



Foundations Respond to the Needs of Families Even as Their Assets Have Declined

Results of a Survey by the Council on Foundations

May 6, 2009

The U.S. economy has been in recession since December 2007. Since then, the stock market has dropped 38.5 percent in 2008 and continues to slide in 2009. Unemployment reached 8.5 percent in March and is expected to keep climbing. Mortgage foreclosures continue at an unprecedented pace.

Behind those grim statistics are millions of people whose lives have been upturned—and who need help with housing, food, and jobs. Federal, state, and local governments have responded, but are stretched to the limit. Foundations have also responded, paying out \$45.6 billion in grants in 2008, an increase of \$1.2 billion over 2007.¹ Yet, foundations, which started 2008 with \$682 billion in assets, rely on their endowments to make grants, and the value of those endowments has fallen along with the stock market. Foundations, too, are caught in the maelstrom of rising needs and shrinking resources.

So, how are foundations responding? This report is another in a series of Council research reports on the relationship between philanthropy and the economy.² This new report is based on data collected from 430 foundations in March 2009. It assesses how foundation endowments and grantmaking have been affected. It also considers how foundations have changed their grantmaking to focus on individuals and families hurt by the recession. Finally, it looks at the changes foundations have made in their own operations.

Highlights

Foundation endowments, which started the year at \$682 billion, fell precipitously in 2008. Not unexpectedly, a majority of foundations (62 percent) reported they will reduce their grantmaking in 2009. However, the vast majority (82 percent) of foundations providing assistance to those adversely affected by the economic downturn will continue to do so, either at the same or higher levels, or have added it as a new area. In addition,

- three out of four foundations saw their assets decline by 25 percent or more, with a higher proportion of independent and larger foundations experiencing such a drop
- about half (48 percent) of foundations said that they will reduce the value of their total grantmaking for 2009 by 10 percent or more
- yet, more than one in three foundations (38 percent) reported that they will maintain or increase the value of their grantmaking in 2009, with more than half of corporate grantmakers and 41 percent of family foundations maintaining or increasing the value of their grantmaking
- ninety-two percent of foundations stated they are making grants in 2009 to aid low-income individuals and families and others adversely affected by the economic downturn
- eighty-two percent of these foundations reported that their grantmaking in 2009 will be at least as much as it was in 2008—in fact, 31 percent said they are increasing their support for basic needs (food, emergency shelter, utility payments, and employment) and 6 percent said they have added it as a new grantmaking area.

¹ Foundation Center, *Foundation Growth and Giving Estimates*, 2009 Edition.

² Other reports in this series by the Council on Foundations include: *Foundations Support Families Hit by the Economic Downturn*, May 1, 2008; *Donor Advised Funds Provide the Majority of Grant Funds Awarded by Community Foundations*, January 13, 2009; *Asset Declines and Investment Strategy Changes by Family, Independent, and Public Foundations*, March 6, 2009.

Finally, most foundations are taking actions to reduce or contain their own operating costs by implementing hiring or salary freezes, cutting travel budgets, or reducing or eliminating conference attendance.

- Sixty percent of foundations reported cutting their operating budgets for 2009, and 80 percent are taking actions to control them, especially community and larger foundations.
- More than half of foundations with staff expenses reduced travel budgets (61 percent) or limited staff attendance at conferences (68 percent).
- Forty-five percent of foundations eliminated salary increases; another 27 percent instituted hiring freezes, 16 percent eliminated positions, and 6 percent laid off staff.



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Behind those grim statistics are millions of people whose lives have been upturned—and who need help with housing, food, and jobs. Federal, state, and local governments have responded, but are stretched to the limit. Foundations have also responded, paying out \$45.6 billion in grants in 2008, an increase of \$1.2 billion over 2007.¹ Yet, foundations, which started 2008 with \$682 billion in assets, rely on their endowments to make grants, and the value of those endowments has fallen along with the stock market. Foundations, too, are caught in the maelstrom of rising needs and shrinking resources.

So, how are foundations responding? This report is another in a series of Council research reports on the relationship between philanthropy and the economy.² This new report is based on data collected from 430 foundations in March 2009. It assesses

- how foundation endowments and grantmaking have been affected.
- how foundations have changed their grantmaking to focus on individuals and families hurt by the recession, and
- changes foundations have made in their own operations.

Key Findings

Asset Declines

- Nearly three-quarters (73 percent) of foundations reported asset declines of 25 percent or more in 2008; nearly half (47 percent) saw the value of their endowment drop by at least 30 percent—with 60 percent or more of large, family and independent foundations more likely to have experienced deep losses. Only 6 percent of foundations said that the value of their endowments was the same or greater at the beginning of 2009 as compared with the beginning of 2008.
- Two-thirds of foundations reported that in the first two months of 2009, their endowments had lost at least another 10 percent of their value; 30 percent of foundations had lost 15 percent or more.

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Grantmaking Changes

- Sixty-two percent of foundations reported that the value of their grantmaking will decline in 2009.
- About a quarter of foundations reported that they will reduce their grantmaking by more than 20 percent.
- About a third of foundations will reduce their grantmaking by less than 20 percent; and
- 38 percent will maintain or increase their grantmaking.

Assistance to Those Affected by the Economic Downturn

- Ninety-two percent of foundations reported their grantmaking will aid families directly or indirectly, provide human services, assist low-income populations, or support economic development. More than 80 percent of these foundations said they will maintain or increase the level of grantmaking in this area or add it as a new area in 2009.
 - Those making grants to aid families are supporting a range of areas: 67 percent are providing food assistance, 56 percent are supporting emergency housing assistance or homeless shelters, and 29 percent are providing assistance with heating or utility bills.
 - A majority of foundations (54 percent) are supporting basic skills education or job-readiness skills training, 42 percent are supporting job training and employment assistance, and 27 percent are supporting occupational skills training.
- Foundations are taking other actions to assist those affected by the economic downturn.
 - Nearly three-quarters (72 percent) are collaborating with other funders and more than half (55 percent) are convening meetings of funders and nonprofit organizations to develop assistance strategies.
 - Nearly half (46 percent) are assisting nonprofits to better coordinate their assistance.
 - About a third (30 percent) are helping nonprofit organizations merge their operations.

Foundations Provide Operating Support

- Eighty-three percent of foundations reported providing operating support for nonprofit organizations. Of those providing operating support, 8 percent said it was a new area of funding for them and 73 percent said it was an area they will continue to fund in 2009—53 percent at the same level and 20 percent at a higher level.

Foundations Trim Their Operating Costs

- Most foundations reported that they are taking steps to cut or contain their operating expenses—both staff-related and other expenses.
- Six in ten foundations reported cutting their operating budgets for 2009, and 80 percent are taking actions to control them.

- More than half of foundations with staff expenses reduced travel budgets (61 percent) or limited staff attendance at conferences (68 percent).
- Forty-five percent of foundations eliminated salary increases; another 27 percent instituted hiring freezes, 16 percent eliminated positions, and 6 percent laid off staff.
- About 60 percent of foundations also cut non-staff areas. More than half (52 percent) reduced or eliminated the use of consultants, about a third (35 percent) reduced or eliminated travel budgets for board members or trustees, a third reduced or eliminated support for board or trustee conference attendance, and a third reduced or eliminated the foundation's institutional memberships.

Some Examples of Foundation Reactions to the Economic Downturn

- The Community Foundation of Calhoun County in Anniston, Alabama decided to provide their local children's advocacy center with unrestricted operating funds. The decision was made in response to the finding that child abuse cases had increased by 42 percent, while the center's funding from federal and state sources had declined by 20 percent. The foundation noted that "the economy is contributing to significant social demands, increased client needs, and fewer and fewer resources."
- The California Wellness Foundation in Woodland Hills, California reported that despite a 37.5 percent loss in the value of their endowment portfolio, they decided to maintain the same level of grantmaking in 2009 as 2008. In addition, they noted that they would likely expand the amount of general operating support funds.
- The Community Foundation in Jacksonville, Florida established a partnership with the Jessie Ball duPont Fund (an independent foundation) and the city government to provide a community safety net covering basic needs such as food, shelter, and utility assistance.
- The Community Foundation of Greater Dubuque in Dubuque, Iowa partnered with a corporate foundation to direct funds to basic needs. They also worked with the city government and area churches to support volunteers who were helping those in nearby flood-ravaged communities.
- The Carolyn W. and Charles T. Beaird Family Foundation in Shreveport, Louisiana noted that almost 90 percent of their grants in 2008 went to organizations providing direct human services; they anticipate about the same for 2009.
- Cargill, Inc. and the Cargill Foundation, a corporate giving program and corporate foundation in Minneapolis, Minnesota, committed \$5 million to hunger relief in late December 2008. The commitment included \$1 million for the Minneapolis Community Second Harvest and Salvation Army; \$1 million for Feeding America (a national organization); \$1 million for the Global Food Banking Network; and \$2 million for food shelves/feeding programs in local Cargill communities in partnership with Cargill businesses in those communities in the U.S. and globally.
- A family foundation noted that they plan to keep their grantmaking budget unchanged for 2009. However, they will increase the proportion of their grants going to build capacity within their local nonprofit ecosystem. They believe it is time that smaller family foundations take some risks and plan for a more sustainable sector rather than purchase more direct services.

Foundations' Assets Declined in 2008 and Early 2009

The value of endowments of essentially all foundations declined in 2008. Most endowments (73 percent) saw their value decline by 25 percent or more; only 6 percent of foundations reported no loss in their endowment value. In 2009, as the stock market continued to dip so did the value of endowments. Two-thirds of foundations reported declines of at least 10 percent—half of which dropped 15 percent or more—through the end of February of this year.

In 2008, the declines were particularly steep for family and independent foundations. Three-quarters of family foundations and 86 percent of independent foundations reported endowment declines of 25 percent or more in 2008. Even more startling, *roughly 60 percent of those foundations saw asset declines of at least 30 percent.*

By contrast, only 31 percent of community and public foundations declined by 30 percent or more. (Table 1). Most likely, the flow of donor funds into community foundation endowments helped offset some of their investment losses.

In 2008, 42 percent of corporate grantmakers with endowments saw their assets decline 30 percent or more. To put that in proper perspective, it is important to note that corporate grantmakers fall into two categories: corporate giving programs that rely on infusions of corporate funds, and corporate foundations that have endowments (24 of the 57 corporate respondents do not have an endowment).

Table 1—Change in Assets, by Foundation Type, 2008

Foundation Type	Assets declined by 30 percent or more	Assets declined by 25 percent or more	Assets stayed the same or increased in value
Community and Public	31.0	64.5	5.8
Corporate	42.4	63.6	18.2
Family	61.3	76.6	6.3
Independent	58.8	85.6	2.1
Total	47.2	73.0	6.1

Note: See Appendix Table 1 for additional detail.

Larger foundations were more likely to experience the deepest declines in asset value; 61 percent of foundations with \$250 million or more in assets reported declines of 30 percent or more in 2008, and 86 percent reported declines of 25 percent or more (Table 2). In contrast, less than 50 percent of smaller foundations reported losses of 30 percent or more. In addition, some 80 percent of foundations with \$50 million or more of assets saw declines of 25 percent or more, while less than 70 percent of smaller foundations reported that level of decline.

Table 2—Change in Assets, by Asset Group, 2008

Asset Group	Assets declined by 30 percent or more	Assets declined by 25 percent or more	Assets the same or increased in value
\$250 million or more	61.1	86.1	2.8
\$50 million–\$249.9 million	47.1	81.6	3.4
\$10 million–\$49.9 million	44.7	70.2	5.6
\$1 million–\$9.9 million	48.4	68.4	8.4
Less than \$1 million	35.3	52.9	17.6
Total	47.2	73.0	6.1

Note: See Appendix Table 2 for additional detail.

Two-thirds of foundations saw their assets continue to dwindle by 10 percent or more in early 2009. As was the case for 2008, all foundation types and sizes experienced significant declines across the board (Tables 3 and 4).

Table 3—Change in Assets, by Foundation Type, January–February 2009

Foundation Type	Assets declined by 15 percent or more	Assets declined by 10 percent or more	Assets the same or increased in value
Community and Public	26.2	66.9	11.5
Corporate	29.6	55.6	37.0
Family	30.2	66.7	14.6
Independent	32.2	70.0	6.7
Total	29.2	66.8	13.1

Note: See Appendix Table 3 for additional detail.

Table 4—Change in Assets, by Size of Foundation, January–February 2009

Asset Group	Assets declined by 15 percent or more	Assets declined by 10 percent or more	Assets the same or increased in value
\$250 million or more	29.4	70.6	5.9
\$50 million–\$249.9 million	26.0	58.9	13.7
\$10 million–\$49.9 million	29.6	70.4	11.9
\$1 million–\$9.9 million	28.9	67.5	13.3
Less than \$1 million	38.9	61.1	33.3
Total	29.2	66.8	13.1

Note: See Appendix Table 4 for additional detail.

Most Foundations to Decrease Total Grantmaking in 2009, Yet Maintain or Expand Support for Human Services

While 62 percent of foundations said that the level of their grantmaking will decline in 2009, more than one-third (37.6 percent) reported that the value of their grantmaking for 2009 will not decline. In fact, 9 percent of foundations said that funding will increase. About a third said that the value of their grantmaking will decline by less than 20 percent, while more than one-quarter (27.4 percent) said it will decline by more than 20 percent.

Community and public foundations are among the least likely to maintain or increase the level of their grantmaking in 2009. They are also the most likely to decrease it by more than 20 percent (Table 5). In contrast, corporate foundations and corporate giving programs are most likely to maintain or increase their grantmaking. More than half (52.7 percent) say their grantmaking will not decline. Corporate foundations are also the least likely to cut grantmaking by more than 20 percent—16 percent for corporate foundations versus 32 percent for community foundations and 27 percent for family and independent foundations. Interestingly, family foundations are both likely to maintain or increase the value of their grantmaking (41 percent) as well as decrease grantmaking substantially (27 percent will reduce their grantmaking by more than 20 percent).

Table 5—Change in Grantmaking, by Foundation Type, 2009

Foundation Type	Decline of more than 20 percent	Decline of 10–20 percent	Decline of 5–10 percent	About the same or Increase
Community and Public	32.1	19.9	15.4	32.7
Corporate	16.4	20.0	10.9	52.7
Family	27.0	20.9	11.3	40.9
Independent	26.8	20.6	19.6	33.0
All	27.4	20.3	14.7	37.6

Larger foundations are the least likely to cut the value of their grantmaking for 2009. Foundations with \$50 million or more in assets are more likely to maintain or increase grantmaking for 2009 (44 percent) and less likely to reduce grantmaking substantially—19 percent are cutting grantmaking by more than 20 percent versus 27 percent for all foundations (Table 6). The foundations with the lowest asset levels (many of which are corporate grantmakers) are most likely to maintain or increase their grantmaking. More than half of the foundations with assets between \$1 million and \$50 million will reduce grantmaking by 10 percent or more, while about one-third (37 percent) of those with assets over \$50 million will make such a large reduction in the amount of their grantmaking.

Table 6—Change in Grantmaking, by Asset Group, 2009

Asset Group	Decline of more than 20 percent	Decline of 10–20 percent	Decline of 5–10 percent	About the same or Increase
\$250 million or more	19.4	16.7	19.4	44.4
\$50 million–\$249.9 million	19.5	17.2	19.5	43.7
\$10 million–\$49.9 million	32.9	24.8	13.0	29.2
\$1 million–\$9.9 million	29.2	21.9	13.5	35.4
Less than \$1 million	25.6	9.3	9.3	55.8
All Foundations	27.4	20.3	14.7	37.6

How Will Declines in Grantmaking Be Managed?

The foundations reducing the level of their grantmaking in 2009 indicated that they are taking a range of actions to manage the decision. About 63 percent of those reducing their grantmaking said that they will give smaller grants; 46 percent said that they will avoid multi-year commitments. Thirty-seven percent described other actions, such as funding efforts to build nonprofit capacity, offering challenge grants to strengthen the local United Way campaign, and helping nonprofits diversify their resource base. Thirteen percent of foundations said they are not accepting any new grant applications, and 14 percent said that they are not designating any new grantees.

Providing Operating Support in 2009

Most foundations (83 percent) will make grants in 2009 to provide operating support. Foundations most likely to provide operating support grants are family foundations (90 percent) and larger foundations (those with \$50 million or more in assets). Fourteen percent of community and public foundations said this is a new area of grantmaking for them and another 24 percent said they will provide more operating support in 2009. Of those making operating support grants, fewer than one in five will reduce the level of grantmaking; the rest are either maintaining (53 percent) or increasing (20 percent) such grantmaking.

Grantmaking to Assist Those Adversely Affected by the Economic Downturn

Ninety-two percent of foundations said that in 2009, they are making grants that will aid families directly or indirectly, provide human services, assist low-income populations, or support economic development in the U.S. This is a new area for 6 percent of foundations. More than 80 percent of foundations providing support to aid families are maintaining or increasing their grantmaking or adding it as a new area. Fewer than one in five foundations (18.4 percent) are decreasing their grantmaking in this area.

Nearly all community and public foundations provide grantmaking that either will aid families directly or indirectly, provide human services, assist low-income populations, or support economic development in 2009 (Table 7). About 89 percent of those providing such assistance in 2009 are maintaining or increasing such support or adding it as a new area. In fact, half of community and public foundations indicated that they added this as a new area in 2009 or increased grantmaking, substantially more than other grantmakers. Also, half of family and independent foundations are maintaining the level of their grantmaking in this area, with the other half of foundations split fairly evenly between reducing and increasing grantmaking in this area.

Table 7—Grantmaking to Assist Those Adversely Affected by the Economic Downturn 2009, by Foundation Type

Foundation Type	New Area of Focus	Increasing Value of Grantmaking	Maintaining Value of Grantmaking	Decrease Value of Grantmaking	Percent of Foundations Making Grants in this Area
Community and Public	9.3	40.7	38.7	11.3	96.2
Corporate	7.8	27.5	43.1	21.6	92.7
Family	2.0	23.2	50.5	24.2	86.8
Independent	2.3	25.6	50.0	22.1	90.5
Total	5.7	31.1	44.8	18.4	91.9

All of the largest foundations reported that they are making grants in this area in 2009; nearly half (47.2 percent) said that it is either a new area or that they will increase grantmaking in this area (Table 8). A third or fewer of smaller foundations indicated that they will increase their grantmaking in this area, yet less than 20 percent said that they will decrease their grantmaking.

Table 8—Grantmaking to Assist Those Adversely Affected by the Economic Downturn 2009, by Asset Group

Asset Group	New Area of Focus	Increasing Value of Grantmaking	Maintaining Value of Grantmaking	Decrease Value of Grantmaking	Percent of Foundations Making Grants in this Area
\$250 million or more	2.8	44.4	33.3	19.4	100.0
\$50 million–\$249.9 million	9.1	33.8	41.6	15.6	90.6
\$10 million–\$49.9 million	4.7	31.5	44.3	19.5	93.1
\$1 million–\$9.9 million	4.5	23.9	52.3	19.3	90.7
Less than \$1 million	8.3	27.8	47.2	16.7	85.7
All Foundations	5.7	31.1	44.8	18.4	91.9

Foundations are supporting a range of assistance for those adversely affected by the economic downturn, with the single largest area being food assistance which two-thirds of foundations are supporting, followed by emergency housing assistance, and basic skills education and job readiness skills, which more than half of foundations are supporting (Table 9). Community and public foundations are more likely than other foundation types to provide food and housing assistance. Similarly, foundations of all sizes are supporting a range of activities, with larger foundations more likely to support a greater range of assistance (Table 10).

Table 9—Specific Areas Supported by Foundations in 2009 to Assist Those Affected by the Economic Downturn, by Foundation Type

Area	Community and Public	Corporate	Family	Independent	All
Food assistance	78.9	53.8	57.9	62.2	66.5
Emergency housing assistance	64.6	44.2	49.5	53.7	55.6
Assistance with heating or utility bills	43.5	15.4	14.7	28.0	29.0
Financial assistance with mortgage payments	9.5	5.8	1.1	11.0	7.2
Assistance with health care or health insurance	34.7	15.4	30.5	46.3	33.5
Basic skills education or job readiness skills	53.7	59.6	51.6	53.7	54.0
Job training or employment assistance	40.1	50.0	44.2	37.8	42.0
Occupational skills training	23.8	32.7	28.4	28.0	27.1
Credit counseling	19.0	21.2	14.7	9.8	16.2
Homeownership or foreclosure avoidance education	21.1	19.2	15.8	14.6	18.1

Table 10—Specific Areas Supported by Foundations in 2009 to Assist Those Affected by the Economic Downturn, by Asset Group

Area	\$250 million or more	\$50 million - \$249.9 million	\$10 million– \$49.9 million	\$1 million– \$9.9 million	Less than \$1 million	All
Food assistance	65.6	68.0	67.3	64.7	64.9	66.5
Emergency housing assistance	53.1	56.0	57.1	54.1	54.1	55.6
Assistance with heating or utility bills	34.4	40.0	33.3	16.5	13.5	29.0
Financial assistance with mortgage payments	9.4	13.3	5.4	3.5	8.1	7.2
Assistance with health care or health insurance	37.5	49.3	29.9	30.6	18.9	33.5
Basic skills education or job readiness skills	62.5	58.7	59.2	40.0	48.6	54.0
Job training or employment assistance	50.0	42.7	47.6	31.8	35.1	42.0
Occupational skills training	34.4	28.0	31.3	17.6	24.3	27.1
Credit counseling	28.1	24.0	12.2	14.1	10.8	16.2
Homeownership or foreclosure avoidance education	31.1	29.3	15.0	9.4	16.2	18.1

Other Actions by Foundations to Improve Assistance to Those Affected by the Economic Downturn

Foundations reported taking or planning actions to assist those affected by the economic downturn. Nearly three-quarters (72 percent) of foundations said they are collaborating with other funders. Community and public foundations (81 percent) and large foundations (84 percent) are most likely to be getting together with other funders (Tables 11 and 12). In addition, community and large foundations are also the most likely to convene meetings with funders and nonprofit organizations to develop strategies to assist those affected by the economic downturn; help nonprofits better coordinate their assistance; and collaborate with local governments. Finally, one-third of foundations said they are helping nonprofits to merge operations. Corporate grantmakers and the smallest foundations are the least likely to be taking any of these actions.

Table 11—Actions Taken or Planned by Foundations to Assist Those Affected by the Economic Downturn, by Foundation Type

Foundation Type	Collaborating with Other Funders	Collaborating with Local Governments	Convening Meetings of Funders and Nonprofits to Develop Strategies	Assisting Nonprofits to Merge Their Operations	Assisting Nonprofits to Better Coordinate Their Assistance
Community and Public	80.9	49.6	69.5	33.3	52.5
Corporate	51.3	17.9	38.5	17.9	35.9
Family	68.5	19.2	42.5	26.0	34.2
Independent	70.7	30.7	48.0	33.3	49.3
Total	72.3	34.8	54.9	29.9	45.7

Table 12—Actions Taken or Planned by Foundations to Assist Those Affected by the Economic Downturn, by Asset Group

Asset Group	Collaborating with Other Funders	Collaborating with Local Governments	Convening Meetings of Funders and Nonprofits to Develop Strategies	Assisting Nonprofits to Merge Their Operations	Assisting Nonprofits to Better Coordinate Their Assistance
\$250 million or more	83.9	48.4	74.2	48.4	45.2
\$50 million- \$249.9 million	66.7	40.3	59.7	41.7	52.8
\$10 million-\$49.9 million	84.4	37.5	60.9	28.9	47.7
\$1 million-\$9.9 million	64.2	23.9	35.8	17.9	40.3
Less than \$1 million	40.0	20.0	40.0	13.3	33.3
Total	72.3	34.8	54.9	29.9	45.7

U.S. foundations are also taking actions to assist those adversely affected by the economic downturn internationally. About 21 percent of foundations said that they will make grants in 2009 that either aid families directly or indirectly, provide human services, assist low-income populations, or support economic development internationally (Table 13). A total of 81 percent of these foundations will maintain their 2008 grantmaking level or increase it. Family and corporate foundations are most likely to make grants in this area.

Table 13—Foundations Making Grants to Assist Those Affected by the Economic Downturn Internationally, by Foundation Type

Foundation Type	New Area, Increasing or Maintaining Grantmaking	Total Providing Grantmaking
Community and Public	68.8	10.8
Corporate	94.7	37.3
Family	80.0	33.0
Independent	80.0	11.8
Total	81.3	20.5

Foundations Are Taking Steps to Cut or Control the Cost of Operations

Overall, 60 percent of foundations have cut their operating budgets for 2009 and nearly 80 percent are taking steps to control their operating costs. Community and public foundations are most likely to have taken these steps, with nearly three-quarters cutting their budgets and 91 percent taking additional cost control steps (Table 14). Family foundations are less likely to have taken such steps, with 41 percent cutting their budgets and 60 percent controlling costs. Of the largest foundation (those with \$250 million or more in assets) three-quarters have cut costs for 2009, and 100 percent are taking additional cost control steps (Table 15). Even more than half of smaller foundations, which often have less flexibility, are cutting budgets and some 60 percent are taking additional steps to control costs.

Table 14—Foundations Taking Steps to Cut or Control Their Operating Budget for 2009, by Foundation Type

Foundation Type	Cut Operating Budget	Taking Steps to Control Operating Budget
Community and Public	73.0	91.2
Corporate	63.2	80.4
Family	40.7	60.0
Independent	61.1	79.8
Total	60.4	78.8

Table 15—Foundations Taking Steps to Cut or Control Their Operating Budget for 2009, by Asset Group

Asset Group	Cut Operating Budget	Taking Steps to Control Operating Budget
\$250 million or more	75.0	100.0
\$50 million-\$249.9 million	65.5	85.9
\$10 million-\$49.9 million	61.3	81.0
\$1 million-\$9.9 million	53.6	68.8
Less than \$1 million	50.0	61.4
Total	60.4	78.8

Foundations of all types and sizes are taking a wide range of actions to control their operating budgets. Most foundations are cutting discretionary items like travel and conference attendance (61 percent) and reducing or eliminating spending for staff development (37 percent) or professional memberships (17 percent) (Tables 16 and 17). A number of actions affect staff salaries and benefits: eliminated salary increases (45 percent), reduced staff hours (11 percent), reduced benefits (12 percent), or reduced salaries or increased employee contribution toward benefits (5 percent). Twenty-seven percent of foundations have instituted a hiring freeze, 16 percent eliminated positions, and 6 percent laid off staff. In general, community and public foundations were the most likely to take more of these steps. For example, large foundations were more likely than small foundations to institute hiring freezes and eliminate positions because of their greater amount of flexibility associated with their size—not filling a position is quite a bit easier to adjust to with a staff of 50 staff rather than a staff of four.

Table 16—Actions Taken to Limit or Reduce Staff-related Expenses 2009, by Foundation Type

Action	Community and Public	Corporate	Family	Independent	All
Hiring Freeze	35.8	25.6	16.2	21.9	27.0
Eliminated Positions	20.9	16.3	5.9	15.1	15.7
Laid Off Staff	9.0	7.0	4.4	2.7	6.3
Furloughed Staff	4.5	2.3	0.0	4.1	3.1
Reduced Staff Hours	14.9	2.3	10.3	11.0	11.3
Eliminated Salary Increases	53.7	48.8	35.3	35.6	45.0
Reduced Salaries	6.0	2.3	7.4	1.4	4.7
Reduced Staff Travel Budgets	65.7	79.1	44.1	56.2	60.7
Limited Staff Attendance at Conferences	77.6	72.1	51.5	63.0	67.9
Reduced or Eliminated Support for Professional Memberships	19.4	16.3	13.2	15.1	16.7
Reduced or Eliminated Professional Development Budget	50.7	32.6	26.5	23.3	36.8
Reduced Benefits	17.9	0.0	8.8	11.0	11.9
Asked Staff to Contribute to Benefits	6.0	0.0	4.4	4.1	4.4
Increased Staff Benefit Costs	4.5	0.0	2.9	9.6	4.7
Have Staff Expenses but Took No Action	10.5	8.9	17.0	14.7	12.9

Table 17—Actions Taken to Limit or Reduce Staff-related Expenses 2009, by Asset Group

Action	\$250 million or more	\$50 million– \$249.9 million	\$10 million– \$49.9 million	\$1 million– \$9.9 million	Less than \$1 million	All
Hiring Freeze	45.7	40.8	23.0	10.2	19.2	27.0
Eliminated Positions	31.4	13.2	14.8	10.2	19.2	15.7
Laid Off Staff	2.9	9.2	5.7	3.4	11.5	6.3
Furloughed Staff	0.0	3.9	3.3	3.4	3.8	3.1
Reduced Staff Hours	5.7	11.8	10.7	13.6	15.4	11.3
Eliminated Salary Increases	40.0	50.0	50.0	37.3	30.8	45.0
Reduced Salaries	0.0	5.3	5.7	5.1	3.8	4.7
Reduced Staff Travel Budgets	77.1	68.4	60.7	33.9	76.9	60.7
Limited Staff Attendance at Conferences	71.4	72.4	72.1	54.2	61.5	67.9
Reduced or Eliminated Support for Professional Memberships	11.4	25.0	16.4	10.2	15.4	16.7
Reduced or Eliminated Professional Development Budget	31.4	44.7	37.7	33.9	23.1	36.8
Reduced Benefits	14.3	19.7	8.2	11.9	3.8	11.9
Asked Staff to Contribute to Benefits	2.9	9.2	4.1	1.7	0.0	4.4
Increased Staff Benefit Costs	14.3	7.9	2.5	0.0	3.8	4.7
Have Staff Expenses but Took No Action	2.8	7.3	15.2	19.6	9.5	12.9

Foundation Operations Unrelated to Staff

Sixty percent of foundations have taken steps not associated with staff expenses to control their operating costs for 2009. Community and public foundations are most likely to have taken actions to control their non-staff expenses, with more than half reducing or eliminating their use of consultants and one-third reducing or eliminating institutional memberships (Table 18). Large foundations are also more likely to have taken actions to control non-staff costs, with 76 percent of foundations with \$250 million or more in assets taking a range of actions (Table 19). Large foundations are more likely than small foundations to implement cost control actions because larger foundations generally have more discretionary non-staff costs. For example, large foundations are more likely than small foundations to have institutional memberships and consultant expenses. Yet, fairly consistent proportions of all sizes of foundations have taken steps to reduce or eliminate board travel costs.

Examples of other board-related cost savings measures include reducing or eliminating matching gifts or discretionary grants, reducing or eliminating meetings, and shifting to electronic briefing packets to save production and mailing costs. Others have postponed capital expenditures and stopped printing their annual report.

Table 18—Actions Taken to Control Non-staff Expenses for 2009, by Foundation Type

Action	Community and Public	Corporate	Family	Independent	All
Reduced or eliminated the foundation's institutional memberships	33.6	45.8	27.5	32.7	33.3
Reduced or eliminated the use of consultants	53.3	66.7	41.2	50.9	51.5
Reduced or eliminated board travel expenses	32.7	29.2	45.1	34.5	35.4
Reduced or eliminated board attendance at conferences	36.4	29.2	41.2	25.5	34.2
Reduced or eliminated board professional development expenses	31.8	12.5	21.6	14.5	23.6
Reduced investment management expenses	9.3	4.2	21.6	30.9	16.5
Have made any changes	73.3	52.2	48.1	58.5	60.5

Table 19—Actions Taken to Control non-Staff Expenses for 2009, by Asset Group

Action	\$250 million or more	\$50-million– \$249.9 million	\$10 million– \$49.9 million	\$1 million– \$9.9 million	Less than \$1 million	All
Reduced or eliminated the foundation's institutional memberships	38.5	43.1	34.0	14.3	35.3	33.3
Reduced or eliminated the use of consultants	69.2	72.4	46.8	26.2	41.2	51.5
Reduced or eliminated board travel expenses	42.3	43.1	29.8	33.3	35.3	35.4
Reduced or eliminated board attendance at conferences	19.2	46.6	34.0	28.6	29.4	34.2
Reduced or eliminated board professional development expenses	26.9	36.2	21.3	16.7	5.9	23.6
Reduced investment management expenses	23.1	12.1	17.0	23.8	0.0	16.5
Have made any changes	76.5	69.9	64.4	45.2	47.2	60.5

About the Survey

Conducted March 6–30, 2009

Covered community, family, independent, and public foundations and corporate foundations and giving programs. Included foundations and giving programs in 46 states, plus the District of Columbia and Puerto Rico

Foundation Type	Number of Respondents	Percent of Respondents
Community and Public	160	37
Family	115	27
Independent	98	23
Corporate	57	13
Total	430	100

Asset Group	Number of Respondents	Percent of Respondents
\$250 million or more	36	8
\$50 million-\$249.9 million	87	20
\$10 million-\$49.9 million	165	38
\$1 million-\$9.9 million	98	23
Less than \$1 million	44	10
Total	430	100

Appendix Table 1—Change in Assets 2008, by Foundation Type

Change in Assets	Community and Public	Corporate	Family	Independent	All
Declined 35 percent of more	5.8	21.2	32.4	20.6	18.2
Declined 30–35 percent	25.2	21.2	28.8	38.1	29.0
Declined 25–30 percent	33.5	21.2	15.3	26.8	25.8
Declined 20–25 percent	13.5	9.1	9.0	5.2	9.8
Declined by 5–20 percent	16.1	9.1	8.1	7.2	11.1
About the same or increased	5.8	18.2	6.3	2.1	6.1
Number responding	155	33	111	97	396

Appendix Table 2—Change in Assets 2008, by Asset Group

Change in Assets	Less than \$1 million	\$1 million–\$10 million	\$10 million–\$50 million	\$50 million–\$250 million	\$250 million or more	All
Declined 35 percent of more	29.4	23.2	18.0	13.8	11.1	18.2
Declined 30–35 percent	5.9	25.3	26.7	33.3	50.0	29.0
Declined 25–30 percent	17.6	20.0	25.5	34.5	25.0	25.8
Declined 20–25 percent	11.8	10.5	10.6	9.2	5.6	9.8
Declined by 5–20 percent	17.6	12.6	13.7	5.7	5.6	11.1
About the same or increased	17.6	8.4	5.6	3.4	2.8	6.1
Number responding	17	95	161	87	36	396

Appendix Table 3—Change in Assets, by Foundation Type, January–February 2009

Foundation Type	Assets declined by 15 percent or more	Assets declined by about 10 percent	Assets declined by about 5 percent	Assets the same or increased in value
Community and Public	26.2	40.8	21.5	11.5
Corporate	29.6	25.9	7.4	37.0
Family	30.2	36.5	18.8	14.6
Independent	32.2	37.8	23.3	6.7
Total	29.2	37.6	20.1	13.1

Appendix Table 4—Change in Assets, by Asset Group, January–February 2009

Asset Group	Assets declined by 15 percent or more	Assets declined by about 10 percent	Assets declined by about 5 percent	Assets the same or increased in value
\$250 million or more	29.4	41.2	23.5	5.9
\$50 million-\$249.9 million	26.0	32.9	27.4	13.7
\$10 million-\$49.9 million	29.6	40.7	17.8	11.9
\$1 million-\$9.9 million	28.9	38.6	19.3	13.3
Less than \$1 million	38.9	22.2	5.6	33.3
Total	29.2	37.6	20.1	13.1

Appendix Table 5—Total Grantmaking, by Foundation Type, 2008

Foundation Type	Total Grants		Number of Foundations	Average Total Grantmaking Amount per Foundation (in millions)
	Dollars	Percent		
Community and Public	1,167,555,222	36.5	155	\$7.533
Corporate	488,253,674	15.3	55	\$8.877
Family	474,688,126	14.8	114	\$4.164
Independent	1,067,048,974	33.4	98	\$10.888
Total	3,197,545,997	100.0	422	\$7.577

Appendix Table 6—Total Grantmaking, by Asset Group, 2008

Assets (as of December 31, 2008)	Total Grants		Number of Foundations	Average Total Grantmaking Amount per Foundation (in millions)
	Dollars	Percent		
\$250 million or more	1,709,804,920	53.5	36	\$47.495
\$50 million-\$249.9 million	759,177,104	23.7	85	\$8.931
\$10 million-\$49.9 million	415,315,024	13.0	164	\$2.532
\$1 million- \$9.9 million	72,216,972	2.3	97	\$0.745
Less than \$1 million	241,031,977	7.5	40	\$6.026
Total	3,197,545,997	100.0	422	\$7.577

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