U.S. foundation giving for international purposes reached a record level in 2007, and when 2008 giving has been fully tallied, another new high is likely to be recorded. Moreover, despite the current economic crisis, prospects for international giving in the near term are less pessimistic than current market conditions might suggest.

International Grantmaking IV: An Update on U.S. Foundation Trends examines the current state of giving for overseas recipients and U.S.–based international programs and its outlook for the future. Prepared in cooperation with the Council on Foundations, this latest update of the Center’s benchmark series on international funding examines changes in grantmakers’ strategies and practices and the outlook for giving based on a 2008 survey and interviews with leading funders. It also documents trends in giving through 2006 based on actual grants awarded by over 1,000 of the largest U.S. foundations.

**The Outlook for International Giving**

- **International giving grew faster than overall giving between 2002 and 2007.**

  The nation’s over 72,000 grantmaking foundations gave an estimated $5.4 billion in 2007 for international causes, including both direct giving to overseas recipients and funding for U.S.–based international programs. This record amount represented a more than 70 percent gain over the $3.2 billion estimated for 2002. Adjusted for inflation, international giving climbed nearly 50 percent during this period, far surpassing the 22.3 percent rise in overall giving.

- **Numerous factors boosted international funding following the early 2000s downturn.**

  In the wake of the 2000 technology sector meltdown and subsequent stock market decline, September 11, 2001, terrorist attacks, and a brief recession, international giving by foundations declined in 2002 and remained basically unchanged in 2003. Funding rebounded the following year and continued to grow at a double-digit pace for the next two years. Foundation giving for international purposes rose an additional 8 percent in 2007. Among the factors contributing to this resurgence were the ramping up of giving for global health by the Bill & Melinda Gates Foundation and its more recent expansion into international development; increased giving by new and newly large foundations, such as the Gordon and Betty Moore Foundation and the Susan Thompson Buffett Foundation; higher levels of funding by well-established international funders whose endowments had grown substantially; and the response to natural and humanitarian disasters around the world—such as the Indian Ocean tsunami, Pakistani earthquake, and crisis in the Darfur region of Sudan—especially by corporate and community foundations.

### Estimated international giving by U.S. foundations reached a record $5.4 billion in 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Dollars in Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
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<tr>
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<td>2005</td>
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<tr>
<td>2006</td>
<td>$5.0</td>
</tr>
<tr>
<td>2007</td>
<td>$5.4</td>
</tr>
</tbody>
</table>

Over the next two or three years, how do you expect the total amount of giving by U.S. foundations to change?

- Increase 51.9%
- Decrease 5.2%
- Remain About the Same 26.0%
- No Opinion 16.9%


Because of the recent downturn in the U.S. economy, U.S. foundations are likely to turn their focus more to domestic rather than international issues

- Agree 45.7%
- Disagree 33.3%
- Don't Know 24.0%


- **International grantmaking in 2008 is expected to exceed 2007 giving.** Although the economic downturn that began in the latter half of 2007 and deepened in 2008 has raised concerns about possible cutbacks in foundation giving, the Foundation Center still expects overall giving to grow ahead of inflation in 2008. To gauge the impact of the economic downturn on international grantmaking, the Foundation Center’s April 2008 survey of leading international funders asked about the prospects for their international giving. Of the 78 survey respondents—including many of the nation’s largest international givers—only 7 percent expected that they would reduce their international support in 2008, while close to half expected to increase giving. The balance reported that their international funding would remain about the same. The largest funders tended to be more optimistic about increasing their international giving, while corporate grantmakers tended to be less optimistic.

- **The impact of the U.S. financial crisis remains uncertain, but most leading international funders are likely to remain committed.**

Over half of the survey respondents indicated that they expect international funding by U.S. foundations to grow during the next two to three years, while just 5 percent anticipate a reduction in the overall amount of international giving provided by the nation’s foundations. At the same time, over two-fifths of survey respondents agreed with the statement that the current economic climate is likely to cause foundations in general to focus more on domestic rather than international issues, while one-third disagreed and nearly one-fourth said they “didn’t know.” Despite this heightened level of uncertainty, and the expansion of the financial crisis in late 2008, international funders are likely to remain committed to their grantmaking priorities. Among the 20 leading grantmakers interviewed by the Foundation Center in July 2008, most indicated that they would maintain their international focus whether or not there was a prolonged downturn in the U.S. economy. International grantmaking represents a long-term commitment and an integral strategy for these funders. As one interviewee remarked, “We may change the amount but not the proportion of our international grantmaking.”

INTernational GRAntMakeing TRENDs Through 2006

The following analysis examines funding trends between 2002 and 2006 based on all of the grants of $10,000 or more reported by a sample of 1,005 of the largest U.S. foundations in 2002 and 1,263 for the latest year. Grants included in the samples represented approximately half of giving by all U.S. foundations in each year and well over two-thirds of total estimated international giving.

- **Record 22 percent of grant dollars supported international activities in 2006.**

Private and community foundations included in the Foundation Center’s grants sample gave a record $4.2 billion for international programs in 2006, up 92.2 percent from $2.2 billion in 2002. This growth, fueled mainly by exceptionally large grants, far exceeded the 20.5 percent rise in overall giving reported by sampled funders. As a result, international support jumped from 13.8 percent to a record 22 percent of grant dollars. The share of number of grants, which is not affected by especially large awards, held steady at approximately 9 percent during this period. Nonetheless, sampled foundations awarded 13,112 international grants in 2006, up by 16 percent from 2002.

- **Gates Foundation accounted for more than half of the increase in funding.**

Dramatic growth in international funding by the Bill & Melinda Gates Foundation fueled most of the gain in international grant dollars between 2002 and 2006. Overall, the foundation raised its international giving from $525.8 million to $2 billion. Since the late 1990s, the foundation has benefited from record gifts from its founders, and in 2006 it received an additional multi-year, multi-billion-dollar commitment from the investor Warren Buffett. Nonetheless, excluding the Gates Foundation from the sample,
International support would have grown faster than overall giving during this period (34.4 percent versus 11.7 percent), and the share of foundation grant dollars providing international support would have risen from 11 percent to 13 percent.

- **International giving grew faster than overall giving, regardless of foundation type.**

Between 2002 and 2006, international support by community foundations included in the sample more than doubled—from $29 million to $81 million—surpassing the 38.7 percent growth in their giving overall. Similarly, corporate foundations more than doubled their international grant dollars—from $115.3 million to $261.8 million—while their overall giving rose a modest 12 percent. A key factor contributing to the rise in international giving by community and corporate foundations was increased support for relief efforts in the wake of several major natural and humanitarian disasters. Despite this strong growth, community and corporate foundations continued to account for modest shares of international giving in 2006 (1.9 percent and 6.2 percent, respectively).

- **Newer foundations increased their share of international giving.**

Foundations established since 1995 (a year after the Gates Foundation was created) accounted for 7.4 percent of total international grant dollars awarded by all sampled funders in 2006, up from Foundation support in response to international humanitarian and natural disasters, such as the South Asian tsunami, increased more than sixfold between 2002 and 2006.
3.7 percent in 2002. Among these newer funders, 39 gave at least $1 million for international programs in 2006. The largest of these grantmakers by far was the Gordon and Betty Moore Foundation, formed in 2000. Other examples of large, newer international funders include the Skoll Foundation (2002) and the Omidyar Network Fund (2004).

- **Overseas funding represented a larger share of international grant dollars but a smaller share of grants.**

Between 2002 and 2006, foundation giving to overseas recipients more than doubled to $1.9 billion, while support for U.S.-based international programs increased 72 percent to $2.3 billion. As a result, the share of international dollars targeting overseas recipients increased from 38.5 percent to 45 percent. This larger share is attributable to a higher level of overseas giving by the Bill & Melinda Gates Foundation. Excluding Gates, the share of overall international grant dollars directed overseas would have declined from 39.7 percent in 2002 to 36.4 percent in 2006. Even with the Gates Foundation in the sample, the share of the number of international grants going directly overseas dipped from nearly 40 percent to roughly 36 percent.

These findings suggest that some funders may remain hesitant to support overseas grantees in the post-9/11 regulatory environment. Indeed, nearly three-fifths of respondents to the Foundation Center’s 2008 survey agreed that, “The more demanding post-9/11 regulatory environment discourages giving to non-U.S.-based organizations.” Nonetheless, this figure was down dramatically from the nearly 80 percent of respondents who agreed with a similar statement in a 2004 Foundation Center survey.

- **Overseas giving primarily benefited global programs and Sub-Saharan Africa.**

Despite the challenges in grantmaking abroad, well over one-third (36.8 percent) of international funders in the 2006 sample made grants directly to overseas recipients. Global programs of organizations based in Western Europe—such as the Switzerland-based Global Fund to Fight AIDS, Tuberculosis, and Malaria and the World Health Organization—ranked first by share of dollars received (37.1 percent), followed by grantees in Sub-Saharan Africa (18.1 percent) and Asia and the Pacific (11.5 percent). Between 2002 and 2006, grant dollars awarded to Western European recipients jumped nearly sixfold, while giving to those in Sub-Saharan Africa more than doubled.

**Despite this heightened level of uncertainty, and the expansion of the financial crisis in late 2008, international funders are likely to remain committed to their grantmaking priorities.**

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**Overseas foundation giving more than doubled between 2002 and 2006, while funding for U.S.-based international programs rose 72 percent**

![Graph showing percent change in grant dollars and number of grants by category (Domestic, International All Grants, International Overseas, International U.S.-Based) between 1990 and 2006.](source)

**International grant dollars reached a record 22 percent of overall giving in 2006**

![Graph showing percent of overall grant dollars and number of grants by category (Percent of Overall Grant Dollars, Percent of No. of Grants) from 1990 to 2006.](source)
**Highlights by Geographic Location**

**WASHINGTON STATE** – The Program for Appropriate Technology in Health (PATH) was the top recipient of funding for a U.S.-based international program in 2006 (25 grants totaling $139 million).

**UNITED STATES** – More than half of all international giving in 2006 (55 percent) went to international programs at U.S.-based recipient organizations.

**BRAZIL** – In 2006, Brazil benefited from more international grant dollars awarded to U.S.-based recipient organizations ($32.1 million) than any other country in Latin America.

**ENGLAND** – Although England received more international grants awarded directly to overseas recipient organizations than any other country in 2006 (386), it ranked second in total grant dollars received ($196.7 million), behind Switzerland.

**SWITZERLAND** – The largest international grant in 2006 was a $500 million award from the Bill & Melinda Gates Foundation to the Global Fund to Fight AIDS, Tuberculosis and Malaria.

**WESTERN EUROPE** – More than 80 percent of international grant dollars awarded to recipient organizations based in Western Europe targeted health programs, mainly intended to benefit the developing world.

**CANADA** – Among countries receiving direct overseas funding in 2006, Canada received support from the greatest number of funders (106) and garnered the second largest number of grants (377).

**SUB-SAHARAN AFRICA** – More than 40 percent of all region-specific international grant dollars awarded to U.S.-based international programs were targeted to benefit Sub-Saharan Africa, making this region the top beneficiary of such grants.

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**$5.4 billion**
Total estimated international grantmaking by U.S. foundations in 2007

**+50 percent**
Inflation-adjusted change in international giving from 2002 to 2007, compared to +22 percent for total foundation giving

**45 percent**
Percentage of international giving awarded directly to overseas recipient organizations in 2006

**Health**
Top field based on international grant dollars awarded by foundations in 2006
RUSSIA – The largest international grant for animals and wildlife in 2006 was a $2.1 million award from the Gordon and Betty Moore Foundation to the Oregon-based Wild Salmon Center to advance wild salmon conservation by creating salmon refuges in Kamchatka, Russia.

ISRAEL – Israel was the beneficiary of more international grants (825) and grant dollars ($106.4 million) awarded to U.S.-based international programs than any other country in the world.

KENYA – In 2006, there were 43 international grants of $15 million or more, up from 11 in 2002. Programs for a Green Revolution in Africa, based in Kenya, received five of these grants totaling $136.7 million.

LATVIA – The largest education-focused international grant in 2006 was the Bill & Melinda Gates Foundation’s $16.2 million award to the Ministry of Culture of the Republic of Latvia to install public computers with Internet access, train staff, and provide support for the public libraries of Latvia.

SUDAN – The largest 2006 grant to benefit refugees was a more than $10 million award from the Bill & Melinda Gates Foundation to the United Nations High Commissioner for Refugees to facilitate the safe repatriation of Sudanese refugees.

CHINA – In 2006, China benefited from more international grant dollars awarded to U.S.-based recipient organizations ($65.4 million) than any other country in Asia.

ASIA & THE PACIFIC – Of all international grants awarded to U.S.-based recipients in 2006, more were targeted to benefit the Asia & Pacific region (1,240) than any other major region in the world.

INDIA – In 2006, India received more international grant dollars awarded directly to overseas recipient organizations ($47 million) than any other Asian country.
Excluding Gates, international giving still grew faster than overall foundation giving from 2002 to 2006

The Gates Foundation’s share of international giving grew from under one-fourth in 2002 to nearly half in 2006

Global health programs accounted for the largest share of international giving by sampled foundations in 2006.

Top 25 Foundations by Amount of International Giving, 2006

SOURCE: The Foundation Center, International Grantmaking IV, 2008. Based on all grants of $10,000 or more from each foundation; excludes operating program expenses and grants to individuals.
Consequently, the share of overseas giving going to Western Europe climbed from 21.5 percent in 2002 to 55.2 percent, while Sub-Saharan Africa’s share rose from 17.6 percent to 18.1 percent. These gains were largely attributable to a dramatic increase in the Gates Foundation’s support for global health and, in the case of Sub-Saharan Africa, by the Gates and Rockefeller foundations’ funding for international development—specifically for programs to introduce the Green Revolution to Africa.

**Grants to U.S.–based recipients mainly targeted Sub-Saharan Africa.**

Over half of the funding for U.S.–based international programs targeted specific countries or regions, led by Sub-Saharan Africa. Support for this region through grants to U.S.–based programs climbed from $94.8 million in 2002 to $518.7 million in 2006, largely due to several multi-million-dollar health-related grants from the Gates Foundation. Programs benefiting the Arctic/Antarctic posted the second-largest percentage gain in funding, although the region ranked last by share of grant dollars in the latest sample. Following Sub-Saharan Africa at the top of the list were “Developing Countries” (broadly defined), Asia and the Pacific, North Africa and the Middle East, Latin America, Eastern Europe, Russia and the Independent States, Western Europe, Canada, and the Caribbean. Additionally, $1 billion of the $2.3 billion provided to U.S.–based international programs in 2006 supported global programs.

**International development benefited from the fastest growth in grant dollars; health captured the largest share.**

Among major program areas, international development/relief posted the largest percentage gain in foundation support between 2002 and 2006. Funding for this field more than tripled to $884.3 million, boosting its share of international support from 12.6 percent to a record 21 percent. This increase reflected higher levels of funding for international agricultural development by the Gates and Rockefeller foundations, among others, as well as giving by numerous foundations in response to natural and humanitarian disasters.

Support for health more than doubled during this period to $1.8 billion, and the share of international grant dollars targeting the field climbed from less than 32 percent to close to 43 percent. While the Gates Foundation accounted for the vast majority of the growth in international health giving between 2002 and 2006, funding for health would still have increased at an above-average pace even if the Gates Foundation were excluded from the sample.

**Excluding Gates, international development would rank first by grant dollars, followed by the environment and health.**

If the Gates Foundation were excluded from the sample in 2002 and 2006, both the four-year change in international giving and the distribution of grant dollars across subject areas would look substantially different. For example, while giving for international development still more than doubled between 2002 and 2006 without Gates—surpassing all other fields—support for the environment and education would also have grown at an above-average pace. Moreover, international development and relief would rank as the top international funding area with 25.7 percent of grant dollars, followed by the environment (12.5 percent), health (11.6 percent), and international affairs (10.6 percent).
- **Foundations awarded $123 million for global climate change.**

Grantmakers included in the Foundation Center’s 2006 grants sample provided an estimated $123 million for international and domestic-focused projects dealing with global climate change, such as conferences designed to raise awareness about the issue, climate change studies that document the extent of the possible impact, efforts that directly address the problem through new technologies, and developing constituencies for climate protection. Leading funders included the William and Flora Hewlett Foundation and the Energy Foundation, which was founded in 1991 by a consortium of grantmakers (and is currently in the process of changing status to a public charity).

- **Close to half of international giving was consistent with U.N. Millennium Development Goals.**

Approximately 46 percent of the $4.2 billion in international grants awarded by funders included in the 2006 grants sample supported activities consistent with one or more of the eight goals adopted at the United Nations’ (U.N.) 2000 Millennium Summit. Among the “Millennium Development Goals,” programs related to eradicate extreme poverty and hunger (“Goal 1”) and combating HIV/AIDS and other infectious diseases (“Goal 6”) accounted for the largest shares of foundation grant dollars.

**The share of foundation international giving going directly overseas climbed to 45 percent in 2006**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent of International Grant Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>67.4%</td>
</tr>
<tr>
<td>1994</td>
<td>57.5%</td>
</tr>
<tr>
<td>1998</td>
<td>60.3%</td>
</tr>
<tr>
<td>2002</td>
<td>61.5%</td>
</tr>
<tr>
<td>2006</td>
<td>55.1%</td>
</tr>
</tbody>
</table>

- **Support for Western European-based global programs accounted for the largest share of overseas foundation grant dollars in 2006.**

International development funding by foundations included support for microlending programs.

**Total Overseas Giving = $1.9 billion**

The largest share of foundation support for U.S.-based international programs targeted Sub-Saharan Africa in 2006

Health garnered by far the largest share of international grant dollars in 2006

International development/relief and health posted the fastest growth in international grant dollars between 2002 and 2006
ABOUT THE FOUNDATION CENTER

Established in 1956 and today supported by close to 600 foundations, the Foundation Center is the nation’s leading authority on organized philanthropy, connecting nonprofits and the grantmakers supporting them to tools they can use and information they can trust. The Center maintains the most comprehensive database on U.S. grantmakers and their grants and conducts research on trends in foundation growth and giving. It also operates education and outreach programs that help nonprofit organizations obtain the resources they need. Its web site receives more than 57,000 visits each day, and thousands of people are served in its five regional learning centers and through its network of close to 400 funding information centers located in every U.S. state and beyond. For more information, visit foundationcenter.org or call (212) 620-4230.

For more information on this report, contact Josie Atienza, Assistant Director of Research, at (212) 620-4230, or e-mail jsa@foundationcenter.org. International Grantmaking IV “Highlights” are also available at foundationcenter.org/research.

ORDERING INFORMATION

International Grantmaking IV: An Update on U.S. Foundation Trends is available for $40. Orders may be charged with Visa, MasterCard, or American Express by calling our toll-free number, (800) 424-9836 (in New York, call (212) 807-3690); by using our online order form at foundationcenter.org/marketplace; or by mailing orders to the Foundation Center, Dept. HH, 79 Fifth Avenue, New York, NY 10003-3076. Prepayment is required. Discounts are available for bulk orders. Please call (800) 424-9836 for details.