FOUNDATION CENTER
Knowledge to build on.

May 2009

KEY FACTS ON CORPORATE FOUNDATIONS

Outlook for Corporate Foundation Giving

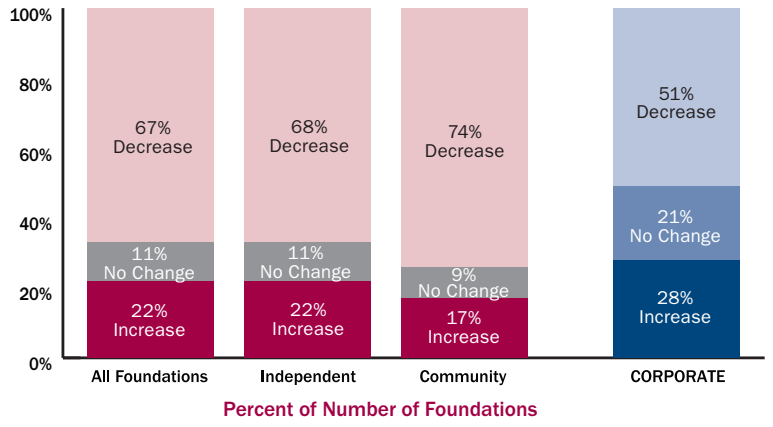
Giving by the nation's nearly 2,500 grantmaking corporate foundations remained basically unchanged in 2008 at an estimated $4.4 billion. Grant dollars rose 0.8 percent from 2007,[1] although this translated into a 3 percent decline after adjusting for inflation. Arguably, corporate foundations were even more directly impacted by the rapid deterioration of the economic situation in 2008 than independent and community foundations. Approximately one-quarter of corporate foundation giving in recent years has been provided by foundations tied to companies working in the banking and finance sector. The impact of this economic calamity has also moved well beyond this sector, with a sustained drop in personal and corporate spending prolonging the recession and affecting corporate earnings across the board.

Looking ahead, just over half (51 percent) of corporate foundations responding to the Foundation Center's annual forecasting survey expect to decrease their giving in 2009.[2] Over three-quarters of these funders anticipate decreases in giving of greater than 10 percent.

[1] Figures exclude giving by corporate operating foundations. For more details see "The Impact of Foundations Established by Pharmaceutical Corporations."

[2] For more details see S. Lawrence and R. Mukai, *Foundation Growth and Giving Estimates: Current Outlook,* The Foundation Center, New York, 2009.

Just over half of surveyed corporate foundations expect to decrease giving in 2009



Note: A total of 1,141 foundations responded to this question. Due to rounding, figures may not add up to 100 percent.

$4.4 billion
Estimated giving by corporate foundations in 2008

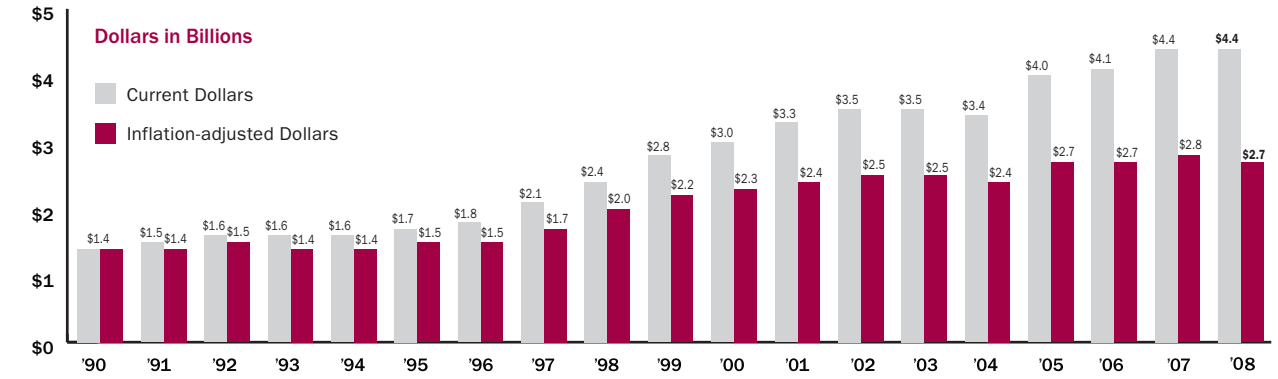
0.8%
Estimated increase in corporate foundation giving between 2007 and 2008

2,498
Number of grantmaking corporate foundations in 2007

21%
Share of corporate foundations reporting more than $1 million in giving in 2007

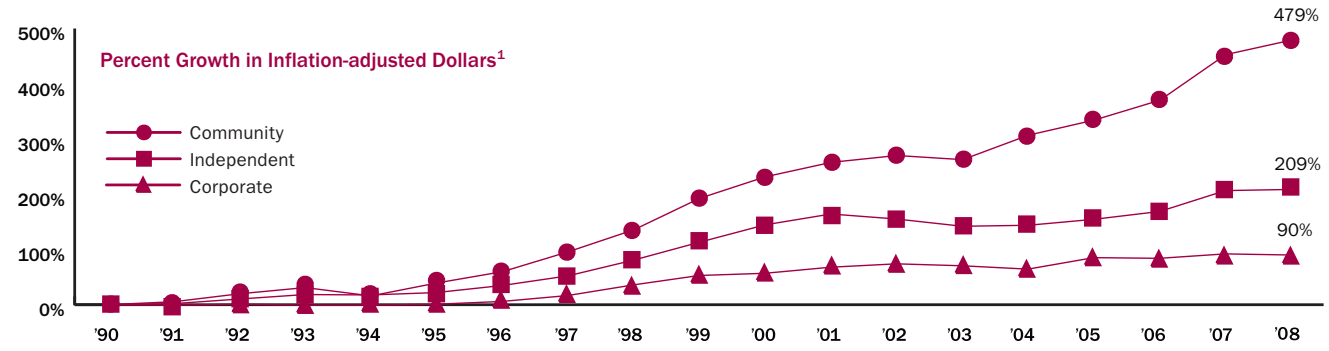
10%
Corporate foundation giving as a share of all foundation giving in 2007

Inflation-adjusted corporate foundation giving has remained nearly flat in recent years



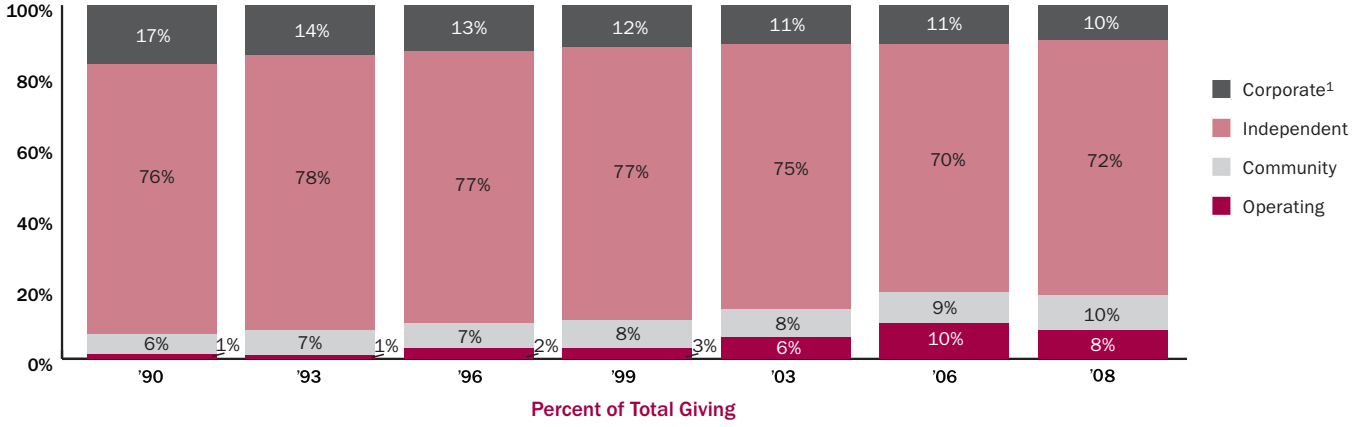
Note: Figures estimated for 2008. Excludes giving by corporate operating foundations.

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



[1]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 2009).

Corporate foundation giving continued to decline as a share of all foundation giving in 2008



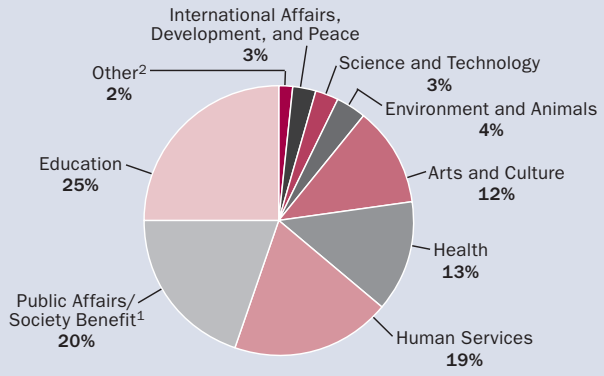
Note: Figures estimated for 2008; due to rounding, figures may not add up to 100 percent.
[1]Excludes giving by corporate operating foundations.

Corporate Foundation Giving Patterns, 2007

The larger corporate foundations included in the Foundation Center's 2007 grants sample[1] were far more likely than independent and community foundations 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.

[1]The Foundation Center's 2007 grants sample database includes all of the grants of $10,000 or more awarded by 1,339 of the largest U.S. foundations, including 186 corporate foundations. The overall sample accounted for roughly half of grant dollars awarded by the more than 75,000 grantmaking U.S. foundations.

Education and public affairs/society benefit were the top priorities of corporate foundations in 2007

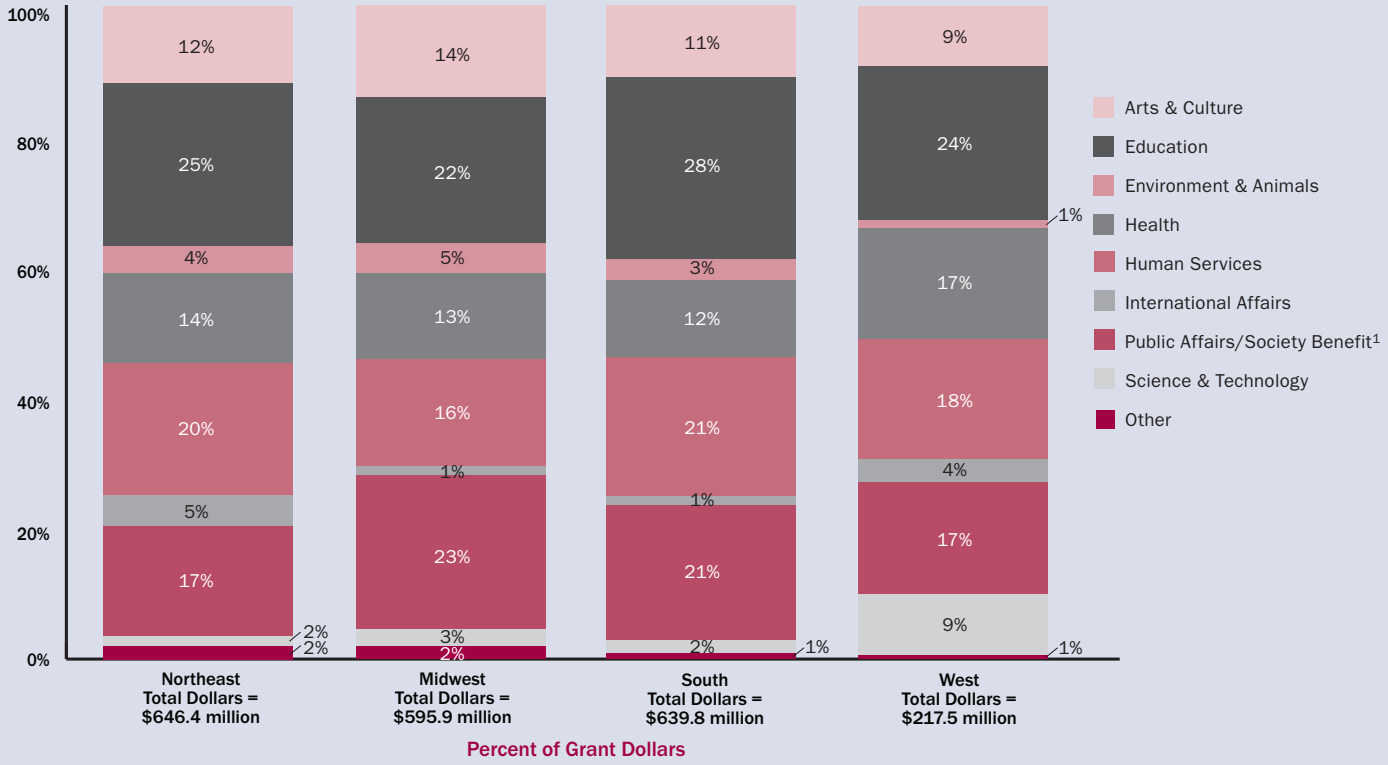


Note: Based on grants of $10,000 or more awarded by a sample of 186 larger corporate foundations. Due to rounding, figures may not add up to 100 percent. Excludes giving by corporate operating foundations.

[1]Includes civil rights and social action, community improvement and development, philanthropy and voluntarism, and public affairs.

[2]Includes religion and the social sciences.

Education was the top priority of corporate foundations across most regions in 2007



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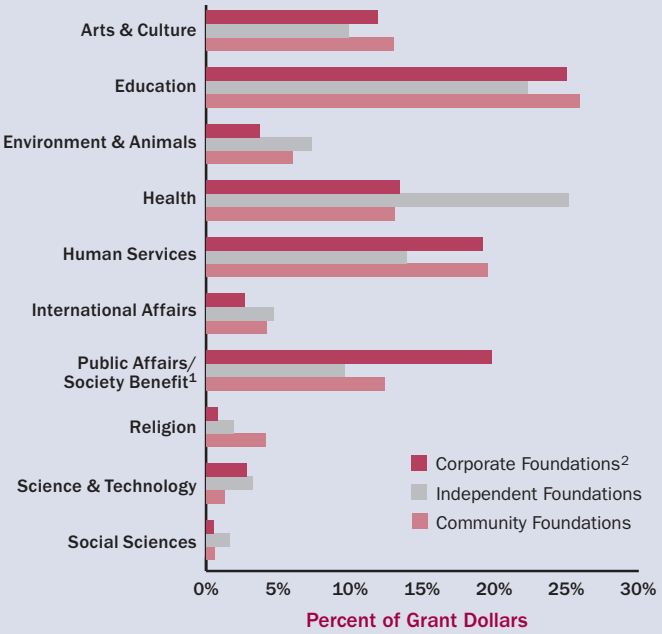
[1]Includes civil rights and social action, community improvement and development, philanthropy and voluntarism, and public affairs.

Corporate Foundation Giving Patterns, 2007, continued

Corporate foundations provided larger shares of funding for public affairs/society benefit than other foundations in 2007

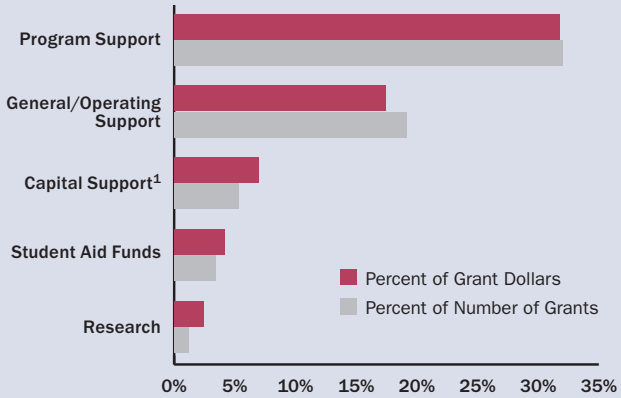


Note: Based on a sample of 1,339 larger foundations.

[1]Includes civil rights and social action, community improvement and development, philanthropy and voluntarism, and public affairs.

[2]Excludes giving by corporate operating foundations.

Corporate foundations favored program and operating support in 2007



Note: Based on a sample of 186 larger corporate foundations. Nearly half of grant dollars and grants could not be identified by type of support.

[1]Includes endowment funds.

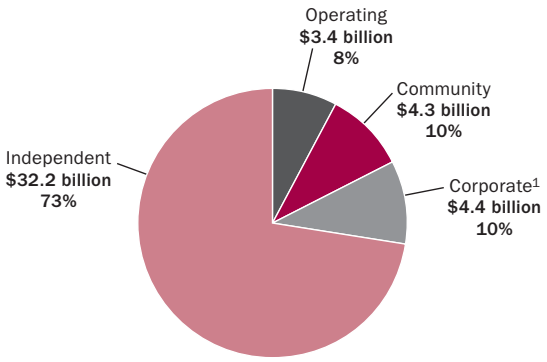
Summary 2007 Statistics for Corporate Foundations

Change in Corporate Foundations, 2006 to 2007

	2006	2007	% Change
No. of Foundations	2,548	2,498	-2.0
Total Giving	$ 4,097,799	$ 4,397,201	7.3
Total Assets	$19,730,174	$21,923,610	11.1
Gifts Received	$ 4,374,199	$ 4,417,855	1.0

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

Corporate foundation giving represented about one-tenth of total foundation giving in 2007



Total Giving = $44.4 billion

Note: Based on total giving by 75,187 grantmaking private and community foundations. Due to rounding, figures may not add up to 100 percent.

[1]Excludes giving by corporate operating foundations.

Top 25 Corporate Foundations by Total Giving, 2007*

Foundation	State	Total Giving[1]	Qualifying Distributions[2]	Assets	Fiscal Date
1. Bank of America Charitable Foundation	NC	**$188,236,685**	$188,236,685	$ 62,928,307	12/31/2007
2. Sanofi-Aventis Patient Assistance Foundation	NJ	**177,414,396**	177,414,396	0	12/31/2007
3. Wal-Mart Foundation	AR	**110,895,707**	111,405,071	4,402,583	1/31/2008
4. Wachovia Foundation	NC	**96,909,222**	99,774,973	329,114,112	12/31/2007
5. Citi Foundation	NY	**96,422,843**	96,638,211	58,626,225	12/31/2007
6. GE Foundation	CT	**91,486,393**	93,528,071	3,862,046	12/31/2007
7. JPMorgan Chase Foundation	NY	**78,932,087**	78,932,087	185,374,851	12/31/2007
8. ExxonMobil Foundation	TX	**75,214,761**	75,514,552	46,595,360	12/31/2007
9. Johnson & Johnson Family of Companies Contribution Fund	NJ	**58,734,462**	58,736,841	28,877,956	12/31/2007
10. AT&T Foundation	TX	**57,772,461**	57,773,459	190,920,478	12/31/2007
11. BP Foundation	IL	**57,384,701**	58,124,908	208,870,008	12/31/2007
12. Verizon Company Foundation	NJ	**51,027,185**	55,441,699	400,193,809	12/31/2007
13. Pfizer Foundation	NY	**45,837,661**	48,186,184	349,895,588	12/31/2007
14. Merck Company Foundation	NJ	**44,085,873**	44,366,106	77,962,483	12/31/2007
15. UPS Foundation	GA	**42,253,878**	42,301,635	26,402,647	12/31/2007
16. Dow Chemical Company Foundation	MI	**40,889,095**	40,889,095	65,109,960	12/31/2007
17. Intel Foundation	OR	**39,434,599**	36,480,925	73,815,648	12/31/2007
18. Coca-Cola Foundation	GA	**36,029,520**	36,029,520	112,677,509	12/31/2007
19. Caterpillar Foundation	IL	**35,867,750**	35,980,330	49,544,694	12/31/2007
20. MetLife Foundation	NY	**35,494,772**	38,608,064	147,665,072	12/31/2007
21. Blue Shield of California Foundation	CA	**31,461,056**	34,385,612	72,889,326	12/31/2007
22. General Motors Foundation	MI	**31,433,971**	31,548,619	203,758,120	12/31/2007
23. Eli Lilly and Company Foundation	IN	**28,902,259**	28,902,259	80,865,707	12/31/2007
24. Abbott Fund	IL	**26,821,486**	29,939,996	185,064,287	12/31/2007
25. Fidelity Foundation	MA	**25,114,966**	27,327,650	414,554,258	12/31/2007

*Wells Fargo Foundation and NCC Charitable Foundation were omitted because updated fiscal information was not available. List excludes corporate operating foundations.

[1]Includes grants, scholarships, and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses.

[2]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 Foundations Established by Pharmaceutical Corporations

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 many of the largest corporate operating foundations, most of their charitable support takes the form of giving medicine to individuals in need. Between 1996 and 2003, twelve pharmaceutical manufacturers established operating foundations to distribute medicine to patients with financial hardships (primarily within the United States).[1] In addition, one pharmaceutical manufacturer established a non-operating corporate foundation for this purpose in the early 1990s. Together, these thirteen "pharmaceutical foundations" provided $2.6 billion in in-kind support in 2007.

In-kind giving of medicines by some of these new pharmaceutical foundations may simply represent a shift from in-kind giving through corporate direct giving programs, which the Foundation Center does not track. Observers of the field may be surprised to learn that contributions of product are counted as part of foundations' total giving. In fact, other types of private foundations 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 by this handful of recently established foundations.

[1]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 2007, including both foundation and direct corporate giving, at $15.7 billion. According to the Foundation Center, corporate foundation giving of $4.4 billion represented 28 percent of all corporate contributions, down from 32 percent in 2006. However, if corporate foundation giving was combined with the $2.6 billion in in-kind medication giving by operating foundations established by pharmaceutical manufacturers, the 2007 share would rise to 45 percent. (For more details on these grantmakers, see "The Impact of Foundations Established by Pharmaceutical Corporations.")

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 fluctuated between 1 and 1.6 percent of pre-tax profits until 2004, when the share had dropped to below 1 percent. It fell below 1 percent again in 2006 and 2007.

Summary 2007 Statistics for Corporate Foundations, continued

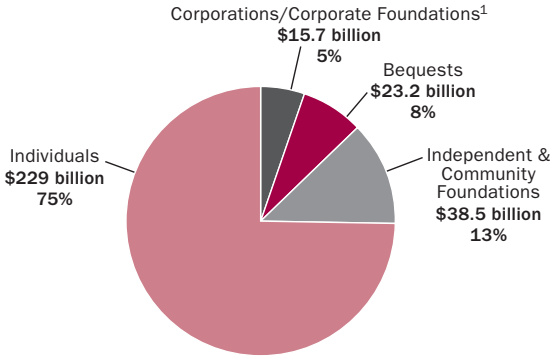
Companies in banking and finance accounted for the largest share of corporate foundation giving in 2007

Industrial Classification	Number of Foundations	%	Total Giving[1]	%	Average Giving per Foundation
Chemicals	51	2.0	$ 141,364	3.2	$2,772
Computers/Office Equipment	15	0.6	34,940	0.8	2,329
Food and Agriculture	75	3.0	156,362	3.6	2,085
Industrial and Commercial Machinery (Not Computer)	163	6.5	332,890	7.6	2,042
Paper and Like Products	35	1.4	30,373	0.7	876
Petroleum/Gas/Mining	50	2.0	192,358	4.4	3,847
Pharmaceuticals	32	1.3	399,216	9.1	12,476
Primary Metals	37	1.5	35,652	0.8	964
Printing/Publishing/Media	77	3.1	69,191	1.6	899
Textiles and Apparel	71	2.8	40,934	0.9	577
Transportation Equipment	71	2.8	149,025	3.4	2,099
Other Manufacturing	266	10.7	268,611	6.1	1,010
Total Manufacturing	**943**	**38.1**	**$1,851,217**	**42.2**	**$1,963**
Banking and Finance	443	17.7	$1,103,368	25.2	$2,311
Insurance	140	5.6	433,689	9.9	3,098
Retail and Wholesale Trade	330	13.2	368,618	8.4	1,117
Telecommunications	42	1.7	155,829	3.5	3,710
Transportation	28	1.1	72,522	1.7	2,590
Utilities	94	3.8	155,967	3.5	1,659
Other Services	454	18.2	248,049	5.6	546
Total Nonmanufacturing	**1,531**	**61.9**	**$2,538,042**	**57.8**	**$1,658**
Unspecified	24	1.0	$ 7,942	0.2	$ 331
Total	**2,498**	**100.0**	**$4,397,201**	**100.0**	**$1,760**

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

[1]Includes grants, scholarships, and employees matching gifts; excludes set-asides, loans, PRIs, and program expenses.

Corporate giving accounted for 5 percent of private philanthropic giving in 2007



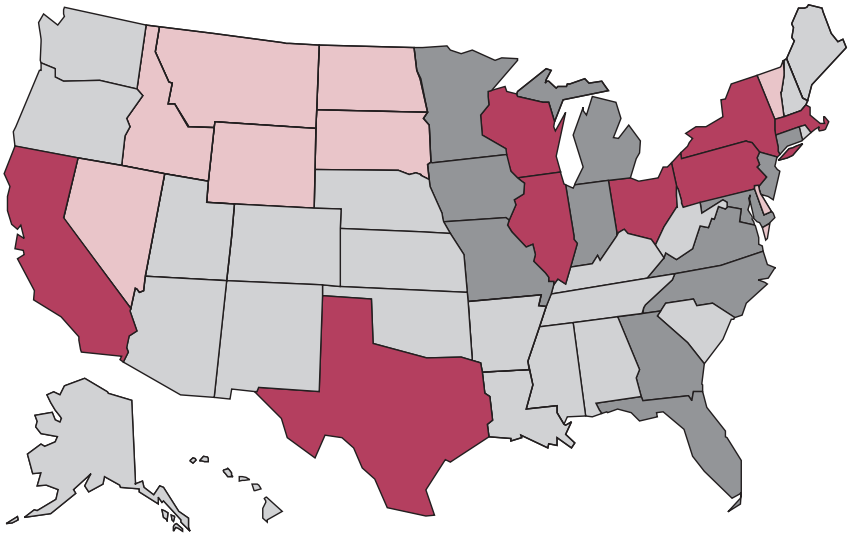
Total Private Philanthropic Giving = $306.4 billion

Note: Based on data from Giving USA Foundation, *Giving USA 2008*, ed. by M. Brown, Illinois; Giving USA Foundation, 2008. Due to rounding, figures may not add up to 100 percent.

[1]Of total corporate giving for 2007, $4.4 billion (28%) was paid through corporate foundations.

Summary 2007 Statistics for Corporate Foundations, continued

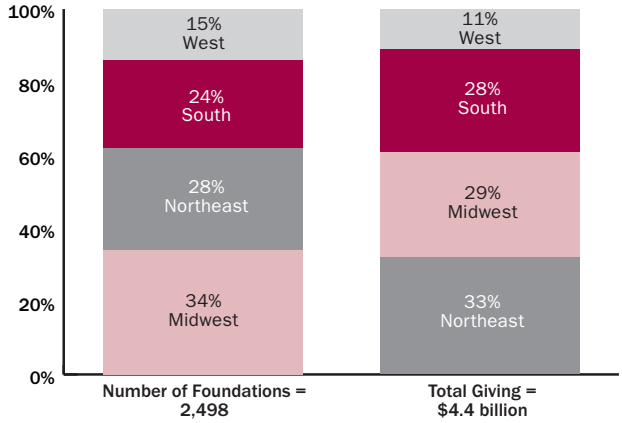
Corporate Foundations by State, 2007



Total Corporate Foundations = 2,498

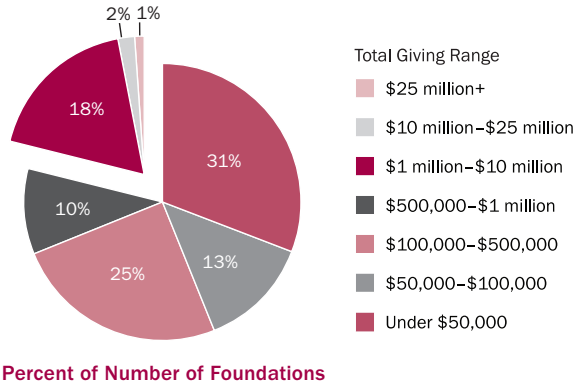
100+ | 40—under 100 | 10—under 40 | Under 10

The Northeast accounted for the largest share of corporate foundation giving in 2007



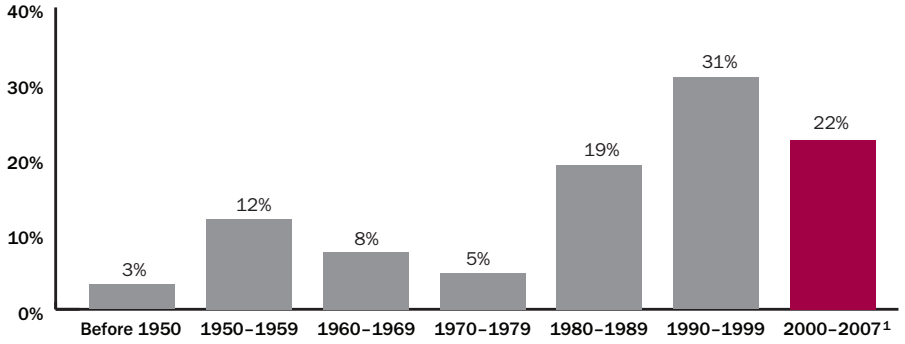
Note: Giving includes grants, scholarships, and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses. Due to rounding, figures may not add up to 100 percent. Excludes giving by corporate operating foundations.

One-fifth of corporate foundations reported more than $1 million in giving in 2007



Note: Based on total giving by 2,498 grantmaking corporate foundations. Excludes giving by corporate operating foundations.

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



Note: Excludes 253 grantmaking corporate foundations that lack establishment information.

[1]Data incomplete for the period 2000–2007.

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Source for all data: The Foundation Center

For more information, contact Reina Mukai at the Foundation Center, at 212-807-2485, or via e-mail at rkm@foundationcenter.org. "Key Facts on Corporate Foundations" is available at foundationcenter.org.