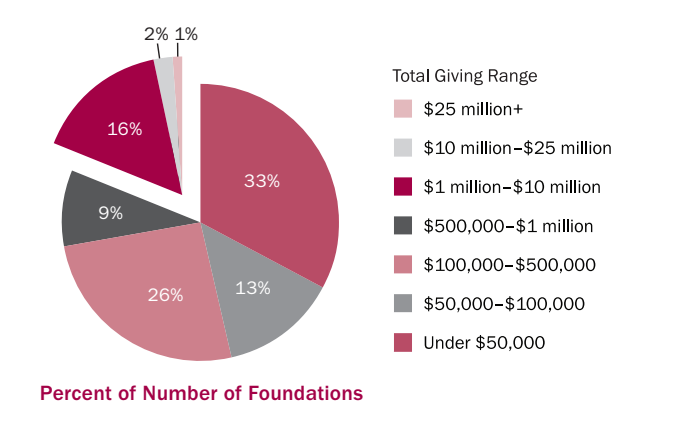


### The Northeast accounted for largest share of corporate foundation giving in 2009



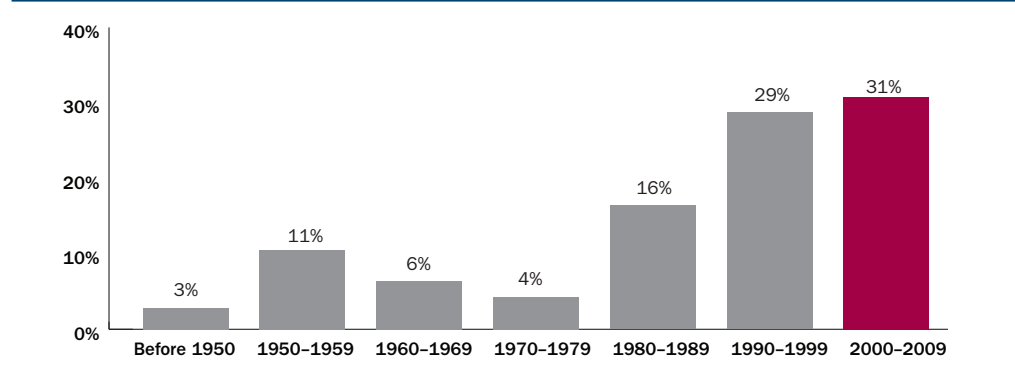
Note: Giving includes grants, scholarships, and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses. Excludes giving by corporate operating foundations.

### Nearly one-fifth of corporate foundations reported more than \$1 million in giving in 2009



Note: Based on total giving by 2,733 grantmaking corporate foundations. Excludes giving by corporate operating foundations.

### Nearly one-third of corporate foundations have been established in the 2000s



Note: Excludes 266 grantmaking corporate foundations that lack establishment information.

<sup>1</sup>Data incomplete for the period 2000–2009.



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**Source for all data:** The Foundation Center

For more information, contact Reina Mukai at the Foundation Center, at (212) 807-2485, or via e-mail at [rkm@foundationcenter.org](mailto:rkm@foundationcenter.org). “Key Facts on Corporate Foundations” is available at [foundationcenter.org](http://foundationcenter.org).