

International Grantmaking Update

A Snapshot of U.S. Foundation Trends

Prepared in cooperation with the **Council on Foundations**

Steven Lawrence
Director of Research

Reina Mukai
Research Associate

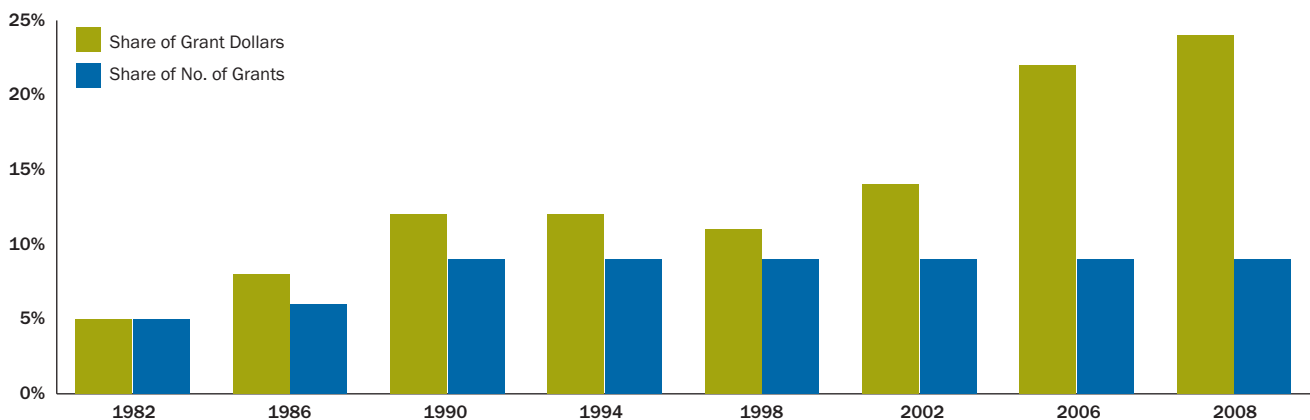
International giving by U.S. foundations in 2009 declined from the record level posted in 2008 but at a slower rate than the decline in domestic giving. Looking ahead, international grantmaking appears likely to maintain and possibly increase its share of overall foundation grant dollars.

International Grantmaking Update: A Snapshot of U.S. Foundation Trends provides a brief update on key trends and the current outlook for giving. Prepared by the [Foundation Center](http://foundationcenter.org) (foundationcenter.org) in cooperation with the [Council on Foundations](http://cof.org) (cof.org), the study includes estimates of overall giving by private and community foundations through 2009; and an analysis of patterns of giving in 2008 and changes in funding priorities between 2006 and 2008. (For more information on international giving by foundations based outside of the United States, see “Tracking Grantmakers Worldwide” on page 7.)

INTERNATIONAL GRANTMAKING TRENDS THROUGH 2008

The following analysis examines funding patterns based on all of the grants of \$10,000 or more reported by a sample of 1,490 larger U.S. foundations in 2008. These foundations accounted for roughly half of all foundation giving in 2008 and well over four-fifths of total estimated international giving. The analyses of changes in funding between 2006 and 2008 are based on a subset of these grants awarded by a matched group of 452 foundations. In addition, grant amounts reported reflect the full authorized value of the grants in the year they were made whenever possible, regardless of whether they were paid out in that year or over several years. (See “Sampling Base” for details.)

FIGURE 1. International grant dollars as a share of overall giving has increased since 1998, while the share of number of grants has held steady



SOURCE: The Foundation Center, *International Grantmaking Update*, 2010. Based on grants awarded by a sample of the largest U.S. foundations.

International Giving by All U.S. Foundations

■ International funding declined an estimated 4 percent in 2009.

The Great Recession cost U.S. foundations more than 17 percent of their assets in 2008 and led to an unprecedented 8.4 percent reduction in their giving in 2009, according to Foundation Center estimates.¹ International grantmaking was not immune to the downturn, with foundation support for U.S.-based international programs and cross-border recipients declining an estimated 4 percent last year, from a record \$7 billion in 2008 to \$6.7 billion (Figure A). As a result of modest deflation, the actual value of international grant dollars declined less than 4 percent.

■ The reduction in international giving was less severe than might have been expected.

Numerous factors helped to moderate the overall decline in giving—including international giving—by the nation’s more than 75,000 grantmaking foundations, among them the decision of funders to reduce their operating expenses and/or use their endowments to shore up giving, continuing gifts and bequests from donors into new and existing foundations, and increased

giving by the nation’s largest international funder and biggest grantmaker overall—the Bill & Melinda Gates Foundation (WA). Excluding the Gates Foundation, estimated foundation giving would have declined by over 9 percent in 2009, with estimated international funding showing an identical decline.

Of particular importance to international funding, U.S. foundations that support international activities maintained their commitment to this giving during the crisis. Consistent with the pattern recorded during the early 2000s economic downturn and findings from a 2008 survey, international funding by foundations did not show a disproportionately large reduction relative to domestic support.²

Endnotes

1. Lawrence, S., and R. Mukai, *Foundation Growth and Giving Estimates: Current Outlook*, New York: Foundation Center, 2010.
2. See Lawrence, S., *Do Giving Priorities Change in Times of Economic Distress?*, New York: Foundation Center, 2008; and Chapter 2 in Atienza, J., S. Lawrence, R. Mukai, and D. Wolcheck, *International Grantmaking IV: An Update on U.S. Foundation Trends*, New York: Foundation Center, 2008.

FIGURE A. Estimated international giving by all U.S. foundations declined in 2009*



SOURCE: The Foundation Center, *International Grantmaking Update*, 2010.
*All figures based on unadjusted dollars.

■ International grant dollars grew faster than overall funding between 2006 and 2008.

International funding by the full set of nearly 1,500 foundations totaled \$6.2 billion in 2008, up from \$4.2 billion in 2006. Figure 1 shows that international support rose from 22 percent to 24.4 percent of overall

giving. (Excluding the Bill & Melinda Gates Foundation, these shares would be 13.5 percent and 15.5 percent, respectively.) By share of number of grants, however, international giving remained almost unchanged at 9.1 percent.

Among the matched set of funders, international giving climbed by nearly half (49 percent) during this two-year period. By comparison, overall grantmaking among these funders rose 21 percent. Exceptionally large grants of \$10 million and more accounted for well over half (57.7 percent) of the growth in international grant dollars among these foundations.

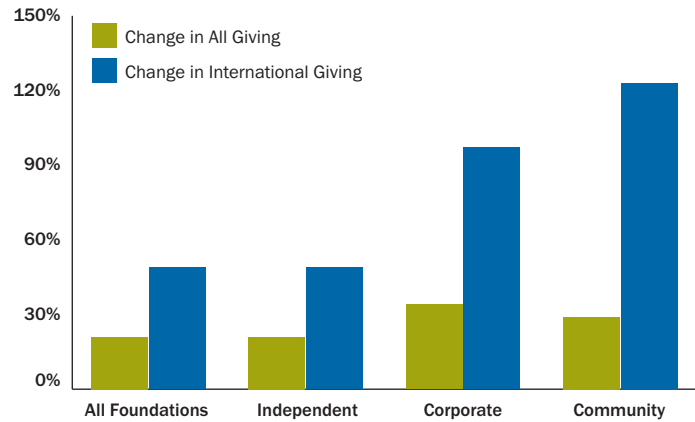
■ **International funding grew fastest among community foundations.**

Independent foundations reported the slowest growth in international giving among the matched set of international funders (Figure 2). Nonetheless, their rate of growth in international funding surpassed the growth in grant dollars overall. Among the full set of sampled funders, independent foundations accounted for nearly 92 percent of the 2008 international grant dollars awarded and just over 69 percent of the number of grants.

Corporate foundations represented 4.8 percent of 2008 international dollars and 16.2 percent of grants. The Citi Foundation (NY) ranked as the top corporate foundation international giver in 2008 with \$37.9 million. It supports organizations and programs that enhance economic opportunities for individuals and families, particularly those in need, in areas of company operations.

Community foundations provided just 2.3 percent of international grant dollars—although 12.1 percent of grants—with the balance provided by grantmaking operating foundations.

FIGURE 2. International giving grew faster than overall giving for all foundation types between 2006 and 2008



SOURCE: The Foundation Center, *International Grantmaking Update*, 2010. Change in unadjusted grant dollars. Based on all grants of \$10,000 or more awarded by a matched set of 452 grantmakers in 2006 and 2008.

The Silicon Valley Community Foundation (CA) ranked as the largest international funder among this group, with giving of \$45.7 million.¹ Community foundations included in the matched set more than doubled their international grant dollars between 2006 and 2008, surpassing the growth reported by corporate and independent foundations. Since the early 1990s, community foundations have consistently recorded faster rates of growth in international support.

■ **Gates Foundation accounted for more than two out of five international grant dollars in the sample.**

Since 2002, the Bill & Melinda Gates Foundation has ranked as the nation’s largest international funder—and the largest grantmaker overall (Table 1). In the full 2008 sample, the Gates Foundation provided nearly 44 percent of international grant dollars. By comparison, the second-ranked William and Flora Hewlett Foundation (CA) represented 10 percent of the international total.

Sampling Base

The Foundation Center’s circa 2008 grants database includes all grants of \$10,000 or more awarded by 1,490 of the largest U.S. foundations—including at least 800 of the 1,000 largest foundations based on total giving and the 15 largest funders in nearly every state—and reported to the Center between October 2008 and September 2009. Grants were awarded primarily in 2008 or 2007.

International Grantmaking Update also includes a new matched set analysis of year-to-year changes in giving by sampled grantmakers. Over time, the sample size has changed, which could distort year-to-year fluctuations in grant dollars and grants targeting specific activities or populations. To account for these potential distortions, changes in giving are analyzed only for a matched set of funders included in both the 2006 and 2008 samples.

GRANTS PAID VS. GRANTS AWARDED

The *International Grantmaking Update* reports grant information based primarily on the total amount authorized, whether it is paid during a single year or in several installments over a period of years. If the full amount authorized is not available, the amount paid during the year is shown.

The drawback of this measure is that if a foundation pays out a substantial multi-year commitment made at an earlier point in time, it will overstate the commitments being made by that foundation for that given year. Conversely, it does not capture the full extent of payments being made for other years. For example, the California Wellness Foundation’s grant payments in 2009 totaled just over \$32 million, while the foundation awarded approximately \$50 million in new grant commitments last year. Thus, depending on what time period is being examined, a foundation’s grant commitments may appear to over-count—or undercount—its current payments.

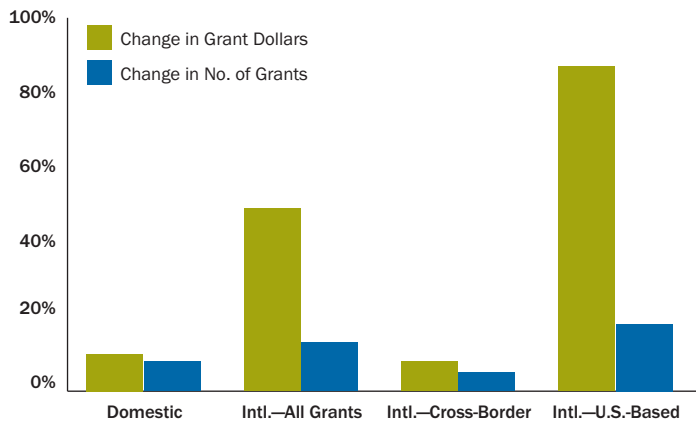
Although the Gates Foundation has been important to the overall growth of international grant dollars, international funding by other foundations continued to grow at a brisk pace. In fact, between 2006 and 2008 the Gates Foundation's international giving grew more slowly (up 38.9 percent) than among the other international funders included in the matched set (up 62.1 percent).²

■ **More than half of sampled foundations provided international support.**

In the full 2008 sample, nearly 57 percent of funders (848 out of 1,490) awarded at least one international grant. However, this share was down slightly from the more than 59 percent share (750 out of 1,263)

tracked in 2006. In general, as the sample has grown in size, it has included more relatively smaller foundations, which are less likely to be international grantmakers. Nonetheless, newer foundations—those established since 1995 (a year after the Gates Foundation was created)—have helped to raise the level of international giving. In 2008, these 200 younger foundations accounted for almost 10 percent of total international giving. Of these newer funders, 65 gave at least \$1 million for international programs. The largest new funder by far was the Gordon and Betty Moore Foundation, formed in 2000. Other examples of relatively new funders include the California-based Google Foundation (2004), which focuses on climate change, poverty, and emerging diseases; and the Massachusetts-based State Street Foundation (2006), which supports programs designed to promote education, human services, and community improvement and development.

FIGURE 3. Giving to U.S.-based international programs grew faster than cross-border giving between 2006 and 2008.



SOURCE: The Foundation Center, *International Grantmaking Update*, 2010. Based on all grants of \$10,000 or more awarded by a matched set of 452 grantmakers in 2006 and 2008.

■ **Overseas funding accounted for a smaller share of international grant dollars.**

The country's foundations have historically provided a larger share of their international giving to U.S.-based programs, reflecting a tendency among newer international funders to rely more heavily on U.S.-based agencies, as well as the more difficult environment for funding overseas—especially post-9/11. Nonetheless, compared to 2006, overseas giving in 2008 represented a fairly consistent 33 percent of international grants, although a notably smaller 34 percent of grant dollars. (In 2006, exceptional giving primarily by the Bill & Melinda Gates Foundation helped to raise the overseas share to 45 percent.) In addition, Foundation Center surveys conducted in the mid- and late 2000s suggest that a declining, albeit still majority, share of grantmakers view the more demanding post-9/11 regulatory environment as discouraging foundation giving outside of the United States.³

TABLE 1. Top 15 Foundations by International Giving, 2008

Foundation	Foundation Type ¹	Foundation State	Amount of Intl. Grants	No. of Intl. Grants
1. Bill & Melinda Gates Foundation	IN	WA	\$2,741,720,975	526
2. William and Flora Hewlett Foundation	IN	CA	622,874,631	246
3. Ford Foundation	IN	NY	282,366,082	1,233
4. Susan Thompson Buffett Foundation	IN	NE	186,991,109	60
5. David and Lucile Packard Foundation	IN	CA	122,831,562	254
6. Gordon and Betty Moore Foundation*	IN	CA	115,376,014	119
7. John D. and Catherine T. MacArthur Foundation	IN	IL	102,480,230	298
8. Rockefeller Foundation	IN	NY	78,012,342	181
9. Andrew W. Mellon Foundation	IN	NY	60,618,900	155
10. Carnegie Corporation of New York	IN	NY	58,329,716	132
11. Turner Global Foundation	IN	GA	50,000,000	2
12. Lincy Foundation	IN	CA	49,858,168	22
13. Silicon Valley Community Foundation	CM	CA	45,702,876	414
14. Howard G. Buffett Foundation	IN	IL	38,288,239	40
15. Citi Foundation	CS	NY	37,971,000	483

SOURCE: The Foundation Center, *International Grantmaking Update*, 2010. Based on a sample of grants of \$10,000 or more from 1,490 larger foundations.

¹IN=Independent Foundation; CM=Community Foundation; CS=Corporate Foundation.

*2007 year authorized grants were used for the circa 2008 grants sample dataset for this foundation.

International Funding for Indigenous People

Over ten years ago, the United Nations launched the International Decade of the World's Indigenous People to celebrate their contributions and address their needs. To what extent are private foundations supporting programs that benefit this population? In a search of its grants database for 2008, the Foundation Center identified 352 international grants totaling \$54 million that targeted indigenous people. The largest share of this funding targeted the environment and animals (43.8 percent), followed by international affairs (12.5 percent), health (12.4 percent), public affairs/society benefit (9 percent), education (6.9 percent), the arts (5.7 percent), human services (4.1 percent), social sciences (3.7 percent), and science and technology (2 percent).

The Ford Foundation accounted for nearly one-third (32.1 percent) of giving benefiting indigenous people in 2008. Ford's grants funded a range of activities, from helping to strengthen and expand quality microfinance services for indigenous and Afro-descendant communities in Nicaragua to supporting research to promote implementation of the U.N. Declaration on Rights of Indigenous Peoples. Other grantmakers that provided at least \$3 million in grants benefiting indigenous peoples in the latest grants set included the Gordon and Betty Moore Foundation, Bill & Melinda Gates Foundation, Christensen Fund, and John D. and Catherine T. MacArthur Foundation.

■ Overseas giving primarily benefited global programs, Asia, and Africa.

One-third of international grantmakers in the 2008 sample made grants to overseas recipients. This group included both large funders, such as the John D. and Catherine T. MacArthur (IL) and Rockefeller (NY) foundations, and smaller funders, such as the Orchard Foundation (ME) and Robert and Myra Kraft Family Foundation (MA).

Of the nearly \$2.1 billion in cross-border giving reported in 2008, global programs coordinated by Western European organizations—e.g., the Switzerland-based World Health Organization—ranked first with over 26 percent of these dollars (Figure 4). An additional 17.6 percent supported the work of Western European organizations in specific regions of the world outside of Western Europe. Among grant dollars going directly to the regions of benefit, Asia and the Pacific accounted for the largest share (18.1 percent), followed by Sub-Saharan Africa (12 percent).

Compared to 2006, the shares of international grants from sampled foundations to Asia and the Pacific, Canada, and Western Europe for work in specific regions all notably increased. In contrast, shares declined for Sub-

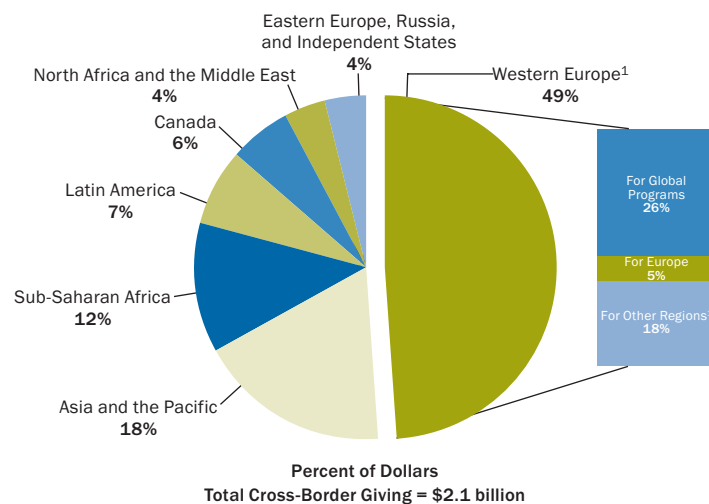
Saharan Africa, and global programs managed by Western Europe-based organizations.

■ Health captured the largest share of international support.

Consistent with international funding priorities tracked since 2001, health benefited from by far the largest share of 2008 grant dollars awarded by sampled foundations. Close to 39 percent of international support funded health—

primarily specific diseases and medical research—although this share was down from close to 43 percent in 2006 (Figure 5). The Bill & Melinda Gates Foundation dominated foundation support for health, providing more than three-quarters of grant dollars among sampled foundations. The Gates Foundation also accounted for just over half of 2008 funding in the second-ranked area of international development and relief.

FIGURE 4. Global Programs, Asia, and Africa, received the largest shares of cross-border giving in 2008



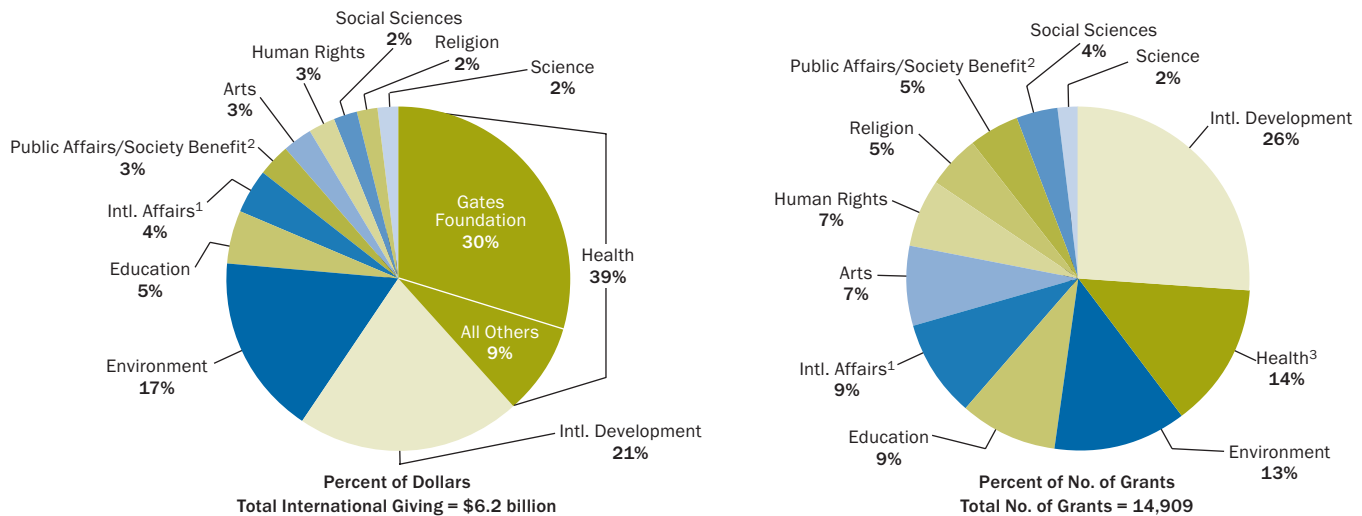
SOURCE: The Foundation Center, *International Grantmaking Update*, 2010. Based on all grants of \$10,000 or more awarded by a sample of 1,490 foundations in 2008. Grants to overseas recipients may be for programs conducted in other countries or regions.
¹The majority of grants awarded to Western Europe were for activities in the regions of Sub-Saharan Africa, Asia and the Pacific, and Latin America.

The environment and animals ranked third among international funding priorities in both 2006 and 2008, but its share of international grant dollars more than doubled in the latest year from 7.8 percent to 16.8 percent. Accounting for much of this increase was a five-year \$461.1 million program support grant from the William and Flora Hewlett Foundation to the ClimateWorks Foundation. (While this grant will be paid out over five years, its full value is being counted in the year it

was authorized per standard Foundation Center practice. See “Sampling Base” for more details.) Established in 2008 by the Hewlett, David and Lucile Packard (CA), and McKnight (MN) foundations, ClimateWorks seeks to reduce greenhouse gas emissions in nations and economic sectors with the highest emissions in three general policy areas: energy efficiency standards, low-carbon energy supply, and forest conservation and agriculture.

Exceptionally large grants can markedly influence overall giving patterns, while shares of number of grants awarded tend to be more consistent. For example, international development and relief benefited from the largest share of international grants awarded in 2008 (26.1 percent), and this share was nearly identical to 2006 (26.3 percent). Health and the environment combined accounted for another 26.1 percent of grants in the latest year. All of the remaining fields received less than 10 percent of the number of international grants reported in 2008.

FIGURE 5. Health far surpassed all fields by share of international giving in 2008



SOURCE: The Foundation Center, *International Grantmaking Update*, 2010. Based on all grants of \$10,000 or more awarded by a sample of 1,490 foundations in 2010.

¹Includes grants for peace and security, foreign policy, promoting international understanding, and international affairs research/policy.

²Includes grants for public affairs, philanthropy, and general grants to promote civil society. Civil society grants are also found in other categories, such as human rights and international development.

³The Gates Foundation accounted for 2.3 percent of the total number of grants for health.

International Funding by Public Charities

The grants set used for this analysis of international giving trends includes only private and community foundations. However, the Foundation Center also collects information on grantmaking public charities, sometimes referred to as “public foundations.” The Center’s grantmaker database currently includes 12,937 grantmaking public charities, of which 1,241 (9.6 percent) fund internationally. These grantmakers support a wide range of causes. Several of the largest funders by total giving reported, such as Food for the Poor and World Vision International, provide emergency relief and healthcare. Other areas of support include the environment (e.g., Conservation

International Foundation, Environmental Defense Fund), specific diseases (e.g., Juvenile Diabetes Research Foundation International, Elizabeth Glaser Pediatric AIDS Foundation), women and children (e.g., Global Fund for Women, International Children’s Fund); specific countries or areas of the world (e.g., New Israel Fund, Asia Foundation); and specific organizations (e.g., United Nations Foundation, American Friends of Bet El Yeshiva Center). In addition to distributing funds raised from the broad public, grantmaking public charities frequently function as regranteeing agencies through which private foundations can channel their cross-border giving.

Tracking Grantmakers Worldwide

While this report focuses on grantmaking by U.S.-based foundations, philanthropic institutions exist and have been expanding in most parts of the globe. In fact, a group of Chinese leaders recently launched the China Foundation Center to support the work of that country's growing foundation community. It joins the ranks of the [Japan Foundation Center \(jfc.or.jp\)](http://jfc.or.jp)—estab. 1985—[European Foundation Centre \(www.efc.be\)](http://www.efc.be)—estab. 1989—and numerous other grantmaker and regional associations in serving the needs of funders around the world.

Similar to the vast majority of U.S. foundations—which fund in limited geographic areas—most grantmakers in other countries concentrate their activities within their nations' borders. U.S. and other funders are also similar in that they generally do not collaborate with one another. Yet among leading funders in all parts of the world, there is tremendous interest in understanding the priorities of other grantmakers and, where appropriate,

finding ways to pool knowledge and resources for greater impact.

No other country requires the detailed and publicly available annual reporting mandated for U.S. foundations. However, a number of organizations—including the Foundation Center—are working to expand the information available on institutional philanthropy worldwide. For example, NGOs in more than a dozen regions or countries publish grantmaker directories (see foundationcenter.org/getstarted/topical/international); [Worldwide Initiatives for Grantmaker Support \(WINGS\) \(wingsweb.org\)](http://Wingsweb.org) provides a network for more than 140 membership associations and support organizations serving grantmakers; and the Foundation Center displays grantmaking by both U.S. and overseas funders in [Philanthropy In/Sight \(philanthropyinsight.org\)](http://PhilanthropyIn/Sight), its online, interactive data visualization tool. The availability of these types of data is certain to expand markedly over the coming decade.

OUTLOOK FOR FUNDING

Current forecasts for a prolonged economic recovery likely mean that foundation giving will show modest growth at best over the next few years. International grantmaking, which benefited from an increased share of overall foundation giving at the nadir of the downturn, should at a minimum keep pace with overall changes in funding.

International grantmaking may also return to the growth trajectory it followed during the 2000s, when its share of overall foundation grant dollars rose steadily—even without counting the contributions of the Bill & Melinda Gates Foundation. Relatively younger, more globally focused donors will continue to build their foundations over coming years, bringing additional resources to the field. Among the broader universe of funders, many

critical priorities—e.g., addressing the global climate crisis, improving health and nutrition as the world's population expands, and supporting human rights and greater political stability through cross-cultural engagement and understanding—will only grow in importance.

Meeting these challenges in an economically volatile new era may encourage U.S. foundations to expand collaborations with one another and to seek out more partnerships with grantmakers in other countries. Ideally, international funders will also continue to provide resources to support new organizations and novel strategies seeking to address these issues. Whatever happens next, U.S. grantmaking foundations will undoubtedly continue to build on more than a century of essential work in the international arena.⁴

ENDNOTES

1. In 2007, the Peninsula Community Foundation and Community Foundation Silicon Valley merged to become the Silicon Valley Community Foundation.
2. Excluding both the Gates and Hewlett foundations from the matched set, international giving rose 29.6 percent between 2006 and 2008—surpassing the 21 percent overall growth in giving during this period.
3. See *International Grantmaking IV*, Chapter 2.
4. See Spero, J., *The Global Role of U.S. Foundations*, New York: Foundation Center, 2010.

ABOUT THE FOUNDATION CENTER

Established in 1956 and today supported by close to 550 foundations, the Foundation Center is the leading source of information about philanthropy worldwide. Through data, analysis, and training, it connects people who want to change the world to the resources they need to succeed. The Center maintains the most comprehensive database on U.S. and, increasingly, global grantmakers and their grants — a robust, accessible knowledge bank for the sector. It also operates research, education, and training programs designed to advance knowledge of philanthropy at every level. Thousands of people visit the Center's web site each day and are served in its five regional library/learning centers and its network of 450 funding information centers located in public libraries, community foundations, and educational institutions nationwide and beyond. For more information, please visit foundationcenter.org or call (212) 620-4230.

For more information contact Reina Mukai at (212) 807-2485 or rkm@foundationcenter.org. "*International Grantmaking Update*" is available at foundationcenter.org.



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