For more than three decades, the Foundation Center has sought to enhance understanding of the philanthropic sector by gathering comprehensive data on U.S. grantmaking foundations and preparing analyses of the size, scope, and giving patterns of the foundation community. This *Health Funding Update* continues that tradition with a brief examination of the growth and distribution of foundation funding for health from the mid-1990s to the start of the new millennium.

**Estimated Health Funding, 1995 to 2000**

U.S. grantmaking foundations provided an estimated $4.46 billion for health in 2000, nearly two and one-third times the $1.94 billion reported for 1995. This dramatic growth in health funding exceeded overall gains in foundation giving in the second half of the 1990s (130.1 percent vs. 125.3 percent). Adjusted for inflation, health giving more than doubled since 1995—up 103.7 percent or 15.3 percent per year. A strong economy, record growth in the stock market, and near-record levels of foundation creation contributed to the dramatic growth in giving across disciplines. The health field also benefited from the establishment and continued growth of “new health foundations.” These grantmakers, created as a result of the sale of nonprofit health care entities to for-profit corporations, tended to fund almost exclusively for health. In addition, a few newly large, multipurpose foundations—most notably the Bill & Melinda Gates Foundation (WA) and the David and Lucile Packard Foundation (CA)—brought substantial resources to the health field.

The rapid growth in foundation giving for health helped foundations to increase their share of all private contributions for health from less than one-seventh (13.9 percent) in 1990 to just over one-fifth (20.8 percent) in 1999. Still, the vast majority of contributions continue to come from individuals. Moreover, all private contributions for health in 1999—$17.95 billion—represented less than 2 percent of the approximately $1.21 trillion spent by all sources on U.S. health care.

**Health Funding Trends through 1999**

The following analysis shifts from estimates of total foundation health giving to an examination of health funding trends based on actual grant records of $10,000 or more reported by an annual sample of just over 1,000 larger foundations. For more information on the grants sample, see “1999 Sampling Base.”

U.S. foundations have a long history of providing strong support for the health field. Since the 1980s, health has almost invariably ranked second in funding, following education. In 1999, funders in the Foundation Center’s grants sample gave 17.1 percent of their grant dollars and 11.8 percent of their grants for health. In terms of actual dollars, foundations awarded nearly $2 billion for health in the latest sample, up by four-fifths (80.9 percent) from $1.1 billion in 1995. Over the same period, funders increased the number of health grants awarded to 12,776, up by more than one-third (36.0 percent) from the 9,393 grants reported four years earlier.

The Robert Wood Johnson Foundation (NJ)—the nation’s largest health funder—far surpassed all other foundations in terms of giving for health. RWJ gave $371.5 million for health in 1999, up from $144.8 million in 1995. This support represented more than triple the amount awarded by the second-ranked David and Lucile Packard Foundation in the latest year. Still, following the receipt of its principal endowment in 1996-97, health giving by the Packard Foundation has grown rapidly.

**Estimated foundation giving for health exceeded growth in overall giving between 1995 and 2000**

Source: *Health Funding Update, 2001.*

*All figures based on unadjusted dollars.

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New health foundations also had a pronounced impact on health funding. For example, the California Endowment (CA), established in 1996, jumped into third place rank among health funders in the latest sample with giving of $91.3 million. Finally, while a handful of foundations account for a large share of overall health giving, the health field enjoyed very broad support, with close to nine out of ten foundations in the 1999 sample awarding health grants.

**Giving by Purpose.** The broad field of general and rehabilitative health received nearly three-fifths (57.1 percent) of health grant dollars in 1999. Giving in this area included support for hospitals, outpatient treatment, reproductive health, public health programs, nursing services, and health policy. Funding for medical research, which encompasses support for research and other activities to advance knowledge about specific diseases, disorders, or medical disciplines, accounted for just under one-fifth (19.2 percent) of health dollars. Grant dollars awarded for the prevention and treatment of specific diseases or physical disorders totaled 12.1 percent of health support at the end of the 1990s. Grantmaker awards to promote mental health and the treatment of mental illnesses, including research on the causes and cures for mental illness, substance abuse treatment services, and crisis intervention services, represented an additional 11.5 percent of grant dollars.

Among the fastest growing health fields in the second half of the 1990s, public health funding dollars jumped nearly two and one-half times (146.4 percent) since 1995, while grants increased by more than half (54.8 percent). New health foundations have shown an especially strong interest in supporting public health (see below). Giving for reproductive health care also more than doubled during this period, although the number of grants grew at roughly half the overall rate. (Much of the support for reproductive health care comes through a smaller number of especially large grants.) Increased giving by the Packard Foundation, mainly for international programs, accounted for much of this growth. Finally, medical research represented the third major health subfield to realize above-average growth in grant dollars since the mid-1990s.

**Giving by Types of Support.** Compared to all foundation giving, health grant dollars in the 1999 sample provided a modestly higher share of support for specific programs and projects and roughly two and one-half times the overall share for research. Together, program and research support accounted for nearly three-quarters (73.4 percent) of health grant dollars. In contrast, foundations’ health funding was much less likely to support capital projects. Support for health scholarship and fellowship funds for institutions also appeared to be lower. However, this figure excludes student aid awards to medical, nursing, and dental schools, which are counted as education grants. If these grants were included, the share for health would be higher.

**Giving by Beneficiary Group.** Health grant dollars are far more likely to target vulnerable population groups. Almost...
Three-quarters of foundations' health grant dollars targeted specific projects and research in 1999*

Three-fifths (58.7 percent) of health grants in the latest sample could be coded for specific groups, compared to about two-fifths (41.7 percent) of grants overall. Among population groups, children and youth and the economically disadvantaged benefited from the largest shares of health grant dollars in 1999, followed by women and girls. The much higher share of health dollars benefiting women and girls, compared to overall giving, primarily reflected the impact of funding for reproductive health care. Much larger shares of health funding also targeted the aging, substance abusers, and People with AIDS. In contrast, a much smaller share of health funding specified a benefit for racial or ethnic minorities.

Giving by Funder Location. Foundations in the West provided nearly one-quarter (24.1 percent) of their grant dollars for health in 1999, far exceeding funders in the Northeast (19.1 percent), South (17.6 percent), and Midwest (8.9 percent). The West also led by share of number of health

New health foundations favored public health, hospitals and medical care, and human services in 1999*

Western foundations awarded largest shares of their grant dollars and grants for health in 1999

Source: Health Funding Update, 2001. Based on a set of ten foundations created from health care conversions. These foundations awarded 729 grants totaling $195.1 million.

Note: General & Rehabilitative subcategory accounts for 66 percent of giving in health; subcategories include Public Health, Hospitals & Medical Care, Health Care Financing, Reproductive Health Care, and General & Other Rehabilitative.
Top Ten U.S. Foundations Giving for Health, 1999*

<table>
<thead>
<tr>
<th>Foundation Name</th>
<th>Fdn. Type</th>
<th>State</th>
<th>Dollar Amount</th>
<th>No. of Grants</th>
<th>Primary Health Focus Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Robert Wood Johnson Foundation</td>
<td>IN</td>
<td>NJ</td>
<td>$371,534,114</td>
<td>570</td>
<td>Supports areas of access, chronic health conditions, and substance abuse.</td>
</tr>
<tr>
<td>2. David and Lucile Packard Foundation</td>
<td>IN</td>
<td>CA</td>
<td>114,132,374</td>
<td>232</td>
<td>Supports areas of child health, access to health insurance, child health care quality, and family planning and reproductive health services.</td>
</tr>
<tr>
<td>3. California Endowment</td>
<td>IN</td>
<td>CA</td>
<td>91,345,951</td>
<td>117</td>
<td>Supports health and well-being of Californians in areas of multicultural health, access to health care, and health and well-being.</td>
</tr>
<tr>
<td>4. Whitaker Foundation</td>
<td>IN</td>
<td>VA</td>
<td>50,105,302</td>
<td>126</td>
<td>Supports research and education in biomedical engineering.</td>
</tr>
<tr>
<td>5. Bill &amp; Melinda Gates Foundation</td>
<td>IN</td>
<td>WA</td>
<td>47,781,500</td>
<td>24</td>
<td>Global health program focuses on vaccine preventable diseases, reproductive and child health, and conditions associated with poverty.</td>
</tr>
<tr>
<td>6. Burroughs Wellcome Fund</td>
<td>IN</td>
<td>NC</td>
<td>36,697,910</td>
<td>139</td>
<td>Supports research and other scientific and educational activities to advance the medical sciences.</td>
</tr>
<tr>
<td>7. Rockefeller Foundation</td>
<td>IN</td>
<td>NY</td>
<td>36,199,505</td>
<td>138</td>
<td>Promotes global health equity through support for efforts to reduce avoidable and unfair differences in the health status of populations.</td>
</tr>
<tr>
<td>8. Donald W. Reynolds Foundation</td>
<td>IN</td>
<td>NV</td>
<td>35,345,251</td>
<td>11</td>
<td>Supports strengthening of geriatric knowledge of physicians and cardiovascular research, in addition to capital needs of health organizations in AR, NV, OK.</td>
</tr>
<tr>
<td>9. Starr Foundation</td>
<td>IN</td>
<td>NY</td>
<td>34,029,225</td>
<td>64</td>
<td>Supports various areas, including hospitals, research, and care for under-served communities.</td>
</tr>
<tr>
<td>10. W. M. Keck Foundation</td>
<td>IN</td>
<td>CA</td>
<td>31,675,000</td>
<td>11</td>
<td>Supports basic medical research to improve understanding of fundamental processes of biological organisms.</td>
</tr>
</tbody>
</table>

Source: Health Funding Update, 2001. Based on grants of $10,000 or more from a sample of 1,016 larger foundations.

*Based on a list created for FC Stats, a free online resource of the Foundation Center. For lists of the top 50 foundations by funding for health overall and for select subcategories, visit http://www.fdncenter.org/fc_stats. Figures include all grants to recipient organizations classified in this topic area and grants to other recipient types for activities classified in this topic area.

1Programmatic information not available in FC Stats.

2IN = Independent

grants (12.7 percent), although by a very small margin. Overall, five Western foundations ranked among the top ten health funders in the latest sample, including the Packard, Gates, Donald W. Reynolds (NV), and W.M. Keck (CA) foundations, and the California Endowment.

Giving by Geographic Focus. Similar to overall giving, most health grant dollars (87.9 percent) were awarded to organizations located in the United States and its territories for projects with a domestic focus. Still, compared to all giving, foundations in the 1999 sample provided slightly larger shares of grant dollars to domestic recipients for international health projects (8.2 percent vs. 7.6 percent) and to overseas recipients (3.9 percent vs. 3.7 percent). Giving by “New Health Foundations.” In 1999, the ten new health foundations included in the grants sample awarded a total of $195.1 million or nearly one-tenth (9.8 percent) of all health funding. The two largest new health foundations by giving were California-based—the California Endowment and the California Wellness Foundation—and together they provided seven-tenths (70.3 percent) of new health foundations’ grant dollars and more than two-fifths (42.2 percent) of grants. Not surprising given their origins, new health funders awarded approximately three-quarters (74.4 percent) of their grant dollars in various health fields. They directed their largest single share of funding (35.8 percent) to public health and were responsible for more than one out of three grant dollars awarded by all foundations in the sample in this area. Among related non-health areas, new health foundations directed more than one-sixth (17.1 percent) of their support to human services and an additional 4.2 percent to education, primarily for medical, nursing, and other health professions education.

Endnotes
1. Estimates are based on a weighted percentage of health giving of a sample of foundations as a proportion of total giving reported by all foundations.

1999 Sampling Base
The Foundation Center’s circa 1999 grants sample includes 108,169 grants of $10,000 or more awarded by 1,016 leading foundations and reported to the Center between June 1999 and July 2000. Grants were awarded primarily in 1999 or 1998. These grants totaled nearly $11.6 billion and represented half of total grant dollars awarded by all U.S. independent, corporate, community, and grantmaking operating foundations. See Appendix A in Foundation Giving Trends, 2001 Edition, for complete sampling information.

About FC Stats
FC Stats is a free online resource that provides users with ready access to statistical data tables on U.S. private and community foundations and their funding patterns. For example, users interested in support for health can find the amount awarded by foundations for health overall and for specific subfields, including medical research, mental health, public health, and reproductive health; lists of the top 50 foundations awarding grants in health overall and by subfield; and lists of the top 50 recipients of health grants overall and by subfield. To access FC Stats, visit http://www.fdncenter.org/fc_stats.