

# KEY FACTS ON CORPORATE FOUNDATIONS

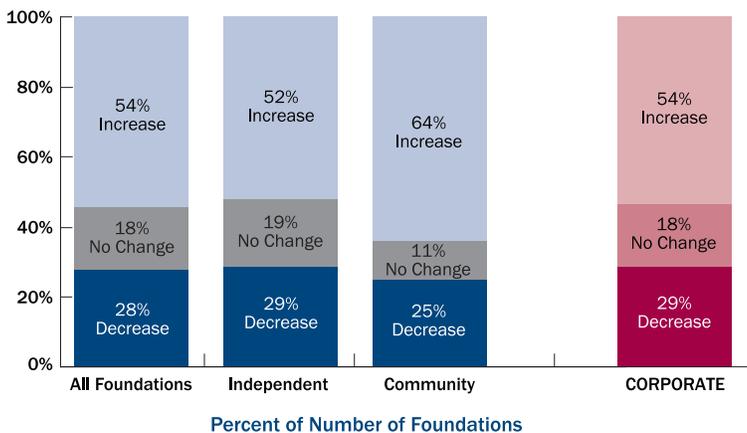
## Outlook for Corporate Foundation Giving

Giving by the nation's nearly 2,600 grantmaking corporate foundations grew to an estimated \$4.4 billion in 2007, up about 7 percent from 2006.<sup>1</sup> Adjusted for inflation, corporate foundation giving increased 3.7 percent in the latest year. An important factor contributing to the growth in 2007 giving has been new gifts coming from corporations into their foundations. In 2006, gifts into corporate foundations rose over 9 percent to \$4.4 billion.

Looking ahead, over half (54 percent) of corporate foundations responding to the Foundation Center's annual forecasting survey expected to increase their giving in 2008.<sup>2</sup> About 44 percent of these funders anticipated giving increases above 10 percent. However, 29 percent of respondents expected to reduce their giving in 2008, up from the 26 percent of corporate foundation respondents that expected to reduce giving in 2007.

<sup>1</sup>Figures exclude giving by corporate operating foundations. For more details see "The Impact of Corporate Operating Foundations."  
<sup>2</sup>For more details see S. Lawrence and R. Mukai, *Foundation Growth and Giving Estimates: Current Outlook*, The Foundation Center, New York, NY, 2008.

### Over half of surveyed corporate foundations expect to increase giving in 2008, while more than one-quarter anticipate reductions



Note: A total of 1,158 foundations responded to this question.

**\$4.4 billion**

Estimated giving by corporate foundations in 2007

**7%**

Estimated increase in corporate foundation giving between 2006 and 2007

**2,548**

Number of grantmaking corporate foundations in 2006

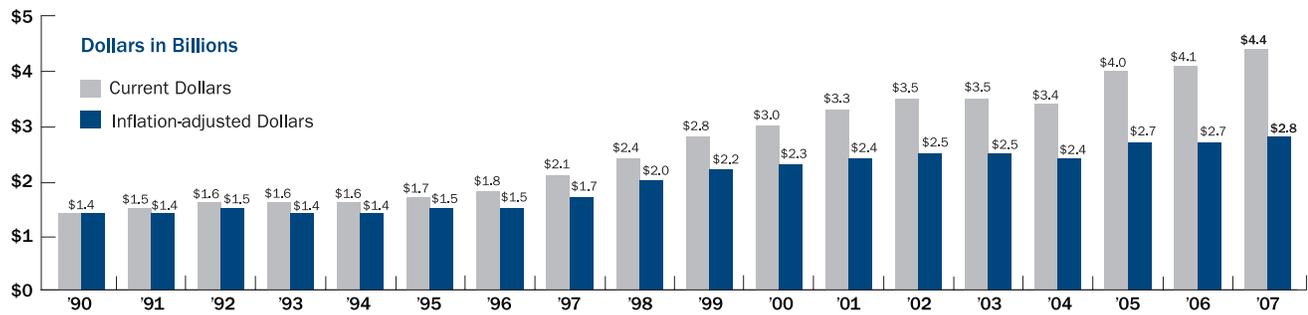
**20%**

Share of corporate foundations reporting more than \$1 million in giving in 2006

**11%**

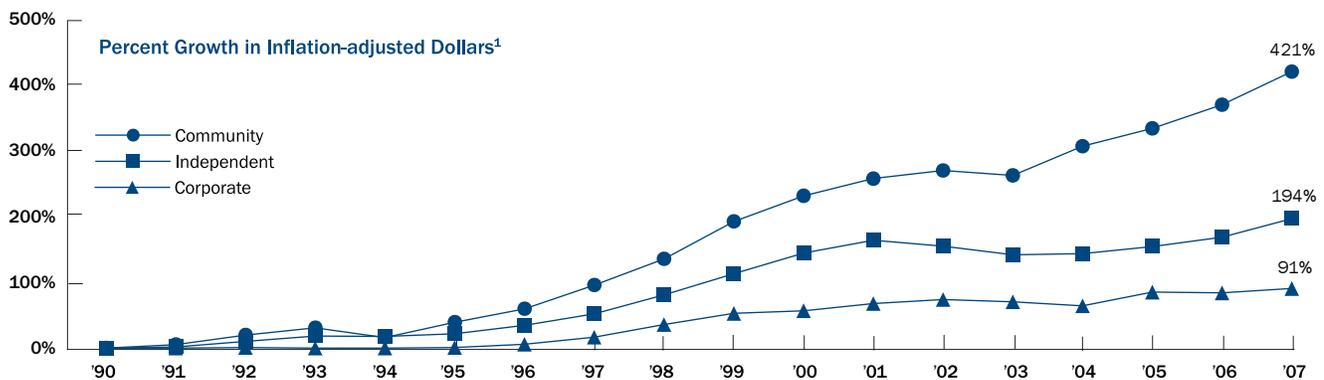
Corporate foundation giving as a share of all foundation giving in 2006

## Inflation-adjusted corporate foundation giving has roughly doubled since 1990



Note: Figures estimated for 2007. Excludes giving by corporate operating foundations.

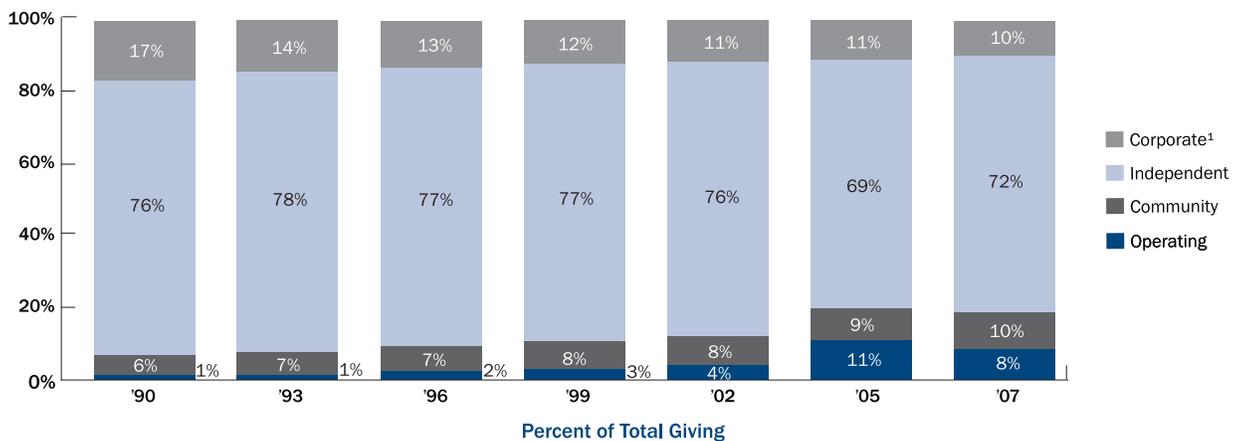
## Accounting for inflation, corporate foundations reported slower cumulative growth in giving than other types of foundations since 1990



Note: Figures estimated for 2007. Excludes giving by corporate operating foundations.

<sup>1</sup>Percent change in constant 1990 dollars based on annual average Consumer Price Index, all urban consumers (Source: U.S. Department of Labor, Bureau of Labor Statistics, as of March 2008).

## Corporate foundation giving continued to decline as a share of all foundation giving in 2007



Note: Figures estimated for 2007; due to rounding, figures may not add up.

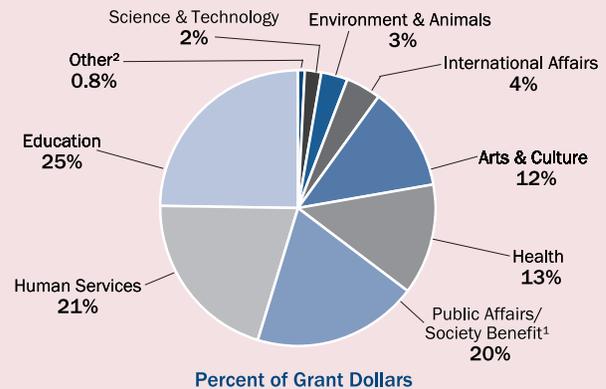
<sup>1</sup>Excludes giving by corporate operating foundations.

## Corporate Foundation Giving Patterns, 2006

The larger corporate foundations included in the Foundation Center's 2006 grants sample<sup>1</sup> were slightly more likely than independent and community foundations to provide funding for education and far more likely to allocate funding for public affairs/society benefit. Much of the larger share of support for public affairs/society benefit reflected giving for philanthropy and voluntarism, including federated funds. By types of support, corporate foundations favored program support, followed by general/operating support—consistent with giving patterns of community foundations.

<sup>1</sup>The Foundation Center's 2006 grants sample database includes all of the grants of \$10,000 or more awarded by 1,263 of the largest U.S. foundations, including 200 corporate foundations. The overall sample accounted for roughly half of grant dollars awarded by the more than 72,000 grantmaking U.S. foundations.

### Education and human services were the top priorities of corporate foundations in 2006

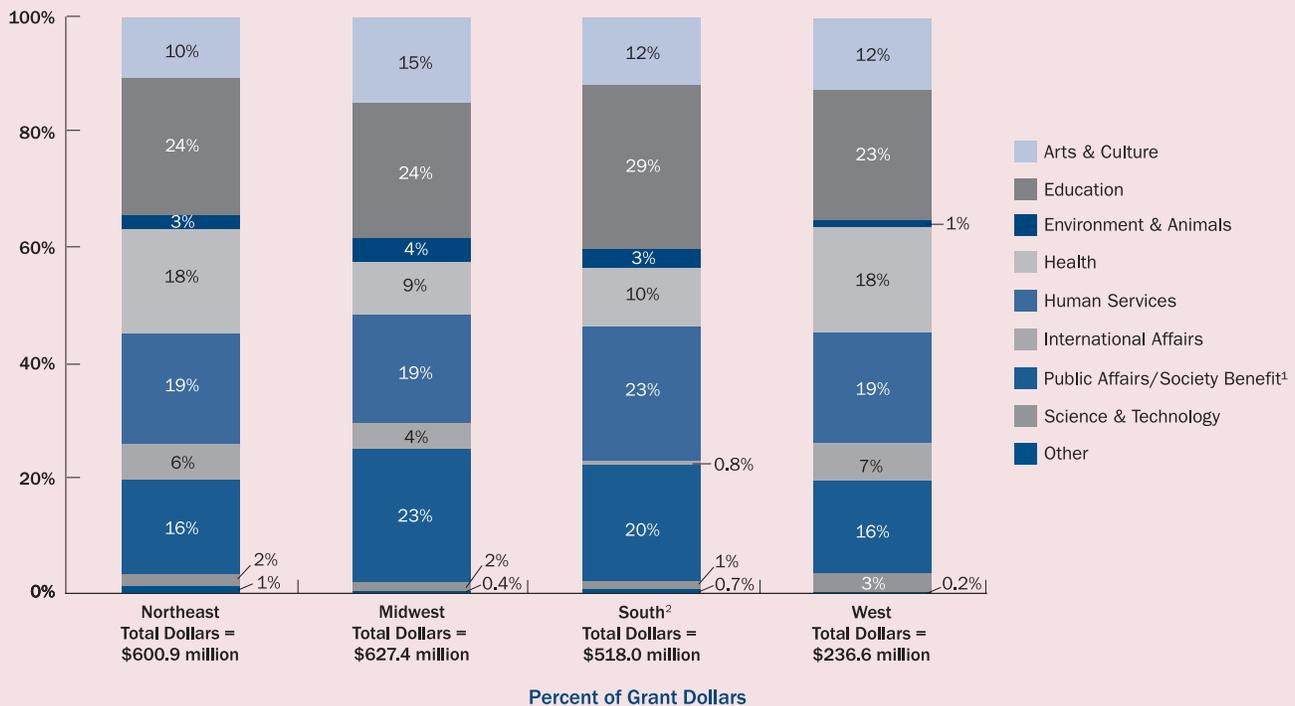


Note: Based on a sample of 200 larger corporate foundations. Excludes giving by corporate operating foundations.

<sup>1</sup>Includes civil rights and social action, community improvement and development, philanthropy and voluntarism, and public affairs.

<sup>2</sup>Includes religion and the social sciences.

### Education was the top priority of corporate foundations across regions in 2006



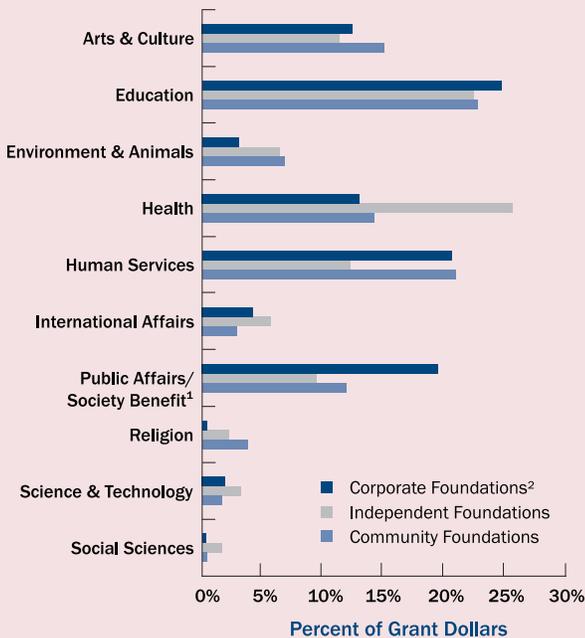
Note: Based on a sample of 200 larger corporate foundations. Excludes giving by corporate operating foundations.

<sup>1</sup>Includes civil rights and social action, community improvement and development, philanthropy and voluntarism, and public affairs.

<sup>2</sup>Figures for the South exclude the District of Columbia. The DC-based corporate foundations in the sample awarded grants totaling \$15.6 million.

## Corporate Foundation Giving Patterns, 2006, continued

Corporate foundations provided larger shares of funding for education and public affairs/society benefit than other foundations

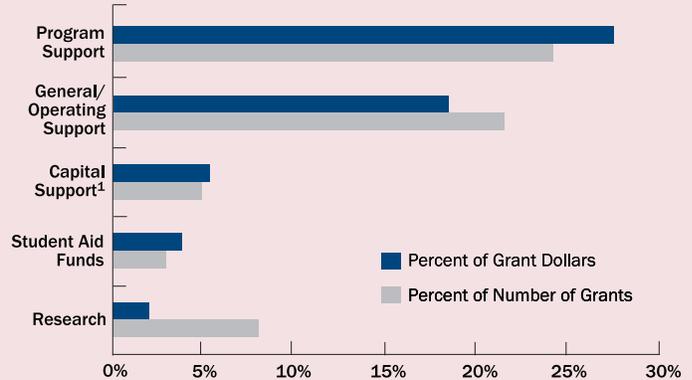


Note: Based on a sample of 1,263 larger foundations.

<sup>1</sup>Includes civil rights and social action, community improvement and development, philanthropy and voluntarism, and public affairs.

<sup>2</sup>Excludes giving by corporate operating foundations.

Corporate foundations favored program and operating support in 2006



Note: Based on a sample of 200 larger corporate foundations. Excludes giving by corporate operating foundations. Nearly half of grant dollars and grants could not be identified by type of support.

<sup>1</sup>Includes endowment funds.

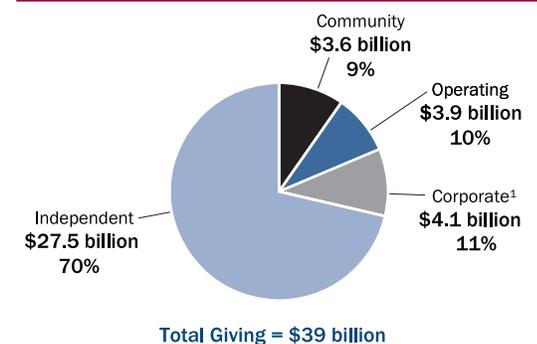
## Summary 2006 Statistics for Corporate Foundations

### Change in Corporate Foundations, 2005 to 2006

	2005	2006	% Change
No. of Foundations	2,607	2,548	-2.3
Total Giving	\$ 3,995,705	\$ 4,097,799	2.6
Total Asset	\$ 17,795,181	\$ 19,730,174	10.9
Gifts Received	\$ 4,008,064	\$ 4,374,199	9.1

Note: Dollars in thousands. Excludes giving by corporate operating foundations.

Corporate foundation giving represented over one-tenth of total foundation giving in 2006



Note: Based on total giving by 72,477 grantmaking private and community foundations.

<sup>1</sup>Excludes giving by corporate operating foundations.

## Summary 2006 Statistics for Corporate Foundations, continued

### Top 25 Corporate Foundations by Total Giving, 2006

Foundation	State	Total Giving <sup>1</sup>	Qualifying Distributions <sup>2</sup>	Assets	Fiscal Date
1. Aventis Pharmaceuticals Health Care Foundation	NJ	\$221,676,217	\$221,676,217	\$ 0	12/31/2006
2. Bank of America Charitable Foundation	NC	144,833,778	144,833,778	97,026,708	12/31/2006
3. Wal-Mart Foundation	AR	128,043,643	128,793,891	22,894,012	12/31/2006
4. GE Foundation	CT	88,252,767	88,950,343	6,573,815	12/31/2006
5. Citi Foundation	NY	83,108,446	83,493,952	63,670,658	12/31/2006
6. JPMorgan Chase Foundation	NY	79,895,591	82,906,866	143,739,546	12/31/2006
7. Wachovia Foundation	NC	64,418,266	67,739,971	377,239,704	12/31/2006
8. Wells Fargo Foundation	CA	64,359,430	64,359,430	551,651,158	12/31/2006
9. ExxonMobil Foundation	TX	62,495,330	62,831,185	79,260,859	12/31/2006
10. Verizon Foundation	NJ	59,847,733	62,368,483	343,008,317	12/31/2006
11. Johnson & Johnson Family of Companies Contribution Fund	NJ	58,213,254	58,213,531	20,281,531	12/31/2006
12. AT&T Foundation	TX	57,295,273	57,295,273	147,762,920	12/31/2006
13. Merck Company Foundation	NJ	43,343,390	43,944,707	124,449,548	12/31/2006
14. BP Foundation	IL	43,178,430	43,936,076	170,591,160	12/31/2006
15. Intel Foundation	OR	41,483,072	41,507,328	60,437,905	12/31/2006
16. UPS Foundation	GA	41,360,430	41,401,875	36,441,350	12/31/2006
17. Fannie Mae Foundation	DC	37,935,448	60,677,991	71,714,426	12/31/2006
18. Ford Motor Company Fund	MI	37,759,919	39,549,588	129,513,993	12/31/2006
19. Eli Lilly and Company Foundation	IN	35,842,960	25,842,960	105,185,427	12/31/2006
20. MetLife Foundation	NY	31,999,651	34,599,526	172,699,694	12/31/2006
21. General Motors Foundation	MI	29,401,986	30,042,816	222,500,120	12/31/2006
22. Caterpillar Foundation	IL	28,903,210	29,015,352	45,876,712	12/31/2006
23. Procter & Gamble Fund	OH	25,009,145	25,062,812	44,263,781	6/30/2006
24. NCC Charitable Foundation	OH	24,868,048	24,868,248	70,359,085	6/30/2006
25. Prudential Foundation	NJ	24,208,333	26,770,654	101,717,057	12/31/2006

Note: List excludes corporate operating foundations.

<sup>1</sup>Includes grants, scholarships, and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses.

<sup>2</sup>Qualifying distributions are the expenditures used in calculating the required 5 percent payout; includes total giving, as well as reasonable administrative expenses, set-asides, PRIs, operating program expenses, and amount paid to acquire assets used directly for charitable purposes.

## The Impact of Corporate Operating Foundations

The vast majority of corporate foundations are established as private non-operating foundations with a principal focus on making grants to organizations for charitable purposes. Corporations may also choose to set up private operating foundations, although this is far less common. Generally, operating foundations are established to conduct research or provide a direct service. However, in the case of the largest corporate operating foundations, most of their charitable support comes through giving of pharmaceuticals to individuals in need. Between 1996 and 2003, twelve pharmaceutical manufacturers established operating foundations for the purpose of distributing medications to patients with financial hardships, generally on a national basis.<sup>1</sup> In addition, one pharmaceutical manufacturer established a non-operating corporate foundation for this purpose in the early 1990s. Together, these thirteen “pharmaceutical foundations” provided \$2.7 billion in in-kind support in 2006.

In-kind giving by these new pharmaceutical foundations may represent for some corporations a shift in funding from corporate direct giving programs to foundations. Observers of the field may also be surprised to learn that contributions of product are counted as part of foundations’ “total giving.” In fact, other private foundations may occasionally make gifts of works of art, land, or other non-cash items, which are assigned a monetary value and counted toward total giving. However, nothing in the prior history of the nation’s foundation community approaches the scale of product giving seen with this handful of recently established foundations.

<sup>1</sup>In addition to providing pharmaceuticals to patients in need, one of these foundations, the Boehringer Ingelheim Cares Foundation, also provides monetary support to organizations involved with arts and culture, education, health, disaster relief, and human services.

## Corporations' Share of All Private Giving

Individuals account for the vast majority of private giving, followed by independent and community foundations, and corporations and corporate foundations. Nonetheless, corporations and corporate foundations provide an essential share of support. *Giving USA* estimated overall corporate contributions in 2006, including both foundation and direct corporate giving, at \$12.72 billion. According to the Foundation Center, corporate foundation giving of \$4.1 billion represented 32 percent of all corporate contributions, up from 29 percent in 2005. However, if corporate foundation giving was combined with the \$2.7 billion in in-kind medication giving by operating foundations established by pharmaceutical manufacturers, the 2006 share would rise to just over 50 percent. (For more details on these grantmakers, see "The Impact of Corporate Operating Foundations.")

Generally, corporate foundation giving represents cash contributions, while a notable portion of corporate direct giving and giving through operating foundations may reflect in-kind gifts of product. Therefore, if only cash giving was being tracked, corporate foundations would account for a larger share of overall corporate support.

Corporate giving as a share of companies' pre-tax profits—excluding giving by corporate operating foundations—reached a record 2 percent in 1986. Following that peak, corporate giving steadily declined to 1 percent of pre-tax profits in 1996, before gradually rising to 1.6 percent in 2001. As of 2006, however, the share had dropped to below 1 percent.

## Summary 2006 Statistics for Corporate Foundations, continued

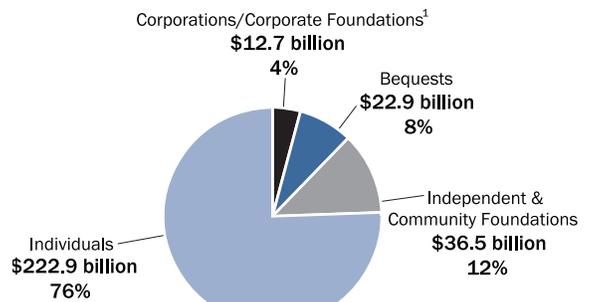
By industry, companies in banking and finance accounted for the largest share of corporate foundation giving in 2006

Industrial Classification	Number of Foundations	%	Total Giving <sup>1</sup>	%	Average Giving Per Foundation
Chemicals	52	2.0	\$ 112,265	2.7	\$2,159
Computers/Office Equipment	17	0.7	28,668	0.7	1,686
Food and Agriculture	102	4.0	163,004	4.0	1,598
Industrial and Commercial Machinery (Not Computer)	168	6.6	297,104	7.3	1,768
Paper and Like Products	39	1.5	28,476	0.7	730
Petroleum/Gas/Mining	43	1.7	154,300	3.8	3,588
Pharmaceuticals	32	1.3	413,314	10.1	12,916
Primary Metals	40	1.6	34,362	0.8	859
Printing/Publishing/Media	81	3.2	60,437	1.5	746
Textiles and Apparel	78	3.1	42,452	1.0	544
Transportation Equipment	70	2.7	192,786	4.7	2,754
Other Manufacturing	272	10.7	265,295	6.5	975
<b>Total Manufacturing</b>	<b>994</b>	<b>39.1</b>	<b>\$1,792,461</b>	<b>43.8</b>	<b>\$1,803</b>
Banking and Finance	450	17.7	\$ 954,137	23.3	\$3,986
Insurance	143	5.6	387,777	9.5	2,712
Retail and Wholesale Trade	328	12.9	376,048	9.2	1,146
Telecommunications	40	1.6	148,902	3.6	3,723
Transportation	34	1.3	74,077	1.8	2,179
Utilities	96	3.8	134,941	3.3	1,406
Other Services	445	17.5	224,881	5.5	505
<b>Total Nonmanufacturing</b>	<b>1,536</b>	<b>60.4</b>	<b>\$2,300,762</b>	<b>56.2</b>	<b>\$1,498</b>
Unspecified	18	0.7	\$ 4,575	0.1	\$ 254
<b>Total</b>	<b>2,548</b>	<b>100.0</b>	<b>\$4,097,799</b>	<b>100.0</b>	<b>\$1,608</b>

Note: Dollars in thousands. Categories are based on the Conference Board's classification of corporations using Standard Industrial Classification codes.

<sup>1</sup>Includes grants, scholarships, and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses.

## Corporate giving accounted for 4 percent of private contributions in 2006



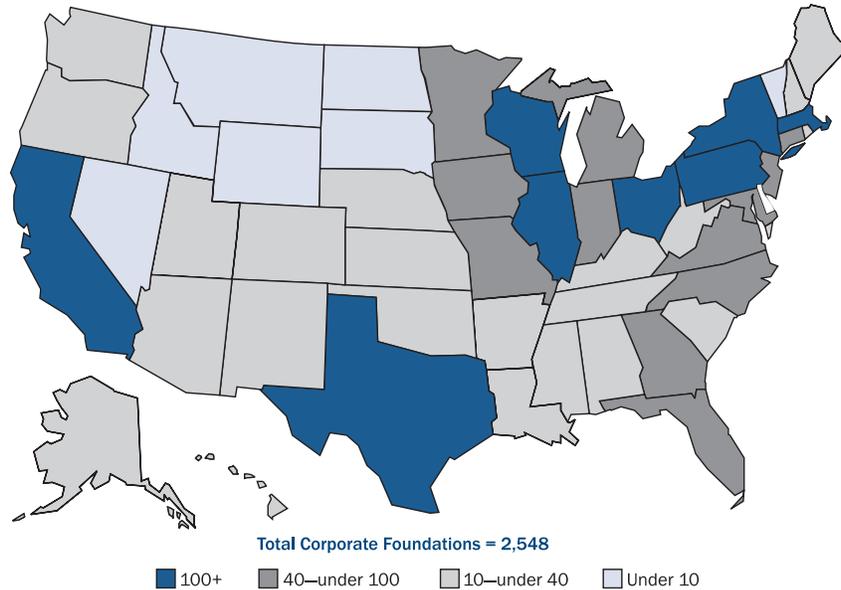
**Total Private Philanthropic Giving = \$295 billion**

Note: Based on data from Giving USA Foundation, *Giving USA 2007*, ed. by M. Brown, Illinois; Giving USA Foundation, 2007.

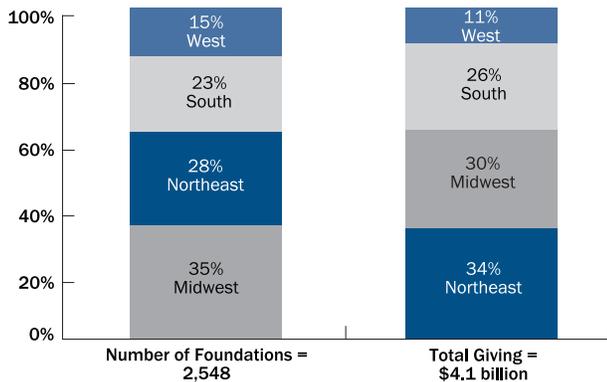
<sup>1</sup>Of total corporate giving for 2006, \$4.1 billion (32%) was paid through corporate foundations.

# Summary 2006 Statistics for Corporate Foundations, continued

## Corporate Foundations by State, 2006

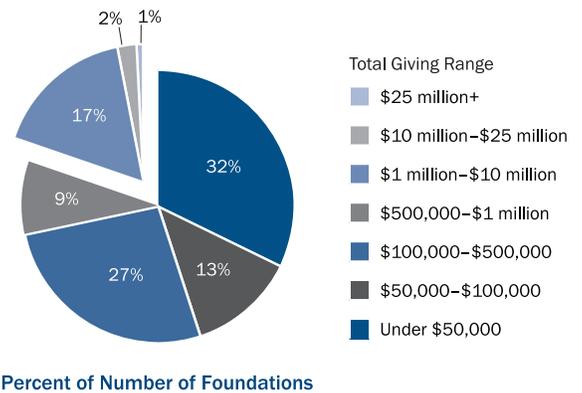


### The Northeast and Midwest accounted for the largest shares of corporate foundation giving in 2006



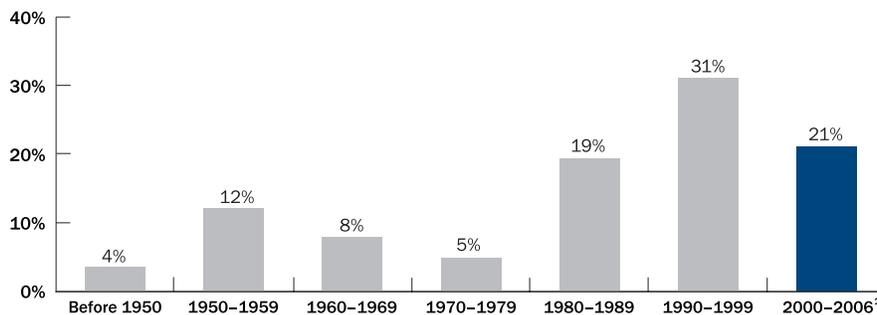
Note: Giving includes grants, scholarships, and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses. Excludes giving by corporate operating foundations.

### 20 percent of corporate foundations reported more than \$1 million in giving in 2006



Note: Based on total giving by 2,548 grantmaking corporate foundations. Excludes giving by corporate operating foundations.

### Over 20 percent of active corporate foundations have been established in the 2000s



Note: Excludes 265 grantmaking corporate foundations that lack establishment information.

<sup>1</sup>Data incomplete for the period 2000–2006.



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**Source for all data:** The Foundation Center

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“Key Facts on Corporate Foundations” is available at [foundationcenter.org](http://foundationcenter.org).