International Grantmaking by U.S. foundations experienced record growth between 1994 and 1998, far surpassing the gains tracked in the early 1990s. The key factors propelling this growth were the booming U.S. economy and the bull stock market, which greatly increased foundation assets, the rapid growth of the foundation community, and the rise of major new international funders. Foundations were also responding to challenges and opportunities created by new waves of democratization, a rise in requests from local non-governmental organizations, and pressing needs worldwide—from disease epidemics, to ethnic conflict, to climate change.

International Grantmaking II: An Update on U.S. Foundation Trends represents the Foundation Center’s second examination of the role of private grantmakers in funding cross-border and U.S.-based international programs. The Center’s first study of international giving trends, International Grantmaking: A Report on U.S. Foundation Trends, mapped funding patterns from 1990, the start of the post-Cold War era, to 1994. This update carries the analysis through 1998. Both the original report and this update were developed in collaboration with the Council on Foundations, a nonprofit membership association of foundation and corporate donors.

Components of the study include a comparison of government, corporate, and foundation international giving trends and a review of the environmental factors that have influenced these trends; an analysis by geographic focus, subject, recipient type, type of support, and population group of more than 9,000 international grants awarded by foundations in 1998; a review of changes among the leading international grantmakers and the emergence of prominent new funders; and a discussion of current practice and future grantmaking trends based on a survey of grantmakers conducted in Spring 2000.

This report is one of a series of benchmark studies produced by the Foundation Center on major fields of philanthropy.

Funding Trends in the Late 1990s

The following analyses present both actual giving data on all grantmaking foundations active in 1994 and 1998 and estimated international giving.

- All foundation giving soars from $11.3 billion in 1994 to $19.5 billion in 1998, up seven-tenths or 56 percent in real terms
- International giving by all foundations reaches an estimated $1.6 billion in 1998

Cross-border giving rises substantially in most major regions in the late 1990s*

![Graph showing cross-border giving across different regions]


*Based on a sample of grants of $10,000 or more from 1,020 foundations for 1994 and 1,009 foundations for 1998. Grants to overseas recipients, e.g., in Europe, may be for programs conducted in other countries or regions.

For information regarding this report, contact Loren Renz, Vice President for Research at The Foundation Center, at 212-620-4230 or lr@fdncenter.org. International Grantmaking II “Highlights” are available at http://www.fdncenter.org.
• Estimated international giving increases by more than $639 million since 1994, a two-thirds gain or 51 percent in real terms

International Grantmaking Trends for a Sample of U.S. Foundations

The following data derive from an analysis of grants of $10,000 or more reported by a sample of 1,020 foundations in 1994 and 1,009 foundations in 1998. Giving by these funders represented at least half of all foundation giving in each year. These primarily large foundations provided more than two-thirds of estimated total international giving by all foundations.

Dimensions and Growth of International Funding, 1998
• 576 foundations award international grants, a 20 percent rise since 1994
• Six out of ten grantmakers in sample award international grants, up from one-half in 1994
• International giving by sampled foundations totals $1.07 billion
• International giving climbs nearly $387 million, up 57 percent since 1994 or 43 percent in real terms
• Foundations award 9,230 grants for international programs, up 39 percent
• The number of international grants grows faster than all grants

Profile of International Funders by Type and Age
• Independent foundations account for three-fourths of international funders and nine-tenths of giving
• Corporate foundations account for one-fifth of funders and 5 percent of international giving
• Number of younger international funders increases dramatically

Changes in Share of Giving
• International giving slips to around 11 percent of all grant dollars, down from 11.5 percent
• Share of number of grants increases to 9.4 percent, up from 9 percent
• International giving share is highest for largest foundations—14 percent
• 171 grantmakers allocate at least 10 percent of giving for international activities; 36 devote at least one-half

International giving grows by at least half for all types of funders between 1994 and 1998

Distribution Patterns by Grant Size
• Median international grant of $41,500 exceeds median grant overall
• Mean, or average, international grant exceeds $115,000
• Mean international grant grows at half the rate of average grant in all fields
• Number of international grants of $1 million and over more than doubles

International giving as share of all giving slips in late 1990s

*Based on a sample of grants of $10,000 or more reported from 1,020 foundations for 1994 and 1,009 foundations for 1998.
Geographic Trends: Giving to Overseas vs. U.S.-Based Recipients

- Increase in funding for U.S.-based programs outpaces gains in overseas funding
- Grants for U.S.-based international programs approach $643 million, a 65 percent gain
- Support soars for U.S.-based Asia programs, especially programs focused on China
- Grants overseas climb to $424 million, a 47 percent rise
- Number of overseas grants increases to 3,944, up 44 percent

Programmatic Trends by Major Field and Sub-Field

- International Development, Health, International Affairs, and Education remain top-ranked fields
- Human Rights, Public/Society Benefit, Arts and Culture, and Religion experience fastest growth
- Areas of continued strong growth include micro-enterprise development, human services, reproductive health care, pre-collegiate and adult education, refugee issues, civil rights, civic participation, and the nonprofit sector and philanthropy
- New areas of growth include programs focused on AIDS and other diseases, child health, disaster relief and humanitarian aid, climate change and pollution control, forest protection, impact of globalization, and the humanities


*Based on a sample of grants of $10,000 or more from 1,020 foundations for 1994 and 1,009 foundations for 1998.

Funding rebounds for international education and cultural exchange programs, area studies programs, and programs to promote public awareness of international issues and problems

International development, health, and international affairs capture nearly one-half of international grant dollars in 1994 and 1998*
The Practice of International Grantmaking

The following results were drawn from a survey of 27 international grantmakers conducted between April and June 2000.

Growth of Cross-Border Grantmaking

- Three-fifths of respondents report that their cross-border funding has increased since 1997
- Latin America is the region most often cited as the target of increased cross-border support; Mexico is the most often cited country
- Funders also noted increased giving in Africa, Central and Eastern Europe, Asia, and Russia
- Strong endowment growth is the most widely cited cause for increased cross-border funding
- Other key factors include improved political climates; more proposals arising from greater grantmaker visibility; the opening of new offices overseas; an increased corporate presence; and a growing focus on global corporate citizenship
- Two-thirds of respondents work with intermediary funding organizations in making cross-border grants

Grantmaking Partnerships

- Close to four-fifths (21) of surveyed grantmakers are engaged in partnering with other donors
- 13 of these respondents note that the number of their partnerships has increased since 1997; remainder indicated no change in level of partnerships
- The most frequent funding partners include other U.S. foundation and corporate donors

Changes in Programmatic Focus

- A majority of the respondents have experienced significant changes in their international programmatic focus over the past three years
- Globalization played a central role in the programmatic changes of several surveyed foundations

The Changing International Funding Environment

More than two out of three surveyed grantmakers identified significant changes in the international funding environment over the past three years. Among the key changes noted were:

- U.S. donors appear more interested in funding internationally
- New “mega” foundations are focusing on international giving
- More grantmakers are interested in funding directly overseas
- U.S. government funding is declining
- Partnerships between grantmakers and international funding organizations are on the rise
- Indigenous philanthropy is growing

Prospects for Future Funding

- A large majority of respondents (four-fifths of those who answered the question) are optimistic about their prospects for increasing overall international giving in the future
- Remaining respondents expect to continue funding at about the current level

About the Authors

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