

# Domestic Private Foundations, Tax Years 1993-2002

by Melissa Ludlum

**T**he private foundation segment of the tax-exempt sector experienced significant growth between Tax Years 1993-2002. The number of private foundations increased, as did the aggregate values of assets held and grants distributed by these organizations. By the end of that period, the fair market value of total assets held by private foundations, in real terms, had increased by more than 80 percent. Private foundations contributed approximately \$189.4 billion in contributions, gifts, and grants to charitable initiatives during these tax years.

Foundations are tax-exempt under Internal Revenue Code (IRC) section 501(c)(3). They are required to file the information return, Form 990-PF, annually. The data presented in this article are from Forms 990-PF filed by domestic private foundations, defined as those foundations organized in the United States, for Tax Years 1993-2002. A tax year includes all accounting periods beginning in its corresponding calendar year (see the *Data Sources and Limitations* section for further information).

## Tax Years 1993-2002 in Brief

Overall, the period comprising Tax Years 1993-2002 was one of growth for private foundations. Figure A includes various financial data for the 10-year period. Between Tax Years 1993 and 2002, the total number of Forms 990-PF filed by private foundations grew by 67 percent, increasing from 43,956 returns filed for Tax Year 1993 to 73,255 filed for Tax Year 2002. Over the same period, the aggregate fair market value of total assets held by these organizations, once adjusted to reflect inflation, increased by 82 percent, reaching \$413.0 billion by Tax Year 2002 [1]. The aggregate fair market value of total assets grew consistently between Tax Years 1993 and 1999, before declining slightly for Tax Years 2000 through 2002. Overall, the aggregate fair market value of total assets showed a 7-percent real rate of growth throughout the period.

Total revenues of private foundations increased for 7 consecutive tax years--1993 through 1999--but decreased for each of the remaining 3 years in the

period. In real terms, private foundations earned less revenue for Tax Year 2002 than they had for Tax Year 1993.

Total disbursements for charitable purposes, which are outlays that foundations make exclusively in support of their tax-exempt purposes, doubled between Tax Years 1993 and 2002. Contributions, gifts, and grants were the major component of these types of expenses for all of the tax years in the period [2]. These distributions increased at a rate higher than total revenue for Tax Years 1998-2002, with an overall real rate of growth of 8 percent.

## Statistics of Income Studies

The statistics presented in this article for private foundations are based on sample data from Form 990-PF, *Return of Private Foundation (or Section 4947(a)(1) Charitable Trust Treated as a Private Foundation)*, the annual information return filed by these organizations. Statistics of Income studies on private foundations have been conducted for Tax Years 1974, 1979, 1982, 1983, and annually since 1985. Statistics on 4947(a)(1) nonexempt charitable trusts, which are treated as private foundations and are thus required to file Form 990-PF, are not included in this article [3].

## Tax Definitions and Organizational Structure

Religious, charitable, scientific, educational, and certain other organizations are exempt from Federal income tax under IRC section 501(c)(3). Under section 509(a), organizations that are treated as exempt under section 501(c)(3) are defined as private foundations unless they meet one of four criteria. For example, public organizations that receive greater than one-third of their annual support from members and the public and no more than one-third from investments and unrelated business income are not private foundations. In addition, churches, schools, hospitals, and charities receiving substantial support from the public or from governmental units are not private foundations. Charitable organizations that are not private foundations file Form 990, *Return of Organization Exempt From Income Tax*, or Form 990-EZ, the short version of this information return. Private foundations file Form 990-PF (see "Private Foundation" in the *Explanation of Selected Terms* section of this article for a detailed description

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# Domestic Private Foundations, Tax Years 1993-2002

**Figure A**

## Domestic Private Foundations: Selected Financial Items, in Current and Constant Dollars, 1993-2002

[Money amounts are in millions of dollars]

| Tax year                                   | Number of returns<br>(1) | Fair market value of total assets |                         | Total revenue          |                         |
|--|--------------------------|-----------------------------------|-------------------------|------------------------|-------------------------|
|  |                          | Current dollars<br>(2)            | Constant dollars<br>(3) | Current dollars<br>(4) | Constant dollars<br>(5) |
| <b>Total</b> .....                         | <b>573,693</b>           | <b>3,474,137.0</b>                | <b>3,724,674.0</b>      | <b>474,323.9</b>       | <b>511,248.5</b>        |
| 1993.....                                  | 43,956                   | 192,277.1                         | 226,694.7               | 24,459.7               | 28,838.0                |
| 1994.....                                  | 45,801                   | 203,643.9                         | 235,005.1               | 26,503.5               | 30,585.0                |
| 1995.....                                  | 47,917                   | 242,916.6                         | 274,738.7               | 30,814.5               | 34,851.2                |
| 1996.....                                  | 50,774                   | 288,588.0                         | 320,332.7               | 48,246.8               | 53,554.0                |
| 1997.....                                  | 55,113                   | 342,688.5                         | 374,215.9               | 55,459.9               | 60,562.2                |
| 1998.....                                  | 56,658                   | 397,084.5                         | 428,851.2               | 59,735.0               | 64,513.8                |
| 1999.....                                  | 62,694                   | 466,863.0                         | 497,209.1               | 83,286.0               | 88,699.6                |
| 2000.....                                  | 66,738                   | 471,645.7                         | 491,454.8               | 72,780.0               | 75,836.8                |
| 2001.....                                  | 70,787                   | 455,423.0                         | 463,165.2               | 45,263.8               | 46,033.3                |
| 2002.....                                  | 73,255                   | 413,006.7                         | 413,006.7               | 27,774.7               | 27,774.7                |
| Constant rate of growth <sup>1</sup> ..... | 5.8                      | 8.9                               | 6.9                     | 1.4                    | -0.4                    |

| Tax year                                   | Disbursements for charitable purposes |                         | Contributions, gifts, and grants paid |                         |
|--|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
|  | Current dollars<br>(6)                | Constant dollars<br>(7) | Current dollars<br>(8)                | Constant dollars<br>(9) |
| <b>Total</b> .....                         | <b>219,794.6</b>                      | <b>235,113.0</b>        | <b>189,430.4</b>                      | <b>202,590.3</b>        |
| 1993.....                                  | 12,951.8                              | 15,270.2                | 11,072.0                              | 13,053.9                |
| 1994.....                                  | 13,788.2                              | 15,911.6                | 11,755.5                              | 13,565.8                |
| 1995.....                                  | 14,411.5                              | 16,299.5                | 12,255.9                              | 13,861.4                |
| 1996.....                                  | 16,881.1                              | 18,738.1                | 14,519.1                              | 16,116.2                |
| 1997.....                                  | 19,076.4                              | 20,831.4                | 16,421.0                              | 17,931.7                |
| 1998.....                                  | 22,287.8                              | 24,070.9                | 19,394.2                              | 20,945.7                |
| 1999.....                                  | 26,402.2                              | 28,118.3                | 22,762.8                              | 24,242.4                |
| 2000.....                                  | 31,874.1                              | 33,212.8                | 27,563.6                              | 28,721.3                |
| 2001.....                                  | 31,698.0                              | 32,236.8                | 27,383.3                              | 27,848.9                |
| 2002.....                                  | 30,423.4                              | 30,423.4                | 26,303.1                              | 26,303.1                |
| Constant rate of growth <sup>1</sup> ..... | 10.0                                  | 8.0                     | 10.1                                  | 8.1                     |

<sup>1</sup> Derived from the exponential formula for growth  $y=b^m$ .

NOTE: "Constant dollars" have been adjusted for inflation based on the 2000 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Tax Year 2002 is the base year.

of the requirements for Form 990 versus Form 990-PF filers) [4].

Depending on the type of charitable support that a private foundation provides, it may be classified as either "nonoperating" or "operating." A nonoperating foundation is defined as such because it generally supports charitable programs indirectly, providing grants to other charitable organizations, rather than operating programs of its own. In contrast, an operating foundation is directly involved in the operation of its own charitable activities. In order to qualify as operating, a foundation must meet certain financial criteria (see "Operating Foundations" in the *Explanation of Selected Terms* section for information on operating foundations). Common examples of such organizations include museums, facilities providing housing or healthcare, or organizations conducting scientific research.

Private foundations are typically supported and controlled by an individual, family, or corporation. Because they are not directly accountable to the

public, private foundations are subject to greater Federal regulation than are other tax-exempt organizations. For example, private foundations are prohibited from accumulating net income, and nonoperating foundations are required annually to distribute 5 percent of the net value of investment assets with certain adjustments. The Tax Reform Act of 1969 (TRA69) established taxes specific to private foundations and was the basis for sections 4940-4945 of the Internal Revenue Code. Section 4940 includes an excise tax on "net investment income," which consists of income received only from investments that are unrelated to a foundation's charitable purpose. This tax, which is reported annually on Form 990-PF, applies to all nonoperating and most operating foundations that earn net investment income. However, an operating foundation that has been publicly supported for 10 years or more (or was a private operating foundation before 1983), has a governing board that is representative of the general public and consists of less than 25-percent disqualified persons, and

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has no officers who are disqualified persons is exempt from the excise tax on net investment income. Sections 4941-4945 define activities that are considered to be contrary to the public interest and outline the taxes imposed on foundations that engage in such “prohibited activities.” Business ventures or investments that in some way jeopardize the foundation’s charitable purpose, or acts of “self-dealing,” which are defined as financial transactions with foundation officers, directors, trustees, substantial contributors, or “other disqualified persons,” are considered to be contrary to the public interest and taxable under IRC section 4941 (see “Disqualified Person” in the *Explanation of Selected Terms* section). IRC section 4942 describes the excise tax on nonoperating foundations that fail to distribute a minimum amount for charitable purposes. Taxation of excess business holdings, certain high-risk investments, and various prohibited expenditures, such as participation by a foundation on behalf of, or in opposition to, a candidate for public office, or efforts to influence legislation by contacting legislators, or encouraging the public to do so, are taxable under IRC sections 4943-4945. Taxes on the activities described in IRC sections 4941-4945 are reported separately on Form 4720, *Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code*, and are not included in this article [5].

### Composition of Filers

Large, nonoperating foundations conduct the majority of financial activity that is attributable to private foundations. Typically, nonoperating foundations account for more than 90 percent of Forms 990-PF filed by domestic private foundations, and they hold a similar proportion of the aggregate fair market value of total assets. Nonoperating foundations also earn the majority of total revenue and, because of their legal requirement to make charitable distributions, account for nearly all of the contributions, gifts, and grants reported each year. Figure B presents financial data for Tax Years 1993, 1998, and 2002, by asset-size class, for all foundations and for nonoperating foundations, separately.

The distributions of returns filed, fair market value of total assets held, revenue earned, and disbursements for charitable purposes and contributions, gifts, and grants distributed, by asset size-class, were

nearly the same for Tax Year 2002 as for Tax Year 1993. Large foundations, those holding more than \$50 million in fair market value of total assets, represented just over 1 percent of all returns filed for Tax Year 2002--approximately the same percentage of filings that they represented for Tax Year 1993. The percentage of total returns filed by small foundations, which are foundations holding less than \$1 million in fair market value of total assets, decreased from 75 percent for Tax Year 1993 to 65 percent for Tax Year 1998, but ended the period representing 70 percent of all returns filed for Tax Year 2002 [6]. Returns filed by organizations holding between \$1 and \$50 million in fair market value of total assets represented 10 percent more of total returns filed by private foundations for Tax Year 1998 than of total returns filed for Tax Year 1993, but represented a smaller percentage of total filings for Tax Year 2002.

The proportion of the aggregate fair market value of total assets held by organizations in each asset-size class for Tax Year 2002 was virtually the same as that reported for Tax Year 1993. Large organizations held approximately two-thirds of the total for most of Tax Years 1993-2002. In contrast, small organizations held just 3 percent of the aggregate fair market value of total assets for most of the 10-year period.

Although small foundations earned less than 4 percent of total revenue and held an even smaller percentage of the aggregate fair market value of total assets for Tax Year 2002, they distributed nearly 10 percent of both disbursements for charitable purposes and contributions, gifts, and grants for that year. Large foundations earned approximately half of total revenue reported by private foundations for Tax Years 1993 and 2002 and distributed a similar proportion of reported disbursements for charitable purposes and contributions, gifts, and grants.

### Asset Values and Their Significance

The value of assets held by private foundations, as well as the annual return on those assets, figures prominently into foundations’ ability to make contributions for charitable purposes. Fluctuations in asset values directly affect the grantmaking practices of nonoperating foundations, as asset values are the basis on which their annual distribution requirement, or “distributable amount,” is calculated. Specifically, the distributable amount is derived from a foundation’s minimum investment return, which

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## Figure B

### Domestic Private Foundations: Selected Financial Items, by Asset-Size Class, in Constant Dollars, Selected Tax Years, 1993-2002

(Money amounts are in millions of dollars)

| Tax year | Asset-size class                      | All foundations          |                                   |                 |                                       |                                       |
|----------|---------------------------------------|--------------------------|-----------------------------------|-----------------|---------------------------------------|---------------------------------------|
|          |                                       | Number of returns        | Fair market value of total assets | Total revenue   | Disbursements for charitable purposes | Contributions, gifts, and grants paid |
|          |                                       | (1)                      | (2)                               | (3)             | (4)                                   | (5)                                   |
|          |                                       | Number or amount         |                                   |                 |                                       |                                       |
| 1993     | <b>Total</b> .....                    | <b>43,956</b>            | <b>226,694.7</b>                  | <b>28,838.0</b> | <b>15,270.2</b>                       | <b>13,053.9</b>                       |
|          | Small foundations <sup>1</sup> .....  | 32,979                   | 8,001.8                           | 2,505.3         | 1,775.5                               | 1,486.8                               |
|          | Medium foundations <sup>2</sup> ..... | 10,491                   | 73,308.3                          | 11,935.5        | 5,873.1                               | 4,907.1                               |
|          | Large foundations <sup>3</sup> .....  | 486                      | 145,384.7                         | 14,397.1        | 7,621.6                               | 6,660.0                               |
| 1998     | <b>Total</b> .....                    | <b>56,658</b>            | <b>428,851.2</b>                  | <b>64,513.8</b> | <b>24,070.9</b>                       | <b>20,945.7</b>                       |
|          | Small foundations.....                | 37,103                   | 9,868.5                           | 4,027.8         | 2,343.9                               | 2,100.4                               |
|          | Medium foundations.....               | 18,615                   | 124,433.0                         | 22,078.7        | 8,669.7                               | 7,630.6                               |
|          | Large foundations.....                | 940                      | 294,549.8                         | 38,407.3        | 13,057.3                              | 11,214.7                              |
| 2002     | <b>Total</b> .....                    | <b>73,255</b>            | <b>413,006.7</b>                  | <b>27,774.7</b> | <b>30,423.4</b>                       | <b>26,303.1</b>                       |
|          | Small foundations.....                | 51,429                   | 12,605.9                          | 1,070.3         | 2,783.8                               | 2,534.6                               |
|          | Medium foundations.....               | 20,840                   | 125,071.6                         | 13,180.9        | 11,006.9                              | 9,644.9                               |
|          | Large foundations.....                | 987                      | 275,329.2                         | 13,523.6        | 16,632.7                              | 14,123.5                              |
|          |                                       | Percentage of total      |                                   |                 |                                       |                                       |
| 1993     | <b>Total</b> .....                    | <b>100.0</b>             | <b>100.0</b>                      | <b>100.0</b>    | <b>100.0</b>                          | <b>100.0</b>                          |
|          | Small foundations.....                | 75.0                     | 3.5                               | 8.7             | 11.6                                  | 11.4                                  |
|          | Medium foundations.....               | 23.9                     | 32.3                              | 41.4            | 38.5                                  | 37.6                                  |
|          | Large foundations.....                | 1.1                      | 64.1                              | 49.9            | 49.9                                  | 51.0                                  |
| 1998     | <b>Total</b> .....                    | <b>100.0</b>             | <b>100.0</b>                      | <b>100.0</b>    | <b>100.0</b>                          | <b>100.0</b>                          |
|          | Small foundations.....                | 65.5                     | 2.3                               | 6.2             | 9.7                                   | 10.0                                  |
|          | Medium foundations.....               | 32.9                     | 29.0                              | 34.2            | 36.0                                  | 36.4                                  |
|          | Large foundations.....                | 1.7                      | 68.7                              | 59.5            | 54.2                                  | 53.5                                  |
| 2002     | <b>Total</b> .....                    | <b>100.0</b>             | <b>100.0</b>                      | <b>100.0</b>    | <b>100.0</b>                          | <b>100.0</b>                          |
|          | Small foundations.....                | 70.2                     | 3.1                               | 3.9             | 9.2                                   | 9.6                                   |
|          | Medium foundations.....               | 28.4                     | 30.3                              | 47.5            | 36.2                                  | 36.7                                  |
|          | Large foundations.....                | 1.3                      | 66.7                              | 48.7            | 54.7                                  | 53.7                                  |
|          |                                       | Nonoperating foundations |                                   |                 |                                       |                                       |
|          |                                       | Number of returns        | Fair market value of total assets | Total revenue   | Disbursements for charitable purposes | Contributions, gifts, and grants paid |
|          |                                       | (6)                      | (7)                               | (8)             | (9)                                   | (10)                                  |
|          |                                       | Number or amount         |                                   |                 |                                       |                                       |
| 1993     | <b>Total</b> .....                    | <b>40,166</b>            | <b>205,141.8</b>                  | <b>26,141.9</b> | <b>13,976.0</b>                       | <b>12,873.0</b>                       |
|          | Small foundations <sup>1</sup> .....  | 30,010                   | 7,530.6                           | 2,268.8         | 1,582.8                               | 1,461.5                               |
|          | Medium foundations <sup>2</sup> ..... | 9,710                    | 67,232.5                          | 10,764.8        | 5,151.6                               | 4,799.6                               |
|          | Large foundations <sup>3</sup> .....  | 446                      | 130,378.7                         | 13,108.3        | 7,241.6                               | 6,611.9                               |
| 1998     | <b>Total</b> .....                    | <b>52,460</b>            | <b>394,238.8</b>                  | <b>59,087.4</b> | <b>22,214.7</b>                       | <b>20,483.0</b>                       |
|          | Small foundations.....                | 34,263                   | 9,296.5                           | 3,722.7         | 2,233.8                               | 2,071.7                               |
|          | Medium foundations.....               | 17,331                   | 115,485.7                         | 20,302.1        | 7,866.0                               | 7,413.1                               |
|          | Large foundations.....                | 866                      | 269,456.7                         | 35,062.6        | 12,114.9                              | 10,998.2                              |
| 2002     | <b>Total</b> .....                    | <b>67,101</b>            | <b>377,671.9</b>                  | <b>24,500.1</b> | <b>27,910.7</b>                       | <b>25,487.5</b>                       |
|          | Small foundations.....                | 46,962                   | 11,547.4                          | 788.2           | 2,582.8                               | 2,461.8                               |
|          | Medium foundations.....               | 19,239                   | 115,738.2                         | 11,292.0        | 9,980.3                               | 9,320.5                               |
|          | Large foundations.....                | 900                      | 250,386.4                         | 12,419.9        | 15,347.6                              | 13,705.2                              |
|          |                                       | Percentage of total      |                                   |                 |                                       |                                       |
| 1993     | <b>Total</b> .....                    | <b>100.0</b>             | <b>100.0</b>                      | <b>100.0</b>    | <b>100.0</b>                          | <b>100.0</b>                          |
|          | Small foundations.....                | 74.7                     | 3.7                               | 8.7             | 11.3                                  | 11.4                                  |
|          | Medium foundations.....               | 24.2                     | 32.8                              | 41.2            | 36.9                                  | 37.3                                  |
|          | Large foundations.....                | 1.1                      | 63.6                              | 50.1            | 51.8                                  | 51.4                                  |
| 1998     | <b>Total</b> .....                    | <b>100.0</b>             | <b>100.0</b>                      | <b>100.0</b>    | <b>100.0</b>                          | <b>100.0</b>                          |
|          | Small foundations.....                | 65.3                     | 2.4                               | 6.3             | 10.1                                  | 10.1                                  |
|          | Medium foundations.....               | 33.0                     | 29.3                              | 34.4            | 35.4                                  | 36.2                                  |
|          | Large foundations.....                | 1.7                      | 68.3                              | 59.3            | 54.5                                  | 53.7                                  |
| 2002     | <b>Total</b> .....                    | <b>100.0</b>             | <b>100.0</b>                      | <b>100.0</b>    | <b>100.0</b>                          | <b>100.0</b>                          |
|          | Small foundations.....                | 70.0                     | 3.1                               | 3.2             | 9.3                                   | 9.7                                   |
|          | Medium foundations.....               | 28.7                     | 30.6                              | 46.1            | 35.8                                  | 36.6                                  |
|          | Large foundations.....                | 1.3                      | 66.3                              | 50.7            | 55.0                                  | 53.8                                  |

<sup>1</sup> Small foundations are those holding from zero (including unreported) to less than \$1,000,000 in fair market value of total assets.

<sup>2</sup> Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets.

<sup>3</sup> Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

NOTE: "Constant dollars" have been adjusted for inflation based on the 2000 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Tax Year 2002 is the base year.

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equals 5 percent of the reported value of its net investment, or “noncharitable-use,” assets. Noncharitable-use assets are those assets held for investment purposes only and may include such items as securities, investments in art, coins, or other collectables, and investments in real estate. Conversely, assets used directly to conduct charitable activities, such as office buildings, art held by museums, and computers, are “charitable-use assets”; these holdings are excluded from the minimum investment return calculation. For purposes of the calculation, noncharitable-use cash and securities are valued based on their average monthly fair market values throughout the tax year. Other noncharitable-use assets are valued annually, although not necessarily at year end (see Distributable (Payout) Amount, Minimum Investment Return, Net Adjustments to Distributable Amount, and Noncharitable-Use Assets in the *Explanation of Selected Terms* section). The net value of noncharitable-use assets, from which the minimum investment return is derived, equals the value of noncharitable-use assets, less both the indebtedness incurred to acquire these assets and the amount of cash held for charitable activities. This amount differs from the fair market value of total assets, which is calculated based on end-of-year values of all assets held by private foundations for both charitable and noncharitable-use. Unlike the net value of noncharitable-use assets, the fair market value of total assets is not reduced for acquisition indebtedness.

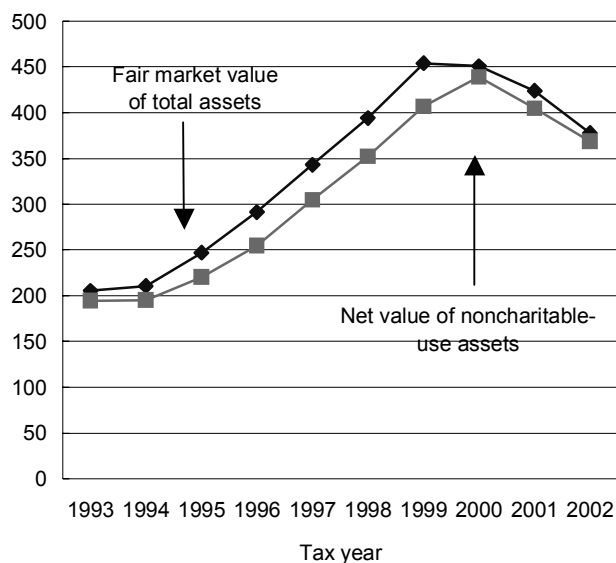
Most assets held by nonoperating foundations are classified as noncharitable-use assets. Figure C illustrates the relationship between the net value of noncharitable-use assets and the aggregate end-of-year fair market value of total assets held by nonoperating foundations for Tax Years 1993-2002. For each of Tax Years 1993-2002, nonoperating foundations reported net noncharitable-use asset values nearly equal to end-of-year fair market values of total assets.

Foundations reported substantial increases in asset values between Tax Years 1993 and 2002, most of which resulted from increased values of investment assets. Figure D shows annual “net investment income yields” and “real rates of total return on assets” for domestic foundations, by asset-size class, for Tax Years 1993 through 2002. Both

**Figure C**

### Domestic Nonoperating Private Foundations: Fair Market Value of Total Assets and Net Value of Noncharitable-Use Assets, in Constant Dollars, 1993-2002

Billions of dollars



NOTE: "Constant dollars" have been adjusted for inflation based on the 2000 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Tax Year 2002 is the base year.

the mean and the median, which minimizes the influences of large outliers in the data and may therefore better represent a typical foundation than the mean value, are shown. The net investment income yield, a measure of the realized investment income that a foundation earns on its investment assets, was calculated by dividing net investment income by the value of noncharitable-use assets for each tax year in the period [7]. The real rate-of-total-return formula, which measures the total inflation-adjusted capital appreciation of a foundation’s assets, equals the change in the value of the entire asset base (adjusted for contributions received, grants paid, and certain expenses) divided by the value of the base [8]. The fair market value of total assets, as reported for both the beginning and end of a specific tax year, was used to calculate the real rate of total return. To facilitate this comparison, returns for consecutive tax years were matched, and the beginning-of-year fair market value of assets for each tax year was ob-

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**Figure D**

**Domestic Private Foundation Net Investment Income Yields and Real Rates of Total Return on Assets, by Asset-Size Class and Foundation Type, Tax Years 1993-2002**

| Tax year | Asset-size class                      | Nonoperating private foundations           |             |                                     |             | Operating private foundations              |             |                                     |             |
|----------|---------------------------------------|--|-------------|-------------------------------------|-------------|--|-------------|-------------------------------------|-------------|
|          |                                       | Net investment income yields (percentages) |             | Rates of total return (percentages) |             | Net investment income yields (percentages) |             | Rates of total return (percentages) |             |
|          |                                       | Median<br>(1)                              | Mean<br>(2) | Median<br>(3)                       | Mean<br>(4) | Median<br>(5)                              | Mean<br>(6) | Median<br>(7)                       | Mean<br>(8) |
| 1993     | <b>Total</b> .....                    | <b>5.1</b>                                 | <b>9.6</b>  | <b>2.0</b>                          | <b>79.9</b> | <b>3.4</b>                                 | <b>11.8</b> | <b>1.4</b>                          | <b>9.5</b>  |
|          | Small foundations <sup>1</sup> .....  | 4.3  | 9.6         | 1.4                                 | 98.4        | 2.2  | 8.9         | 1.1                                 | 10.6        |
|          | Medium foundations <sup>2</sup> ..... | 6.5  | 9.6         | 4.1                                 | 28.5        | 5.8  | 20.5        | 1.9                                 | 6.0         |
|          | Large foundations <sup>3</sup> .....  | 7.8  | 9.0         | 5.9                                 | 8.0         | 8.3  | 9.1         | 5.4                                 | 8.5         |
| 1994     | <b>Total</b> .....                    | <b>4.5</b>                                 | <b>55.2</b> | <b>0.5</b>                          | <b>30.7</b> | <b>3.3</b>                                 | <b>15.2</b> | <b>0.5</b>                          | <b>5.9</b>  |
|          | Small foundations.....                | 4.0  | 66.2        | 0.4                                 | 33.5        | 2.7  | 16.4        | 0.4                                 | 3.9         |
|          | Medium foundations.....               | 5.7  | 20.3        | 1.6                                 | 22.6        | 5.2  | 11.0        | 1.5                                 | 6.3         |
|          | Large foundations.....                | 6.5  | 7.8         | 1.2                                 | 7.0         | 6.7  | 8.4         | 4.8                                 | 105.4       |
| 1995     | <b>Total</b> .....                    | <b>5.5</b>                                 | <b>8.5</b>  | <b>10.7</b>                         | <b>19.6</b> | <b>3.7</b>                                 | <b>6.9</b>  | <b>3.1</b>                          | <b>8.8</b>  |
|          | Small foundations.....                | 4.9  | 8.2         | 7.0                                 | 19.6        | 3.2  | 4.3         | 1.9                                 | 7.3         |
|          | Medium foundations.....               | 6.8  | 9.2         | 16.4                                | 19.3        | 6.1  | 14.5        | 10.0                                | 13.3        |
|          | Large foundations.....                | 8.3  | 10.3        | 20.2                                | 24.3        | 9.1  | 15.7        | 11.6                                | 12.2        |
| 1996     | <b>Total</b> .....                    | <b>5.6</b>                                 | <b>10.6</b> | <b>7.1</b>                          | <b>30.8</b> | <b>3.5</b>                                 | <b>8.9</b>  | <b>3.4</b>                          | <b>13.5</b> |
|          | Small foundations.....                | 4.9  | 10.5        | 4.2                                 | 37.7        | 2.2  | 4.9         | 2.7                                 | 13.2        |
|          | Medium foundations.....               | 7.1  | 10.7        | 12.1                                | 14.8        | 6.5  | 20.1        | 9.6                                 | 13.5        |
|          | Large foundations.....                | 9.8  | 11.5        | 14.3                                | 19.9        | 10.1                                       | 14.1        | 13.6                                | 28.8        |
| 1997     | <b>Total</b> .....                    | <b>5.9</b>                                 | <b>73.7</b> | <b>9.0</b>                          | <b>35.6</b> | <b>3.9</b>                                 | <b>8.8</b>  | <b>3.3</b>                          | <b>10.4</b> |
|          | Small foundations.....                | 5.0  | 105.4       | 5.4                                 | 43.6        | 3.3  | 6.0         | 2.3                                 | 10.1        |
|          | Medium foundations.....               | 7.6  | 11.3        | 15.7                                | 19.7        | 7.1  | 16.0        | 8.4                                 | 11.1        |
|          | Large foundations.....                | 10.5                                       | 12.4        | 17.6                                | 19.9        | 10.0                                       | 13.7        | 13.9                                | 14.6        |
| 1998     | <b>Total</b> .....                    | <b>5.6</b>                                 | <b>29.8</b> | <b>6.5</b>                          | <b>13.3</b> | <b>3.9</b>                                 | <b>33.5</b> | <b>5.9</b>                          | <b>28.7</b> |
|          | Small foundations.....                | 5.1  | 38.7        | 4.6                                 | 11.7        | 3.1  | 6.9         | 3.1                                 | 20.8        |
|          | Medium foundations.....               | 6.8  | 10.5        | 12.0                                | 16.7        | 6.4  | 85.1        | 9.3                                 | 13.2        |
|          | Large foundations.....                | 8.5  | 11.5        | 12.8                                | 18.6        | 8.1  | 239.0       | 10.2                                | 516.0       |
| 1999     | <b>Total</b> .....                    | <b>5.3</b>                                 | <b>9.6</b>  | <b>3.4</b>                          | <b>50.0</b> | <b>5.1</b>                                 | <b>7.8</b>  | <b>2.4</b>                          | <b>18.2</b> |
|          | Small foundations.....                | 4.6  | 8.6         | 1.8                                 | 69.7        | 5.1  | 4.4         | 1.2                                 | 26.1        |
|          | Medium foundations.....               | 6.9  | 11.5        | 7.2                                 | 10.8        | 6.1  | 10.6        | 3.6                                 | 8.7         |
|          | Large foundations.....                | 9.4  | 12.3        | 11.5                                | 18.5        | 6.9  | 13.5        | 10.2                                | 12.6        |
| 2000     | <b>Total</b> .....                    | <b>5.6</b>                                 | <b>11.0</b> | <b>-0.3</b>                         | <b>-1.1</b> | <b>3.5</b>                                 | <b>5.0</b>  | <b>-0.5</b>                         | <b>4.3</b>  |
|          | Small foundations.....                | 5.2  | 8.0         | -0.2                                | -1.8        | 0.0  | 2.4         | 0.4                                 | 3.1         |
|          | Medium foundations.....               | 6.5  | 16.9        | -0.6                                | 0.2         | 5.8  | 7.5         | -0.7                                | 6.1         |
|          | Large foundations.....                | 7.5  | 10.9        | -0.6                                | 0.5         | 8.6  | 23.2        | 0.5                                 | 2.1         |
| 2001     | <b>Total</b> .....                    | <b>3.0</b>                                 | <b>19.9</b> | <b>-2.6</b>                         | <b>-1.6</b> | <b>1.5</b>                                 | <b>3.2</b>  | <b>-2.3</b>                         | <b>0.2</b>  |
|          | Small foundations.....                | 2.7  | 5.8         | -2.1                                | -0.1        | 1.5  | 2.5         | -2.3                                | -3.6        |
|          | Medium foundations.....               | 3.6  | 49.7        | -5.2                                | -4.7        | 2.5  | 4.7         | -2.7                                | 9.9         |
|          | Large foundations.....                | 3.1  | 5.9         | -5.1                                | -3.5        | 3.6  | 7.2         | -2.0                                | 7.1         |
| 2002     | <b>Total</b> .....                    | <b>2.4</b>                                 | <b>38.4</b> | <b>-3.3</b>                         | <b>-3.5</b> | <b>2.2</b>                                 | <b>4.7</b>  | <b>-1.7</b>                         | <b>1.3</b>  |
|          | Small foundations.....                | 2.2  | 10.5        | -1.5                                | -3.3        | 1.5  | 2.3         | -1.7                                | -2.8        |
|          | Medium foundations.....               | 2.8  | 101.5       | -5.1                                | -4.2        | 3.0  | 7.9         | 0.5                                 | 13.6        |
|          | Large foundations.....                | 2.6  | 4.3         | -5.4                                | -1.5        | 2.7  | 38.0        | 1.0                                 | 5.4         |

<sup>1</sup> Small foundations are those holding from zero (including unreported) to less than \$1,000,000 in fair market value of total assets.

<sup>2</sup> Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets.

<sup>3</sup> Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

tained by indexing the ending fair market value reported on the return filed for the previous tax year. Thus, only data from returns that were included in the sample for 2 consecutive tax years were used in the calculation of the real rate of total return. For example, the Tax Year 2002 real rate of total return formula was calculated only for organizations that filed sampled returns for each of Tax Years 2001 and

2002. To improve comparability between the real rate of total return and the net investment income yield formulas, the published net investment income yields also exclude organizations for which returns were not sampled for 2 consecutive tax years.

Median net investment income yields realized by nonoperating foundations were between 4.5 percent and 6 percent for Tax Years 1994 through 2000,

## Domestic Private Foundations, Tax Years 1993-2002

before declining for Tax Years 2001 and 2002. Both median and mean net investment income yields for these organizations reached their highest values for Tax Year 1997. Nonoperating foundations realized higher net investment income yields than operating foundations. Median net investment income yields for operating foundations began the 10-year period at 3.4 percent, reaching a high of 5.1 percent for Tax Year 1999 before falling to 2 percent for Tax Years 2001 and 2002.

Because the real rate of total return on assets measures the realized income from investments and other assets, as well as the unrealized appreciation or depreciation in the fair market value of assets, it provides a more comprehensive indication of total investment performance than the net investment income yield. Median real rates of total return on assets, as reported by nonoperating foundations, reached their highest levels for Tax Year 1995 and started to decline by Tax Year 1998, becoming negative for Tax Years 2000 through 2002. For operating foundations, median real rates of total return reached their highest percentages for Tax Year 1998. Like net investment income yields, the realized real rates of total return were smaller for operating foundations than for their nonoperating counterparts. However, real rates of total return were higher for operating foundations than for nonoperating foundations for years in which realized median and mean real rates of total return were negative.

Generally, during years of positive returns on investments, larger foundations reported higher median net investment income yields and rates of total return than smaller foundations. Large foundations, both nonoperating and operating, reported the largest median net investment income yields and rates of total returns for most of Tax Years 1993-1999. In most cases, these returns were larger for medium organizations than for small foundations. Large nonoperating foundations realized the smallest median rates of total return for Tax Years 2000 through 2002. During this period, median rates of total return were negative for each of the three asset-size classes.

### Qualifying Distributions and Components

“Qualifying distributions” are expenditures made by nonoperating foundations that qualify toward meeting their required distributable amounts. Although qualifying distributions generally consist primarily of contributions, gifts, and grants disbursed throughout the year, they may also include operating and administrative expenses related to conducting charitable operations; “set-asides,” which are amounts earmarked for future charitable distributions; program-related investments, such as loans to other 501(c)(3) organizations; and amounts paid to acquire buildings, equipment, supplies, or other assets for charitable use. Figure E presents total qualifying distributions disbursed between Tax Years 1993 and 2002, as well as the total value of contributions, gifts, and grants

**Figure E**

### Domestic Nonoperating Private Foundations: Qualifying Distributions and Contributions, Gifts, and Grants, in Current and Constant Dollars, 1993-2002

[Money amounts are in millions of dollars]

| Tax year  | Total qualifying distributions |                  | Total contributions, gifts, and grants |                  | Percentage of qualifying distributions paid as contributions, gifts, and grants |
|-----------|--------------------------------|------------------|--|------------------|---|
|           | Current dollars                | Constant dollars | Current dollars                        | Constant dollars |   |
|           | (1)                            | (2)              | (3)                                    | (4)              |   |
| 1993..... | 12,167.3                       | 14,345.3         | 10,918.6                               | 12,873.0         | 89.7  |
| 1994..... | 12,712.3                       | 14,670.0         | 11,417.0                               | 13,175.2         | 89.8  |
| 1995..... | 13,379.1                       | 15,131.7         | 11,902.3                               | 13,461.5         | 89.0  |
| 1996..... | 15,831.9                       | 17,573.4         | 14,182.9                               | 15,743.0         | 89.6  |
| 1997..... | 17,726.9                       | 19,357.8         | 15,855.0                               | 17,313.7         | 89.4  |
| 1998..... | 21,189.5                       | 22,884.6         | 18,965.8                               | 20,483.0         | 89.5  |
| 1999..... | 25,056.9                       | 26,685.6         | 22,334.5                               | 23,786.3         | 89.1  |
| 2000..... | 29,845.5                       | 31,099.0         | 26,551.8                               | 27,666.9         | 89.0  |
| 2001..... | 29,785.2                       | 30,291.6         | 26,526.4                               | 26,977.4         | 89.1  |
| 2002..... | 28,727.4                       | 28,727.4         | 25,487.5                               | 25,487.5         | 88.7  |

NOTE: “Constant dollars” have been adjusted for inflation based on the 2000 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Tax Year 2002 is the base year.

## Domestic Private Foundations, Tax Years 1993-2002

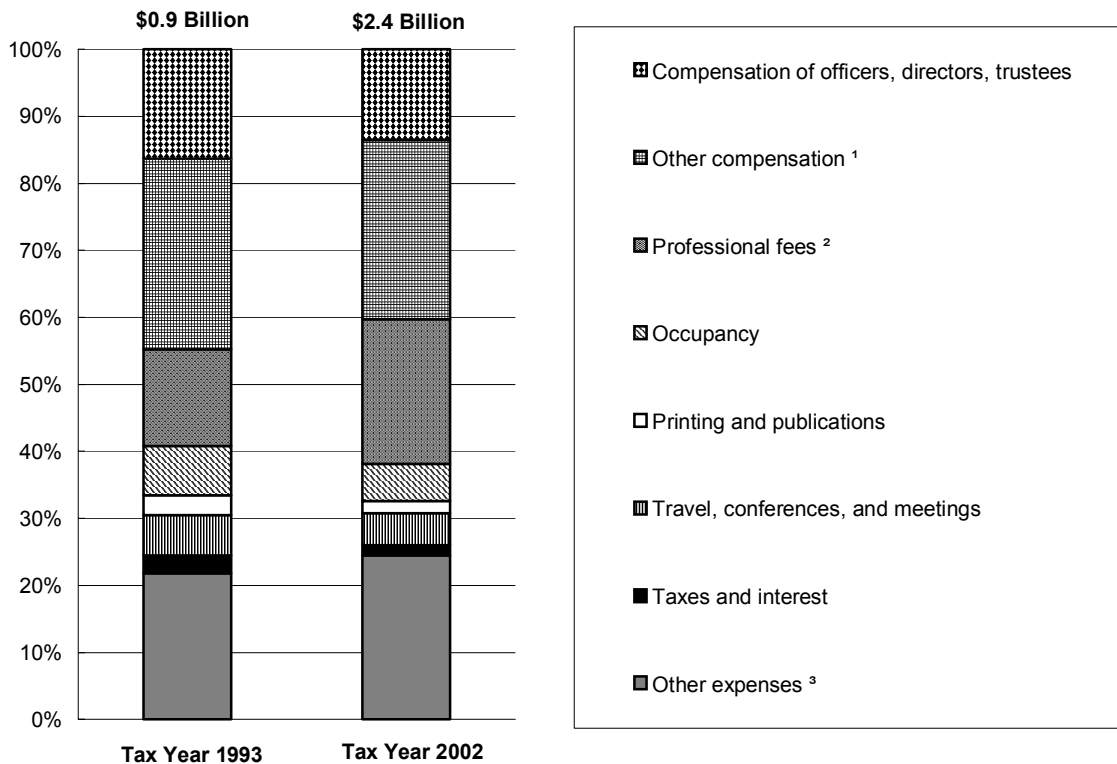
included in these distributions, in current and constant dollars. Contributions, gifts, and grants paid accounted for nearly 90 percent of total qualifying distributions for each of Tax Years 1993 through 2002.

Operating and administrative expenses were the second largest component of qualifying distributions. These amounts generally represented between 8 percent and 10 percent of total disbursements for charitable purposes for most of Tax Years 1993-2002. Components of operating and administrative expenses, for Tax Years 1993 and 2002, are shown in Figure F [9]. Despite decreasing in proportion to total operating and administrative expenses between

Tax Years 1993 and 2002, the percentages of these expenses attributable to compensation were 45 percent and 40 percent, respectively, exceeding the proportions of total operating and administrative expenses for all other categories for both tax years. Compensation paid to officers, directors, and trustees was reported separately from other compensation amounts and, for both Tax Years 1993 and 2002, represented the smallest portion of total compensation expenses. Other employee compensation, including salaries and wages, pension plans and other employee benefits, accounted for the single largest component of operating and administrative expenses

**Figure F**

### Domestic Nonoperating Private Foundations: Components of Operating and Administrative Expenses, Tax Years 1993 and 2002



<sup>1</sup> Includes "Other employee salaries and wages" and "Pension plans and employee benefits."

<sup>2</sup> Includes "Legal fees," "Accounting fees," and "Other professional fees."

<sup>3</sup> May include items such as amortization, annual published filing notice, shipping, postage, and other miscellaneous expenses.



## Domestic Private Foundations, Tax Years 1993-2002

for both years. This type of compensation represented 28 percent of the total operating and administrative expenses reported by nonoperating foundations for Tax Year 1993, and 27 percent of the total reported for Tax Year 2002. Professional fees experienced the largest increase in proportion to total operating and administrative expenditures between Tax Year 1993 and Tax Year 2002. This category, which represented amounts paid for accounting, legal, and other services, accounted for 21 percent of operating and administrative expenses for Tax Year 2002; it had represented 15 percent of these expenses for Tax Year 1993 [10].

### Payout Rates

Nonoperating foundations may combine current-year qualifying distributions with excess amounts that were carried over from previous tax years in order to meet the current-year distributable amount. Excess qualifying distributions can be carried over for 5

consecutive tax years. These carryovers, along with current-year qualifying distributions, are adjusted to include certain taxes and deductions and divided by the total value of noncharitable-use assets to arrive at a foundation's "payout rate" [11]. This rate provides a measure of a foundation's success in meeting the annual required distributable amount. Median payout rates for domestic nonoperating foundations, by asset-size class, as well as the percentage distributions of payout rate ranges among the various asset-size-classes, are displayed in Figure G. Median payout rates, which may be reflective of the activities of typical foundations, were notably consistent for Tax Years 1993-2002. Generally, median payout rates for medium and large foundations were at or around the required 5-percent. Median payout rates for small foundations were higher than for medium and large foundations. As foundation size increased, the percentage of foundations that exceeded the payout requirement generally

**Figure G**

**Domestic Nonoperating Private Foundations: Median Payout Rates and Selected Percentages, by Asset-Size Class, 1993-2002**

| Asset-size, item  | Tax year |      |      |      |      |      |      |      |      |      |
|---|----------|------|------|------|------|------|------|------|------|------|
|   | 1993     | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|   | (1)      | (2)  | (3)  | (4)  | (5)  | (6)  | (7)  | (8)  | (9)  | (10) |
| <b>All nonoperating foundations</b>   |          |      |      |      |      |      |      |      |      |      |
| Median payout rate (percentage).....  | 6.2      | 5.9  | 5.8  | 5.8  | 5.5  | 5.3  | 5.7  | 6.1  | 6.3  | 6.1  |
| Percentage of foundations with payout rates of less than 5 percent.....           | 29.2     | 28.9 | 32.1 | 33.6 | 37.1 | 38.7 | 34.4 | 28.8 | 24.9 | 24.3 |
| Percentage of foundations with payout rates between 5 percent and 6 percent.....  | 19.9     | 22.2 | 19.9 | 18.4 | 17.6 | 19.9 | 18.4 | 20.6 | 22.4 | 25.1 |
| Percentage of foundations with payout rates between 6 percent and 10 percent..... | 18.3     | 17.1 | 17.0 | 16.9 | 15.2 | 13.9 | 16.5 | 17.7 | 20.8 | 18.0 |
| Percentage of foundations with payout rates of 10 percent or more.....            | 32.6     | 31.8 | 31.0 | 31.1 | 30.0 | 27.5 | 30.7 | 32.9 | 31.9 | 32.6 |
| <b>Small nonoperating foundations <sup>1</sup></b>                                |          |      |      |      |      |      |      |      |      |      |
| Median payout rate (percentage).....  | 6.8      | 6.7  | 6.6  | 6.6  | 6.3  | 5.7  | 6.4  | 7.5  | 7.5  | 6.9  |
| Percentage of foundations with payout rates of less than 5 percent.....           | 27.0     | 27.3 | 29.0 | 30.2 | 33.3 | 35.5 | 31.5 | 25.5 | 23.4 | 23.6 |
| Percentage of foundations with payout rates between 5 percent and 6 percent.....  | 16.8     | 18.7 | 16.5 | 15.1 | 14.9 | 16.9 | 14.2 | 16.7 | 17.1 | 22.1 |
| Percentage of foundations with payout rates between 6 percent and 10 percent..... | 17.7     | 16.2 | 16.7 | 16.7 | 13.9 | 12.5 | 15.6 | 16.0 | 19.7 | 14.4 |
| Percentage of foundations with payout rates of 10 percent or more.....            | 38.5     | 37.7 | 37.9 | 38.0 | 37.9 | 35.2 | 38.7 | 41.8 | 39.8 | 40.0 |
| <b>Medium nonoperating foundations <sup>2</sup></b>                               |          |      |      |      |      |      |      |      |      |      |
| Median payout rate (percentage).....  | 5.2      | 5.3  | 5.1  | 5.0  | 5.0  | 5.0  | 5.2  | 5.3  | 5.6  | 5.7  |
| Percentage of foundations with payout rates of less than 5 percent.....           | 35.3     | 32.9 | 39.7 | 41.3 | 44.7 | 44.4 | 39.6 | 35.1 | 27.7 | 25.9 |
| Percentage of foundations with payout rates between 5 percent and 6 percent.....  | 28.1     | 30.8 | 27.8 | 25.2 | 22.8 | 25.0 | 25.9 | 27.7 | 32.1 | 31.5 |
| Percentage of foundations with payout rates between 6 percent and 10 percent..... | 20.0     | 19.7 | 17.9 | 17.4 | 18.1 | 16.5 | 18.4 | 20.8 | 23.1 | 25.8 |
| Percentage of foundations with payout rates of 10 percent or more.....            | 16.6     | 16.6 | 14.6 | 16.2 | 14.4 | 14.1 | 16.2 | 16.5 | 17.1 | 16.8 |
| <b>Large nonoperating foundations <sup>3</sup></b>                                |          |      |      |      |      |      |      |      |      |      |
| Median payout rate (percentage).....  | 5.1      | 5.1  | 5.0  | 5.0  | 5.0  | 5.0  | 5.1  | 5.3  | 5.4  | 5.6  |
| Percentage of foundations with payout rates of less than 5 percent.....           | 36.6     | 32.9 | 41.8 | 44.0 | 48.3 | 48.5 | 42.0 | 34.4 | 27.9 | 23.1 |
| Percentage of foundations with payout rates between 5 percent and 6 percent.....  | 38.3     | 42.7 | 38.2 | 33.7 | 30.7 | 28.7 | 32.7 | 33.1 | 39.2 | 39.3 |
| Percentage of foundations with payout rates between 6 percent and 10 percent..... | 17.3     | 16.7 | 12.3 | 14.4 | 12.7 | 14.4 | 15.5 | 20.6 | 21.8 | 25.6 |
| Percentage of foundations with payout rates of 10 percent or more.....            | 7.9      | 7.7  | 7.7  | 7.8  | 8.3  | 8.5  | 9.8  | 11.9 | 11.2 | 12.0 |

<sup>1</sup> Small foundations are those holding from zero (including unreported) to less than \$1,000,000 in fair market value of total assets.

<sup>2</sup> Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets.

<sup>3</sup> Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

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decreased. Large foundations were less likely to meet the payout requirement during years of significant asset growth.

### Summary

Tax Years 1993-2002 represented a period of both growth and consistency for private foundations. By the end of the period, the aggregate fair market value of total assets held by private foundations had grown by more than 80 percent, while the contributions that these organizations disbursed had more than doubled. Nearly 70 percent more private foundations filed Form 990-PF for Tax Year 2002 than filed for Tax Year 1993.

While foundations disbursed a larger number of charitable dollars for Tax Year 2002 than they had for Tax Year 1993, the components of disbursements for charitable purposes were remarkably consistent throughout the period. Nearly 90 percent of qualifying distributions were made in the form of contributions, gifts, and grants for every year in the 10-year period. The percentage of disbursements for charitable purposes directed toward operating and administrative expenses was consistently between 8 percent and 10 percent throughout the period. Additionally, median payout rates, although generally somewhat higher for small foundations than for their larger counterparts, were between 5 percent and 6 percent for all of Tax Years 1993-2002. Although the components of total operating and administrative expenses were similar for the years between Tax Year 1993 and 2002, professional fees increased in proportion to total operating and administrative expenses.

### Data Sources and Limitations

The statistics for Tax Year 2002 that are presented in this article are based on a sample of Tax Year 2002 Forms 990-PF that were filed with the Internal Revenue Service. Organizations having accounting periods beginning in 2002 (and therefore ending between December 2002 and November 2003) that filed returns in Calendar Years 2003 and 2004 that posted to the IRS Business Master File during those years were included in the sample. Some part-year returns were included in the samples for organizations that changed their accounting periods, or filed initial or final returns. Some 68 percent of domestic private foundations in the sample had accounting periods covering Calendar Year 2002 or, in some

cases, part-year periods that ended in December 2002.

The 2002 sample was stratified based on both the size of fair market value of total assets and the type of organization (either a private foundation or an IRC section 4947(a)(1) charitable trust). The samples were designed to provide reliable estimates of total assets and total revenue. To accomplish this, 100 percent of returns filed for foundations with fair market asset value of \$10 million or more were included in the samples, since these organizations represented the vast majority of financial activity. Approximately 6 percent of all foundations reported \$10 million or more in fair market value of total assets for 2002 and were selected at a rate of 100 percent. The remaining foundation population was randomly selected for the sample at various rates of less than 100 percent depending on asset size. The realized sampling rates for each asset-size category are included in Figure H. Figure I shows the magnitude of sampling error for selected items for Tax Year 2002, measured by coefficients of variation.

Efforts were made to verify that organizations selected for the sample were properly classified as foundations or trusts. The relatively few foundations

**Figure H**

**Realized Sampling Rates, 2002**

| Fair market value of total assets         | Realized sampling rate (percentage) |
|---|-------------------------------------|
| Less than \$125,000.....                  | 0.2                                 |
| \$125,000 less than \$400,000.....        | 0.4                                 |
| \$400,000 less than \$1,000,000.....      | 0.8                                 |
| \$1 million less than \$2.5 million.....  | 1.9                                 |
| \$2.5 million less than \$10 million..... | 8.3                                 |
| \$10 million or more.....                 | 100.0                               |

**Figure I**

**Coefficients of Variation for Selected Items, 2002**

| Item                                  | Coefficients of variation (percentages) |
|---------------------------------------|---|
| Number of returns.....                | 1.47                                    |
| Total assets (fair market value)..... | 0.18                                    |
| Total revenue.....                    | 4.93                                    |

in the sample that were incorrectly selected as trusts were ultimately treated as foundations for these statistics. However, the weights used for these organizations were based on the original sample selection classification.

There were 5,507 foundation returns in the sample selected from a population of 76,307. The differences between the actual population of Form 990-PF records that posted to the IRS Business Master File during 2003 and 2004 and the estimated population of domestic foundation returns as published in this article result from sample code changes and the effects of returns that were “rejected” from the sample as part of the editing process. For example, foreign returns and duplicate filings by a single organization were included in the actual population of Forms 990-PF filed but were rejected from the SOI sample.

The data presented were obtained from returns as originally filed with IRS. In most cases, changes made to the original return because of administrative processing, audit procedures, or a taxpayer amendment were not captured in the statistics. The data were subject to comprehensive testing and correction procedures in order to ensure statistical reliability and validity. A general discussion of the reliability of estimates based on samples, methods for evaluating both the magnitude of sampling and nonsampling error, and the precision of sample estimates can be found in the general Appendix to this issue of the *SOI Bulletin*.

### **Explanation of Selected Terms**

The following explanations describe terms as they applied to private foundations:

*Disbursements for Charitable Purposes.*--These disbursements are outlays made exclusively in support of a foundation’s tax-exempt purpose and include grants paid and operating and administrative expenses. They were the largest component of “qualifying distributions” for Tax Year 2002. The total of disbursements for charitable purposes was reported on Form 990 PF, Part I, line 26, column (d).

*Disqualified Person.*--In general, a disqualified person is a substantial contributor; a foundation manager; a person who owns more than 20 percent of a corporation, partnership, trust, or unincorporated enterprise that is itself a substantial contributor; or a family member of a disqualified person.

*Distributable (Payout) Amount.*--This is the minimum payout amount that is required to be distributed by nonoperating foundations by the end of the tax year that follows the tax year for which the return was filed. For example, foundations were required to distribute their Tax Year 2002 amounts before the end of Tax Year 2003. Failure to distribute income within this period results in a 15-percent excise tax on the undistributed portion. The distributable amount equals 5 percent of the net value of noncharitable-use assets, called the “minimum investment return,” minus the excise tax on net investment income, plus or minus other adjustments, either allowed or required (see Net Adjustments to Distributable Amount in this section).

*Minimum Investment Return.*--The minimum investment return is used as the base for calculating the “distributable amount.” This is the aggregate fair market value of assets not used for charitable purposes, less both the indebtedness incurred to acquire these assets and the cash held for charitable activities, multiplied by 5 percent. Minimum investment return was reported on Form 990 PF, Part X, line 6.

*Net Adjustments to Distributable Amount.*--The “distributable amount” is increased by recoveries of amounts previously treated as qualifying distributions and by distributions received from split-interest trusts on amounts that were placed in trust after May 26, 1969. Trusts with split-interests are those that have both charitable and noncharitable beneficiaries. These organizations file Form 5227, *Split-Interest Trust Information Return*. Certain organizations with governing instruments that require the accumulation of income are instructed to deduct the accumulated income from their distributable amounts. These adjustments are allowed only for foundations organized before May 27, 1969, whose governing instrument requires such accumulation because State courts would not allow the organization to change the governing instrument. Recoveries on amounts treated as qualifying distributions, income distributions from split-interest trusts, and the deduction for accumulated income were reported on Form 990 PF, Part XI, lines 4a, 4b, and 6, respectively.

*Net Investment Income.*--This equals gross investment income less allowable deductions. Interest, dividends, capital gain net income, rents, payments with respect to securities loans (as defined in

## Domestic Private Foundations, Tax Years 1993-2002

Code section 512(a)(5)), and royalties are included in net investment income. Any investment income derived from unrelated trade or business activities, and therefore subject to the “unrelated business income” tax and reported on Form 990 T, *Exempt Organization Business Income Tax Return*, is excluded. Net investment income was reported on Form 990 PF, Part I, line 27b, column (b).

*Net Value of Noncharitable-Use Assets.*--An asset is considered a noncharitable-use asset if it is not used in carrying out a charitable, educational, or other similar function which relates directly to the tax-exempt status of the foundation. Examples include the fair market values of securities and rental property owned by the foundation for investment purposes. For purposes of calculating the “minimum investment return,” valuation methods for noncharitable-use assets reported in this section differ from those used to report end-of-year fair market values for all assets in Part II. The average, rather than end-of-year fair market values of cash and securities that were not used or held for use for charitable purposes during the tax year, is derived and used in this calculation. With certain exceptions, other assets included in this calculation are valued annually but not necessarily based on the end-of-year value. The fair market values of noncharitable-use assets may reflect reductions due to certain characteristics associated with those assets, such as lack of marketability or blockage. The net value of noncharitable-use assets is reduced by acquisition indebtedness and cash deemed held for charitable purposes; the latter reduction is generally limited to 1.5 percent of noncharitable-use assets less acquisition indebtedness. Thus, the net value of noncharitable-use assets, which was reported on Form 990 PF, Part X, line 5 as an element of the “minimum investment return” calculation, differed from the balance-sheet-derived fair market value of total assets, as reported on Part II, line 16, column (c), which equaled the total end-of-year value for all assets held by the foundation.

*Nonoperating Foundations.*--These are organizations that generally carried on their charitable activities in an indirect manner by making grants to other organizations directly engaged in charitable activities, in contrast to operating foundations that engaged in charitable activities themselves. How-

ever, for Tax Year 2002, some nonoperating foundations may have been actively involved in charitable programs of their own, in addition to making grants. For example, a foundation initially organized as operating that was unable to meet the operating foundation requirements for Tax Year 2002 could have continued its direct charitable activities. Such an organization could have directed expenditures made for these direct charitable activities, as well as expenditures made for the disbursement of contributions, gifts, and grants and other indirect charitable activities, toward meeting the required distribution requirement. An organization’s status as a nonoperating foundation was indicated on Form 990-PF, Part VII, line 9.

*Operating Foundations.*--These organizations generally expended their incomes for direct, active involvement in a tax-exempt activity, such as operating a library or museum or conducting scientific research. Operating foundations were exempted from the income distribution requirement and related excise taxes that were applicable to their nonoperating counterparts. To qualify as an operating foundation for 2002, the organization had to meet both an “income test” and one of three other tests: an “assets test,” an “endowment test,” or a “support test.”

A foundation could qualify as operating under the income requirement if it spent at least 85 percent of the lesser of its “minimum investment return” or “adjusted net income” or on the direct, active conduct of tax-exempt, charitable activities (as opposed to the payout of grants in support of such programs). Adjusted net income represented the amount of income from charitable functions, investment activities, set-asides, unrelated business activities, and short-term capital gains that exceeded the cost incurred in earning the income and was calculated in Part I, Column (c) of Form 990-PF for operating foundations. To meet the assets test, a foundation had to directly use 65 percent or more of its assets for the active conduct of charitable activities. To meet the endowment test, a foundation had to regularly make distributions for the active conduct of charitable activities in an amount not less than two-thirds of its “minimum investment return.” To meet the support test, a foundation had to regularly receive substantially all of its support (other than from gross investment income) from the public or from five or more qualifying ex-

## Domestic Private Foundations, Tax Years 1993-2002

empt organizations, and (a) no more than 25 percent of its support (other than from gross investment income) from any one such qualifying exempt organization; and (b) no more than 50 percent of its support from gross investment income.

Individual taxpayers could deduct contributions to operating foundations on their individual income tax returns; the deduction could not exceed 50 percent of a donor's "adjusted gross income" (as opposed to 30 percent for contributions to nonoperating foundations).

While most operating foundations paid the excise tax on net investment income, some operating foundations were exempt from this tax under section 4940(d)(2) of the Internal Revenue Code. In order to be exempt from the Tax Year 2002 excise tax on net investment income, an operating foundation was required to (1) maintain public support for a minimum of 10 taxable years; (2) maintain a governing body at all times that is broadly representative of the general public and that is comprised of no more than 25-percent disqualified individuals; and (3) at no time during the year include a disqualified individual as an officer of the foundation. An organization's status as an operating foundation was indicated on Form 990-PF, Part VII, line 9.

*Private Foundation.*--A private foundation is defined in Internal Revenue Code section 501(c)(3) as a nonprofit organization with a narrow source of funds that operated or supported educational, scientific, charitable, religious, and other programs dedicated to improving the general welfare of society. A private foundation was an organization that qualified for tax-exempt status under Code section 501(c)(3) but was not (1) a church, school, hospital, or medical research organization; (2) an organization with broad public support in the form of contributions or income from tax-exempt activities; (3) an organization that was operated by, or in connection with, any of the above described organizations; or (4) an organization that conducted tests for public safety. The primary difference between a private foundation and other organizations exempt under 501(c)(3) was the source of the organization's funding. Foundations were typically funded by an individual, a family, or a corporation, while most other tax-exempt organizations received funds from a large number of sources among the general public.

*Qualifying Distributions.*--Qualifying distributions include disbursements for charitable purposes

(grants, direct expenditures to accomplish charitable purposes, and charitable purpose operating and administrative expenses); amounts paid to acquire assets used directly to accomplish tax-exempt functions; charitable program-related investments; and amounts set aside for future charitable projects. Qualifying distributions may be credited against a foundation's obligation to pay out its "distributable amount." Total qualifying distributions were reported on Form 990 PF, Part XII, line 4.

*Set-Asides.*--Amounts set aside for specific charitable purposes can be treated as qualifying distributions only if the foundation establishes to the satisfaction of the IRS that the amount will be paid for the specific project within 60 months from the date of the first set-aside and if the foundation meets either the suitability test or the cash distribution test. To meet the suitability test, a foundation must receive prior approval from the IRS and must demonstrate that the project can be better accomplished by a set-aside than by an immediate payment of funds. To meet the cash distribution test under IR Code section 4942(g)(2)(B)(ii), a foundation must attach a schedule with its annual return for the year of the set-aside and for each subsequent year until the set-aside amount has been distributed. Set-asides were reported on Form 990-PF, Part XII, lines 3a and 3b.

*Total Assets.*--This is the sum of all assets reported in the foundation's balance sheet, shown at both book value and fair market value. Total assets were reported on Form 990 PF, Part II, line 16, columns (a) beginning-of-year book value, (b) end-of-year book value, and (c) end-of-year fair market value.

*Total Revenue.*--This is the sum of gross contributions, gifts, and grants received; interest on savings and temporary cash investments; dividends and interest from securities; net gain (or loss) from sales of assets (mostly investment assets, but also charitable-use assets); gross rents and royalties; gross profit (or loss) from business activities; and other income (such as royalty income, program-related investment income, interest earned on assets used for charitable purposes, and imputed interest on certain deferred payments). Total revenue items, which included both investment and charitable-use items, were reported on Form 990 PF, Part I, line 12, column (a).

*Undistributed Income.*--This is the portion of the required "distributable amount" still undistributed after the sum of current-year qualifying distributions

## Domestic Private Foundations, Tax Years 1993-2002

and any excess distributions carried over from prior years are subtracted. This item was reported on Form 990 PF, Part XIII, line 6f, column (d). Under IRC section 4942, nonoperating private foundations that did not pay out an amount equal to the Tax Year 2002 “distributable amount” by the end of Tax Year 2003 were subject to an excise tax on the undistributed amount. The tax on undistributed income, imposed on the initial undistributed amount at a 15-percent rate, is reported on Form 4720.

### Notes and References

- [1] Data indicated as “constant dollars” were adjusted based on the 2000 chain-type price index for Gross Domestic Product as reported by the U.S. Department of Commerce, Bureau of Economic Analysis. Tax Year 2002 is used as the base year for these adjustments.
- [2] Disbursements for charitable purposes were reported separately from investment expenses and were required to be calculated as actual disbursements on a cash basis. The contributions, gifts, and grants described in this article reflect amounts reported as a component of disbursements for charitable purposes.
- [3] Complete information on Forms 990-PF filed by both private foundations and section 4947(a)(1) nonexempt charitable trusts for Tax Year 2002, as well as additional data for previous tax years, may be accessed via the Internet at [www.irs.gov/taxstats](http://www.irs.gov/taxstats) under the Charitable and Exempt Organization Statistics topic heading.
- [4] For additional discussion of organizations other than private foundations that are tax-exempt under Internal Revenue Code section 501(c)(3), see Arnsberger, Paul, “Charities and Other Tax-Exempt Organizations, 2002,” *Statistics of Income Bulletin*, in this issue.
- [5] Information on excise taxes paid under IRC section 4940 and reported on Form 990-PF is available via the Internet at [www.irs.gov/taxstats](http://www.irs.gov/taxstats) under the Charitable and Exempt Organization Statistics topic heading. Tabulations for excise taxes paid under IRC sections 4941-4945 and reported on Form 4720 will be available shortly.
- [6] Foundations were assigned to asset-size classes based on the reported current-dollar fair market value of total assets for each tax year. The Consumer Price Index, as published by the Bureau of Labor Statistics, increased by 24.5 percent over the period, indicating moderate inflation.
- [7] The net investment income amount used in calculating the net investment income yield was obtained from column (b) of the income statement, found in Part I of Form 990-PF. The net investment income yields in this article may differ from previously published rates, as the net value of noncharitable-use assets, rather than end-of-year fair market value of total assets, was used as the denominator.
- [8] The rate-of-total-return formula used here is the same as that developed and used by Salamon and Voytek in their studies on foundation assets. See Salamon, Lester M. and Voytek, Kenneth P., *Managing Foundation Assets: An Analysis of Foundation Investment and Payout Procedures and Performance*, Washington, DC, The Council on Foundations, 1989, p. 32. The formula for this calculation is shown below:

#### Rate of Total Return=

[Ending Fair Market Value of Assets  
 -Indexed Beginning Fair Market Value of Assets  
 -Contributions Received  
 + Grants Paid  
 + Operating and Administrative Expenses  
 + Excise Tax Paid on Net Investment Income]

DIVIDED BY

[Indexed Beginning Fair Market Value of Assets  
 + 50 percent of Contributions Received]

In order to obtain an inflation-adjusted real rate of return, the beginning-of-year fair market value of assets was indexed based on the 2000 chain-type price index for Gross Domestic Product as published by the Bureau of Economic Analysis, using the year corresponding with the latter tax year as the base year. For example, to calculate the 2002 rate of total return, the 2001 ending fair market value of

## Domestic Private Foundations, Tax Years 1993-2002

total asset amount was adjusted, using 2002 as the base.

- [9] Only those operating and administrative expenses included in qualifying distributions are discussed in this section.
- [10] Additional time-series data, including both current- and constant-dollar amounts for operating and administrative expenses, qualifying distributions, and distributable amounts, may be accessed via the Internet at [www.irs.gov/taxstats](http://www.irs.gov/taxstats) under the Charitable and Exempt Organization Statistics topic heading.
- [11] The payout rate was calculated by dividing the amount of (adjusted) qualifying distributions by the value of noncharitable-use assets. This payout formula is as follows:

### **Payout Rate=**

Qualifying Distributions (Part XII, line 4)  
+ Taxes (Part XI, line 2c)  
- Recoveries of Amounts Treated as Qualifying Distributions and Income Distributions from Split-Interest Trusts (Part XI, Line 4c)  
+ Deduction from Distributable Amount (Part XI, Line 6)  
+ Excess Distributions Applied (Part XIII, Col. A, Line 5)

DIVIDED BY

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Net value of Noncharitable-Use Assets (Part X, Line 5)

# Domestic Private Foundations, Tax Years 1993-2002

**Table 1.--All Domestic Private Foundations: Selected Data Items, in Current Dollars, by Asset Size, Tax Years 1993-2002**

[Money amounts are in thousands of dollars]

| Tax year, item   | Fair market value of total assets |                     |                                 |                                    |                                     |                                      |                       |
|--|-----------------------------------|---------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------------|-----------------------|
|  | All                               | Small foundations   |                                 | Medium foundations                 |                                     | Large foundations                    |                       |
|  |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 less than \$100,000,000 | \$100,000,000 or more |
|  | (1)                               | (2)                 | (3)                             | (4)                                | (5)                                 | (6)                                  | (7)                   |
| <b>Tax Year 1993</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 43,956                            | 16,148              | 16,831                          | 8,798                              | 1,693                               | 244                                  | 242                   |
| Fair market value of total assets.....                 | 192,277,126                       | 428,135             | 6,358,792                       | 27,623,057                         | 34,555,308                          | 16,785,522                           | 106,526,312           |
| Total revenue.....                                     | 24,459,691                        | 595,518             | 1,529,422                       | 4,485,054                          | 5,638,382                           | 2,402,038                            | 9,809,279             |
| Qualifying distributions.....                          | 13,704,679                        | 586,661             | 947,626                         | 2,469,383                          | 2,699,073                           | 1,245,427                            | 5,756,509             |
| Disbursements for charitable purposes.....             | 12,951,794                        | 572,640             | 933,277                         | 2,366,575                          | 2,614,842                           | 1,211,828                            | 5,252,632             |
| Contributions, gifts, and grants paid.....             | 11,072,006                        | 487,075             | 773,984                         | 1,995,925                          | 2,166,170                           | 1,074,573                            | 4,574,279             |
| Operating and administrative expenses.....             | 1,879,786                         | 85,564              | 159,293                         | 370,649                            | 448,672                             | 137,255                              | 678,353               |
| Compensation of officers, directors, and trustees..... | 185,976                           | 8,177               | 12,127                          | 36,341                             | 44,257                              | 17,173                               | 67,901                |
| Other compensation.....                                | 677,168                           | 18,019              | 60,443                          | 103,775                            | 172,766                             | 49,381                               | 272,783               |
| Professional fees.....                                 | 181,518                           | 14,528              | 16,741                          | 41,655                             | 33,716                              | 13,901                               | 60,977                |
| Interest.....  | 13,481                            | 493                 | 2,703                           | 4,370                              | 3,069                               | 257                                  | 2,589                 |
| Taxes.....   | 40,690                            | 1,435               | 6,014                           | 9,801                              | 11,184                              | 4,164                                | 8,091                 |
| Occupancy.....   | 130,113                           | 4,997               | 14,162                          | 17,901                             | 26,019                              | 9,413                                | 57,622                |
| Travel, conferences, and meetings.....                 | 87,847                            | 5,649               | 8,493                           | 7,524                              | 17,482                              | 6,250                                | 42,449                |
| Printing and publications.....                         | 42,370                            | 2,739               | 2,715                           | 2,283                              | 6,476                               | 1,514                                | 26,644                |
| Other expenses.....                                    | 520,623                           | 29,527              | 35,896                          | 146,999                            | 133,702                             | 35,202                               | 139,296               |
| <b>Tax Year 1994</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 45,801                            | 16,073              | 17,668                          | 9,738                              | 1,810                               | 261                                  | 251                   |
| Fair market value of total assets.....                 | 203,643,936                       | 445,579             | 6,883,010                       | 29,706,533                         | 37,167,648                          | 18,071,570                           | 111,369,595           |
| Total revenue.....                                     | 26,503,452                        | 659,432             | 1,854,958                       | 5,653,679                          | 5,910,352                           | 2,364,266                            | 10,060,765            |
| Qualifying distributions.....                          | 14,537,644                        | 689,037             | 1,082,982                       | 2,693,377                          | 3,036,455                           | 1,108,798                            | 5,926,996             |
| Disbursements for charitable purposes.....             | 13,788,238                        | 687,136             | 1,061,912                       | 2,617,681                          | 2,937,470                           | 1,066,579                            | 5,417,461             |
| Contributions, gifts, and grants paid.....             | 11,755,479                        | 631,384             | 822,578                         | 2,227,546                          | 2,525,038                           | 910,455                              | 4,638,477             |
| Operating and administrative expenses.....             | 2,032,757                         | 55,751              | 239,333                         | 390,134                            | 412,431                             | 156,123                              | 778,984               |
| Compensation of officers, directors, and trustees..... | 204,918                           | 4,847               | 20,948                          | 36,914                             | 46,472                              | 19,469                               | 76,267                |
| Other compensation.....                                | 752,093                           | 16,606              | 84,566                          | 139,948                            | 136,442                             | 58,700                               | 315,830               |
| Professional fees.....                                 | 198,592                           | 5,553               | 23,388                          | 43,510                             | 43,254                              | 13,816                               | 69,071                |
| Interest.....  | 22,159                            | *775                | 2,423                           | 9,853                              | 4,630                               | 135                                  | 4,343                 |
| Taxes.....   | 41,549                            | 730                 | 7,778                           | 13,201                             | 10,966                              | 3,760                                | 5,115                 |
| Occupancy.....   | 142,697                           | 2,503               | 19,383                          | 21,347                             | 23,018                              | 11,103                               | 65,343                |
| Travel, conferences, and meetings.....                 | 102,842                           | 2,097               | 15,492                          | 10,402                             | 14,888                              | 7,340                                | 52,623                |
| Printing and publications.....                         | 52,909                            | 1,223               | 5,019                           | 4,332                              | 4,489                               | 2,846                                | 35,001                |
| Other expenses.....                                    | 515,000                           | 21,417              | 60,337                          | 110,628                            | 128,273                             | 38,954                               | 155,391               |
| <b>Tax Year 1995</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 47,917                            | 16,464              | 18,115                          | 10,685                             | 2,060                               | 290                                  | 303                   |
| Fair market value of total assets.....                 | 242,916,603                       | 441,962             | 7,065,431                       | 32,902,083                         | 42,772,526                          | 20,087,537                           | 139,647,063           |
| Total revenue.....                                     | 30,814,471                        | 612,115             | 1,399,621                       | 5,422,928                          | 6,183,459                           | 2,405,672                            | 14,790,675            |
| Qualifying distributions.....                          | 15,305,002                        | 598,149             | 988,085                         | 2,869,271                          | 2,984,634                           | 1,107,418                            | 6,757,446             |
| Disbursements for charitable purposes.....             | 14,411,549                        | 595,108             | 973,420                         | 2,789,587                          | 2,880,050                           | 1,042,030                            | 6,131,354             |
| Contributions, gifts, and grants paid.....             | 12,255,881                        | 526,244             | 763,564                         | 2,397,513                          | 2,455,781                           | 859,626                              | 5,253,153             |
| Operating and administrative expenses.....             | 2,155,666                         | 68,864              | 209,856                         | 392,073                            | 424,268                             | 182,404                              | 878,201               |
| Compensation of officers, directors, and trustees..... | 222,517                           | 4,687               | 20,566                          | 41,339                             | 48,127                              | 23,080                               | 84,718                |
| Other compensation.....                                | 815,472                           | 19,904              | 73,183                          | 112,262                            | 166,092                             | 67,830                               | 376,200               |
| Professional fees.....                                 | 215,966                           | 7,440               | 22,782                          | 51,641                             | 40,533                              | 10,887                               | 82,683                |
| Interest.....  | 26,518                            | *269                | 2,027                           | 9,246                              | 8,717                               | 691                                  | 5,568                 |
| Taxes.....   | 37,909                            | 597                 | 3,778                           | 10,564                             | 12,995                              | 4,063                                | 5,912                 |
| Occupancy.....   | 143,193                           | 4,983               | 14,756                          | 19,193                             | 22,979                              | 11,582                               | 69,701                |
| Travel, conferences, and meetings.....                 | 103,027                           | 2,086               | 13,632                          | 8,899                              | 12,062                              | 7,838                                | 58,509                |
| Printing and publications.....                         | 44,649                            | 867                 | 4,214                           | 4,112                              | 3,641                               | 2,316                                | 29,498                |
| Other expenses.....                                    | 546,415                           | 28,030              | 54,917                          | 134,817                            | 109,122                             | 54,117                               | 165,411               |

Footnote at end of table.



# Domestic Private Foundations, Tax Years 1993-2002

**Table 1.--All Domestic Private Foundations: Selected Data Items, in Current Dollars, by Asset Size, Tax Years 1993-2002--Continued**

[Money amounts are in thousands of dollars]

| Item   | Fair market value of total assets |                     |                                 |                                   |                                    |                                     |                      |
|--|-----------------------------------|---------------------|---------------------------------|-----------------------------------|------------------------------------|-------------------------------------|----------------------|
|  | All                               | Small foundations   |                                 | Medium foundations                |                                    | Large foundations                   |                      |
|  |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$5,000,000 | \$5,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 or more |
|  | (1)                               | (2)                 | (3)                             | (4)                               | (5)                                | (6)                                 | (7)                  |
| <b>Tax Year 1996</b>                                   |                                   |                     |                                 |                                   |                                    |                                     |                      |
| Number of returns.....                                 | 50,774                            | 16,534              | 19,296                          | 11,838                            | 2,408                              | 351                                 | 348                  |
| Fair market value of total assets.....                 | 288,587,974                       | 440,769             | 7,628,984                       | 37,034,115                        | 49,863,194                         | 24,520,885                          | 169,100,026          |
| Total revenue.....                                     | 48,246,836                        | 661,203             | 2,093,708                       | 7,194,907                         | 8,628,236                          | 3,921,232                           | 25,747,551           |
| Qualifying distributions.....                          | 17,850,017                        | 712,216             | 1,067,716                       | 3,107,185                         | 3,458,137                          | 1,319,595                           | 8,185,168            |
| Disbursements for charitable purposes.....             | 16,881,138                        | 701,318             | 1,048,556                       | 3,012,753                         | 3,354,922                          | 1,234,129                           | 7,529,461            |
| Contributions, gifts, and grants paid.....             | 14,519,057                        | 662,566             | 834,184                         | 2,592,988                         | 2,945,256                          | 1,058,090                           | 6,425,973            |
| Operating and administrative expenses.....             | 2,362,080                         | 38,752              | 214,371                         | 419,765                           | 409,666                            | 176,039                             | 1,103,488            |
| Compensation of officers, directors, and trustees..... | 257,984                           | 3,220               | 21,751                          | 57,935                            | 52,740                             | 24,060                              | 98,278               |
| Other compensation.....                                | 789,261                           | *1,410              | 57,537                          | 101,018                           | 150,547                            | 63,458                              | 415,290              |
| Professional fees.....                                 | 269,531                           | 6,887               | 23,889                          | 49,957                            | 46,397                             | 16,162                              | 126,239              |
| Interest.....  | 25,846                            | *423                | 1,738                           | 12,163                            | 4,669                              | 637                                 | 6,217                |
| Taxes.....   | 46,205                            | 620                 | 2,890                           | 12,947                            | 11,826                             | 4,799                               | 13,123               |
| Occupancy.....   | 158,147                           | 2,188               | 15,184                          | 22,633                            | 22,830                             | 12,028                              | 83,285               |
| Travel, conferences, and meetings.....                 | 117,348                           | 1,978               | 18,541                          | 10,273                            | 13,570                             | 7,345                               | 65,641               |
| Printing and publications.....                         | 54,083                            | 2,394               | 7,701                           | 4,006                             | 4,849                              | 3,572                               | 31,560               |
| Other expenses.....                                    | 643,674                           | 19,631              | 65,140                          | 148,833                           | 102,238                            | 43,977                              | 263,855              |
| <b>Tax Year 1997</b>                                   |                                   |                     |                                 |                                   |                                    |                                     |                      |
| Number of returns.....                                 | 55,113                            | 16,792              | 20,643                          | 14,059                            | 2,792                              | 420                                 | 407                  |
| Fair market value of total assets.....                 | 342,688,539                       | 483,008             | 8,302,510                       | 43,815,841                        | 58,805,034                         | 29,481,351                          | 201,800,796          |
| Total revenue.....                                     | 55,459,904                        | 660,012             | 2,727,219                       | 10,151,245                        | 10,821,672                         | 5,119,086                           | 25,980,671           |
| Qualifying distributions.....                          | 19,984,549                        | 699,386             | 1,207,806                       | 3,310,130                         | 4,049,046                          | 1,606,172                           | 9,112,009            |
| Disbursements for charitable purposes.....             | 19,076,388                        | 684,752             | 1,189,249                       | 3,233,011                         | 3,899,667                          | 1,561,016                           | 8,508,692            |
| Contributions, gifts, and grants paid.....             | 16,420,991                        | 602,143             | 965,989                         | 2,822,826                         | 3,441,172                          | 1,363,113                           | 7,225,748            |
| Operating and administrative expenses.....             | 2,655,395                         | 82,609              | 223,259                         | 410,185                           | 458,495                            | 197,903                             | 1,282,944            |
| Compensation of officers, directors, and trustees..... | 270,119                           | 9,542               | 21,509                          | 46,423                            | 56,832                             | 25,807                              | 110,005              |
| Other compensation.....                                | 878,430                           | 14,369              | 54,490                          | 119,325                           | 159,623                            | 69,599                              | 461,024              |
| Professional fees.....                                 | 336,180                           | 11,457              | 33,757                          | 57,595                            | 53,478                             | 21,929                              | 157,964              |
| Interest.....  | 28,420                            | *876                | 1,217                           | 10,444                            | 6,050                              | 1,156                               | 8,676                |
| Taxes.....   | 54,141                            | 1,990               | 3,729                           | 14,726                            | 14,566                             | 4,533                               | 14,597               |
| Occupancy.....   | 175,159                           | 4,206               | 15,046                          | 23,135                            | 27,454                             | 15,399                              | 89,919               |
| Travel, conferences, and meetings.....                 | 140,445                           | 4,535               | 24,364                          | 15,213                            | 16,501                             | 6,850                               | 72,981               |
| Printing and publications.....                         | 61,419                            | 629                 | 7,504                           | 5,375                             | 5,796                              | 3,344                               | 38,772               |
| Other expenses.....                                    | 711,082                           | 35,005              | 61,643                          | 117,950                           | 118,195                            | 49,286                              | 329,005              |
| <b>Tax Year 1998</b>                                   |                                   |                     |                                 |                                   |                                    |                                     |                      |
| Number of returns.....                                 | 56,658                            | 15,832              | 21,271                          | 15,450                            | 3,165                              | 463                                 | 477                  |
| Fair market value of total assets.....                 | 397,084,457                       | 466,984             | 8,670,483                       | 48,764,936                        | 66,450,770                         | 32,239,566                          | 240,491,718          |
| Total revenue.....                                     | 59,734,972                        | 1,114,628           | 2,614,840                       | 9,374,108                         | 11,069,123                         | 5,222,399                           | 30,339,874           |
| Qualifying distributions.....                          | 23,388,751                        | 963,933             | 1,236,458                       | 3,637,467                         | 4,678,832                          | 1,795,289                           | 11,076,773           |
| Disbursements for charitable purposes.....             | 22,287,843                        | 962,762             | 1,207,514                       | 3,500,991                         | 4,526,500                          | 1,741,997                           | 10,348,080           |
| Contributions, gifts, and grants paid.....             | 19,394,153                        | 914,526             | 1,030,279                       | 3,041,251                         | 4,024,149                          | 1,504,647                           | 8,879,301            |
| Operating and administrative expenses.....             | 2,893,689                         | 48,235              | 177,235                         | 459,740                           | 502,351                            | 237,350                             | 1,468,779            |
| Compensation of officers, directors, and trustees..... | 290,172                           | *490                | 12,766                          | 53,644                            | 64,202                             | 30,143                              | 128,927              |
| Other compensation.....                                | 970,692                           | *4,390              | 44,906                          | 134,446                           | 170,851                            | 86,404                              | 529,695              |
| Professional fees.....                                 | 367,453                           | 7,626               | 28,747                          | 59,814                            | 61,883                             | 20,168                              | 189,215              |
| Interest.....  | 20,727                            | *97                 | *612                            | 5,479                             | 7,537                              | 496                                 | 6,505                |
| Taxes.....   | 63,142                            | *560                | 5,988                           | 15,506                            | 15,580                             | 5,537                               | 19,971               |
| Occupancy.....   | 184,201                           | *1,744              | 4,716                           | 28,619                            | 29,344                             | 17,025                              | 102,753              |
| Travel, conferences, and meetings.....                 | 157,406                           | *1,633              | 30,113                          | 15,459                            | 15,610                             | 8,728                               | 85,863               |
| Printing and publications.....                         | 71,031                            | 2,725               | 3,894                           | 7,966                             | 7,888                              | 6,988                               | 41,570               |
| Other expenses.....                                    | 768,864                           | 28,970              | 45,492                          | 138,806                           | 129,455                            | 61,861                              | 364,281              |

Footnote at end of table.

# Domestic Private Foundations, Tax Years 1993-2002

**Table 1.--All Domestic Private Foundations: Selected Data Items, in Current Dollars, by Asset Size, Tax Years 1993-2002--Continued**

[Money amounts are in thousands of dollars]

| Tax year, item   | Fair market value of total assets |                     |                                 |                                    |                                     |                                      |                       |
|--|-----------------------------------|---------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------------|-----------------------|
|  | All                               | Small foundations   |                                 | Medium foundations                 |                                     | Large foundations                    |                       |
|  |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 less than \$100,000,000 | \$100,000,000 or more |
|  |                                   |                     | (1)                             | (2)                                | (3)                                 | (4)                                  | (5)                   |
| <b>Tax Year 1999</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 62,694                            | 16,563              | 24,623                          | 16,941                             | 3,494                               | 507                                  | 567                   |
| Fair market value of total assets.....                 | 466,863,029                       | 562,304             | 9,829,008                       | 54,507,882                         | 73,150,308                          | 35,194,449                           | 293,619,079           |
| Total revenue.....                                     | 83,286,037                        | 369,356             | 3,608,047                       | 11,803,800                         | 12,413,136                          | 5,826,852                            | 49,264,847            |
| Qualifying distributions.....                          | 27,603,547                        | 270,306             | 1,736,874                       | 4,548,193                          | 5,168,002                           | 2,167,067                            | 13,713,104            |
| Disbursements for charitable purposes.....             | 26,402,195                        | 270,306             | 1,684,410                       | 4,456,631                          | 4,915,771                           | 2,091,735                            | 12,983,341            |
| Contributions, gifts, and grants paid.....             | 22,762,811                        | 246,309             | 1,337,647                       | 3,747,585                          | 4,346,371                           | 1,800,951                            | 11,283,948            |
| Operating and administrative expenses.....             | 3,639,399                         | 24,012              | 346,764                         | 709,045                            | 569,400                             | 290,784                              | 1,699,393             |
| Compensation of officers, directors, and trustees..... | 338,643                           | *1,533              | 21,148                          | 70,689                             | 69,003                              | 34,106                               | 142,164               |
| Other compensation.....                                | 1,299,711                         | --                  | *142,131                        | 265,117                            | 195,671                             | 104,827                              | 591,964               |
| Professional fees.....                                 | 440,289                           | 3,540               | 46,996                          | 83,880                             | 72,912                              | 28,745                               | 204,217               |
| Interest.....  | 27,016                            | *92                 | *1,126                          | 7,903                              | 7,298                               | 591                                  | 10,007                |
| Taxes.....   | 90,079                            | *109                | 1,923                           | 15,203                             | 19,829                              | 8,775                                | 44,241                |
| Occupancy.....   | 208,927                           | *167                | 11,005                          | 29,349                             | 36,492                              | 21,269                               | 110,645               |
| Travel, conferences, and meetings.....                 | 236,250                           | *1,287              | 73,242                          | 23,975                             | 18,204                              | 12,862                               | 106,681               |
| Printing and publications.....                         | 86,154                            | *716                | 3,912                           | 15,494                             | 7,631                               | 13,791                               | 44,611                |
| Other expenses.....                                    | 912,330                           | 16,569              | 45,283                          | 197,435                            | 142,360                             | 65,818                               | 444,865               |
| <b>Tax Year 2000</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 66,738                            | 17,648              | 26,365                          | 17,793                             | 3,866                               | 514                                  | 552                   |
| Fair market value of total assets.....                 | 471,645,669                       | 635,881             | 10,495,141                      | 55,942,623                         | 78,545,858                          | 35,859,888                           | 290,166,277           |
| Total revenue.....                                     | 72,779,992                        | 797,564             | 2,781,100                       | 12,203,295                         | 14,623,963                          | 5,861,825                            | 36,512,246            |
| Qualifying distributions.....                          | 33,453,637                        | 930,564             | 1,501,337                       | 6,488,819                          | 6,125,480                           | 2,602,959                            | 15,804,478            |
| Disbursements for charitable purposes.....             | 31,874,095                        | 930,564             | 1,478,604                       | 6,306,015                          | 5,856,968                           | 2,537,216                            | 14,764,729            |
| Contributions, gifts, and grants paid.....             | 27,563,591                        | 913,844             | 1,347,230                       | 5,206,566                          | 4,995,362                           | 2,234,730                            | 12,865,858            |
| Operating and administrative expenses.....             | 4,310,504                         | 16,719              | 131,373                         | 1,099,450                          | 861,606                             | 302,486                              | 1,898,870             |
| Compensation of officers, directors, and trustees..... | 371,186                           | *1,446              | 16,246                          | 83,718                             | 79,601                              | 38,505                               | 151,670               |
| Other compensation.....                                | 1,578,209                         | --                  | *16,582                         | 433,921                            | 343,928                             | 102,048                              | 681,729               |
| Professional fees.....                                 | 573,642                           | 7,195               | 45,492                          | 131,366                            | 92,687                              | 31,076                               | 265,826               |
| Interest.....  | 38,878                            | --                  | *128                            | 10,125                             | 12,201                              | 4,084                                | 12,341                |
| Taxes.....   | 95,479                            | *127                | 1,750                           | 26,526                             | 30,154                              | 9,781                                | 27,142                |
| Occupancy.....   | 245,851                           | *440                | 2,184                           | 36,575                             | 67,323                              | 22,495                               | 116,835               |
| Travel, conferences, and meetings.....                 | 188,693                           | *888                | 4,083                           | 25,644                             | 27,463                              | 13,598                               | 117,018               |
| Printing and publications.....                         | 139,574                           | *2,897              | 2,157                           | 60,650                             | 10,749                              | 12,836                               | 50,284                |
| Other expenses.....                                    | 1,078,991                         | 3,727               | 42,751                          | 290,926                            | 197,500                             | 68,062                               | 476,026               |
| <b>Tax Year 2001</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 70,787                            | 22,215              | 25,757                          | 18,305                             | 3,482                               | 513                                  | 515                   |
| Fair market value of total assets.....                 | 455,422,981                       | 704,010             | 11,208,678                      | 59,609,677                         | 73,623,588                          | 35,530,808                           | 274,746,220           |
| Total revenue.....                                     | 45,263,770                        | 436,673             | 2,543,940                       | 9,047,366                          | 8,282,556                           | 3,566,910                            | 21,386,325            |
| Qualifying distributions.....                          | 33,067,193                        | 400,641             | 1,961,646                       | 5,903,760                          | 6,297,720                           | 2,876,514                            | 15,626,912            |
| Disbursements for charitable purposes.....             | 31,697,957                        | 396,968             | 1,954,612                       | 5,804,043                          | 6,047,981                           | 2,819,474                            | 14,674,880            |
| Contributions, gifts, and grants paid.....             | 27,383,336                        | 342,711             | 1,752,684                       | 4,814,624                          | 5,366,644                           | 2,483,516                            | 12,623,157            |
| Operating and administrative expenses.....             | 4,314,632                         | 54,257              | 201,939                         | 989,419                            | 681,337                             | 335,958                              | 2,051,722             |
| Compensation of officers, directors, and trustees..... | 380,395                           | *697                | 28,699                          | 62,543                             | 88,880                              | 40,127                               | 159,450               |
| Other compensation.....                                | 1,275,892                         | --                  | *25,402                         | 167,238                            | 204,097                             | 104,033                              | 775,121               |
| Professional fees.....                                 | 593,369                           | 19,038              | 85,236                          | 83,465                             | 85,086                              | 31,407                               | 289,137               |
| Interest.....  | 46,927                            | --                  | --                              | 14,169                             | 9,842                               | 3,299                                | 19,617                |
| Taxes.....   | 65,158                            | *77                 | 3,647                           | 19,091                             | 18,118                              | 6,916                                | 17,310                |
| Occupancy.....   | 244,103                           | *1,421              | *11,984                         | 35,223                             | 46,918                              | 19,709                               | 128,848               |
| Travel, conferences, and meetings.....                 | 179,465                           | *16,534             | 7,743                           | 13,305                             | 22,515                              | 11,515                               | 107,853               |
| Printing and publications.....                         | 72,846                            | *892                | 821                             | 7,150                              | 12,619                              | 2,651                                | 48,714                |
| Other expenses.....                                    | 1,456,477                         | 15,598              | 38,408                          | 587,235                            | 193,263                             | 116,302                              | 505,671               |
| <b>Tax Year 2002</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 73,255                            | 23,942              | 27,487                          | 17,480                             | 3,360                               | 498                                  | 489                   |
| Fair market value of total assets.....                 | 413,006,666                       | 802,993             | 11,802,890                      | 54,531,722                         | 70,539,890                          | 34,598,875                           | 240,730,297           |
| Total revenue.....                                     | 27,774,727                        | 64,804              | 1,005,461                       | 6,637,840                          | 6,543,020                           | 2,723,305                            | 10,800,296            |
| Qualifying distributions.....                          | 31,711,797                        | 263,969             | 2,522,722                       | 5,221,928                          | 6,042,146                           | 2,876,880                            | 14,784,150            |
| Disbursements for charitable purposes.....             | 30,423,386                        | 261,196             | 2,522,640                       | 5,165,599                          | 5,841,270                           | 2,760,834                            | 13,871,846            |
| Contributions, gifts, and grants paid.....             | 26,303,109                        | 210,713             | 2,323,908                       | 4,513,322                          | 5,131,623                           | 2,446,033                            | 11,677,509            |
| Operating and administrative expenses.....             | 4,120,276                         | 50,483              | 198,732                         | 652,276                            | 709,647                             | 314,800                              | 2,194,337             |
| Compensation of officers, directors, and trustees..... | 424,314                           | *718                | 27,301                          | 83,138                             | 99,924                              | 45,322                               | 167,911               |
| Other compensation.....                                | 1,396,239                         | --                  | *23,779                         | 205,155                            | 218,448                             | 109,546                              | 839,310               |
| Professional fees.....                                 | 672,600                           | 15,951              | 69,014                          | 128,006                            | 94,668                              | 40,680                               | 324,281               |
| Interest.....  | 42,968                            | --                  | *1                              | 13,419                             | 8,879                               | 2,333                                | 18,336                |
| Taxes.....   | 67,642                            | *78                 | 11,813                          | 12,814                             | 16,885                              | 5,754                                | 20,299                |
| Occupancy.....   | 256,155                           | *2,449              | *12,755                         | 37,007                             | 56,979                              | 19,898                               | 127,065               |
| Travel, conferences, and meetings.....                 | 179,782                           | *15,592             | 10,523                          | 23,093                             | 21,873                              | 12,941                               | 95,759                |
| Printing and publications.....                         | 70,337                            | *988                | 3,612                           | 4,790                              | 10,160                              | 6,559                                | 44,228                |
| Other expenses.....                                    | 1,010,240                         | 14,706              | 39,934                          | 144,853                            | 181,830                             | 71,767                               | 557,149               |

\*Estimate should be used with caution because of the small number of sample returns on which it is based.  
NOTE: Detail may not add to total due to rounding and processing tolerances.

# Domestic Private Foundations, Tax Years 1993-2002

**Table 2.--All Domestic Nonoperating Private Foundations: Selected Data Items, in Current Dollars, by Asset Size, Tax Years 1993-2002**

[Money amounts are in thousands of dollars]

| Tax year, item   | Fair market value of total assets |                     |                                 |                                    |                                     |                                      |                       |
|--|-----------------------------------|---------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------------|-----------------------|
|  | All                               | Small foundations   |                                 | Medium foundations                 |                                     | Large foundations                    |                       |
|  |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 less than \$100,000,000 | \$100,000,000 or more |
|  | (1)                               | (2)                 | (3)                             | (4)                                | (5)                                 | (6)                                  | (7)                   |
| <b>Tax Year 1993</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 40,166                            | 14,231              | 15,779                          | 8,165                              | 1,545                               | 223                                  | 223                   |
| Fair market value of total assets.....                 | 173,996,413                       | 374,593             | 6,012,686                       | 25,423,255                         | 31,601,749                          | 15,375,339                           | 95,208,790            |
| Total revenue.....                                     | 22,172,976                        | 529,435             | 1,394,882                       | 4,083,816                          | 5,046,659                           | 2,192,248                            | 8,925,937             |
| Qualifying distributions.....                          | 12,167,340                        | 542,252             | 824,200                         | 2,150,880                          | 2,288,315                           | 1,154,621                            | 5,207,071             |
| Disbursements for charitable purposes.....             | 11,854,074                        | 529,052             | 813,411                         | 2,104,375                          | 2,265,058                           | 1,129,114                            | 5,013,063             |
| Contributions, gifts, and grants paid.....             | 10,918,583                        | 479,719             | 759,896                         | 1,957,031                          | 2,113,893                           | 1,050,699                            | 4,557,345             |
| Operating and administrative expenses.....             | 935,489                           | 49,333              | 53,514                          | 147,343                            | 151,165                             | 78,415                               | 455,719               |
| Compensation of officers, directors, and trustees..... | 152,791                           | 4,869               | 7,172                           | 27,826                             | 35,570                              | 15,029                               | 62,325                |
| Other compensation.....                                | 266,337                           | 12,719              | 10,552                          | 17,474                             | 33,853                              | 23,144                               | 168,595               |
| Professional fees.....                                 | 134,997                           | 5,372               | 13,194                          | 27,121                             | 24,661                              | 11,964                               | 52,685                |
| Interest.....  | 7,896                             | *479                | 2,567                           | *2,948                             | 824                                 | 14                                   | 1,065                 |
| Taxes.....   | 17,648                            | 734                 | 1,378                           | 4,382                              | 4,385                               | 2,260                                | 4,511                 |
| Occupancy.....   | 68,658                            | 3,076               | 2,656                           | 9,023                              | 9,012                               | 5,604                                | 39,287                |
| Travel, conferences, and meetings.....                 | 56,221                            | 3,690               | 5,018                           | 4,092                              | 7,101                               | 3,734                                | 32,585                |
| Printing and publications.....                         | 27,394                            | 1,871               | 1,165                           | 876                                | 2,206                               | 913                                  | 20,363                |
| Other expenses.....                                    | 203,546                           | 16,523              | 9,812                           | 53,602                             | 33,554                              | 15,753                               | 74,302                |
| <b>Tax Year 1994</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 41,983                            | 14,371              | 16,443                          | 9,050                              | 1,652                               | 238                                  | 230                   |
| Fair market value of total assets.....                 | 182,543,641                       | 392,847             | 6,399,357                       | 27,332,755                         | 34,056,551                          | 16,403,272                           | 97,958,860            |
| Total revenue.....                                     | 22,935,316                        | 614,407             | 1,607,007                       | 5,146,846                          | 5,315,231                           | 2,106,746                            | 8,145,079             |
| Qualifying distributions.....                          | 12,712,270                        | 666,259             | 894,176                         | 2,337,563                          | 2,635,243                           | 1,004,783                            | 5,174,247             |
| Disbursements for charitable purposes.....             | 12,421,641                        | 664,704             | 880,871                         | 2,320,570                          | 2,588,661                           | 981,234                              | 4,985,600             |
| Contributions, gifts, and grants paid.....             | 11,416,972                        | 621,499             | 780,395                         | 2,195,934                          | 2,429,299                           | 900,646                              | 4,489,200             |
| Operating and administrative expenses.....             | 1,004,667                         | 43,205              | 100,475                         | 124,636                            | 159,363                             | 80,589                               | 496,400               |
| Compensation of officers, directors, and trustees..... | 165,946                           | 4,347               | 12,296                          | 29,162                             | 38,127                              | 16,352                               | 65,663                |
| Other compensation.....                                | 297,132                           | *14,797             | 17,162                          | 19,675                             | 33,751                              | 23,707                               | 188,041               |
| Professional fees.....                                 | 141,220                           | 4,725               | 14,850                          | 24,903                             | 26,758                              | 11,304                               | 58,680                |
| Interest.....  | 11,018                            | *773                | 1,787                           | 4,940                              | 1,802                               | 1                                    | 1,715                 |
| Taxes.....   | 15,944                            | *638                | 2,045                           | 3,223                              | 4,305                               | 2,079                                | 3,654                 |
| Occupancy.....   | 69,596                            | *1,959              | 4,032                           | 7,668                              | 9,303                               | 5,730                                | 40,903                |
| Travel, conferences, and meetings.....                 | 61,494                            | 1,735               | 9,771                           | 5,201                              | 6,071                               | 4,245                                | 34,471                |
| Printing and publications.....                         | 34,647                            | 902                 | 3,237                           | 2,100                              | 2,097                               | 1,232                                | 25,079                |
| Other expenses.....                                    | 207,671                           | 13,328              | 35,296                          | 27,764                             | 37,149                              | 15,939                               | 78,196                |
| <b>Tax Year 1995</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 43,966                            | 14,844              | 16,722                          | 9,972                              | 1,883                               | 267                                  | 279                   |
| Fair market value of total assets.....                 | 218,342,631                       | 393,823             | 6,555,320                       | 30,581,076                         | 39,287,619                          | 18,384,023                           | 123,140,770           |
| Total revenue.....                                     | 27,542,831                        | 508,879             | 1,218,440                       | 4,867,162                          | 5,657,587                           | 2,233,399                            | 13,057,363            |
| Qualifying distributions.....                          | 13,379,056                        | 520,204             | 810,020                         | 2,540,959                          | 2,681,468                           | 968,696                              | 5,857,710             |
| Disbursements for charitable purposes.....             | 13,033,943                        | 518,769             | 802,821                         | 2,500,371                          | 2,627,646                           | 946,616                              | 5,637,721             |
| Contributions, gifts, and grants paid.....             | 11,902,316                        | 493,421             | 708,276                         | 2,337,842                          | 2,431,273                           | 856,249                              | 5,075,254             |
| Operating and administrative expenses.....             | 1,131,626                         | 25,347              | 94,544                          | 162,528                            | 196,373                             | 90,367                               | 562,466               |
| Compensation of officers, directors, and trustees..... | 177,175                           | 2,275               | 11,037                          | 31,698                             | 40,433                              | 19,856                               | 71,876                |
| Other compensation.....                                | 341,512                           | *1,645              | 21,689                          | 26,835                             | 48,484                              | 27,931                               | 214,927               |
| Professional fees.....                                 | 164,284                           | 4,962               | 15,858                          | 31,701                             | 32,014                              | 8,893                                | 70,856                |
| Interest.....  | 15,718                            | *269                | 1,979                           | 4,999                              | 5,917                               | 423                                  | 2,131                 |
| Taxes.....   | 18,822                            | 477                 | 1,047                           | 4,419                              | 6,324                               | 2,436                                | 4,121                 |
| Occupancy.....   | 75,650                            | 1,051               | 4,332                           | 8,282                              | 10,778                              | 6,139                                | 45,070                |
| Travel, conferences, and meetings.....                 | 69,025                            | 773                 | 10,591                          | 5,772                              | 7,284                               | 4,542                                | 40,064                |
| Printing and publications.....                         | 27,703                            | 603                 | 1,881                           | 1,909                              | 2,216                               | 935                                  | 20,159                |
| Other expenses.....                                    | 241,737                           | 13,294              | 26,131                          | 46,915                             | 42,924                              | 19,212                               | 93,263                |

Footnotes at end of table.

# Domestic Private Foundations, Tax Years 1993-2002

**Table 2.--All Domestic Nonoperating Private Foundations: Selected Data Items, in Current Dollars, by Asset Size, Tax Years 1993-2002--Continued**

[Money amounts are in thousands of dollars]

| Tax year, item   | Fair market value of total assets |                     |                                 |                                    |                                     |                                      |                       |
|--|-----------------------------------|---------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------------|-----------------------|
|  | All                               | Small foundations   |                                 | Medium foundations                 |                                     | Large foundations                    |                       |
|  |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 less than \$100,000,000 | \$100,000,000 or more |
|  | (1)                               | (2)                 | (3)                             | (4)                                | (5)                                 | (6)                                  | (7)                   |
| <b>Tax Year 1996</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 46,066                            | 14,557              | 17,722                          | 10,931                             | 2,219                               | 321                                  | 317                   |
| Fair market value of total assets.....                 | 262,738,706                       | 386,479             | 7,008,996                       | 34,213,921                         | 46,007,871                          | 22,344,594                           | 152,776,845           |
| Total revenue.....                                     | 44,430,218                        | 610,835             | 1,797,418                       | 6,618,169                          | 8,065,518                           | 3,511,942                            | 23,826,336            |
| Qualifying distributions.....                          | 15,831,911                        | 670,616             | 907,570                         | 2,764,739                          | 3,140,779                           | 1,165,869                            | 7,182,338             |
| Disbursements for charitable purposes.....             | 15,455,577                        | 661,583             | 897,084                         | 2,732,359                          | 3,105,001                           | 1,140,007                            | 6,919,543             |
| Contributions, gifts, and grants paid.....             | 14,182,865                        | 638,217             | 790,375                         | 2,560,124                          | 2,920,646                           | 1,046,467                            | 6,227,036             |
| Operating and administrative expenses.....             | 1,272,710                         | 23,365              | 106,708                         | 172,234                            | 184,355                             | 93,540                               | 692,507               |
| Compensation of officers, directors, and trustees..... | 199,691                           | 3,091               | 12,192                          | 35,293                             | 43,885                              | 20,512                               | 84,719                |
| Other compensation.....                                | 348,429                           | *289                | 27,214                          | 22,546                             | 37,038                              | 28,053                               | 233,290               |
| Professional fees.....                                 | 201,709                           | 4,531               | 15,322                          | 30,008                             | 34,654                              | 12,206                               | 104,988               |
| Interest.....  | 13,443                            | *423                | *1,444                          | 6,154                              | 1,630                               | 385                                  | 3,407                 |
| Taxes.....   | 20,482                            | 525                 | 1,722                           | 5,821                              | 5,400                               | 2,615                                | 4,399                 |
| Occupancy.....   | 74,749                            | *1,338              | 4,681                           | 6,884                              | 9,486                               | 5,791                                | 46,569                |
| Travel, conferences, and meetings.....                 | 78,117                            | 856                 | 13,311                          | 6,322                              | 9,633                               | 4,160                                | 43,835                |
| Printing and publications.....                         | 32,296                            | 323                 | 4,199                           | 2,546                              | 3,423                               | 1,955                                | 19,849                |
| Other expenses.....                                    | 303,795                           | 11,988              | 26,623                          | 56,662                             | 39,206                              | 17,863                               | 151,452               |
| <b>Tax Year 1997</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 50,541                            | 14,986              | 19,103                          | 13,111                             | 2,578                               | 392                                  | 371                   |
| Fair market value of total assets.....                 | 314,368,030                       | 431,245             | 7,671,087                       | 40,814,989                         | 54,382,254                          | 27,471,648                           | 183,596,807           |
| Total revenue.....                                     | 51,029,987                        | 567,764             | 2,390,493                       | 9,447,145                          | 9,969,490                           | 4,710,405                            | 23,944,690            |
| Qualifying distributions.....                          | 17,726,919                        | 606,668             | 871,909                         | 2,997,830                          | 3,588,815                           | 1,463,269                            | 8,198,428             |
| Disbursements for charitable purposes.....             | 17,231,192                        | 592,362             | 862,563                         | 2,951,434                          | 3,527,441                           | 1,451,868                            | 7,845,524             |
| Contributions, gifts, and grants paid.....             | 15,855,040                        | 563,401             | 778,630                         | 2,790,943                          | 3,307,427                           | 1,356,101                            | 7,058,537             |
| Operating and administrative expenses.....             | 1,376,151                         | 28,961              | 83,932                          | 160,490                            | 220,014                             | 95,767                               | 786,987               |
| Compensation of officers, directors, and trustees..... | 212,166                           | 3,568               | 8,996                           | 36,390                             | 46,259                              | 22,003                               | 94,950                |
| Other compensation.....                                | 368,073                           | *284                | 10,875                          | 23,441                             | 48,725                              | 25,618                               | 259,131               |
| Professional fees.....                                 | 252,394                           | 8,788               | 17,475                          | 35,817                             | 41,082                              | 16,772                               | 132,461               |
| Interest.....  | 14,052                            | *864                | 1,160                           | 5,807                              | 2,842                               | 825                                  | 2,554                 |
| Taxes.....   | 22,653                            | 544                 | 1,240                           | 5,929                              | 7,064                               | 1,680                                | 6,196                 |
| Occupancy.....   | 81,562                            | 1,711               | 3,221                           | 6,432                              | 10,880                              | 5,230                                | 54,088                |
| Travel, conferences, and meetings.....                 | 91,355                            | 2,454               | 15,537                          | 7,916                              | 12,316                              | 4,096                                | 49,036                |
| Printing and publications.....                         | 34,942                            | 423                 | 4,349                           | 2,011                              | 3,525                               | 1,243                                | 23,391                |
| Other expenses.....                                    | 298,955                           | 10,326              | 21,078                          | 36,747                             | 47,322                              | 18,301                               | 165,180               |
| <b>Tax Year 1998</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 52,460                            | 14,166              | 20,098                          | 14,407                             | 2,924                               | 425                                  | 441                   |
| Fair market value of total assets.....                 | 365,035,968                       | 431,039             | 8,176,834                       | 45,356,470                         | 61,574,689                          | 29,429,069                           | 220,067,866           |
| Total revenue.....                                     | 54,710,549                        | 1,075,552           | 2,371,348                       | 8,582,293                          | 10,215,954                          | 4,565,491                            | 27,899,912            |
| Qualifying distributions.....                          | 21,189,489                        | 920,208             | 1,174,653                       | 3,147,479                          | 4,260,640                           | 1,624,167                            | 10,062,342            |
| Disbursements for charitable purposes.....             | 20,569,205                        | 920,208             | 1,148,147                       | 3,103,619                          | 4,179,751                           | 1,601,339                            | 9,616,141             |
| Contributions, gifts, and grants paid.....             | 18,965,756                        | 909,090             | 1,009,174                       | 2,925,802                          | 3,938,204                           | 1,495,478                            | 8,688,009             |
| Operating and administrative expenses.....             | 1,603,448                         | 11,118              | 138,973                         | 177,816                            | 241,547                             | 105,862                              | 928,133               |
| Compensation of officers, directors, and trustees..... | 243,596                           | *282                | 11,571                          | 42,214                             | 53,065                              | 24,432                               | 112,032               |
| Other compensation.....                                | 440,170                           | *380                | *34,372                         | 25,820                             | 50,624                              | 27,048                               | 301,926               |
| Professional fees.....                                 | 286,868                           | 4,927               | 25,503                          | 39,231                             | 47,436                              | 14,756                               | 155,014               |
| Interest.....  | 9,177                             | --                  | *612                            | 2,787                              | 2,569                               | 308                                  | 2,902                 |
| Taxes.....   | 24,234                            | *24                 | *980                            | 6,607                              | 7,631                               | 1,982                                | 7,010                 |
| Occupancy.....   | 90,400                            | *205                | *3,918                          | 7,341                              | 11,624                              | 6,329                                | 60,982                |
| Travel, conferences, and meetings.....                 | 113,538                           | *1,389              | 27,948                          | 10,052                             | 11,154                              | 4,875                                | 58,119                |
| Printing and publications.....                         | 37,349                            | 1,078               | 1,997                           | 2,121                              | 5,029                               | 1,572                                | 25,553                |
| Other expenses.....                                    | 358,117                           | 2,833               | 32,071                          | 41,643                             | 52,415                              | 24,559                               | 204,596               |

Footnotes at end of table.

# Domestic Private Foundations, Tax Years 1993-2002

**Table 2.--All Domestic Nonoperating Private Foundations: Selected Data Items, in Current Dollars, by Asset Size, Tax Years 1993-2002--Continued**

[Money amounts are in thousands of dollars]

| Tax year, item   | Fair market value of total assets |                     |                                 |                                    |                                     |                                      |                       |
|--|-----------------------------------|---------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------------|-----------------------|
|  | All                               | Small foundations   |                                 | Medium foundations                 |                                     | Large foundations                    |                       |
|  |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 less than \$100,000,000 | \$100,000,000 or more |
|  |                                   | (1)                 | (2)                             | (3)                                | (4)                                 | (5)                                  | (6)                   |
| <b>Tax Year 1999</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 58,840                            | 15,659              | 23,202                          | 15,762                             | 3,227                               | 469                                  | 521                   |
| Fair market value of total assets.....                 | 426,316,475                       | 539,027             | 9,126,023                       | 50,689,032                         | 67,769,266                          | 32,567,868                           | 265,625,259           |
| Total revenue.....                                     | 74,327,308                        | 363,137             | 3,130,166                       | 10,826,243                         | 11,434,974                          | 5,349,589                            | 43,223,199            |
| Qualifying distributions.....                          | 25,056,879                        | 269,827             | 1,540,358                       | 4,092,594                          | 4,696,038                           | 1,960,454                            | 12,497,608            |
| Disbursements for charitable purposes.....             | 24,367,480                        | 269,827             | 1,500,674                       | 4,032,328                          | 4,570,982                           | 1,917,093                            | 12,076,576            |
| Contributions, gifts, and grants paid.....             | 22,334,540                        | 246,294             | 1,287,969                       | 3,673,984                          | 4,298,833                           | 1,792,842                            | 11,034,618            |
| Operating and administrative expenses.....             | 2,032,955                         | 23,548              | 212,707                         | 358,342                            | 272,149                             | 124,250                              | 1,041,958             |
| Compensation of officers, directors, and trustees..... | 272,311                           | *1,533              | 11,634                          | 52,148                             | 55,917                              | 27,096                               | 123,982               |
| Other compensation.....                                | 626,410                           | --                  | *73,656                         | 127,620                            | 58,841                              | 30,215                               | 336,079               |
| Professional fees.....                                 | 339,371                           | 3,540               | 33,176                          | 57,406                             | 53,510                              | 19,674                               | 172,066               |
| Interest.....  | 11,657                            | --                  | *1,123                          | 2,899                              | 2,126                               | 492                                  | 5,017                 |
| Taxes.....   | 29,538                            | *109                | 1,549                           | 6,467                              | 10,083                              | 3,107                                | 8,224                 |
| Occupancy.....   | 104,163                           | --                  | *2,023                          | 12,157                             | 14,074                              | 6,844                                | 69,066                |
| Travel, conferences, and meetings.....                 | 167,073                           | *1,287              | 70,551                          | 9,575                              | 12,672                              | 5,553                                | 67,434                |
| Printing and publications.....                         | 42,168                            | *691                | 2,868                           | 6,004                              | 4,805                               | 1,587                                | 26,215                |
| Other expenses.....                                    | 440,263                           | 16,389              | 16,127                          | 84,067                             | 60,123                              | 29,682                               | 233,876               |
| <b>Tax Year 2000</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 61,501                            | 16,148              | 24,586                          | 16,484                             | 3,300                               | 479                                  | 503                   |
| Fair market value of total assets.....                 | 432,707,111                       | 577,488             | 9,661,671                       | 51,734,191                         | 70,089,670                          | 33,464,698                           | 267,179,392           |
| Total revenue.....                                     | 66,184,563                        | 777,808             | 2,544,432                       | 10,746,881                         | 12,685,003                          | 5,492,724                            | 33,937,714            |
| Qualifying distributions.....                          | 29,845,488                        | 928,494             | 1,377,179                       | 5,483,475                          | 5,254,184                           | 2,432,357                            | 14,369,799            |
| Disbursements for charitable purposes.....             | 29,056,461                        | 928,494             | 1,359,910                       | 5,390,335                          | 5,160,470                           | 2,384,606                            | 13,832,645            |
| Contributions, gifts, and grants paid.....             | 26,551,755                        | 913,762             | 1,269,209                       | 4,667,500                          | 4,844,726                           | 2,226,434                            | 12,630,124            |
| Operating and administrative expenses.....             | 2,504,706                         | 14,732              | 90,701                          | 722,836                            | 315,743                             | 158,173                              | 1,202,521             |
| Compensation of officers, directors, and trustees..... | 312,888                           | *1,446              | 15,166                          | 67,558                             | 66,246                              | 32,157                               | 130,315               |
| Other compensation.....                                | 778,680                           | --                  | *2,396                          | 281,932                            | 68,945                              | 36,385                               | 389,023               |
| Professional fees.....                                 | 444,689                           | 6,610               | 35,479                          | 100,100                            | 63,749                              | 22,130                               | 216,620               |
| Interest.....  | 24,136                            | --                  | *128                            | 7,861                              | 6,738                               | 1,346                                | 8,063                 |
| Taxes.....   | 40,795                            | *114                | 1,424                           | 15,165                             | 9,068                               | 5,410                                | 9,614                 |
| Occupancy.....   | 120,948                           | *440                | *562                            | 18,758                             | 18,447                              | 8,654                                | 74,086                |
| Travel, conferences, and meetings.....                 | 120,526                           | *862                | 3,183                           | 15,092                             | 15,009                              | 6,516                                | 79,864                |
| Printing and publications.....                         | 101,780                           | *2,267              | 2,033                           | 54,666                             | 7,111                               | 6,170                                | 29,532                |
| Other expenses.....                                    | 560,265                           | 2,993               | 30,330                          | 161,704                            | 60,431                              | 39,404                               | 265,404               |
| <b>Tax Year 2001</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 63,650                            | 19,225              | 23,514                          | 16,754                             | 3,216                               | 470                                  | 472                   |
| Fair market value of total assets.....                 | 416,809,545                       | 616,732             | 10,268,992                      | 52,015,396                         | 68,102,402                          | 32,564,316                           | 253,241,707           |
| Total revenue.....                                     | 41,213,867                        | 413,226             | 2,356,748                       | 7,520,759                          | 7,339,415                           | 3,186,666                            | 20,397,053            |
| Qualifying distributions.....                          | 29,785,208                        | 398,288             | 1,814,535                       | 4,710,781                          | 5,723,210                           | 2,708,167                            | 14,430,227            |
| Disbursements for charitable purposes.....             | 28,882,499                        | 394,615             | 1,809,295                       | 4,619,677                          | 5,650,389                           | 2,673,204                            | 13,735,320            |
| Contributions, gifts, and grants paid.....             | 26,526,436                        | 342,032             | 1,713,904                       | 4,328,901                          | 5,289,205                           | 2,467,018                            | 12,385,375            |
| Operating and administrative expenses.....             | 2,356,074                         | 52,582              | 95,402                          | 290,775                            | 361,184                             | 206,186                              | 1,349,945             |
| Compensation of officers, directors, and trustees..... | 308,102                           | *697                | 10,217                          | 50,092                             | 72,900                              | 34,574                               | 139,622               |
| Other compensation.....                                | 596,669                           | --                  | --                              | 37,111                             | 76,391                              | 40,652                               | 442,515               |
| Professional fees.....                                 | 495,856                           | 17,885              | 74,054                          | 59,773                             | 65,401                              | 25,980                               | 252,764               |
| Interest.....  | 34,513                            | --                  | --                              | 13,776                             | 5,459                               | 1,521                                | 13,757                |
| Taxes.....   | 32,862                            | *42                 | 593                             | 10,196                             | 8,836                               | 3,882                                | 9,314                 |
| Occupancy.....   | 131,184                           | *1,421              | *956                            | 15,312                             | 18,534                              | 11,167                               | 83,794                |
| Travel, conferences, and meetings.....                 | 121,882                           | *16,523             | *3,195                          | 6,479                              | 15,030                              | 6,527                                | 74,128                |
| Printing and publications.....                         | 41,874                            | *892                | *544                            | 1,884                              | 7,196                               | 1,529                                | 29,829                |
| Other expenses.....                                    | 593,131                           | 15,122              | 5,843                           | 96,154                             | 91,437                              | 80,354                               | 304,221               |
| <b>Tax Year 2002</b>                                   |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns.....                                 | 67,101                            | 21,809              | 25,153                          | 16,149                             | 3,090                               | 454                                  | 446                   |
| Fair market value of total assets.....                 | 377,671,940                       | 708,684             | 10,838,675                      | 50,637,402                         | 65,100,774                          | 31,628,770                           | 218,757,635           |
| Total revenue.....                                     | 24,500,129                        | -22,173             | 810,374                         | 5,444,913                          | 5,847,065                           | 2,354,210                            | 10,065,739            |
| Qualifying distributions.....                          | 28,727,438                        | 208,269             | 2,377,284                       | 4,657,615                          | 5,444,568                           | 2,474,469                            | 13,565,233            |
| Disbursements for charitable purposes.....             | 27,910,674                        | 205,497             | 2,377,284                       | 4,618,906                          | 5,361,374                           | 2,417,959                            | 12,929,655            |
| Contributions, gifts, and grants paid.....             | 25,487,455                        | 178,676             | 2,283,115                       | 4,322,190                          | 4,998,295                           | 2,235,019                            | 11,470,160            |
| Operating and administrative expenses.....             | 2,423,217                         | 26,820              | 94,169                          | 296,716                            | 363,079                             | 182,939                              | 1,459,495             |
| Compensation of officers, directors, and trustees..... | 323,513                           | *718                | 15,398                          | 55,752                             | 78,751                              | 39,323                               | 133,571               |
| Other compensation.....                                | 643,135                           | --                  | --                              | 38,032                             | 81,848                              | 47,431                               | 475,824               |
| Professional fees.....                                 | 517,104                           | 5,856               | 44,394                          | 95,499                             | 73,301                              | 29,740                               | 268,313               |
| Interest.....  | 26,275                            | --                  | --                              | 12,339                             | 4,949                               | 1,190                                | 7,797                 |
| Taxes.....   | 34,768                            | *45                 | 8,698                           | 5,551                              | 7,431                               | 3,223                                | 9,820                 |
| Occupancy.....   | 132,651                           | *2,449              | *1,755                          | 8,307                              | 21,666                              | 11,622                               | 86,852                |
| Travel, conferences, and meetings.....                 | 115,593                           | *6,329              | 5,614                           | 12,429                             | 12,961                              | 7,781                                | 70,480                |
| Printing and publications.....                         | 42,759                            | *455                | 3,180                           | 1,364                              | 6,262                               | 3,825                                | 27,673                |
| Other expenses.....                                    | 587,419                           | 10,967              | 15,129                          | 67,444                             | 75,909                              | 38,805                               | 379,164               |

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Detail may not add to total due to rounding and processing tolerances.