

An uninterrupted boom in U.S. investment markets, exceptionally large new gifts into foundations, and a pronounced increase in the number of foundations have helped to double foundation endowments since 1994. As a result, giving has experienced double-digit growth for four years, with a record increase reported for 1998 and continued strong growth predicted for 1999. Since 1975, foundations in the West and South have experienced the fastest rate of growth in giving and assets, while grantmakers in the Northeast have realized the biggest gains in actual dollars. By foundation type, corporate foundations are expected to surpass other foundation types by rate of estimated growth in 1999 giving.

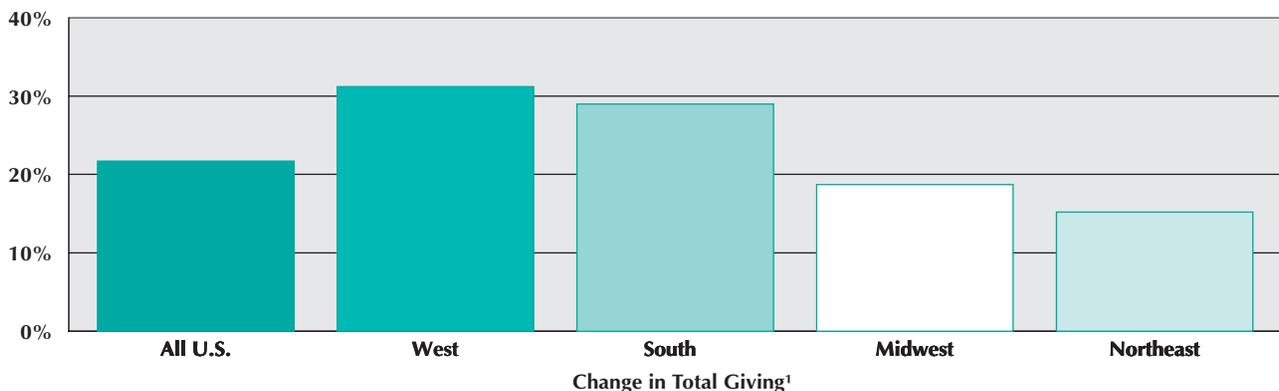
Foundation Yearbook, 2000 Edition, documents the growth in number, giving, and assets of all active U.S. foundations from 1975 through 1998. The report provides comparisons of foundation activities by foundation size; breakdowns of foundation resources by geographic location and grantmaker type; and 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 1999 are based on survey figures reported by 1,300 large and mid-size foundations combined with year-end fiscal indicators.

Foundation Giving and Growth

- Giving by the nation's nearly 47,000 grantmaking foundations increased an estimated 17.2 percent in 1999, following a record 21.7 percent jump in 1998
- Foundation giving reached an estimated \$22.8 billion in 1999, up from \$19.5 billion in 1998
- Funding by the top 25 foundations climbed 28.2 percent in 1998, surpassing foundations overall
- Assets of all active U.S. foundations rose to \$385.1 billion in 1998, up 16.7 percent from the prior year
- Growth in the endowments of the top 25 foundations totaled 15.8 percent in the latest year, falling slightly behind overall increases and far behind growth in giving
- Gifts and bequests from donors to foundations jumped a record 42.6 percent in 1998 to \$22.6 billion
- 1998 gifts included the largest single annual gift to a foundation—\$4.8 billion from Bill Gates to the Bill & Melinda Gates Foundation
- 585 foundations received at least \$5 million in bequests and gifts, up by one-fifth from 1997

The West and South experienced the fastest growth in foundation giving between 1997 and 1998



Source: *Foundation Yearbook*, 2000.

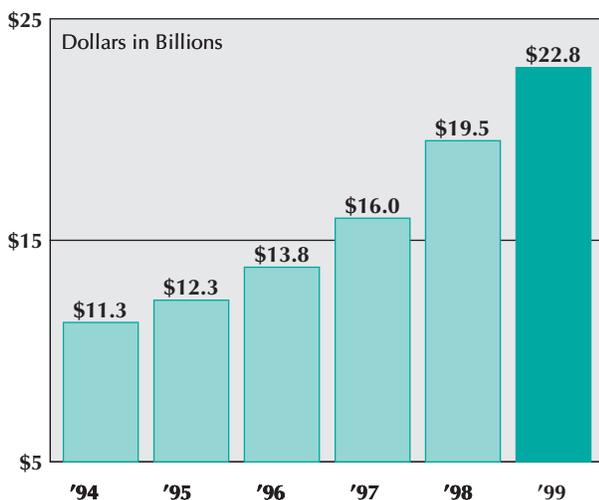
¹Percent change based on unadjusted dollars.

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

Foundations by Region and State

- South experienced fastest rate of growth in number of active foundations in 1998
- Northeast reported largest gain in actual number of foundations since 1975
- West experienced fastest rate of growth in giving in latest year and since 1975
- South realized largest increase in actual grant dollars in 1998
- Led by Gates Foundation, West ranked first in rate of asset growth and actual dollar gains in 1998
- West poised to surpass South and Midwest in share of all U.S. foundations' assets
- Idaho and New Mexico experienced fastest rate of growth in 1998 giving
- New York and California led in actual grant dollar gains in latest year
- New York foundations ranked first by overall giving and by giving as a percentage of Gross State Product; funders in the state ranked second based on giving per capita
- The District of Columbia ranked first based on giving per capita—due to its relatively small population and the presence of a few large national and international funders—followed by New York and Delaware
- Funders in the top ten states by foundation giving provided two-thirds of 1998 grant dollars

Foundation giving has more than doubled since 1994*



Source: *Foundation Yearbook*, 2000.

*Figures estimated for 1999. All figures based on unadjusted dollars.

- Washington State ranked first by rate of growth in foundation assets in 1998 and second by increase in actual dollars
- New York surpassed all states in actual 1998 asset dollar gains
- Independent foundations accounted for the highest share of giving in all regions
- Corporate foundations provided larger share of giving in the Midwest than in other regions; community foundations in the West led by share of giving

Giving and Growth of Independent, Corporate, and Community Foundations

- Giving by independent foundations grew an estimated 17.3 percent in 1999, following a 20.7 percent actual gain in 1998
- Independent foundation assets grew nearly 16 percent in 1998; gifts received surged by nearly 48 percent

Foundation Profile, 1997 to 1998*

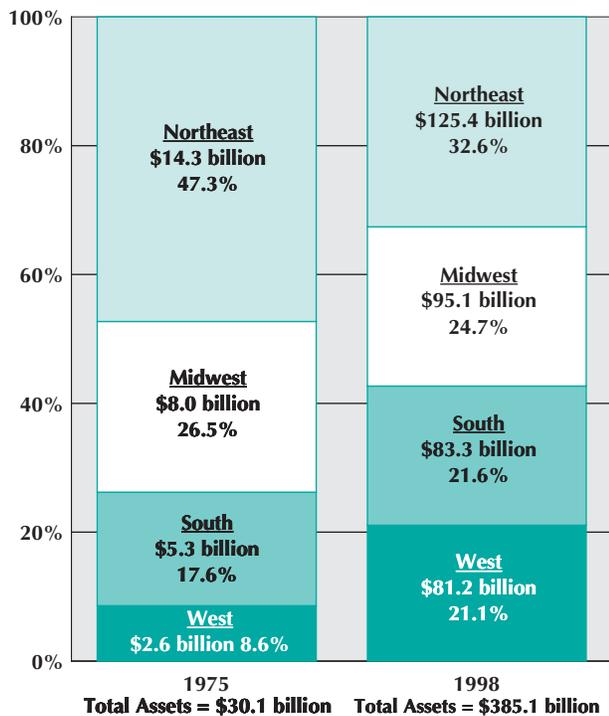
	1997	1998	% Change
All Foundations			
No. of Foundations:	41,146	46,832	6.1
Total Giving:	\$ 15,985	\$ 19,457	21.7
Total Assets:	\$329,910	\$385,052	16.7
Gifts Received:	\$ 15,833	\$ 22,574	42.6
Independent			
No. of Foundations:	39,248	41,751	6.4
Total Giving:	\$ 12,375	\$ 14,934	20.7
Total Assets:	\$282,618	\$326,949	15.7
Gifts Received:	\$ 11,013	\$ 16,270	47.7
Corporate			
No. of Foundations:	2,029	2,022	-0.3
Total Giving:	\$ 2,066	\$ 2,446	18.4
Total Assets:	\$ 10,886	\$ 13,109	20.4
Gifts Received:	\$ 1,873	\$ 2,654	41.7
Community			
No. of Foundations:	403	437	8.4
Total Giving:	\$ 1,192	\$ 1,458	22.3
Total Assets:	\$ 19,699	\$ 22,955	16.5
Gifts Received:	\$ 2,224	\$ 2,582	16.1
Operating			
No. of Foundations:	2,466	2,622	6.3
Total Giving:	\$ 351	\$ 619	76.3
Total Assets:	\$ 16,705	\$ 22,039	31.9
Gifts Received:	\$ 724	\$ 1,068	47.4

Source: *Foundation Yearbook*, 2000.

*Dollars in millions. Percent change represents current dollars. Includes only foundations that awarded grants in the latest fiscal year.

- 41 active private health care conversion foundations, a subset of independent foundations, held assets of nearly \$6.2 billion in 1998 and gave \$247.4 million
- Corporate foundation giving surged an estimated 22.2 percent in 1999, surpassing 1998's record 18.4 percent gain
- Assets of corporate foundations increased a record 20.4 percent in 1998
- Gifts from companies to their foundations jumped a record 41.7 percent
- Pay-in by companies to their foundations exceeded payout in the latest year, contributing to growth in corporate foundation endowments
- Giving by community foundations rose an estimated 14.9 percent in 1999, following an actual 22.3 percent increase in 1998
- Community foundations' assets grew 16.5 percent in the latest year, the fourth consecutive year of double-digit growth

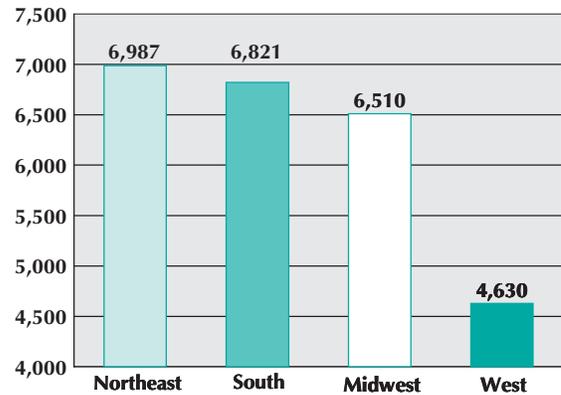
The West and South increased their shares of foundation assets between 1975 and 1998*



Source: *Foundation Yearbook*, 2000.

*Figures based on unadjusted dollars. Excludes assets of foundations based in the Caribbean, which accounted for 0.0 percent of total foundation assets in 1975 and 1998.

The Northeast reported largest increase in number of active grantmakers between 1975 and 1998*



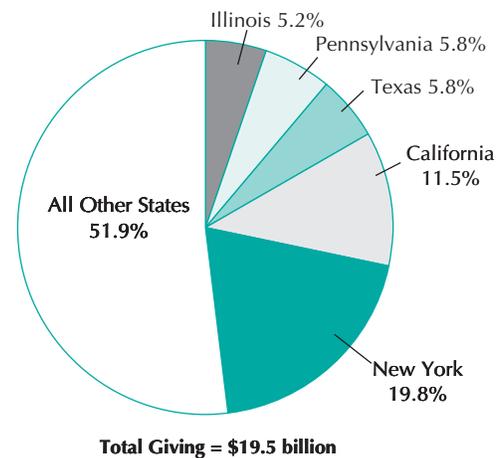
Source: *Foundation Yearbook*, 2000.

*Overall, the Northeast reported 15,506 active foundations in 1998, followed by the Midwest (12,525), South (11,412), and West (7,382).

Foundation Development

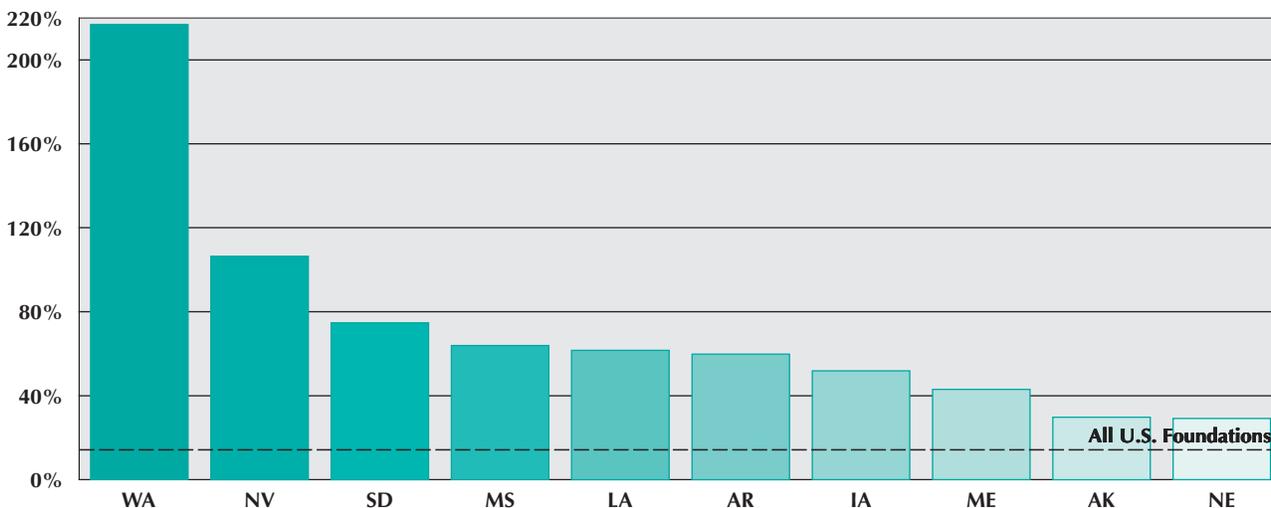
- Number of active foundations increased by more than 5,200 in latest two-year period; overall number has doubled since 1982
- Annual rate of growth remained above 6 percent for second consecutive year—double the rate of the early 1990s
- Close to three-fifths of larger foundations were formed in 1980s and 90s
- 1990s surpassed 1980s in larger foundation creation

Foundations in five states accounted for nearly half of 1998 giving



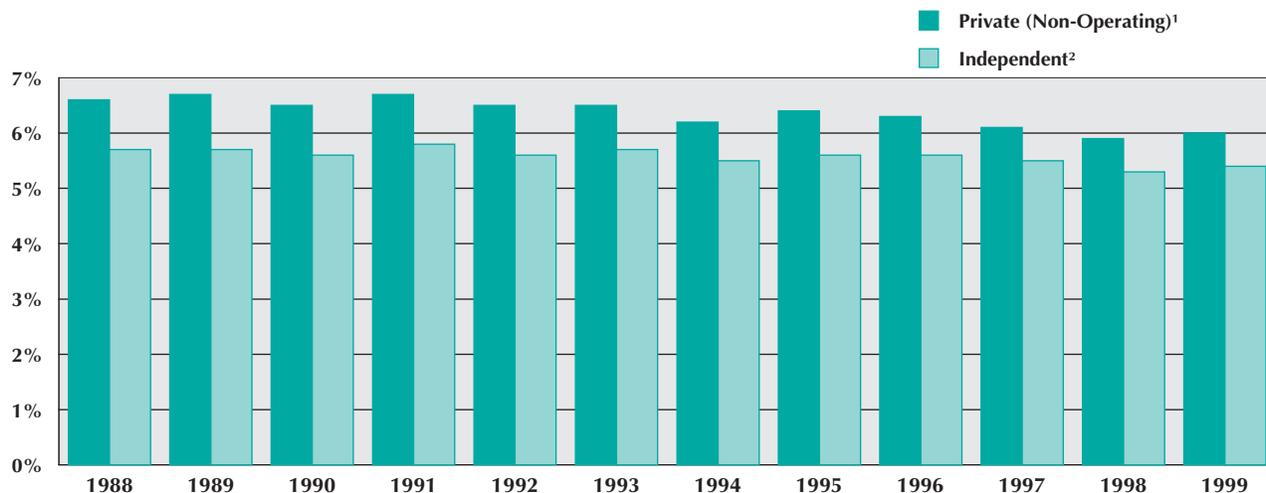
Source: *Foundation Yearbook*, 2000.

Led by Gates Foundation, Washington State surpassed all others in rate of foundation asset growth between 1997 and 1998*



Source: *Foundation Yearbook*, 2000.
*Percent change based on unadjusted dollars.

Private (non-operating) and independent foundation giving totaled at least 5.3 percent of prior year's assets, between 1988 and 1999*



Source: *Foundation Yearbook*, 2000.

*Giving figures for 1999 based on estimates.

¹Figures exclude private foundations that have been defined by the IRS as "Operating" foundations. These foundations are not subject to the same payout requirements as other private foundations. Community foundations are excluded as they are grantmaking public charities, not private foundations.

²Figures exclude private (non-operating) foundations identified by the Foundation Center as serving as vehicles for corporate philanthropy.

Note: Private (non-operating) foundations are required to pay out each year at least 5 percent of the fair market value of their investments in the preceding year. (They may carry forward payout in excess of 5 percent over several years.) "Qualifying Distributions" is the amount used in calculating the required 5 percent payout and includes total giving—illustrated above—as well as reasonable administrative expenses, set-asides, PRIs, operating program expenses, and the amount paid to acquire assets used directly for charitable purposes. Actual payout can only be calculated for individual foundations. The ratio of total giving to prior year asset values for foundations overall therefore serves as only a rough proxy for payout.

Ordering Information

The *Foundations Today Series*, 2000 Edition, includes five reports available exclusively through annual subscriptions. Orders may be charged with Visa, Master Card, 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. TX, 79 Fifth Avenue, New York, NY 10003-3076. Prepayment of \$95.00 is required. Discounts are available for multiple-subscription orders. Please call 800-424-9836 for details.