Highlights of the Foundation Center’s

FOUNDATION GIVING TRENDS

Foundations scaled back their giving across major fields but continued a trend toward providing more operating support

OVERVIEW

Support from large foundations declined for a second consecutive year in 2003, as grantmakers adjusted to prior asset losses. Among the more than 1,000 larger private and community foundations included in the Foundation Center’s grants database, giving fell 10.1 percent to $14.3 billion. Support for most major subject areas declined, and the distribution of foundation grant dollars remained about the same. However, certain subfields—such as voter education, disaster preparedness, national security, and arms control—managed to realize substantial growth in funding.

Despite the decline in overall giving, foundations continued to increase the share of their funding targeted for operating support. This finding suggests a responsiveness on the part of foundations to the needs of nonprofits during difficult economic times. At the same time, foundations continued to reduce the volume and size of their very largest grants, especially capital grants.

Education ranked first by share of foundation grant dollars in 2003; Human Services led by share of grants

For more information on this report, published in February 2005, contact Josie Atienza, research analyst/coordinator of the Foundations Today Series, at 212-620-4230, or e-mail, jsa@fdncenter.org. Foundation Giving Trends “Highlights” are also available at www.fdncenter.org.
Giving by Subject Focus

- Education and Health continued to lead by shares of total funding in 2003, suggesting that funders were maintaining their priorities in the face of more limited resources
- Human Services led by share of number of grants

Public Affairs/Society Benefit overall posted slight growth in grant dollars and grants between 2002 and 2003; within the field, however, funding for voter education/rights more than tripled—reflecting support for nonpartisan activities in anticipation of the 2004 elections
- Number of grants awarded decreased for nearly all major fields

Giving by Recipient Organization Type

- Largest share of grant dollars targeted educational institutions
- Human service agencies ranked second by grant dollars
- Number of organizations receiving grants decreased from 52,375 to 50,413

Giving by Types of Support

- General support accounted for a record 21.8 percent of grant dollars in 2003 as funders responded to the greater need and demand for this type of support
- Across subject areas, over one-third of dollars provided program support
- Share of grant dollars for capital support fell to 17 percent

About Foundation Giving Trends

Foundation Giving Trends, 2005 Edition, documents the grantmaking patterns of a sample of the largest private and community foundations in 2003 and tracks changes in funding trends since 1994. The report examines giving (based on grant authorizations when available) by subject focus, recipient type, type of support, population group served, and geographic focus. It also details differences in funding trends by foundation size, region, and type, and includes brief reports on special topics, such as domestic versus international giving and giving by foundations versus all private donors. Foundation Giving Trends is part of the Foundations Today Series of annual research reports on foundation growth and trends in foundation giving.
Giving for Special Populations

- Children and youth regained largest share of grant dollars; among grants benefiting this group was a $29.2 million award from the Bill & Melinda Gates Foundation to New Visions for Public Schools to create 30 new high schools in high need areas of New York City
- Share of funding targeting the economically disadvantaged declined to 15.1 percent but remained well above the 10 to 12 percent shares recorded in the late 1990s
- Support for women and girls rose 11 percent in the latest year

Domestic vs. International Giving

- International giving held steady at $2.2 billion
- Share of grant dollars providing international support rose to 15.4 percent, buoyed by sustained giving for U.S.-based international programs
- Foundation giving to non-U.S. recipients decreased nearly 4 percent

Giving Trends of the 100 Largest Foundations

- Health, International Affairs, and the Social Sciences received proportionately bigger shares of grant dollars from the largest foundations than from smaller funders
- Smaller foundations targeted greater shares of support for Human Services, Arts and Culture, and Religion in comparison to the largest funders

Giving Trends of Independent, Corporate, and Community Foundations

- Independent foundations allocated greater shares of funding for Health, Environment and Animals, and International Affairs than other types of funders
- Corporate foundations provided proportionately larger shares of giving for Education and Public Affairs/Society Benefit
- Community foundations gave relatively more to Human Services than other types of funders

Operating support accounted for second largest share of overall grant dollars in 2003, displacing capital support

2003 Sampling Base

The Foundation Center’s circa 2003 grants database includes all grants of $10,000 or more awarded by 1,010 larger foundations and reported to the Center between June 2002 and July 2003. Grants were awarded primarily in 2003 or 2002. These grants totaled $14.3 billion and represented roughly half of total grant dollars awarded by all U.S. independent, corporate, community, and grantmaking operating foundations. See Appendix A in *Foundation Giving Trends*, 2005 Edition, for more detailed sampling information.
Giving Trends by Foundation Region

- Northeastern foundations continued to provide the largest share of grant dollars in 2003 sample; the Northeast region also accounted for the biggest share of dollars received.
- Northeastern, Midwestern, and Southern grantmakers favored support for Education; Western foundations awarded the largest share of their grant dollars for Health.
- Across regions, foundations favored children and youth and the economically disadvantaged.

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Foundations in the Northeast, Midwest, and South favored Education in 2003; funders in the West prioritized Health

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Source: The Foundation Center, *Foundation Giving Trends*, 2005. Based on a sample of 1,010 larger foundations. 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 20 DC-based foundations in the sample awarded 3,126 grants totaling $221.9 million.