



Highlights of the Foundation Center's *Foundation Giving, 1999 Edition*

Overview of Growth, 1998 and 1997

Funding Climbs Record 22 Percent in 1998, 41 Percent Over Two Years

- Total giving by U.S. grantmaking foundations climbed from \$15.98 billion to an estimated \$19.46 billion between 1997 and 1998. This one-year rise is the largest reported since the Foundation Center began annual record-keeping on all foundations in 1975.
- The 1998 increase surpassed a 15.5 percent increase in giving from 1996 to 1997, the fourth largest gain ever reported. Since 1996, grants have climbed 41 percent, or roughly \$5.6 billion. They have more than doubled since 1990.
- Low inflation has enhanced the real value of grants in the late 1990s. Giving outpaced inflation by 20 percent in 1998 and 13 percent in 1997. Inflation took a bigger bite out of grants in the mid-1980s, another period of record growth.
- Skyrocketing gains in stock values beginning in 1995 and continuing into 1998 were the principal cause for record-setting giving in the latest two years. Endowment values soared to \$329.9 billion in 1997, rising 23 percent. Other factors included unprecedented levels of donor gifts and bequests to foundations—\$15.8 billion in 1997 and \$16.0 billion in 1996—and a jump in new foundation creation.

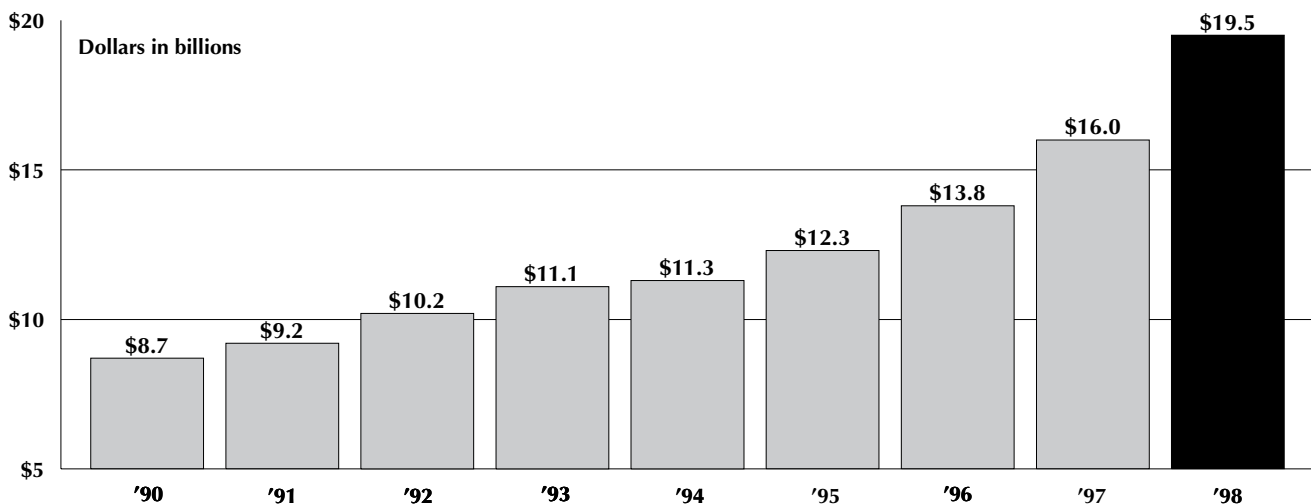
For more information on this report, contact Steven Lawrence, Director of Research, at 212-620-4230, or e-mail, sal@fdncenter.org. Foundation Giving "Highlights" are also available at <http://www.fdncenter.org>.

Independent Foundations

Giving by Independent Foundations Climbs Nearly 25 Percent; Gains Mirror 1997 Asset Growth

- Total giving by independent foundations, including family foundations, shot up an estimated 24.5 percent in 1998 on top of a 15.5 percent gain in 1997, making these the two strongest consecutive years on record.
- Independent foundations gave an estimated \$15.4 billion in grants in 1998, up \$3 billion from 1997 and \$4.7 billion from 1996.
- This surge in giving followed a 25 percent jump in the value of independent foundation assets, from \$226.6 billion in 1996 to \$282.6 billion in 1997. Independent and corporate foundations must pay out at least 5 percent of the value of their investments in the preceding year. (Foundations can average out these disbursements over several years.) In 1998, estimated giving represented 5.5 percent of independent foundation assets at the close of 1997. This share also matched the ratio of 1997 grants to 1996 assets.
- The Lilly Endowment outranked all independent foundations by size of growth. Lilly's assets—composed mainly of shares of Eli Lilly and Company, soared by nearly \$4.6 billion in 1997, up two-thirds, while grants grew by nearly \$86 million (more than one-half). Close behind Lilly, grants by the David and Lucile Packard Foundation jumped by \$70 million, a 68 percent rise. Packard's endowment grew by \$1.6 billion in 1997 on top of \$5 billion growth in 1996, mainly through bequests from the founder.

Foundation giving grew by more than \$3 billion in 1998*



Source: *Foundation Giving, 1999*.

*Figures estimated for 1998.

Corporate Foundations

Corporate Foundation Giving Realizes Highest Gains Since Mid-1980s

- Total giving by corporate foundations grew by an estimated 14.8 percent in 1998, exceeding 1997's 12.5 percent increase. Not since the mid-1980s has corporate giving climbed this rapidly.
- Corporate foundations contributed an estimated \$2.37 billion, up from \$2.07 billion in 1997. Over a two-year period, grants rose more than \$500 million.
- Corporate foundation grants represented one-quarter of overall 1997 corporate contributions, estimated at \$8.2 billion.
- Assets of corporate foundations realized 15 percent gains in 1997, spurring higher levels of 1998 giving. Propelled by a strong economy and the bull market, assets climbed from \$9.5 billion to \$10.9 billion between 1996 and 1997. These foundation endowments help companies to sustain grant-making levels during periods of slumping profits.
- Gifts into foundations from their companies (pay-in) remained high. Gifts totaled nearly \$1.9 billion in 1997, down slightly from a record \$2.2 billion in 1996. Pay-in fell short of payout, but the margin was small. Moreover, more companies made large gifts to their foundations.
- Prospects for future giving were also buoyed by a continued strong economy and an unexpected rise in new formation. For the first time, the number of corporate foundations exceeded 2,000.

Foundation Profile, 1996 to 1997*

| | 1996 | 1997 | % change |
|------------------------------------|-----------|-----------|----------|
| All Foundations¹ | | | |
| No. of Foundations: | 41,588 | 44,146 | 6.2 |
| Total Grants: | \$ 13,836 | \$ 15,985 | 15.5 |
| Total Assets: | \$267,581 | \$329,910 | 23.3 |
| Gifts Received: | \$ 16,019 | \$ 15,833 | -1.2 |
| Independent | | | |
| No. of Foundations: | 36,885 | 39,248 | 6.4 |
| Total Grants: | \$ 10,714 | \$ 12,375 | 15.5 |
| Total Assets: | \$226,574 | \$282,618 | 24.7 |
| Gifts Received: | \$ 11,374 | \$ 11,013 | -3.2 |
| Corporate | | | |
| No. of Foundations: | 1,969 | 2,029 | 3.0 |
| Total Grants: | \$ 1,835 | \$ 2,066 | 12.6 |
| Total Assets: | \$ 9,459 | \$ 10,887 | 15.1 |
| Gifts Received: | \$ 2,150 | \$ 1,872 | -12.9 |
| Community | | | |
| No. of Foundations: | 411 | 403 | -1.9 |
| Total Grants: | \$ 951 | \$ 1,192 | 25.3 |
| Total Assets: | \$ 15,858 | \$ 19,700 | 24.2 |
| Gifts Received: | \$ 1,829 | \$ 2,224 | 21.5 |

Source: *Foundation Giving*, 1999.

*Dollars in millions. Percent change represents current dollars.

¹All Foundations figures include 2,323 grantmaking operating foundations for 1996 and 2,466 for 1997.

Community Foundations

Giving by Community Foundations Soars 24 Percent, Nearly Matching 1997 Growth

- Total giving by community foundations continued to set records. Support in 1998 jumped 24 percent, nearly matching a 25 percent rise in 1997.
- Community foundation grants soared to a projected \$1.48 billion in 1998, up from \$1.19 billion in 1997 and \$951 million in 1996. Over two years, grants grew by nearly half a billion dollars.
- Assets of community foundations leaped 24 percent in 1997 on top of a spectacular 28 percent rise in 1996. Fueled by the booming stock market and continued pacesetting growth in new gifts from donors, community foundation assets soared to \$19.7 billion, a one-year rise of nearly \$4 billion.
- Gifts and bequests from donors climbed a robust 21 percent in 1997 but fell short of 1996's record 36.5 percent rise. Over two years, annual gifts jumped from \$1.3 billion to \$2.2 billion. Even though the rise in the amount of new gifts slowed in 1997, more foundations received large gifts. Fifty-two community funds received at least \$10 million in gifts, up from 40 in 1996. Some of the fastest growing funds were located West of the Mississippi in Omaha, Kansas City, and Oklahoma City.

Giving grew by more than one-sixth among top 25 funders by grants*

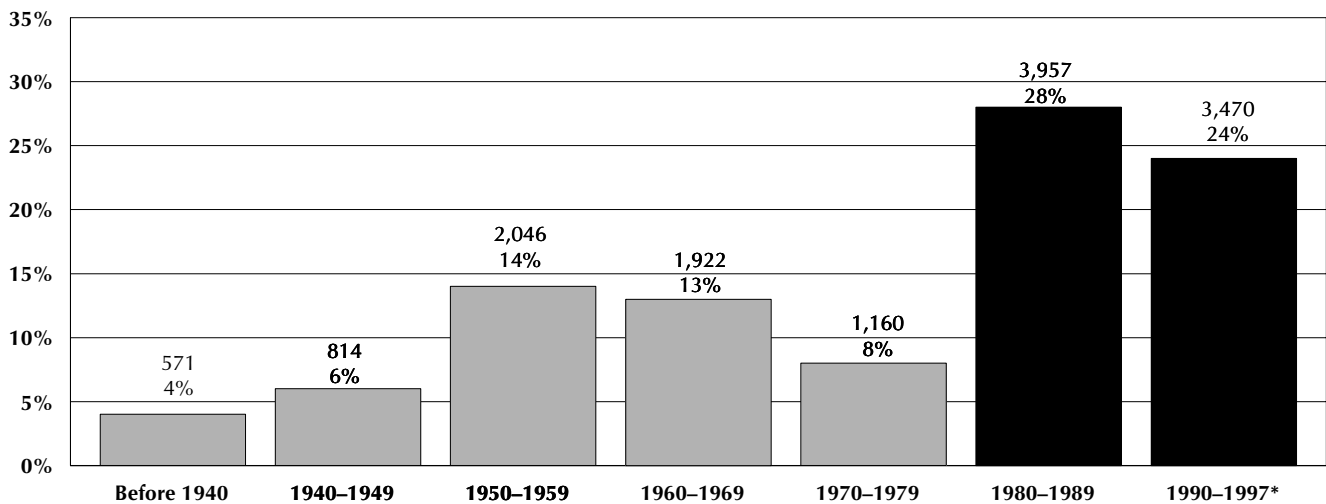
| Foundation | Grants ¹ '96 | Grants ¹ '97 | % Change | Rank '96 |
|--|----------------------------|----------------------------|-------------|-------------|
| 1. Ford Foundation | \$ 332,412 | \$ 390,559 | 17.5 | 1 |
| 2. W. K. Kellogg Foundation | 255,260 | 308,461 | 20.8 | 2 |
| 3. Lilly Endowment | 168,323 | 254,113 | 51.0 | 6 |
| 4. Robert Wood Johnson Foundation | 229,275 | 241,544 | 5.4 | 4 |
| 5. Pew Charitable Trusts | 175,059 | 211,880 | 21.0 | 5 |
| 6. David and Lucile Packard Foundation | 102,779 | 173,074 | 68.4 | 9 |
| 7. John D. and Catherine T. MacArthur Foundation | 137,291 | 156,977 | 14.3 | 7 |
| 8. Andrew W. Mellon Foundation | 113,698 | 118,541 | 4.3 | 8 |
| 9. Annenberg Foundation | 97,190 | 105,218 | 8.3 | 10 |
| 10. Rockefeller Foundation | 85,050 | 99,263 | 16.7 | 13 |
| 11. Open Society Institute | 94,535 | 96,842 | 2.4 | 11 |
| 12. New York Community Trust | 83,863 | 87,804 | 4.7 | 14 |
| 13. Annie E. Casey Foundation | 71,314 | 81,730 | 14.6 | 18 |
| 14. Charles Stewart Mott Foundation | 66,930 | 77,539 | 15.9 | 21 |
| 15. McKnight Foundation | 68,339 | 76,198 | 11.5 | 20 |
| 16. Starr Foundation | 51,630 | 74,932 | 45.1 | 26 |
| 17. Kresge Foundation | 77,145 | 72,160 | -6.5 | 15 |
| 18. California Endowment | 57,990 | 68,550 | 18.2 | 23 |
| 19. Carnegie Corporation of New York | 60,453 | 68,316 | 13.0 | 22 |
| 20. Greater Kansas City Community Foundation and Affiliated Trusts | 32,027 | 66,789 | 108.5 | 47 |
| 21. Harry and Jeanette Weinberg Foundation | 56,999 | 58,895 | 3.3 | 24 |
| 22. W. M. Keck Foundation | 33,126 | 54,748 | 65.3 | 44 |
| 23. Houston Foundation | 45,435 | 53,217 | 17.1 | 29 |
| 24. Duke Endowment | 72,953 | 52,488 | -28.1 | 16 |
| 25. Richard King Mellon Foundation | 53,362 | 52,322 | -1.9 | 25 |
| Total | \$2,622,438 | \$3,102,160 | 18.3 | |

Source: *Foundation Giving*, 1999.

*Dollars in thousands.

¹Grants include all charitable contributions except loans and program expenses. For some operating foundations, program expenses are included.

More than half of larger foundations were established since 1980



Source: *Foundation Giving*, 1999.

Note: Based on Foundation Center survey of 14,395 grantmaking foundations with assets of at least \$1 million or making grants of \$100,000 or more in 1996-1997. Establishment data was not available for 455 foundations. The number above each bar indicates the number of foundations formed in that period and still active in 1996-1997.

*Data incomplete for the period 1990-1997.

Endowments grew by more than one-sixth among top 25 foundations by assets*

| Foundation | Assets '96 | Assets '97 | % Change | Rank '96 |
|--|---------------------|---------------------|-------------|----------|
| 1. Lilly Endowment | \$6,806,948 | \$11,459,588 | 68.4 | 5 |
| 2. Ford Foundation | 8,177,480 | 9,597,908 | 17.4 | 1 |
| 3. David and Lucile Packard Foundation | 7,386,414 | 8,991,300 | 21.7 | 3 |
| 4. J. Paul Getty Trust | 7,160,384 | 7,389,565 | 3.2 | 4 |
| 5. Robert Wood Johnson Foundation | 5,595,821 | 6,734,918 | 20.4 | 6 |
| 6. W. K. Kellogg Foundation | 7,588,408 | 5,396,645 | -28.9 | 2 |
| 7. Pew Charitable Trusts | 4,031,999 | 4,522,481 | 12.2 | 7 |
| 8. John D. and Catherine T. MacArthur Foundation | 3,423,715 | 4,030,140 | 17.7 | 8 |
| 9. Robert W. Woodruff Foundation | 2,957,943 | 3,680,537 | 24.4 | 9 |
| 10. Annenberg Foundation | 2,584,406 | 3,349,145 | 29.6 | 12 |
| 11. Rockefeller Foundation | 2,738,774 | 3,094,766 | 13.0 | 10 |
| 12. Andrew W. Mellon Foundation | 2,714,725 | 3,080,437 | 13.5 | 11 |
| 13. Starr Foundation | 1,659,252 | 2,541,596 | 53.2 | 16 |
| 14. Kresge Foundation | 1,881,619 | 2,102,977 | 11.8 | 13 |
| 15. Duke Endowment | 1,729,067 | 1,980,446 | 14.5 | 14 |
| 16. Charles Stewart Mott Foundation | 1,674,871 | 1,963,825 | 17.3 | 15 |
| 17. Harry and Jeanette Weinberg Foundation | 1,239,529 | 1,845,127 | 48.9 | 26 |
| 18. William and Flora Hewlett Foundation | 1,453,340 | 1,766,610 | 21.6 | 19 |
| 19. California Endowment | 1,296,957 | 1,759,534 | 35.7 | 23 |
| 20. McKnight Foundation | 1,501,041 | 1,709,868 | 13.9 | 18 |
| 21. Ewing Marion Kauffman Foundation | 1,600,356 | 1,649,994 | 3.1 | 17 |
| 22. New York Community Trust | 1,385,229 | 1,588,175 | 14.7 | 20 |
| 23. Carnegie Corporation of New York | 1,328,890 | 1,543,372 | 16.1 | 22 |
| 24. Richard King Mellon Foundation | 1,379,783 | 1,531,329 | 11.0 | 21 |
| 25. Robert R. McCormick Tribune Foundation | 978,600 | 1,467,807 | 50.0 | 33 |
| Total | \$80,275,551 | \$94,778,090 | 18.1 | |

Source: *Foundation Giving*, 1999.

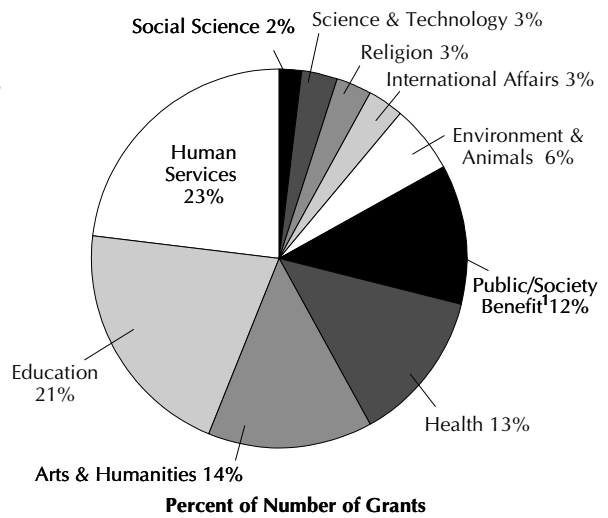
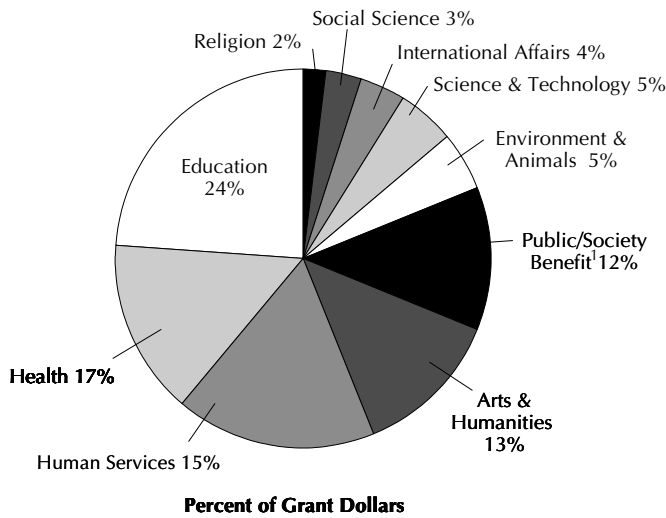
*Dollars in thousands.

Foundation Development

Foundation Formation Accelerates in Mid-1990s; Universe Doubles Since 1980

- New and recently established foundations represent a strong force in philanthropy. Since 1980, the number of grantmaking foundations has doubled—from roughly 22,000 to 44,000.
- Among the 14,000+ largest foundations, more than half (52 percent) were formed in the 1980s and 1990s. The Foundation Center now predicts that the 1990s will surpass the 1980s in terms of number of foundation births.
- In 1997, the number of active grantmakers grew by 6 percent, the largest one-year rise since 1992. More than 3,000 foundations initiated or resumed giving during the latest reporting period, while fewer than 500 ceased activity.
- Newly active foundations contributed nearly \$320 million in grants and added an impressive \$5.8 billion to foundation endowments.
- The most prominent new funder was the New York-based Doris Duke Charitable Foundation, formed in 1996 through a \$949 million bequest from philanthropist Doris Duke. In 1997, its initial year of grantmaking, the foundation appropriated more than \$22 million in grants and paid out nearly \$8 million. After receiving an additional bequest in 1997, Doris Duke ranked among the top 30 foundations by size of endowment.

Education ranked first by grant dollars in 1997; Human Services led in grants



Source: *Foundation Giving*, 1999. Based on a sample of 1,016 larger foundations.

¹Includes civil rights and social action, community improvement, philanthropy and voluntarism, and public affairs.

Trends in Giving, 1997

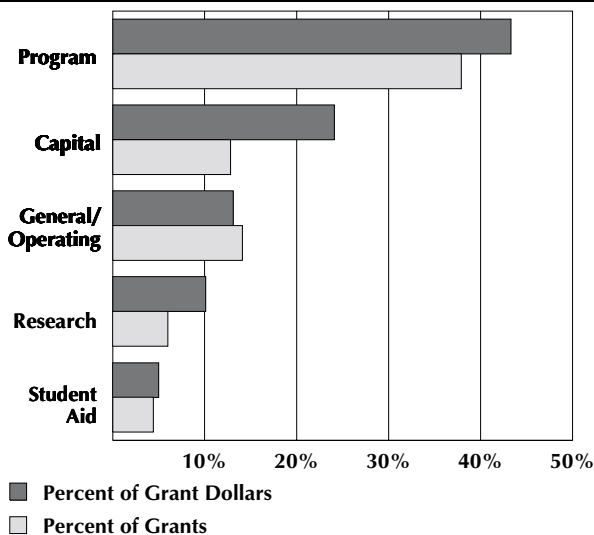
Foundation Giving also includes trends information derived from an analysis of more than 86,000 grants of \$10,000 or more made by 1,016 funders, including 800 of the 1,000 largest by grants. Among key findings:

- In 1997, giving by sampled foundations totaled \$7.9 billion, accounting for half of all grant dollars awarded by the more than 44,000 active grantmaking foundations. The number of grants awarded jumped by one-tenth (10.1 percent), from 78,296 in 1996 to 86,203 in the latest year.
- Foundations made 76 grants of at least \$5 million in 1997, a new high. Moreover, foundations gave a record 226 grants of \$2.5 million or more, up from 193 grants last year.

ORDERING INFORMATION

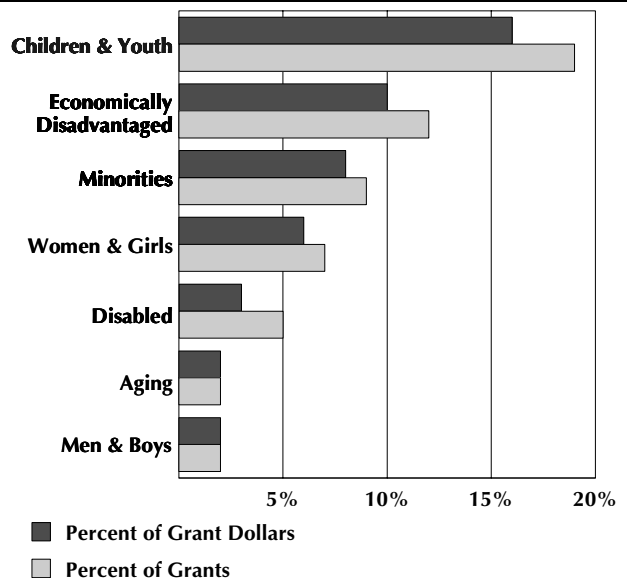
Orders for *Foundation Giving: Yearbook of Facts and Figures on Private, Corporate and Community Foundations*, 1999 Edition, may be charged with Visa, MasterCard, or Amex by calling our toll-free number, 800-424-9836 (in New York, call 212-807-3690); by using our on-line order form at <http://www.fdncenter.org>; or by mailing orders to the Foundation Center, Dept. NW32, 79 Fifth Avenue, New York, NY 10003-3076. Prepayment of \$24.95 plus \$4.50 shipping and handling is required. Discounts are available for multiple-copy orders. Please call 800-424-9836 for details. The report will be released in July 1999.

More than two out of five grant dollars provided project support in 1997*



Source: *Foundation Giving*, 1999. Based on a sample of 1,016 larger foundations. *Chart includes types of support representing at least 4 percent of grant dollars. Capital support includes endowment funds.

Children & youth claimed the largest share of funding for named groups in 1997*



Source: *Foundation Giving*, 1999. Based on a sample of 1,016 larger foundations. *Chart includes selected beneficiaries representing at least 2 percent of grants. Grants may benefit multiple population groups.