

HIGHLIGHTS OF THE FOUNDATION GRANTS INDEX

TRENDS IN GIVING, 1997

The following trends information is derived from an analysis of grants in The Foundation Grants Index 1999. This volume includes more than 86,000 grants of \$10,000 or more. A total of 1,016 funders are represented, with combined giving of \$7.9 billion, a gain of \$600 million or 9.1 percent over last year. A buoyant stock market and record new gifts into endowments in recent years contributed to robust growth in foundation assets, leading to increases in overall giving and the number of large awards.

The 1,016 Grants Index foundations (including approximately 800 of the 1,000 largest by total giving) represent only 2.4 percent of the total number of foundations, yet their giving accounts for over half of the total grant dollars awarded by the more than 40,000 active grantmaking foundations in the U.S.

• **Foundations Award Record Number of Large Grants.**

The current volume includes six grants of \$20 million or more, consistent with the number reported last year. However, the number of grants of at least \$5 million reached 76, a new high. Moreover, foundations gave out a record 226 grants of \$2.5 million or more, up from 193 grants last year.

• **Education Loses Share Following Record Award in 1996.**

The share of funding for education dropped in 1997, following the boost provided by the Robert W. Woodruff Foundation's record-high \$203 million education grant in 1996. Education's share of funding fell from 25.4 percent in 1996 to 23.9 percent in the most recent year, its lowest share since 1993. Nonetheless, actual grant dollars awarded for education grew by 2.7 percent to \$1.9 billion. Funding for higher educa-

tion—primarily at the undergraduate level—represented 10.0 percent of all grant dollars, maintaining last year's level. The share of grant dollars awarded for graduate and professional education fell to 4.8 percent, after climbing to a record-high 6.8 percent as a result of the Woodruff grant. After declining for two consecutive years, the amount of funding for elementary and secondary education increased by one-fourth in 1997. Overall, 6.3 percent of grant dollars funded this program area, up from 5.4 percent last year.

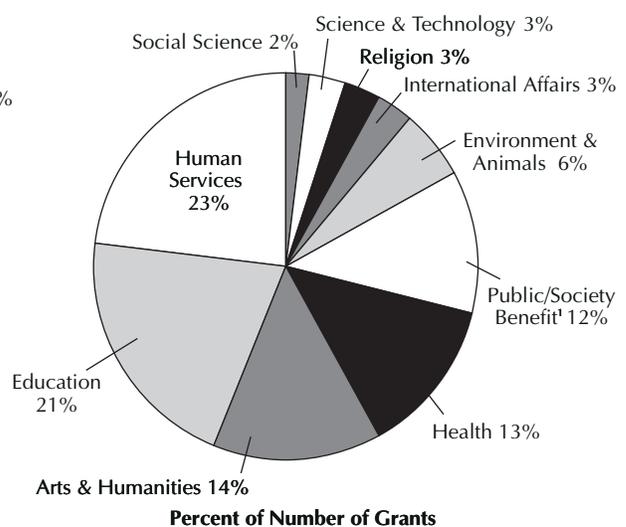
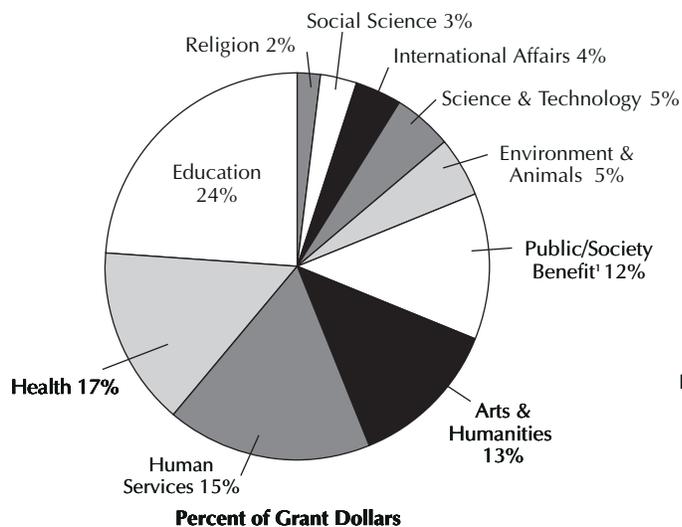
• **Health Returns to Second Place Among Giving Priorities.**

Foundations awarded 16.7 percent of grant dollars for health, up from last year's 16.2 percent. Health funding also regained its second place rank among giving priorities. The increase in share of giving extended across three of the four health fields, with only medical research registering a small decline. Foundations distributed 9.2 percent of all grant dollars and 55.0 percent of health dollars in the broad field of general and rehabilitative health. Close to three-fifths of general health dollars were directed to hospitals and medical care facilities. Giving for public health increased more than two-thirds, and the field captured 9.3 percent of health dollars. Funding for mental health, including substance abuse programs, grew by more than half and accounted for 14.4 percent of health grant dollars.

• **Following Record Gain, Human Services Captures More Typical Share.**

Human services received 15.4 percent of grant dollars in 1997, dropping from the

GRANTS BY MAJOR SUBJECT CATEGORIES*



Source: *The Foundation Grants Index*, 1998. Based on a sample of 1,016 larger foundations.

*Due to rounding, figures may not add up.

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

record-high 17.3 percent reported the previous year. In 1996, the Moody Foundation made a \$140 million grant to a recreation complex. Without this award, the share of dollars would have remained roughly consistent between 1996 and 1997. In fact, funding as a share of all dollars increased in four of eight human services subcategories: employment, housing and shelter, safety and disaster relief, and human services—multipurpose.

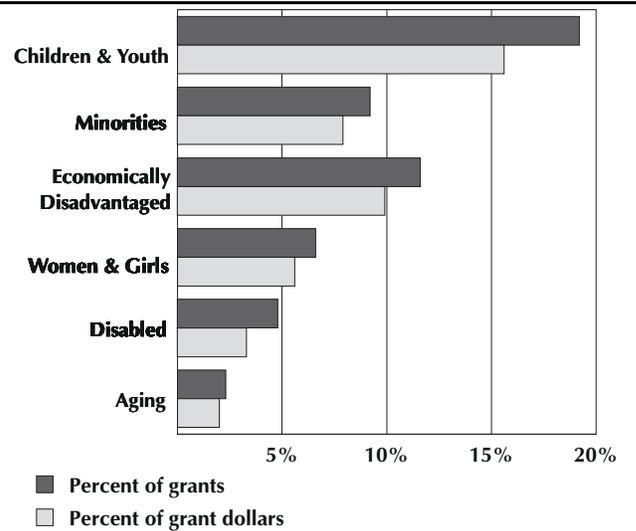
- **Arts, Culture, and Humanities Funding Increases.** After reaching a record-low of 12.0 percent in 1995, the share of funding for the arts increased for the second consecutive year, securing 12.7 percent of grant dollars in 1997. Moreover, the share of number of grants grew for the first time in ten years, from 14.2 percent in 1996 to 14.4 percent. Museums and performing arts accounted for the largest shares of dollars within the field, together taking in 8.6 percent of total grant dollars and over two-thirds of arts dollars.

- **Large Grants Raise Science Funding to Highest Level Since 1991.** Science captured 5.4 percent of all grant dollars in 1997—its biggest share since 1991—after the amount of science funding increased 70.1 percent in the most recent year. This dramatic jump can be explained by an increase in the number of large grants made in this area, including the W.M. Keck Foundation’s \$50 million grant to establish the Keck Graduate Institute of Applied Life Sciences. Overall, foundations made 11 grants of at least \$5 million for science in 1997, compared to only three the previous year.

- **Support for International Programs Remains Steady, Despite Dip in Overseas Funding.** International giving across all fields accounted for 10.8 percent of total dollars, consistent with the share reported last year. Giving to U.S. organizations to conduct international programs or sponsor programs overseas increased from 5.9 percent of grant dollars to 6.5 percent in 1997. Conversely, grants given directly to overseas recipients declined from 4.9 percent of dollars in 1996 to 4.3 percent. This drop resulted from a reduction in direct support for programs in Central and Eastern Europe.

- **Educational Institutions Capture Largest Share of Funding.** Among organization types, educational institutions continued to be the primary recipients of foundation dollars in 1997, receiving 37.4 percent of grant dollars and 28.1 percent of grants. While the share of grant dollars for educational institutions has fluctuated over the last several years due to exceptionally large gifts, the share of number of grants rose for the first time since 1990. Among education recipients, support for colleges and universities fell for the third consecutive year to 21.0 percent, the lowest level reported since 1989. Nevertheless, higher education

MAJOR GIVING FOR SELECTED BENEFICIARIES*



Source: *The Foundation Grants Index*, 1998. Based on a sample of 1,016 larger foundations.

*Grants may benefit multiple population groups.

institutions continued to receive by far the largest share of grant dollars in the field.

- **Program and General Support Register Declines; Capital Support Rebounds.** In 1997, 43.3 percent of grant dollars supported special programs and projects, down from 48.7 percent last year. Contributing to this decrease was the Woodruff Foundation’s 1996 grant of \$203 million, which provided program support. Still, even accounting for the impact of this grant, the share of grant dollars for program support decreased in the current reporting year. Capital grants continued to comprise the second largest category of support in 1997, and jumped from 21.3 percent of dollars to 24.1 percent. The amount of funding specified for general or unrestricted support declined, from 15.2 percent of grant dollars in 1996 to 13.1 percent. The share of number of grants also fell from 15.9 percent to 14.1 percent—the lowest level reported since 1992.

- **Funding for Children and Youth Continues to Grow; Giving for Minorities Declines.** Foundations targeted a consistent one-third of grant dollars to named beneficiaries in 1997. The children and youth category remained the single largest special beneficiary of foundation grant dollars and its share of allocations rose to 15.6 percent, the highest level ever reported. Funding for ethnic and racial groups fell from 9.3 percent to 7.9 percent of grant dollars in 1997—the lowest level since 1990. Support for programs benefiting the economically disadvantaged rose to 9.9 percent of grant dollars. Finally, programs for the physically and mentally disabled received 3.3 percent of grant dollars, the first increase reported since 1991.