Highlights of the Foundation Center’s

FOUNDATION GIVING TRENDS

In a difficult economic climate, foundations remained focused on their core giving priorities but adjusted their grantmaking strategies

OVERVIEW

Although many foundations faced continuing asset losses in 2002, in general they held steady to their core programs. Among the more than 1,000 larger foundations included in the Foundation Center’s 2002 grants database sample, shares of funding for major fields from the arts, to education, to human services remained largely consistent. Sampled foundations provided a record-high share of operating support grants, which help sustain nonprofits in a difficult economic environment. At the same time, foundations continued to reduce their spending for endowments and other capital grants.

Total new grant commitments by sampled foundations slipped 5 percent in 2002 to $15.9 billion, and the median grant size decreased to $25,000. Yet the number of grants awarded and recipient organizations supported both increased slightly, suggesting that funders were working to maintain broad support for their grantees, even if grants had to be smaller.

While funding priorities remained generally consistent, areas that typically receive “mega-grants” for programs and for capital projects—such as health, higher education, and museums—experienced some of the largest reductions in actual grant dollars between 2001 and 2002.

Education ranked first by share of foundation grant dollars in 2002; Human Services led by share of grants

Source: The Foundation Center, Foundation Giving Trends, 2004. Based on a sample of 1,005 larger foundations.

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

For more information on Foundation Giving Trends, published in February 2004, contact Josie Atienza, Research Analyst/Coordinator of the Foundations Today Series, at 212-620-4230, or e-mail, jsa@fdncenter.org. These "Highlights" are also available at www.fdncenter.org.
Giving by Subject Focus

• Religion and Science and Technology posted fastest growth in grant dollars in 2002

• Health, Social Sciences, and Environment and Animals showed largest decline in grant dollars

• Most subject areas registered growth in number of grants awarded, with Human Services and Religion experiencing the biggest gains

• Human Services continued to lead by share of number of grants

Giving by Recipient Organization Type

• Among major recipient types, educational support agencies and community improvement organizations showed fastest growth in funding in 2002, while medical care facilities, museums, and colleges and universities posted steepest declines

• Colleges and universities continued to receive the largest share of funding overall

• Human service agencies ranked second by share of grant dollars but first by share of grants

About Foundation Giving Trends

*Foundation Giving Trends*, 2004 Edition, documents the grantmaking patterns of a sample of the largest private and community foundations in 2002 and tracks changes in funding trends since 1990. The report examines giving by subject focus, recipient type, type of support, population served, and geographic focus. It also details differences in funding trends by foundation size, region, and type, and includes special analyses of giving by foundations versus all private donors. In addition, the 2004 edition includes information on 9/11-related giving in 2002 by sampled foundations. *Foundation Giving Trends* is part of the *Foundations Today* Series of annual research reports on foundation growth and trends in foundation giving.

Giving by Types of Support

• Program support slipped to 44 percent of grant dollars in 2002

• General operating support accounted for a record-high 19 percent share of grant dollars, while capital support declined to a record-low 19 percent share

• Public Affairs/Society Benefit and Arts and Culture received highest shares of operating support

• Science and Technology, Arts and Culture, and Education garnered highest levels of capital support

Health posted the largest decline in foundation grant dollars between 2001 and 2002*

*Includes subject areas accounting for at least 6 percent of grant dollars or grants.

Giving for Special Populations

- Among specified beneficiaries, the economically disadvantaged accounted for the largest share of grant dollars in 2002.
- Children and youth benefited from the biggest share of the number of grants.
- Giving for gays or lesbians, crime or abuse victims, and the economically disadvantaged showed the fastest growth between 2001 and 2002, while support for People with AIDS, the disabled, and single parents posted the sharpest declines.

Domestic vs. International Giving

- International giving decreased slightly to 14 percent of grant dollars in 2002.
- Overall international giving declined 11 percent to $2.2 billion, while giving to overseas recipients increased to $843 million.
- Majority of international funding supported U.S.-based programs.

Giving Trends of the 100 Largest Foundations

- Giving by the 100 largest foundations in the sample decreased faster between 2001 and 2002 than giving by other grantmakers in the sample.
- Health, Environment, Science and Technology, International Affairs, and Social Sciences received bigger shares of support from the 100 largest foundations.
- Human Services, Arts and Culture, Religion received proportionally more support from smaller foundations.

2002 Sampling Base

The Foundation Center’s circa 2002 grants database includes all grants of $10,000 or more awarded by 1,005 leading foundations and reported to the Center between June 2001 and July 2002. Grants were awarded primarily in 2002 or 2001. These grants totaled $15.9 billion and represented more than half of total grant dollars awarded by all U.S. independent, corporate, community, and grantmaking operating foundations. See Appendix A in Foundation Giving Trends, 2004 Edition, for complete sampling information.
Giving Trends of Independent, Corporate, and Community Foundations

- Independent foundations favored funding for Education, Health, Human Services, and Arts and Culture in 2002
- Corporate foundations provided a larger share of giving for Public Affairs/Society Benefit—including federated funds—than other types of foundations
- Community foundations provided largest share of their giving for Human Services

Giving Trends by Foundation Region

- Northeastern foundations provided largest share of grant dollars in 2002 sample; the Northeast region also accounted for largest share of dollars received
- Northeaster, Midwestern, and Southern grantmakers favored support for Education; Western foundations awarded largest share of their grant dollars for Health
- Grantmakers in the West awarded bigger shares of support for Health, Environment and Animals, and Science and Technology

Ordering Information

*Due to rounding, percentages may not total 100.
1Includes Civil Rights and Social Action, Community Improvement and Development, Philanthropy and Voluntarism, and Public Affairs.
2Figures for the South exclude the District of Columbia. The 21 DC-based foundations in the sample awarded 3,585 grants totaling $209.5 million.