

Private Foundation Information Returns, 1982

By Margaret Riley*

Private foundation giving to philanthropic organizations rose by \$1.6 billion between 1979 and 1982 [1]. The \$4.4 billion in contributions, gifts and grants (hereafter referred to as "grants") awarded by the 23,306 grantmaking private foundations represents an inflation-adjusted real increase of nearly 25 percent over grant payouts made in 1979, the last year for which statistics are available [2]. (See Table 1 for data on the various categories of private foundations.) These grants helped to support charitable programs and research in the areas of health, education, science, the arts, community development, social services and other causes deemed to serve the public good.

In addition to making a small number of grants, 3,105 "operating" foundations actively conducted charitable programs and provided direct services as a means of carrying out their philanthropic mission. Operating foundations, as a condition of such status, are required to expend substantially all of their income directly for the active conduct of their exempt purposes. In contrast, "nonoperating" foundations carry out exempt (charitable) activities in an indirect manner by making grants to other organizations that carry out these activities.

Approximately 3,300, or 13 percent, of the 25,363 nonoperating foundations did not make any grants for 1982. However, the majority were small organizations, and about 75 percent of them set aside funds earmarked for future charitable projects, made program-related investments, or incurred qualifying expenses for charitable purposes which met or exceeded the required minimum distribution for 1982. It should also be noted that many nonoperating foundations which do not make grants were formerly classified by the Internal Revenue Service (IRS) as public charities. If an organization fails to meet IRS' requirements for retaining its public charity status, that organization is reclassified as a private foundation. Most often, these reclassified organizations continue to operate as public charities, operating programs or providing direct services as opposed to making grants to accomplish a charitable purpose.

For 1982, it is estimated that there were 28,468 active private foundations (both grantmaking and nongrantmaking), an overall growth of 1.7 percent over 1979. The growth of foundations in asset classes of \$100,000 and above increased at successively higher rates with each graduated asset bracket. This is not

Size of Fair Market Value of Assets	Number of Private Foundations ¹		Percent Change, 1979 to 1982
	1979	1982	
Total	27,980	28,468	1.7
Under \$100,000 ² ...	15,632	14,752	-5.6*
\$100,000 under \$1,000,000.....	8,616	9,125	5.9
\$1,000,000 under \$10,000,000.....	3,131	3,771	20.4
\$10,000,000 under \$50,000,000.....	486	655	34.8
\$50,000,000 or more.....	115	165	43.5

*Estimate should be used with caution because of the small sample size for this asset bracket.

¹Includes former public charities reclassified as private foundations.

²Includes returns with assets zero or unreported.

surprising as many organizations that were in a lower asset class in 1979 grew into a higher class by 1982. In the asset range of less than \$100,000, there appears to be a 5.6-percent decrease in the number of foundations. However, because of the small number of returns studied with assets below \$100,000, this apparent decline also could be attributed to sampling variability. (See the coefficients of variation explained in the "Data Sources and Limitations" section of this article.) [3]

The Ford Foundation clearly maintained its position as the front-runner in terms of the

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size of asset holdings and amount of grants awarded [4]. While Ford remained well ahead of all other foundations, some foundations had assets in, or near, the billion-dollar range. Excluding the J. Paul Getty Museum Trust, which is classified as an operating foundation and for 1982 had nearly \$2 billion in assets, Figure A lists foundations which reported fair market value of assets above \$500 million. Also provided in Figure A are data on ledger assets, grants paid, and the 5-year carryover of distributions made in excess of the amount required. These 11 largest organizations held 19.2 percent of all assets owned by private foundations, and were responsible for 8.6 percent of the dollar value of all grants paid.

Figure A
Private Foundations with Fair Market Value (FMV)
Assets Over \$500 Million, 1982
(Millions of Dollars)

Rank	Name	FMV Assets	Ledger Assets	Grants Paid	Excess Distributions Carryover
1	Ford Foundation	3,529.2	3,529.2	103.9	8.0
2	Robert Wood Johnson Foundation	1,310.8	508.9	7.5	21.5
3	Andrew W. Mellon Foundation	1,089.7	774.2	59.3	3.9
4	Rockefeller Foundation	1,006.2	809.2	28.6	6.1
5	The MacArthur Foundation	990.3	707.5	22.3	—
6	Pew Memorial Trust	854.9	329.7	57.5	—
7	Fundacao Calouste Gulbenkian	847.9	211.2	27.0	—
8	Lilly Endowment	705.3	138.1	42.5	10.7
9	Kresge Foundation	681.5	519.2	8.9	3.1
10	The Hewlett Foundation	631.5	531.5	12.4	11.0
11	Carnegie Corporation of N.Y.	511.3	416.7	13.4	—

The four foundations listed which show no excess distributions carryover did not distribute the minimum amount required for 1982 because they first had to apply a portion of their 1982 distributions against amounts remaining undistributed from 1981. Foundations have until the end of their next tax year to distribute the minimum amount required for the current year before they are liable for the excise tax levied on undistributed income. This 1-year grace period provides to foundations the opportunity to plan systematically their grantmaking activity to correspond with their investment performance.

To measure private foundation philanthropic giving, the contributions reported by foundations on returns filed with the Internal Revenue Service (IRS) for 1982 were compared to those reported to IRS by all other private sources [5]. Foundations accounted for approximately one dollar out of every ten contributed from a private donor.

Type of Donor	Contributions (\$ Billions)	Percent of Total
Total	45.11	100.0%
Individuals [6]	34.05	75.5
Foundations [7]	4.43	9.8
Corporations [8]	2.91	6.5
Bequests [9]	2.25	5.0
Trusts & Estates [10]	1.42	3.1

NOTE: Detail may not add to total due to rounding.

Government social welfare expenditures, a measure of public philanthropy compiled by the Social Security Administration [11], can also be used as a comparative base to show the magnitude of public versus private support for philanthropic programs. The amount of social welfare expenditures for Fiscal Year 1982, adjusted to exclude \$302.6 billion for social security insurance benefit payments, was \$291.8 billion. These public expenditures were about 6 times greater than total private contributions and about 66 times greater than the contributions of private foundations.

If administrative and direct operating expenses incurred in the conduct of foundations' charitable purposes are added to the amount of the contributions they paid out, the resulting total charitable expenditures of all foundations for 1982 were \$5.2 billion. Compared to the Gross National Product (GNP) for 1982, Government social welfare expenditures (minus the social security portion) comprised 9.5 percent of GNP while private foundation charitable expenditures were less than 0.2 percent of GNP. However, the nature of systematic foundation funding provides an opportunity for initiating innovative research, programs, and test projects which the Government cannot undertake because of political, legislative, or budgetary constraints. In the wake of recent budget cuts in many Government-supported programs, some foundations are thinking more about public-private partnerships. Although they do not believe their role should be solely one of filling Federal philanthropic spending gaps, these foundations foresee situations where the formation of creative public-private partnerships to devise new approaches to social needs can produce positive results [12].

CHARACTERISTICS OF THE PRIVATE FOUNDATION UNIVERSE

A private foundation is a nonprofit corporation, association or trust with a narrow source of funds which operates or supports social, educational, scientific, charitable, religious

and other programs dedicated to improving the general welfare of society. By IRS definition, a private foundation is an organization which qualifies for tax exempt status under Internal Revenue Code section 501(c)(3) and is not a church; school; hospital; medical research organization; an organization with broad public support (public charity); an organization which is operated by, or in connection with, any of the above described organizations; or an organization which tests for public safety. The primary difference between foundations and public charities lies in the sources of their funding. Foundations usually receive their funds from an individual, a family or a corporation, while, as their name implies, public charities' funds are derived mainly from a large number of sources within the general public.

Another distinction of a private foundation is that it primarily makes grants to other nonprofit organizations, such as public charities, rather than directly operating its own charitable programs. (An exception is the operating foundation which is described below.) As noted earlier, some organizations which are classified as private foundations were formerly public charities whose status as such was revoked because they failed to maintain the required minimum of support from public sources. While classified as private foundations, they generally continue to operate as public charities.

Foundations form a diverse community distinguished by a wide range of characteristics, including asset size; sources of support; size of managing staff; type of control; and grant size, type, and recipient. Foundations can be classified into two broad categories, operating and nonoperating. While the great majority of foundations are nonoperating (generally grant-making) organizations, some use their funds to actively operate charitable programs, rarely making contributions or grants to other organizations. These are called operating foundations.

Nonoperating foundations include independent and company-sponsored foundations. Independent foundations can be general-purpose, special-purpose or family foundations [13]. The general-purpose foundation supports a broad range of charitable endeavors while the special-purpose foundation concentrates on limited fields of interest. Family foundations are established with a gift from a single donor and are operated or controlled by members of the donor's family. Some large independent foundations operate with staffs whose members are unrelated to the foundation's donor(s). All of the domestic foundations listed in Figure A are independent foundations.

Company foundations are closely related to the corporations which sponsor them. Many of their grants support charitable activities and improvement projects in the locality in which the company is based, or are made to tax-exempt organizations to conduct charitable research in areas related to the company's interests. Although contributions to company-sponsored foundations usually correspond to the profits of the corporation, i.e., more corporate giving in good years and less in poor years, they have the ability to maintain and control their endowment in a way to provide a steady flow of grants, even when corporate profits are down. Alcoa Foundation, General Motors Foundation, and Western Electric Fund are three of the largest company-sponsored foundations.

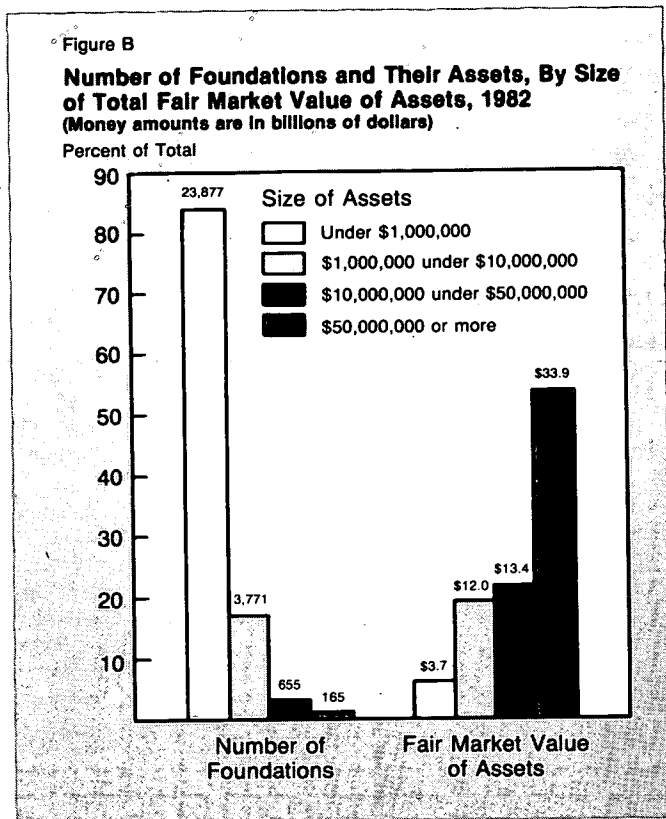
Community foundations are established to make grants for nonprofit programs conducted in a specific community or region [14]. Although largely publicly supported by the citizens and businesses of the community, and therefore excluded from IRS' private foundation definition (and also from the statistics presented in this report), community foundations account for a respectable portion of grantmaking philanthropic activity in the private sector. For example, 234 community foundations for 1982 made grants estimated at \$233.8 million, an amount equal to 5.0 percent of total foundation giving [15]. It should be noted, however, that \$102.2 million of total community foundation grants can be attributed solely to the San Francisco Foundation, the New York Community Trust, the Cleveland Foundation, and the Chicago Community Trust.

FINANCIAL DATA AND CHARITABLE DISTRIBUTIONS

The \$47.2 billion in market value assets of the 820 largest private foundations, those with asset holdings of \$10 million or more, comprised 75 percent of all assets held by foundations for 1982. In contrast, 84 percent of the foundation population, holding assets worth less than \$1 million, accounted for only 6 percent of the total, or \$3.7 billion (see Figure B). Assets of all foundations rose by 41 percent between 1979 and 1982. Total receipts increased by 52 percent, while deductions rose by 65 percent. The resulting net income (less deficit) for 1982 was \$3.3 billion, a growth of 33 percent from 1979 [16]. The graphic depiction of aggregate foundation receipts, assets (fair market value), and grants paid in Figure C shows that constant dollar increases in these financial data were 19, 11, and 23 percent, respectively.

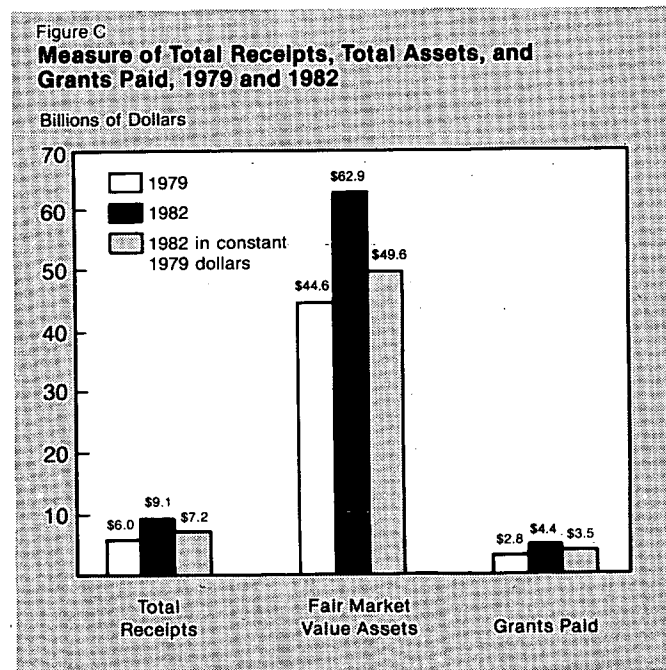
Sources of Income and Deductions

Dividend and interest income was the largest source of foundation receipts for 1982. While



\$10 million was nearly equally split between interest and dividend income and contributions. The reliance upon contributions from outside sources as a major form of support is more common for small organizations. As their assets increase, foundations usually develop larger and more diverse investment portfolios, freeing them from dependence on large amounts of contributions. Most large foundations have received a single substantial bequest or endowment which serves as their primary base from which to produce income and further increase their assets. These endowed foundations rely on their investments to produce income and, therefore, do not need to depend heavily on the receipt of contributions.

The most significant shift in the composition of total income, shown in Figure D, between 1979 and 1982 occurred in sales of capital assets and in contributions, gifts and grants received. The increase in sales of capital assets possibly indicates that foundations are beginning to restructure their investment portfolios, a newfound freedom made available by a 1981 tax law change which eliminated the requirement for foundations to pay out all of their investment income for charitable purposes. (The effect of the law change is explained more fully in the "Composition of Assets" section of this article.)

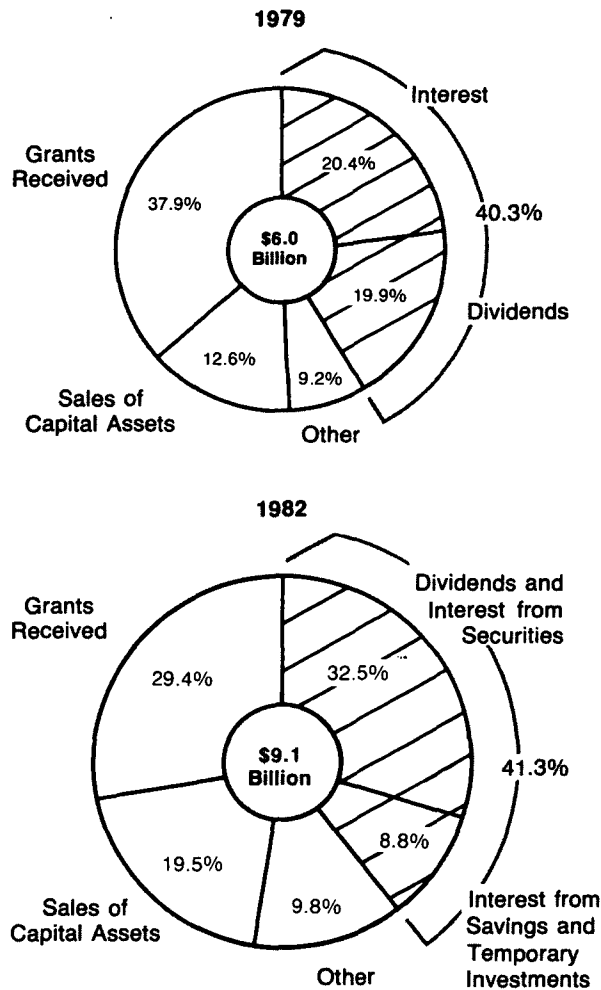


these items together also ranked as the number-one income source for the large foundations, contributions dominated as the leading income source for organizations with assets under \$1 million. The primary source of receipts for foundations with assets of \$1 million to

Because of a 1981 IRS return form change in the method of reporting dividends and interest, these income items individually cannot be compared between 1979 and 1982. For 1982, total interest was reported separately either as amounts received from securities investments (which also included dividends received from stocks) or amounts received from savings accounts and temporary cash investments, such as certificates of deposit, money market funds, and U.S. Treasury bills that mature in less than one year. Taken as an aggregate amount, however, the proportion of total receipts attributable to dividend and interest income for 1982 remained virtually unchanged from 1979. The average annual prime rate charged by banks was 12.7 percent in 1979, rose erratically to 18.9 percent in 1981, and then steadily declined to 14.9 percent in 1982 [17]. During the same period, corporate profits (in current dollars) fell 30 percent to their lowest level since 1976 [18]. Economic conditions leading up to, and including, the harsh recession of 1982 contributed to the decline in profits and likely resulted in dividends on stocks which were lower than they would have been in a nonrecessionary period. Despite the fluctuations in interest rates and dividends paid on investments, the amount of foundation dividend and interest income rose by \$1.4 billion between 1979 and 1982.

Compared to the investment income received by individuals from interest and dividends,

Figure D
Major Sources of Income, 1979 and 1982



foundations fared much worse in the rate at which these items grew from 1979 to 1982. Foundation income from these sources increased 56 percent, from \$2.4 billion to \$3.8 billion, at the same time as the increase for individuals was 94 percent, from \$108.9 billion to \$211.1 billion. The investment outlook for foundations should improve after 1982 because of the law change mentioned above which freed them from the constraint of having to distribute all of their interest and dividend income each year. (For an explanation of how the law change affected the structure of foundation investment portfolios, see the discussion of the "total return" philosophy in the "Composition of Asset" section of this article.)

Foundations must report both total expenses as recorded on their books of account, and the part of those expenses which can be attributed to the direct conduct of their charitable mission. Charitable-purpose expenditures are

reported separately from total expenses because the IRS recognizes, as a qualifying distribution for purposes of meeting the required minimum payout, only the part of an expense item allocable to charitable purposes (as opposed to the production of income or other noncharitable purposes). Effective with Tax Year 1985, Congress placed a cap on the amount of administrative expenses incurred in making grants which a foundation can apply as a qualifying distribution. The Treasury Department has been mandated to conduct a study of foundation administrative expenses and to submit findings to Congress upon its completion.

Depreciation and depletion are allowed as deductions on a foundation's books, but may not be treated as a charitable-purpose expenditure because the entire cost of a charitable-use asset is treated as a qualifying distribution when the asset is acquired. Figure E shows nonoperating foundation expenses as reported on their books and distributions for their charitable purposes. The portion of nonoperating foundations' expenses which was directly related to activities which constituted their charitable purposes totalled \$4.7 billion. For ease of comparison, the three categories of nonoperating foundation asset sizes shown in the figure are described as small, medium, and large. Across all three asset sizes, contributions, gifts and grants made up the largest single share of total expenses, reported both on the books and as a charitable disbursement. More than 93 percent of aggregate charitable-purpose expenses were in the form of grants paid. A distant second to grants was "other expenses," at 2.4 percent of total charitable disbursements. The remaining eight categories of itemized expenses accounted altogether for only 4.2 percent of the total.

The ratio of direct charitable-purpose expenditures to expenses reported on the books reveals different charitable distribution patterns for the three foundation sizes. Small foundations have much lower ratios for the three categories related to paid staff--officer compensation, other salaries, and employee benefits (including pension plan contributions). Since small foundations usually are operated by volunteers and fund programs of smaller size, they do not have the personnel expenses of larger foundations for reviewing grant proposals, administrative record-keeping of grant programs, and research and ongoing involvement in new grantmaking program activities.

Medium size foundations claimed a larger percentage of their interest expense as a direct charitable expenditure. This is probably due to the fact that, in proportion to their total assets, medium foundations hold approximately two-to-three times more land,

Private Foundations, 1982

Figure E.--Nonoperating Foundations: Expenses Per Books (EPB), Disbursements for Charitable Purposes (DCP), and Ratio of Charitable Disbursements to Expenses Per Books, by Size of Total Fair Market Value of Assets, 1982

[Money amounts are in millions of dollars]

Expense Item	Total			Size of Total Fair Market Value of Assets		
	EPB	DCP	Ratio	Less than \$1,000,000		
				EPB	DCP	Ratio
(1)	(2)	(3)	(4)	(5)	(6)	
Total expenses	5,260.77	4,670.65	88.8	923.07	875.10	94.8
Contributions, gifts, grants	4,423.31	4,364.34	98.7	863.88	854.76	98.9
Compensation of officers	89.80	49.50	55.1	8.22	1.42	17.3
Other salaries and wages	86.37	68.52	79.3	2.86	1.21	42.3
Pension plans, employee benefits	25.02	17.44	69.7	1.17	0.23	19.7
Professional services	122.13	35.69	29.2	12.78	3.86	30.2
Interest	15.31	2.66	17.4	1.44	0.19	13.2
Taxes	153.52	6.56	4.3	7.32	0.91	12.4
Depreciation and depletion	29.68	N/A	N/A	1.77	N/A	N/A
Occupation	16.41	13.47	82.1	0.94	0.80	85.1
Other expenses	299.22	112.47	37.6	22.69	14.90	65.7

Expense Item	Size of Total Fair Market Value of Assets--continued					
	\$1,000,000			\$10,000,000 or more		
	Under \$10,000,000					
EPB	DCP	Ratio	EPB	DCP	Ratio	
(7)	(8)	(9)	(10)	(11)	(12)	
Total expenses	1,228.61	1,174.20	95.6	3,109.08	2,618.35	84.2
Contributions, gifts, grants	1,080.82	1,118.16	103.5 ¹	2,478.61	2,391.42	96.5
Compensation of officers	23.66	11.23	47.5	57.93	36.85	63.6
Other salaries and wages	12.77	10.17	79.7	70.74	57.14	80.8
Pension plans, employee benefits	1.34	1.23	91.8	22.51	16.00	71.1
Professional services	33.68	9.55	28.4	75.66	22.28	29.4
Interest	2.13	0.63	29.6	11.73	2.01	17.1
Taxes	31.77	2.14	6.7	114.43	3.51	3.1
Depreciation and depletion	6.73	N/A	N/A	21.18	N/A	N/A
Occupation	2.55	1.91	74.9	12.93	10.76	83.2
Other expenses	33.18	19.17	57.8	243.36	78.39	32.2

N/A - Not Applicable.

¹While foundations are required to use the cash method of accounting to report disbursements for their charitable purposes, they have an option to use either the cash or accrual method in reporting expenses on their books. Using the accrual method for expenses on the books can result in a ratio which exceeds 100 percent.

NOTE: Detail may not add to total because of rounding.

buildings and equipment which are used for charitable purposes than the other foundation sizes.

The proportion of charitable-purpose expenditures allocated by large organizations for taxes was small in comparison to foundations in the other two groups. Large foundations hold more than twice as much depreciable investment property compared to the other foundations, so they pay more in real estate taxes. Since real estate taxes on investment property can be reported as a total expense item, but are not includable as an exempt purpose expense item, the ratio for taxes paid by large foundations is lower than

the ratio for the small and medium size foundations. The excise tax on investment income paid by all three foundation asset categories is not deductible by nonoperating foundations as a charitable-purpose expenditure.

Composition of Assets

Total fair market value of foundation assets for 1982 showed an increase from 1979 of 41 percent. Investments in securities constituted the greatest share of market assets held by foundations, with holdings of cash placing second. Holdings in long-term investments other than in securities accounted for the next largest portion of assets.

For 1982, foundations held a total investment in stocks and bonds having a fair market value of \$49.8 billion. These investments earned dividends and interest totalling \$3.0 billion, a yield of 6.0 percent. It has been argued by some that foundations fail to obtain a reasonable rate of return on their stock and bond investments [20]. To test this argument, a base for comparison was constructed for 1982 using measures of average yield for composite investments: 1982 dividend yields on common stocks of the 500 corporations included in the Standard and Poor's composite average and the 1982 yield for the composite U.S. Treasury long-term bond average [21]. Had foundations invested in these composite assets in the same proportions as they invested in stocks and bonds in 1979 (stocks and bonds together were reported as a single amount on the 1982 information return), they would have enjoyed a significantly higher return of 8.5 percent. However, it was only beginning in 1982 that foundations could restructure their portfolios to take advantage of the 1981 law change in the payout rule. (See the discussion of the law change below.)

An examination of yield data for various fair market value asset distributions revealed that as asset size increased the yield on security investments decreased, from a high of 8.9 percent earned by foundations holding assets worth less than \$100,000 to a low of 5.3 percent earned by those holding assets worth \$50 million or more. This may support the theory that the investment strategies of larger foundations (traditionally more heavily invested in securities than smaller foundations) were significantly affected by a pre-1982 payout rule which required foundations to distribute for charitable purposes the greater of their current investment income or 5 percent of their investment assets (both amounts subject to further adjustments).

Because of the decline in the real value of foundation securities caused by high inflation rates and the requirement to pay out their current investment income (if greater than 5 percent of investment assets), many foundations opted for a "total return" philosophy on stocks and bonds which takes into account not only dividends, but also appreciation. These foundations were inclined to hold greater concentrations of securities which had lower income yields but the potential for higher appreciation values.

Under the new payout rule, enacted in late 1981, foundations no longer are required to make distributions out of current income in excess of 5 percent of their investment assets. The new law offers foundations an opportunity to restructure their investment

portfolios to include securities which produce higher rates of return. In so doing, yields in excess of 5 percent could be put back into their endowments. While the percent yield on securities held by larger foundations remains comparatively low for 1982, the increase in sales of capital assets mentioned in the "Sources of Income and Deductions" section tends to suggest a changing trend in foundation investment practices.

Market Value Asset Size	Investments in Securities (\$ Millions)	Interest and Dividend Income From Securities (\$ Millions)	Percent Yield
Total.....	49,822.6	2,970.2	6.0%
Under \$100,000 ¹	176.9	15.7	8.9
\$100,000 under \$1,000,000.....	1,975.8	174.1	8.0
\$1,000,000 under \$10,000,000....	8,080.0	566.8	7.8
\$10,000,000 under \$50,000,000....	10,017.1	646.1	6.5
\$50,000,000 or more.....	29,572.8	1,567.5	5.3

¹Includes returns with assets zero or unreported.

Assets in terms of book value rose at nearly the same rate as market value assets, by 39 percent from 1979 to 1982. Since 1981 was the first year for which foundations were required to report their asset components at market value on the Form 990-PF return, comparisons of 1982 data to earlier years must be presented using amounts reported on the foundations' books. Also effective with 1981, the reporting of securities on the information return was not required to be separated into stocks, bonds, and Government obligations as in previous years. Comparison is therefore limited to the aggregate amount of securities as reported for 1982. Securities, long the most prominent type of assets in the portfolios of foundations, continued an upward trend increasing by 89 percent since 1974 [22]. For all 3 years presented in the table below, holdings of securities in terms of their proportion to total assets remained constant at 78 percent.

Private Foundations, 1982

Type of Asset	Income Year			Percent Change, 1979 to 1982
	1974	1979	1982	
	(\$Billions) ¹			
Total.....	25.5	34.7	48.2	39%
Securities ²	19.9	26.9	37.4	39
Cash, total....	1.2	2.0	4.6	131
Savings and interest-bearing accounts.....	0.8	1.4	4.2	190
Non-interest-bearing accounts.....	0.4	0.6	0.5	-15
Depreciable assets and land held for charitable purposes.....	0.3	0.6	1.1	77
Accounts and notes receivable.....	1.0	0.8	0.9	22
Other.....	3.1	4.3	4.1	-5

¹Assets used were the book value reported.

²Includes corporate stocks, corporate bonds, and Government obligations.

The large increase in total cash held by foundations in general is attributable to savings and temporary cash investments, which rose by 190 percent between 1979 and 1982. For foundations with assets of \$10 million or more, the increase was 338 percent. Even though a downward trend in interest rates began in mid-1982, the average annual prime rate was still significantly higher for 1982 than it was for 1979, 14.86 percent compared to 12.67 percent. Still riding on the thrust of interest rates which had reached an all-time high during 1981, foundations evidently continued to funnel more income into short-term investments for 1982.

For foundations with less than \$100,000 in book value assets, holdings of cash and securities switched their positions of importance, with cash comprising 41 percent of assets and securities ranking second at 37 percent. The book value of land and depreciable assets held for charitable purposes (as opposed to investment purposes) also rose significantly between 1979 and 1982, although their dollar amount remained small in relation to total assets.

There was an increase in all components of liabilities from 1979 to 1982. The increases ranged from 42 percent for mortgages and all other notes payable to 216 percent for accounts payable. Foundations reported total liabili-

ties that were 73 percent higher for 1982 than they were for 1979. However, as a ratio to total assets, liabilities for these 2 years differed by only 1 percent, with liabilities for 1979 being 4 percent of assets and for 1982, 5 percent. Traditionally, the proportion of liabilities has remained relatively low from year-to-year because foundations normally do not borrow funds but operate principally using contributions they receive and income from investments. (Foundation income from investments which were purchased with borrowed funds are subject to the unrelated business income tax under the debt-financed provisions of the Internal Revenue Code.)

Excise Tax on Net Investment Income

Approximately 24,000 private foundations incurred excise taxes totalling \$111.4 million on their net investment income for 1982. The amount of excise tax reported increased by 78 percent between 1979 and 1982.

The excise tax on net investment income is a type of "audit" tax levied on foundations under the Tax Reform Act of 1969 to provide funds for IRS oversight of foundation activities and enforcement of laws governing their exempt status. Since the excise tax is computed as a specified percentage of income earned on investments (after allowance for certain expenses), its burden is borne most heavily by foundations with more successful investment portfolios [23]. As the asset size of a foundation grows, it relies more on investments for the production of income. This results in larger excise tax payments in proportion to asset size for the larger foundations.

Charitable Distributions

The following discussion of foundation charitable distributions excludes operating foundations. Because they disburse their funds for the active conduct of charitable projects, operating foundations are not subject to the distribution requirement. All references to foundations in this section on charitable distributions are for nonoperating foundations.

Private foundations are required to distribute annually a minimum amount for charitable purposes. This computed minimum amount is based on 5 percent of a monthly average of their investment assets after allowances are deducted for indebtedness incurred in acquiring the assets and any cash reserved for charitable activities. The result of the computation is called the "minimum investment return." Foundations are then allowed additional adjustments to the minimum investment return, including deductions for the excise tax on net investment income and taxes on any "unrelated business income." The adjusted minimum investment return, called the "distributable

amount," is the actual amount foundations must distribute for charitable purposes during their annual accounting period. A foundation is subject to a two-tier system of penalty taxes for any portion of the distributable amount which it fails to pay out for charitable causes by the end of its next accounting period.

Amounts which qualify toward meeting the minimum required distribution include foundation expenditures for accomplishing its charitable purpose; program-related investments; amounts paid to acquire assets directly used, or held for use, in carrying out its charitable function; and any amounts set aside for future payment for a specific charitable project. These amounts are called "qualifying distributions." Foundations may also utilize carryovers (amounts paid out in excess of the amount required) from 5 previous years' grant-making to meet the minimum payout requirement.

As discussed earlier, the distributable amount prior to 1981 was defined as the greater of "adjusted net income" (current income derived from the ownership of property or from income-producing activities, whether charitable or not, less allowable expenses) or the minimum investment return. With the enactment of the Economic Recovery Tax Act of 1981, Congress changed the definition to limit the computation of the distributable amount to the minimum investment return without regard to the adjusted net income. The change was intended to provide relief to foundations during a period of high inflation (1981 saw the height of inflation rates) [24]. High inflation rates tended to decrease the real value of a foundation's net income. If the distributable amount was based

on the entire amount of a foundation's adjusted net income (the real portion plus the inflation-produced portion), the gradual effect would be an erosion of the real value of its investment assets [25].

The data presented in Figure F show the effect of the 1981 tax law change on the amount foundations were required to expend for charitable purposes for 1982. Under the pre-1982 rules, foundations would have been required to pay out \$4 billion, \$1.6 billion more than was required for 1982. Private nonoperating foundations for 1982 made qualifying distributions of \$4.9 billion, over twice the amount required to be distributed. The effect of the revised distribution calculation is further demonstrated by a comparison of the distributable amount for 1979 to that for 1982, in constant 1979 dollars, which shows a 23-percent real decline between the two years. Although nonoperating foundations collectively made qualifying distributions for 1982 that exceeded the distributable amount required under both the existing and previous laws, organizations with \$10 million or more in assets as a group distributed \$126.8 million less than the amount that would have been required if adjusted net income had still been a factor in determining the distributable amount. This would be expected since the law change, limiting the required payout to 5 percent of investment assets, was intended to help most those foundations which relied more heavily on investments as a principal source of income.

Based on the higher rate by which their adjusted net income exceeded their minimum investment return, it appears on the surface

Figure F.--Nonoperating Foundations: Comparison of Adjusted Net Income (ANI) with Minimum Investment Return (MIR), by Size of Total Fair Market Value of Assets

[Money amounts are in millions of dollars]

Item	Total	Size of Total Fair Market Value of Assets			
		Under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)
Number of returns, total	25,363	12,690	8,577	3,346	750
Number of returns with ANI greater than MIR	17,970	7,007	7,314	2,995	654
Greater of ANI or MIR	4,097.1	41.1	256.8	827.5	2,971.7
MIR	<u>2,458.3</u>	<u>21.4</u>	<u>138.2</u>	<u>466.5</u>	<u>1,832.3</u>
Difference	1,638.8	19.7	118.6	361.0	1,139.5
Difference as percent of MIR ...	66.7	92.1	85.8	77.4	62.2

NOTE: Detail may not add to total because of rounding.

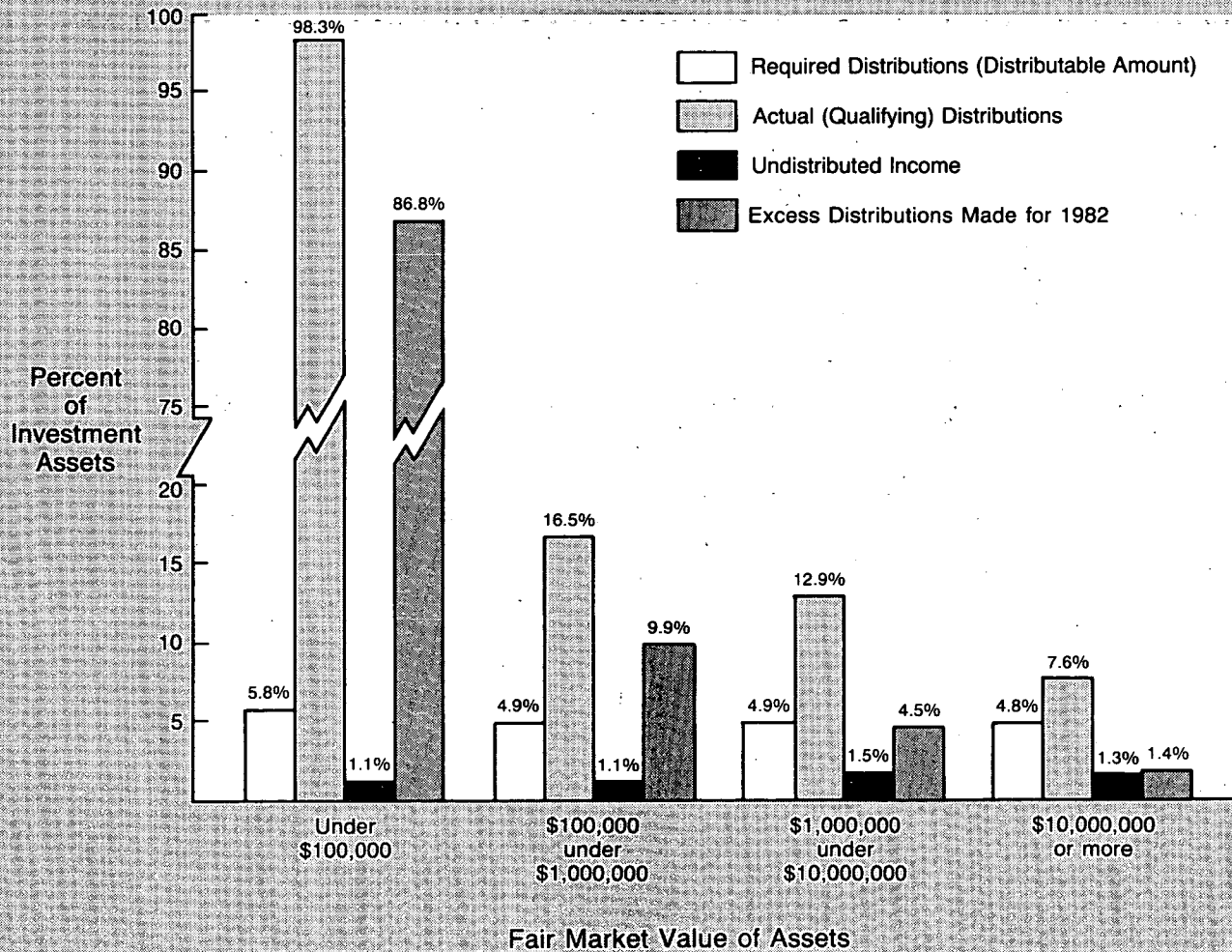
that the smaller foundations benefited the most from the new provision. However, small organizations historically have made charitable distributions that well exceeded their annual required minimum. Unlike small foundations, most of the money distributed by large foundations for charitable purposes comes from their investment income. Since the distributable amount is dependent on the size of investment assets, the reduction in the distributable amount is more significant to large organizations. This concept is discussed more fully in the analysis of Figure G data which follows below.

Eighty-five percent of all nonoperating foundations made qualifying distributions above the required 5 percent of net investment assets (after allowed adjustments), and more than half of these foundations paid out amounts which

were equal to 10 percent or more. While the remaining 15 percent made qualifying distributions which were less than the required percentage, they may have exercised their option to combine all or a portion of their 5-year excess distributions carryover with their current-year qualifying distributions to fulfill the required distributable amount for 1982. As noted earlier, no penalty or tax would have been imposed on a foundation which did not pay out the required amount for 1982 unless it failed to do so by the end of its 1983 tax year. A small number of those paying out less than 5 percent were allowed to do so because their IRS return was filed for an accounting period of less than one year.

Figure G graphically measures, through the use of ratios to total investment assets, how various asset size classes stack up in a com-

Figure G
Nonoperating Foundations: Required Distributions, Qualifying Distributions, Undistributed Income, and Excess Distributions Made for 1982, By Size of Total Fair Market Value of Assets



parison of charitable distribution items. While the smallest foundations made philanthropic disbursements which were extremely large in proportion to their investment assets, the aggregate distributions of the other asset classes still exceeded the required amount.

It is important to differentiate between small (assets under \$100,000) and large (assets of \$10 million or more) foundations by each group's principal source of income and how it affects their qualifying distributions. When income sources are considered, the dramatic decreases in qualifying distribution percentages that accompany increases in asset size are more understandable.

Since the distributable amount is based on a percentage of investment assets, and the principal source of income for large foundations is their return on investments, it is not surprising that the amount of their qualifying distributions is relatively close to the required distributable amount. Small organizations generally make qualifying distributions which are much higher than those required because the contributions they receive, which comprise most of their income, are not taken into account in computing the distributable amount. In fact, as a percent of their assets, contributions received by small organizations for 1982 equalled 53.4 percent compared to 2.9 percent when calculated for large foundations.

Traditionally, small foundations not only serve as a conduit for all of the contributions they receive, but they pay out substantially more of their income as well. To illustrate further the effect that the omission of contributions from the distributable amount had on the required and actual payouts of the two asset groups, contributions received for 1982 as a percentage of their respective distributable amounts were 806 percent for small foundations compared to 68 percent for large foundations.

The 1982 undistributed income (the portion of the required distribution which was not actually paid out as a qualifying distribution for 1982) of all asset groups appears to be a fairly stable proportion of their investment assets, ranging from 1.1 to 1.5 percent.

As would be expected because of their direct relationship to qualifying distributions, excess distributions for 1982 (amounts paid out which were in excess of the amount required) were much higher, relative to investment assets, for small foundations than for large foundations. After applying their 1982 qualifying distributions toward any prior-year undistributed income and the current-year distributable amount, foundations made excess distributions for 1982 of \$1.6 billion.

Legislative Analysis

Following is a brief analysis of major tax law changes affecting private foundations from 1969 to 1984. For a more in-depth account of private foundation legislation, see the Appendix at the end of this article.

The Tax Reform Act of 1969 was the first comprehensive piece of legislation affecting private foundations. Recommendations for increased Governmental regulation of foundations from a Treasury Department study (described in the Appendix to this article) and heightened public concern over reported controversial foundation activities culminated in hearings of the House Ways and Means Committee in early 1969. The Committee's findings led to the passage of the 1969 Act. The provisions of the 1969 Act covering foundations were enacted to correct and prevent any real and potential abuses of their charitable status.

Enactment of the Economic Recovery Tax Act of 1981 afforded individuals who could not itemize their deductions the tax benefit of deducting charitable contributions. Congress believed this would stimulate charitable giving and provide funds to nonprofit organizations providing services which the Federal Government might otherwise need to fund. This provision terminates after 1986, so that its effectiveness in stimulating contributions can be analyzed. The 1981 Act also changed the method of computing the minimum payout requirement in an effort to provide relief to foundations from the effects of high inflation.

Many of the foundation provisions of the Tax Reform Act of 1984 provide tax incentives and remove regulatory restraints in an effort to encourage the formation of new foundations. Provisions of the tax bill which are expected to promote philanthropic giving are increased deductibility allowances for individuals' gifts to charities, the 1-percent reduction in the 2-percent excise tax if a 5-year average of the foundation's qualifying distributions increases by a like amount, and a change in the minimum payout rule that limits the amount of administrative expenses incurred in the making of grants that may be treated as qualifying distributions. The Treasury Department has been directed to study the effects of the new payout requirement, which expires on December 31, 1990, unless Congress acts to continue it.

SUMMARY

For 1982, approximately 28,500 private foundations spent over \$5.2 billion for philanthropic purposes. Of this expenditure, \$4.4 billion was in the form of grants made to tax-exempt organizations directly operating charitable programs.

In 1979 dollars, total fair market value of assets for 1982 increased by 11 percent over 1979. Despite erratic shifts in the economy between 1979 and 1982, foundation interest and dividend income, the primary aggregate income source, rose by 56 percent over 1979.

A 1981 tax law change, intended to provide relief to foundations from high inflation, effectively lowered the amount foundations were required to distribute for 1982. The new law seemed to have a positive effect on many foundations and had no apparent negative impact on the amount of qualifying distributions made for philanthropic purposes.

DATA SOURCES AND LIMITATIONS

The statistics in this article are based on a sample of 1982 Income Year private foundation returns, Forms 990-PF, filed with the Internal Revenue Service and having accounting periods ending December 1982 through November 1983. Forms 990-PF filed by nonexempt charitable trusts and certain taxable foundations were excluded from the study. The sample was stratified based on size of total book (ledger) value of assets and selected at rates that ranged from 0.7 percent to 100 percent. There were 1,309 returns in the sample drawn from an estimated population of 28,468.

The 1982 sample was designed to provide the most reliable estimates of total assets and total income using limited resources (budgetary constraints necessitated a very small sample size). The methodology employed to obtain the desired results was to include in the sample all returns with assets (book value) of \$10 million or more, the category where the highest concentration of assets exists. The 634 returns in this group accounted for approximately 70 percent of total assets and 50 percent of the sample. The remaining 675 returns in the sample were randomly selected at various rates, depending on their asset size. Due to the small number of sample returns selected to represent the population of returns with assets worth under \$100,000 (99 sample returns), the statistics presented for this group are subject to significant sampling variability and should, therefore, be used with caution.

The population from which the sample was drawn consisted of the latest private foundation records on the IRS Business Master File. Determinations of active filing status were made regarding the sample records. Some of the records drawn were deemed inactive (no return had been filed for at least 3 years), terminated, or not yet filed for 1982. Inactive and terminated private foundations were not reflected in the estimates. Prior-year returns were substituted for the small number of large

private foundations for which a 1982 return had not yet been filed or was unobtainable for inclusion in the study. Sample weights applied to small organizations were revised upward to compensate for missing returns in the latter category. Asset distributions presented in the 1982 tables have been compressed due to the small numbers of returns with assets less than \$10 million selected for the sample.

Because the data presented in this article are estimated based on a sample, they are subject to sampling error, as well as nonsampling error. To use the statistical data properly, the magnitude of the sampling error should be known. Coefficients of variation (CV's) are used to measure that magnitude.

The table below presents an estimate of the sampling error, expressed as a coefficient of variation, for frequency estimates of private foundation returns with less than \$10 million in assets. Returns reporting assets of \$10 million or more were selected at a rate of 100 percent; therefore, this category is not subject to sampling error. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For a number other than those shown below, the corresponding CV's can be estimated by interpolation.

Estimated Number of Returns by Size of Total Assets ¹				Approximated Coefficient of Variation
Under \$100,000 or Not Reported	\$100,000 Under \$1,000,000	\$1,000,000 Under \$10,000,000		
-	-	3,567	.05	
-	9,683	1,897	.07	
14,584	4,126	928	.10	
6,482	1,810	412	.15	
3,683	1,010	237	.20	
1,620	463	103	.30	

¹Total assets used were the book value reported. The uppermost number in each column is the actual total number of returns in the asset class.

A discussion of the reliability of estimates based on samples and the use of coefficients of variation for evaluating the precision of sample estimates can be found in the general Appendix to this publication.

EXPLANATION OF TERMS

Non-technical terminology has been used in this article, wherever possible, to assist in the understanding of the statistical content. However, in Tables 1-6, the technical terms are used as they appear on the tax return form.

Therefore, to assist users of these data, explanations of some of these terms are provided with both their technical and nontechnical meanings. (The latter are denoted in parentheses.) A more comprehensive explanation of terms appears in Statistics of Income--1974-1978, Private Foundations (see reference [22]).

Adjusted Net Income (Receipts Less Expenses)

This item represented the gross income derived from, or in connection with, property held by the foundation or from income-producing activities reduced by allowable deductions. It included investment income, net short-term capital gain, repayment of "qualifying distributions," gross profit from business activities, and certain miscellaneous income. Excluded from income were gross contributions, gifts, and grants (received); contributions from split-interest trusts; gross dues and assessments; net long-term capital gains; and net short- and long-term capital losses.

Distributable Amount (Required Minimum Distribution)

Distributable amount was the foundations' "minimum investment return" less taxes on net investment income and unrelated business income, and net of any adjustments. The distributable amount represented the minimum payout which had to be distributed by the end of the year following the year for which the return was filed in order to avoid payment of an excise tax for failure to currently distribute income.

Expenditures for Exempt Purposes (Philanthropic or Charitable Spending)

These deductions represented expenditures for activities that were directly related to the tax-exempt purposes of the foundation. Included were necessary and reasonable administrative expenses paid for charitable, scientific, educational, or other similar purposes. These amounts were determined solely on the cash receipts and disbursements method of accounting.

Minimum Investment Return (Fixed Percent of Assets)

This was the aggregate fair market value of assets not used for charitable purposes less the sum of indebtedness incurred to acquire those assets and cash held for charitable activities, multiplied by 5 percent.

Qualifying Distributions (Actual Distributions)

These were direct expenditures for charitable purposes or for assets used for such purposes. They included payouts to public charities and operating foundations, and

payouts to other private foundations, if the recipient foundation agreed to distribute the same amount for charitable purposes by the end of the following tax year. In addition, funds set aside for major tax-exempt projects were also included. Qualifying distributions were creditable against a private foundation's obligation to pay out its "distributable amount."

Value of Noncharitable Assets (Investment Assets)

For purposes of calculating "minimum investment return," only the assets that were not used or held for use for exempt purposes entered into the computation. An asset was not used directly in carrying out the foundation's exempt purpose if the asset was not used in the carrying on of a charitable, educational or other similar function which gave rise to the exempt status of the foundation.

NOTES AND REFERENCES (to Article)

- [1] Data cited for 1979 are from Petska, Thomas B., "An Examination of Private Foundations for 1979," Statistics of Income Bulletin, Fall 1982, Volume 2, Number 2.
- [2] All inflation-adjusted figures cited in this article have been derived using the Gross National Product Implicit Price Deflator. See U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, 1974, 1979, and 1982.
- [3] Since the returns selected for the 1982 study form a panel to be studied in successive years, the question of an actual decline in the foundation birth rate will be investigated as these foundations are tracked from year to year.
- [4] Under Internal Revenue Code section 6104(b), the Internal Revenue Service can disclose to the public the information which is required to be reported on private foundation information returns.
- [5] The contribution data presented for individuals, corporations, bequests, trusts and estates were obtained from income tax returns and are subject to certain limitations inherent in the use of administrative records. The use of these data is intended here as a general measure for comparison with foundation charitable giving, and may not necessarily represent contributions actually paid or received in a given tax period. Factors which can affect the amount of contributions reported on certain tax returns are a limitation on the amount

which can be deducted, allowance of a carryover of disallowed contributions from previous years and, in the case of fiduciary returns (trusts and estates), an election to treat contributions made in one taxable year as being paid in the preceding taxable year. The charitable bequest data were obtained from a study of estate tax returns filed with gross estate of \$300,000 or more. Had the bequests of persons with estates less than \$300,000 been included, it is estimated that the amount shown would have been approximately 10 percent higher.

- [6] U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income--1982, Individual Income Tax Returns, pp. 54 and 61.
- [7] Includes company-sponsored foundations which filed a Form 990-PF, Return of Private Foundation, for 1982.
- [8] U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income--1982, Corporation Source Book, p. 8.
- [9] U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income Division, unpublished table of estate tax returns filed during 1982.
- [10] Estep, Gary J., "Fiduciary Income Tax Returns, 1982," Statistics of Income Bulletin, Spring 1985, Volume 4, Number 4, pp. 49 and 56.
- [11] U.S. Department of Health and Human Services, Social Security Administration, Social Security Bulletin: Annual Statistical Supplement, 1983, p. 60. Social welfare expenditures include direct Government disbursements to the aged, disabled, unemployed, and poor, plus Government expenditures for schools, hospitals, and other similar facilities.
- [12] See Joseph, James A., Private Philanthropy and the Making of Public Policy, Washington, D.C.: The Council on Foundations, 1985, pp. 24-36. (President's platform presented at the 36th annual Conference of the Council on Foundations held on April 24-26, 1985.)
- [13] Nason, John W., Trustees and the Future of Foundations, New York, Council on Foundations: 1979, p. 3.
- [14] Sugarman, Norman A., "Community Foundations," Research Papers Sponsored by the Commission on Private Philanthropy and Public Needs, Volume III, Special Behavioral Studies, Foundations, and Corporations, U.S. Department of the Treasury, 1977, pp. 1692-1693.
- [15] Data were derived from The Foundation Center, National Data Book, 9th Edition, New York: 1985, pp. 699-706.
- [16] For readers who are familiar with the terminology used on Form 990-PF, Return of Private Foundation, the following clarification of income statement terms used in this article and related tables is provided. Total "receipts" is comparable to total "revenue" (Part I, line 13, column A); total "deductions" is comparable to total "expenses" (Part I, line 24, column A); and "net income (less deficit)" is comparable to "excess of revenue over expenses" (Part I, line 25(a), column A).
- [17] U.S. Department of Commerce, Bureau of Economic Analysis, Handbook of Cyclical Indicators, 1984, p. 99.
- [18] Ibid., p. 143.
- [19] Individual data for 1979 derived from U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income--1979, Individual Income Tax Returns, Table 1.3. Data for 1982 were derived from the same publication, 1982 edition, Table 1.4.
- [20] The Commission on Foundations and Private Philanthropy, Foundations, Private Giving, and Public Policy, The Chicago University Press, 1970.
- [21] Federal Reserve Bulletin, March 1985, Table 1.35.
- [22] Data cited for 1974 are from U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income--1974-78, Private Foundations.
- [23] Hopkins, Bruce R., The Law of Tax-Exempt Organizations, Third Edition, John Wiley and Sons, Inc., 1979, pp. 475-476.
- [24] U.S. Congress, Joint Committee on Taxation, General Explanation of the Economic Recovery Tax Act of 1981 (Public Law 97-34), U.S. Government Printing Office, December 31, 1981, pp. 366-367.
- [25] For detailed discussions of the effect on foundations of the pre-1981 requirement to distribute their actual income if it was higher than their minimum investment return, see Steuerle, Eugene, "Pay-out Requirements for Foundations," in Research Papers Sponsored by The Commission on Private Philanthropy and Public Needs, Volume III, Special Behavioral Studies, Foundations, and Corporations, U.S. Department of the Treasury, pp. 1663-78, and Williamson, J. Peter, "Inflation and the Foundation Payout Rate," Foundation News, March-April 1981, Volume 2, Number 2, pp. 18-24.

APPENDIX: HIGHLIGHTS IN FOUNDATION LEGISLATIVE HISTORY

Since this study is the first in an annual Statistics of Income (SOI) series designed to track and report on private foundation trends and changes in reporting patterns, it seems appropriate to provide, as background information for future SOI reports on foundation data, a historical review of major private foundation legislation [1] [2].

Foundations, which (as we know them today) had their beginnings around the late 1800's [3], have had their share of proponents and opponents alike throughout their existence. Some question their qualification for tax-exempt status because of their narrow base of support and the advantageous tax treatment given to their usually wealthy donors. Others see foundations as playing a key role in meeting public needs by funding continuing non-profit projects or by supporting innovative or risky undertakings which could not be funded by more conventional sources. Throughout foundation history, Congress has recognized the need for Government regulation and public accountability, yet has maintained that foundation philanthropic activities are deserving of tax exemption. The following historical account summarizes major legislative events affecting private foundations.

- 1917 Individuals allowed deductions for charitable contributions.
- 1934 Law passed prohibiting tax-exempt charitable organizations from lobbying.
- 1935 Corporations allowed deductions for charitable contributions.
- 1943 Passage of the Revenue Act of 1943. Required certain tax-exempt organizations, including foundations, to file annual information returns.
- 1947-48 Hearings held by the House Ways and Means and the Senate Interstate and Foreign Commerce Committees on foundation activities. No legislative outcome.
- 1950 Passage of the Revenue Act of 1950. Imposed regulations on foundations regarding unrelated business income, excessive accumulation of income, prohibited activities, and public disclosure of annual information returns.
- 1952-62 Several Congressional committees established to investigate alleged abusive foundation activities. The committees each issued reports con-

taining their findings and recommendations but no legislative action was taken.

- House Select Committee to Investigate and Study Educational and Philanthropic Foundations and Other Comparable Organizations Which are Exempt from Federal Taxation, Chaired by Rep. Eugene E. Cox. (Established in 1952.)
- House Special Committee to Investigate Tax-Exempt Foundations and Comparable Organizations, chaired by Rep. Carroll B. Reece. (Established in 1953.)
- House Select Committee on Small Business, Chaired by Rep. Wright Patman. (Established in 1962; last installment of eight reports issued in 1972.)
- 1965 U.S. Treasury Department Report on Private Foundations issued. Treasury concluded that while private foundations play an important role in our society and generally operate free of abuse, serious problems did exist among a small number of them. The study resulted in extensive recommendations for dealing with six categories of major abuses. No immediate legislation was passed.
- 1969 Passage of Tax Reform Act of 1969. The 1969 Act for the first time defined private foundations in the Internal Revenue Code, subjected foundations to an excise tax on investment income (to cover the cost of IRS oversight), and imposed a two-tier system of penalty taxes on foundations that engage in "prohibited acts." Provisions dealing with penalty taxes on prohibited acts included the following:
 - taxes on self-dealing (transactions between a foundation and a disqualified person. E.g., lending money; sale, exchange or leasing of property; transfer of foundation income or assets to disqualified persons).
 - taxes on undistributed income (the amount required to be distributed in a given tax year for charitable purposes which the foundation fails to pay out by the end of the following tax year).

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- taxes on excess business holdings (amount by which stockholdings or other interest in a business enterprise exceeds the amount of permitted holdings).
 - taxes on investments which jeopardize the carrying out of a foundation's exempt purpose (the lack of ordinary care and prudence in making investment decisions).
 - taxes on taxable expenditures includes engaging in nonexempt, political, or legislative activities; and disbursements of funds to other organizations or individuals, without sufficient oversight to ensure the funds are used exclusively for exempt purposes).
- 1973-74 Hearings on a variety of private foundation issues held by the following Congressional committees, but no legislation enacted.
 - Subcommittee on Domestic Finance of the House Committee on Banking and Currency (on compliance of private foundations with provisions of the Tax Reform Act of 1969).
 - House Ways and Means Committee (on tax treatment of private foundations).
 - Subcommittee on Foundations of the Senate Finance Committee (1973 hearings on the role of foundations in society and the impact of the provisions of the Tax Reform Act of 1969; 1974 hearings to determine the influence of private foundations on public broadcasting; additional 1974 hearings on the impact of the economy on private foundations and their grant recipients).
 - 1976 Legislation enacted to change the required minimum payout to charity from 6 percent to 5 percent of market value investment assets for accounting periods beginning in 1976.
 - 1978 Legislation enacted to change the excise tax on net investment income from 4 percent to 2 percent for domestic foundations.
 - 1980 Legislation enacted to simplify IRS reporting requirements placed on private foundations.
 - 1981 Passage of the Economic Recovery Tax Act of 1981. Allowed individuals who could not itemize their deductions to deduct part of their charitable contributions anyway; provided favorable tax treatment for corporate charitable donations of scientific equipment; and restricted the minimum payout computation base to investment assets, without regard to the amount of the foundation's income for the year.
 - 1983 Hearings held by House Subcommittee on Oversight of the Ways and Means Committee on the impact of the Tax Reform Act of 1969 on private foundations.
 - 1984 Passage of the Tax Reform Act of 1984. Its major private foundation provisions include the following:
 - Limitation on the amount of grant administrative expenses which can be applied toward meeting the minimum payout requirement. The Act also directed the Treasury Department to conduct a study of foundation administrative expenses. This provision terminates on December 31, 1990.
 - Waiver of the 2-percent excise tax for a new classification called "exempt operating foundations" and reduction in the tax to 1 percent for nonoperating foundations if a 5-year average of their qualifying distributions increases by a like amount.
 - Extension of the divestiture period for excess business holdings under certain circumstances.
 - Authority granted to IRS to abate the first-tier penalty tax on prohibited foundation activities (except self-dealing) when reasonable cause for the violation can be proven.
 - Definition of "family members" of a substantial contributor modified to treat as a "disqualified person" only those descendants through the great grandchildren level. Substantial contributor status is terminated if no connection with the foundation can be demonstrated for a 10-year period.
 - Directive issued to the Treasury Department to review the expenditure responsibility regulations

(requiring oversight of certain organizations to which grants are made) to determine if they are overly burdensome; to extend to 5 years the advance ruling period during which a new organization is treated as a public charity; and to permit donor foundations greater reliance on IRS rulings for making grants to such new organizations.

- Increase in the deductible portion of an individual's gift to a private foundation from 20 percent to 30 percent of adjusted gross income, except for donations of appreciated property (which remain deductible up to 20 percent). Appreciated publicly-traded stock

can now be deducted at fair market value, subject to a limitation of not more than 10 percent of all the stock of a given company.

REFERENCES (to Appendix)

- [1] "Philanthropy Goes to Congress," Foundation News, May-June 1983, pp. 12-21.
- [2] Feller, Nancy, "1984 Tax Reform Act," Non-Profit Organizations: Current Issues and Developments, Practising Law Institute, Course Handbook Series Number 217, December 1984.
- [3] The Foundation Center, The Foundation Directory, 8th Edition, New York, 1981, p. xiv.

Private Foundation Information Returns, 1982

Table 1. — Number of Foundations, Total Receipts and Total Deductions, Net Investment Income and Tax, Total Assets, Net Worth, and Distributions, by Type of Foundation and Size of Total Fair Market Value of Assets

[Money amounts are in thousands of dollars]

Size of total fair market value of assets	Number of returns	Total receipts		Total deductions		Disbursements for exempt purposes		Qualifying contributions, gifts, and grants paid		Net income (less deficit)	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All foundations, total	28,468	27,603	9,126,529	27,645	5,834,328	26,410	5,156,993	23,306	4,429,979	27,108	3,292,200
Zero, negative or unreported	1,515	1,368	6,906	1,515	6,721	*1,073	*6,280	*884	*5,621	*1,073	*186
\$1 under \$100,000	13,237	12,606	264,945	12,500	458,142	11,869	444,940	9,659	406,020	12,500	- 193,198
\$100,000 under \$1,000,000	9,125	9,040	662,390	9,040	524,324	8,914	483,780	8,577	455,477	8,956	138,065
\$1,000,000 under \$10,000,000	3,771	3,771	2,097,182	3,771	1,515,561	3,741	1,431,404	3,419	1,142,658	3,761	581,621
\$10,000,000 under \$25,000,000	493	492	1,010,618	492	746,510	490	664,048	462	585,549	491	264,108
\$25,000,000 under \$50,000,000	162	161	767,421	161	473,535	159	406,261	150	339,597	161	293,886
\$50,000,000 under \$100,000,000	85	85	1,165,244	85	527,937	84	474,789	78	413,269	85	637,306
\$100,000,000 or more	80	80	3,151,824	80	1,581,598	80	1,245,491	77	1,081,789	80	1,570,226
Nonoperating foundations, total	25,363	24,540	8,077,449	24,582	5,260,767	23,599	4,670,649	22,044	4,364,340	24,192	2,816,681
Zero, negative or unreported	1,515	1,368	6,906	1,515	6,721	*1,073	*6,280	*884	*5,621	*1,073	*186
\$1 under \$100,000	11,175	10,543	235,993	10,438	425,797	9,954	414,887	8,923	401,734	10,585	- 189,805
\$100,000 under \$1,000,000	8,577	8,535	631,152	8,535	490,555	8,483	456,835	8,198	447,407	8,451	140,596
\$1,000,000 under \$10,000,000	3,346	3,346	1,695,040	3,346	1,228,612	3,326	1,174,197	3,205	1,118,157	3,336	466,428
\$10,000,000 under \$25,000,000	459	458	915,955	458	693,288	456	619,861	449	572,680	457	222,668
\$25,000,000 under \$50,000,000	143	142	677,744	142	423,874	140	362,808	139	337,306	142	253,870
\$50,000,000 under \$100,000,000	75	75	1,055,625	75	487,175	74	446,331	74	410,608	75	568,540
\$100,000,000 or more	73	73	2,859,034	73	1,504,744	73	1,189,250	73	1,070,826	73	1,354,290
Operating foundations, total	3,105	3,063	1,049,080	3,063	573,561	2,811	486,344	1,262	65,639	2,916	475,519
Zero, negative or unreported	—	—	—	—	—	—	—	—	—	—	—
\$1 under \$100,000	2,062	2,062	28,952	2,062	32,345	1,915	30,053	*737	*4,286	1,915	- 3,393
\$100,000 under \$1,000,000	547	505	31,236	505	33,769	421	26,845	*379	*8,069	505	- 2,531
\$1,000,000 under \$10,000,000	425	425	402,141	425	286,949	405	257,207	114	24,501	425	115,193
\$10,000,000 under \$25,000,000	34	34	94,662	34	53,222	34	44,088	13	12,869	34	41,440
\$25,000,000 under \$50,000,000	19	19	89,677	19	49,660	19	43,453	11	2,291	19	40,017
\$50,000,000 under \$100,000,000	10	10	109,619	10	40,762	10	28,458	4	2,661	10	68,857
\$100,000,000 or more	7	7	292,791	7	76,854	7	56,240	4	10,862	7	215,937
Grantmaking foundations, total	23,306	23,159	8,441,654	23,306	5,398,386	23,306	4,825,580	23,306	4,429,979	23,063	3,043,267
Zero, negative or unreported	*884	*884	*5,064	*884	*5,901	*884	*5,900	*884	*5,621	*737	*- 837
\$1 under \$100,000	9,659	9,512	220,764	9,659	413,997	9,659	409,736	9,659	406,020	9,659	- 193,233
\$100,000 under \$1,000,000	8,577	8,577	632,560	8,577	511,847	8,577	479,618	8,577	455,477	8,493	120,712
\$1,000,000 under \$10,000,000	3,419	3,419	1,764,536	3,419	1,269,654	3,419	1,215,777	3,419	1,142,658	3,409	494,882
\$10,000,000 under \$25,000,000	462	462	937,335	462	698,857	462	631,492	462	585,549	461	238,478
\$25,000,000 under \$50,000,000	150	150	702,732	150	443,303	150	385,641	150	339,597	150	259,429
\$50,000,000 under \$100,000,000	78	78	1,116,349	78	499,798	78	461,036	78	413,269	78	616,551
\$100,000,000 or more	77	77	3,062,314	77	1,555,030	77	1,236,380	77	1,081,789	77	1,507,284
Grantmaking-nonoperating foundations, total	22,044	21,897	7,982,283	22,044	5,197,952	22,044	4,640,110	22,044	4,364,340	21,802	2,784,329
Zero, negative or unreported	*884	*884	*5,064	*884	*5,901	*884	*5,900	*884	*5,621	*737	*- 837
\$1 under \$100,000	8,923	8,775	216,694	8,923	409,157	8,923	405,415	8,923	401,734	8,923	- 192,463
\$100,000 under \$1,000,000	8,198	8,198	607,200	8,198	485,278	8,198	454,917	8,198	447,407	8,114	121,922
\$1,000,000 under \$10,000,000	3,305	3,305	1,686,370	3,305	1,220,806	3,305	1,168,107	3,305	1,118,157	3,294	465,565
\$10,000,000 under \$25,000,000	449	449	894,052	449	672,619	449	608,343	449	572,680	448	221,433
\$25,000,000 under \$50,000,000	139	139	670,383	139	416,495	139	361,847	139	337,306	139	253,889
\$50,000,000 under \$100,000,000	74	74	1,043,484	74	482,954	74	446,331	74	410,608	74	560,531
\$100,000,000 or more	73	73	2,859,034	73	1,504,744	73	1,189,250	73	1,070,826	73	1,354,290
Nongrantmaking-nonoperating foundations, total	3,318	2,643	95,167	2,538	62,815	1,554	30,540	—	—	2,390	32,352
Zero, negative or unreported	*631	*484	*1,842	*631	*821	*189	*380	—	—	*337	*1,022
\$1 under \$100,000	2,252	1,768	19,299	1,515	16,641	*1,031	*9,472	—	—	1,663	2,658
\$100,000 under \$1,000,000	*379	*337	*23,951	*337	*5,277	*295	*2,018	—	—	*337	*18,674
\$1,000,000 under \$10,000,000	*41	*41	*8,670	*41	*7,807	*31	*6,090	—	—	*41	*863
\$10,000,000 under \$25,000,000	10	9	21,903	9	20,668	7	11,618	—	—	9	1,234
\$25,000,000 under \$50,000,000	4	3	7,361	3	7,380	1	961	—	—	3	- 19
\$50,000,000 under \$100,000,000	1	1	12,141	1	4,222	—	—	—	—	1	7,919
\$100,000,000 or more	—	—	—	—	—	—	—	—	—	—	—

Footnotes at end of table.

Private Foundation Information Returns, 1982

Table 1.—Number of Foundations, Total Receipts and Total Deductions, Net Investment Income and Tax, Total Assets, Net Worth, and Distributions, by Type of Foundation and Size of Total Fair Market Value of Assets—Continued

[Money amounts are in thousands of dollars]

Size of total fair market value of assets	Net income		Net investment income		Net capital gain		Excise tax on net investment income				
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total amount	Domestic organizations		Foreign organizations	
								Number of returns	Amount	Number of returns	Amount
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
All foundations, total	16,044	4,274,832	23,442	5,590,700	5,513	1,754,665	111,440	23,385	110,651	54	789
Zero, negative or unreported	*484	*1,048	*189	*433	—	—	*9	*189	*9	—	—
\$1 under \$100,000	6,376	41,734	9,954	44,233	*737	*1,885	881	9,954	881	—	—
\$100,000 under \$1,000,000	6,041	246,205	8,788	308,285	2,210	65,742	6,187	8,746	6,141	*42	*45
\$1,000,000 under \$10,000,000	2,547	775,798	3,699	1,095,371	2,021	244,538	21,907	3,699	21,907	—	—
\$10,000,000 under \$25,000,000	341	373,646	488	657,514	323	171,373	13,187	482	13,147	5	40
\$25,000,000 under \$50,000,000	123	366,377	160	544,544	102	141,992	10,876	155	10,787	4	89
\$50,000,000 under \$100,000,000	71	674,890	84	578,577	58	202,586	11,628	82	11,515	2	112
\$100,000,000 or more	61	1,795,134	80	2,361,743	62	926,549	46,767	78	46,265	1	502
Nonoperating foundations, total	14,714	3,773,644	21,496	5,090,322	4,827	1,561,047	102,138	21,440	101,349	54	789
Zero, negative or unreported	*484	*1,048	*189	*433	—	—	*9	*189	*9	—	—
\$1 under \$100,000	5,640	37,928	8,923	39,394	*442	*98	786	8,923	786	—	—
\$100,000 under \$1,000,000	5,788	242,921	8,325	296,574	2,084	63,278	5,953	8,283	5,907	*42	*45
\$1,000,000 under \$10,000,000	2,266	655,270	3,315	1,002,737	1,803	217,863	20,054	3,315	20,054	—	—
\$10,000,000 under \$25,000,000	308	331,917	455	619,800	302	163,075	12,416	450	12,376	5	40
\$25,000,000 under \$50,000,000	109	322,544	141	479,874	91	112,371	9,583	136	9,494	4	89
\$50,000,000 under \$100,000,000	62	605,529	75	526,118	50	175,756	10,578	73	10,466	2	112
\$100,000,000 or more	56	1,576,487	73	2,125,392	56	828,606	42,759	72	42,257	1	502
Operating foundations, total	1,330	501,188	1,947	500,378	686	193,618	9,302	1,945	9,302	—	—
Zero, negative or unreported	—	—	—	—	—	—	—	—	—	—	—
\$1 under \$100,000	*737	*3,805	*1,031	*4,839	*295	*1,787	*94	*1,031	*94	—	—
\$100,000 under \$1,000,000	*253	*3,284	463	11,711	*126	*2,464	234	463	234	—	—
\$1,000,000 under \$10,000,000	280	120,528	384	92,634	218	26,675	1,853	384	1,853	—	—
\$10,000,000 under \$25,000,000	32	41,729	33	37,714	21	8,298	32	771	771	—	—
\$25,000,000 under \$50,000,000	14	43,834	19	64,670	11	29,621	1,293	19	1,293	—	—
\$50,000,000 under \$100,000,000	9	69,361	9	52,459	8	26,830	1,049	9	1,049	—	—
\$100,000,000 or more	5	218,647	7	236,352	6	97,943	4,008	6	4,008	—	—
Grantmaking foundations, total	13,309	4,007,419	21,052	5,357,394	5,084	1,665,730	107,459	21,001	106,739	*49	*720
Zero, negative or unreported	*147	*26	*147	*18	—	—	(*)	*147	(*)	—	—
\$1 under \$100,000	4,609	35,374	8,334	41,071	*737	*1,885	818	8,334	818	—	—
\$100,000 under \$1,000,000	5,704	227,202	8,409	295,330	1,999	63,992	5,928	8,367	5,882	*42	*45
\$1,000,000 under \$10,000,000	2,298	684,919	3,399	1,019,060	1,834	226,095	20,381	3,399	20,381	—	—
\$10,000,000 under \$25,000,000	314	343,168	460	632,769	302	163,033	12,682	456	12,661	3	21
\$25,000,000 under \$50,000,000	113	330,907	149	502,684	98	118,628	10,034	146	9,955	2	79
\$50,000,000 under \$100,000,000	65	653,631	78	555,274	54	194,096	11,142	77	11,069	1	72
\$100,000,000 or more	58	1,732,192	77	2,311,186	60	898,000	46,475	76	45,973	1	502
Grantmaking-nonoperating foundations, total	12,727	3,733,303	19,949	5,064,645	4,654	1,557,408	101,590	19,899	100,870	*49	*720
Zero, negative or unreported	*147	*26	*147	*18	—	—	(*)	*147	(*)	—	—
\$1 under \$100,000	4,314	34,258	7,744	37,418	*442	*98	747	7,744	747	—	—
\$100,000 under \$1,000,000	5,494	224,003	8,030	286,004	1,915	61,541	5,741	7,988	5,696	*42	*45
\$1,000,000 under \$10,000,000	2,246	653,352	3,294	999,689	1,803	217,863	19,993	3,294	19,993	—	—
\$10,000,000 under \$25,000,000	302	326,017	448	613,287	297	161,173	12,276	445	12,255	3	21
\$25,000,000 under \$50,000,000	107	321,550	138	477,718	91	112,371	9,535	135	9,455	2	79
\$50,000,000 under \$100,000,000	61	597,610	74	525,118	50	175,756	10,539	73	10,466	1	72
\$100,000,000 or more	56	1,576,487	73	2,125,392	56	828,606	42,759	72	42,257	1	502
Nongrantmaking-nonoperating foundations, total	1,987	40,341	1,547	25,677	*173	*3,639	548	1,542	479	*5	*69
Zero, negative or unreported	*337	*1,022	*42	*415	—	—	*8	*42	*8	—	—
\$1 under \$100,000	*1,326	*3,670	*1,178	*1,975	—	—	*39	*1,178	*39	—	—
\$100,000 under \$1,000,000	*295	*18,919	*295	*10,570	*168	*1,737	*211	*295	*211	—	—
\$1,000,000 under \$10,000,000	*21	*1,918	*21	*3,048	—	—	*61	*21	*61	—	—
\$10,000,000 under \$25,000,000	6	5,900	7	6,513	5	1,902	140	5	121	2	19
\$25,000,000 under \$50,000,000	2	993	3	2,156	—	—	48	1	38	2	10
\$50,000,000 under \$100,000,000	1	7,919	1	1,000	—	—	40	—	—	1	40
\$100,000,000 or more	—	—	—	—	—	—	—	—	—	—	—

Footnotes at end of table.

Private Foundation Information Returns, 1982

Table 1. — Number of Foundations, Total Receipts and Total Deductions, Net Investment Income and Tax, Total Assets, Net Worth, and Distributions, by Type of Foundation and Size of Total Fair Market Value of Assets — Continued

[Money amounts are in thousands of dollars]

Size of total fair market value of assets	Total assets (book value)		Investments in securities (book value)		Total assets (fair market value)		Investments in securities (fair market value)		Net worth	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All foundations, total	27,584	48,227,043	16,815	37,418,071	26,953	62,886,606	17,025	49,822,624	27,584	45,633,124
Zero, negative or unreported	*631	*6,107	*42	*3,814	—	—	—	—	*631	*6,087
\$1 under \$100,000	13,237	408,901	5,535	155,798	13,237	416,696	5,935	176,924	13,237	184,547
\$100,000 under \$1,000,000	9,125	2,981,006	7,104	1,770,325	9,125	3,262,919	6,967	1,975,788	9,125	2,920,886
\$1,000,000 under \$10,000,000	3,771	10,096,084	3,348	6,579,417	3,771	11,981,973	3,347	8,080,023	3,771	9,658,355
\$10,000,000 under \$25,000,000	493	5,967,814	470	4,466,902	493	7,543,920	461	5,571,440	493	5,749,762
\$25,000,000 under \$50,000,000	162	4,751,234	154	3,534,173	162	5,816,852	155	4,445,653	162	4,527,953
\$50,000,000 under \$100,000,000	85	4,639,926	83	3,652,311	85	6,035,403	81	4,657,527	85	4,258,569
\$100,000,000 or more	80	19,375,972	80	17,255,330	80	27,828,843	80	24,915,268	80	18,326,964
Nonoperating foundations, total	24,479	42,542,775	15,461	33,846,950	23,847	56,217,321	15,670	45,867,953	24,479	40,493,974
Zero, negative or unreported	*631	*6,107	*42	*3,814	—	—	—	—	*631	*6,087
\$1 under \$100,000	11,175	336,980	4,945	133,425	11,175	344,575	5,345	153,985	11,175	129,092
\$100,000 under \$1,000,000	8,577	2,806,744	6,725	1,711,118	8,577	3,071,767	6,588	1,911,122	8,577	2,755,104
\$1,000,000 under \$10,000,000	3,346	8,821,517	3,026	5,980,040	3,346	10,527,069	3,025	7,361,064	3,346	8,672,335
\$10,000,000 under \$25,000,000	459	5,517,225	441	4,246,382	459	7,018,752	430	5,313,359	459	5,306,778
\$25,000,000 under \$50,000,000	143	4,215,273	136	3,157,498	143	5,138,036	137	3,961,093	143	4,018,709
\$50,000,000 under \$100,000,000	75	4,101,952	74	3,311,863	75	5,337,882	72	4,228,604	75	3,796,866
\$100,000,000 or more	73	16,736,978	73	15,302,810	73	24,779,239	73	22,938,726	73	15,809,002
Operating foundations, total	3,105	5,684,268	1,354	3,571,121	3,105	6,669,286	1,355	3,954,671	3,105	5,139,150
Zero, negative or unreported	—	—	—	—	—	—	—	—	—	—
\$1 under \$100,000	2,062	71,922	*589	*22,373	2,062	72,120	*589	22,940	2,062	55,455
\$100,000 under \$1,000,000	547	174,262	*379	*59,207	547	191,152	*379	64,667	547	165,782
\$1,000,000 under \$10,000,000	425	1,274,567	322	599,377	425	1,454,904	322	718,959	425	986,020
\$10,000,000 under \$25,000,000	34	450,589	29	220,520	34	525,168	30	258,081	34	442,983
\$25,000,000 under \$50,000,000	19	535,961	18	376,675	19	678,816	18	484,560	19	509,245
\$50,000,000 under \$100,000,000	10	537,974	9	340,448	10	697,521	9	428,932	10	461,703
\$100,000,000 or more	7	2,638,993	7	1,952,521	7	3,049,604	7	1,976,523	7	2,517,963
Grantmaking foundations, total	22,864	45,462,726	15,679	36,114,133	22,422	59,429,355	15,825	48,248,839	22,864	43,283,312
Zero, negative or unreported	*442	*577	—	—	—	—	—	—	*442	*557
\$1 under \$100,000	9,659	343,928	5,051	140,369	9,659	355,844	5,345	164,575	9,659	135,903
\$100,000 under \$1,000,000	8,577	2,818,775	6,809	1,687,649	8,577	3,073,946	6,672	1,884,883	8,577	2,768,229
\$1,000,000 under \$10,000,000	3,419	9,054,558	3,078	6,062,852	3,419	10,754,371	3,077	7,449,804	3,419	8,779,479
\$10,000,000 under \$25,000,000	462	5,546,119	443	4,274,580	462	7,058,159	433	5,337,881	462	5,410,414
\$25,000,000 under \$50,000,000	150	4,411,650	145	3,368,556	150	5,385,686	145	4,208,735	150	4,230,565
\$50,000,000 under \$100,000,000	78	4,290,338	77	3,507,336	78	5,578,857	75	4,468,426	78	3,979,898
\$100,000,000 or more	77	18,996,782	77	17,072,790	77	27,222,492	77	24,734,534	77	17,978,268
Grantmaking-nonoperating foundations, total	21,602	41,946,501	14,704	33,642,880	21,160	55,535,910	14,848	45,618,008	21,602	40,024,466
Zero, negative or unreported	*442	*577	—	—	—	—	—	—	*442	*557
\$1 under \$100,000	8,923	305,527	4,461	117,997	8,923	316,876	4,756	141,636	8,923	97,663
\$100,000 under \$1,000,000	8,198	2,688,326	6,514	1,646,541	8,198	2,933,759	6,378	1,842,527	8,198	2,645,982
\$1,000,000 under \$10,000,000	3,305	8,728,573	3,015	5,976,347	3,305	10,407,120	3,014	7,357,444	3,305	8,587,101
\$10,000,000 under \$25,000,000	449	5,355,018	433	4,175,348	449	6,844,371	422	5,229,121	449	5,223,688
\$25,000,000 under \$50,000,000	139	4,102,936	134	3,131,213	139	4,990,047	134	3,899,189	139	3,936,992
\$50,000,000 under \$100,000,000	74	4,028,566	73	3,292,625	74	5,264,496	71	4,209,366	74	3,723,481
\$100,000,000 or more	73	16,736,978	73	15,302,810	73	24,779,239	73	22,938,726	73	15,809,002
Nongrantmaking-nonoperating foundations, total	2,876	596,274	758	204,070	2,687	681,411	822	249,945	2,876	469,508
Zero, negative or unreported	*189	*5,530	*42	*3,814	—	—	—	—	*189	*5,530
\$1 under \$100,000	2,252	31,453	*484	*15,428	2,252	27,699	*589	*12,349	2,252	31,429
\$100,000 under \$1,000,000	*379	*118,418	*211	*64,577	*379	*138,008	*211	*68,595	*379	*109,123
\$1,000,000 under \$10,000,000	*41	*92,944	*10	*3,694	*41	*119,949	*10	*3,621	*41	*85,234
\$10,000,000 under \$25,000,000	10	162,207	8	71,034	10	174,381	8	84,238	10	83,090
\$25,000,000 under \$50,000,000	4	112,338	2	26,285	4	147,989	3	61,904	4	81,717
\$50,000,000 under \$100,000,000	1	73,386	1	19,238	1	73,386	1	19,238	1	73,386
\$100,000,000 or more	—	—	—	—	—	—	—	—	—	—

Footnotes at end of table.

Private Foundation Information Returns, 1982

Table 1. — Number of Foundations, Total Receipts and Total Deductions, Net Investment Income and Tax, Total Assets, Net Worth, and Distributions, by Type of Foundation and Size of Total Fair Market Value of Assets — Continued

(Money amounts are in thousands of dollars)

Size of total fair market value of assets	Minimum investment return		Distributable amount		Qualifying distributions		Undistributed income for 1982		Excess distributions carryover to 1983	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
All foundations, total	24,788	2,658,490	23,278	2,397,587	26,429	5,529,765	6,525	663,503	15,585	4,857,481
Zero, negative or unreported.....	*484	*796	*484	*787	*1,073	*6,495	—	—	*631	*6,399
\$1 under \$100,000.....	11,027	22,770	10,291	24,092	11,869	449,158	2,652	4,724	6,713	1,463,538
\$100,000 under \$1,000,000.....	8,872	143,612	8,451	134,791	8,914	482,908	2,189	29,350	6,009	852,021
\$1,000,000 under \$10,000,000.....	3,606	502,053	3,315	460,368	3,761	1,481,878	1,354	135,379	1,857	1,273,912
\$10,000,000 under \$25,000,000.....	479	312,213	453	291,771	489	697,065	196	86,153	223	494,538
\$25,000,000 under \$50,000,000.....	156	242,572	138	212,690	159	429,727	59	59,800	80	211,911
\$50,000,000 under \$100,000,000.....	83	245,575	74	222,042	84	508,213	35	71,428	40	245,530
\$100,000,000 or more.....	80	1,188,900	73	1,051,046	80	1,474,322	40	276,668	31	309,632
Nonoperating foundations, total	22,995	2,458,286	23,278	2,397,587	23,555	4,872,483	6,525	663,503	15,585	4,857,481
Zero, negative or unreported.....	*484	*796	*484	*787	*1,073	*6,495	—	—	*631	*6,399
\$1 under \$100,000.....	9,996	20,586	10,291	24,092	9,954	415,276	2,652	4,724	6,713	1,463,538
\$100,000 under \$1,000,000.....	8,451	138,174	8,451	134,791	8,451	455,690	2,189	29,350	6,009	852,021
\$1,000,000 under \$10,000,000.....	3,325	466,465	3,315	460,368	3,326	1,204,782	1,354	135,379	1,857	1,273,912
\$10,000,000 under \$25,000,000.....	453	299,069	433	291,771	455	633,950	196	86,153	223	494,538
\$25,000,000 under \$50,000,000.....	139	219,865	138	212,690	140	364,203	59	59,800	80	211,911
\$50,000,000 under \$100,000,000.....	74	225,881	74	222,042	74	457,964	35	71,428	40	245,530
\$100,000,000 or more.....	73	1,087,450	73	1,051,046	73	1,334,123	40	276,668	31	309,632
Operating foundations, total	1,793	200,206	N/A	N/A	2,874	657,282	N/A	N/A	N/A	N/A
Zero, negative or unreported.....	—	—	N/A	N/A	—	—	N/A	N/A	N/A	N/A
\$1 under \$100,000.....	*1,031	*2,184	N/A	N/A	1,915	33,882	N/A	N/A	N/A	N/A
\$100,000 under \$1,000,000.....	421	5,438	N/A	N/A	463	27,217	N/A	N/A	N/A	N/A
\$1,000,000 under \$10,000,000.....	281	35,589	N/A	N/A	425	277,096	N/A	N/A	N/A	N/A
\$10,000,000 under \$25,000,000.....	26	13,144	N/A	N/A	34	63,115	N/A	N/A	N/A	N/A
\$25,000,000 under \$50,000,000.....	17	22,707	N/A	N/A	19	65,524	N/A	N/A	N/A	N/A
\$50,000,000 under \$100,000,000.....	9	19,695	N/A	N/A	10	50,248	N/A	N/A	N/A	N/A
\$100,000,000 or more.....	7	101,450	N/A	N/A	7	140,199	N/A	N/A	N/A	N/A
Grantmaking foundations, total	22,235	2,575,722	21,347	2,382,725	23,263	5,113,738	5,754	658,464	14,918	4,800,748
Zero, negative or unreported.....	*442	*39	*442	*39	*884	*5,900	—	—	*589	*5,340
\$1 under \$100,000.....	9,217	21,033	8,775	22,936	9,659	410,125	2,062	4,303	6,229	1,458,272
\$100,000 under \$1,000,000.....	8,451	137,215	8,114	129,224	8,535	477,368	2,021	25,964	5,883	845,841
\$1,000,000 under \$10,000,000.....	3,368	469,337	3,284	457,056	3,419	1,251,174	1,344	135,246	1,846	1,269,177
\$10,000,000 under \$25,000,000.....	455	301,811	448	289,660	461	648,450	194	85,611	219	455,046
\$25,000,000 under \$50,000,000.....	148	231,308	137	210,723	150	389,429	58	59,244	80	211,911
\$50,000,000 under \$100,000,000.....	78	237,124	74	222,042	78	476,720	35	71,428	40	245,530
\$100,000,000 or more.....	77	1,177,856	73	1,051,046	77	1,454,571	40	276,668	31	309,632
Grantmaking-nonoperating foundations, total	21,359	2,443,838	21,347	2,382,725	22,001	4,830,312	5,754	658,464	14,918	4,800,748
Zero, negative or unreported.....	*442	*39	*442	*39	*884	*5,900	—	—	*589	*5,340
\$1 under \$100,000.....	8,775	19,403	8,775	22,936	8,923	405,803	2,062	4,303	6,229	1,458,272
\$100,000 under \$1,000,000.....	8,114	133,278	8,114	129,224	8,156	452,518	2,021	25,964	5,883	845,841
\$1,000,000 under \$10,000,000.....	3,294	463,091	3,284	457,056	3,305	1,198,803	1,344	135,246	1,846	1,269,177
\$10,000,000 under \$25,000,000.....	448	296,837	448	289,660	448	612,609	194	85,611	219	455,046
\$25,000,000 under \$50,000,000.....	138	217,859	137	210,723	139	362,792	58	59,244	80	211,911
\$50,000,000 under \$100,000,000.....	74	225,881	74	222,042	74	457,964	35	71,428	40	245,530
\$100,000,000 or more.....	73	1,087,450	73	1,051,046	73	1,334,123	40	276,668	31	309,632
Nongrantmaking-nonoperating foundations, total	1,636	14,446	1,931	14,862	1,554	42,171	771	5,039	667	56,733
Zero, negative or unreported.....	*42	*757	*42	*748	*189	*594	—	—	*42	*1,059
\$1 under \$100,000.....	*1,221	*1,183	1,515	1,155	*1,031	*9,472	*589	*421	*484	*5,286
\$100,000 under \$1,000,000.....	*337	*4,895	*337	*5,567	*295	*3,173	*168	*3,386	*126	*6,180
\$1,000,000 under \$10,000,000.....	*31	*3,373	*31	*3,312	*31	*6,178	*10	*134	*10	*4,735
\$10,000,000 under \$25,000,000.....	5	2,232	5	2,111	7	21,341	2	542	4	39,493
\$25,000,000 under \$50,000,000.....	1	2,006	1	1,967	1	1,412	1	556	—	—
\$50,000,000 under \$100,000,000.....	—	—	—	—	—	—	—	—	—	—
\$100,000,000 or more.....	—	—	—	—	—	—	—	—	—	—

N/A - Not applicable.
 *Estimate should be used with caution because of the small number of sample returns on which it is based.
 †Less than \$500.
 NOTE: Detail may not add to total because of rounding.

Private Foundation Information Returns, 1982

Table 2. — All Foundations: Balance Sheets and Income Statements, by Size of Total Book Value of Assets

[Money amounts are in thousands of dollars]

Item	Total	Size of total book value of assets							
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Number of returns	28,468	*884	13,700	9,683	3,567	371	136	74	53
Total assets (Book value)	48,227,043	—	391,663	3,324,798	11,153,659	5,848,437	4,761,337	5,154,433	17,592,715
Cash, total.....	4,643,217	—	161,456	816,874	1,543,708	642,341	424,159	400,596	654,083
Non-interest bearing accounts.....	490,462	—	44,544	169,370	163,021	44,253	20,256	23,482	26,535
Savings and temporary cash investments.....	4,152,755	—	116,913	648,504	1,380,687	598,088	403,901	377,114	627,548
Accounts receivable, net.....	247,814	—	*11,036	9,915	45,905	43,898	14,821	34,188	94,050
Pledges receivable, net.....	14,853	—	—	*3,125	*1,725	10,000	2	—	—
Grants receivable.....	43,003	—	—	*3,158	*35,184	1,877	21	—	2,763
Receivables due from disqualified persons.....	60,609	—	*7,730	*1,376	*12,895	23,603	1	—	15,006
Other notes and loans receivable, net.....	560,221	—	*3,911	46,110	268,746	116,985	39,931	63,727	20,812
Inventories.....	33,909	—	—	*6,755	10,614	12,332	2,853	279	1,076
Prepaid expenses and deferred charges.....	23,287	—	—	*668	3,047	13,936	2,477	627	2,532
Investments, total.....	40,290,739	—	176,114	2,344,450	8,442,056	4,640,174	4,000,886	4,357,884	16,329,176
Securities.....	37,418,071	—	142,955	1,963,647	7,564,220	4,271,492	3,513,521	4,123,578	15,838,658
Land, buildings, and equipment (Less accumulated depreciation).....	733,440	—	*3,827	83,457	183,039	130,591	145,478	31,688	155,361
Mortgage loans.....	392,490	—	*9,006	*17,138	100,333	56,877	38,822	36,822	135,027
Other investments.....	1,746,738	—	*20,326	280,208	594,464	181,214	303,065	167,331	200,131
Charitable-purpose land, buildings, and equipment (Less accumulated depreciation).....	1,125,326	—	*21,610	63,627	478,620	185,961	133,435	106,613	135,460
Other assets.....	1,184,067	—	9,807	34,742	311,159	157,330	142,751	190,520	337,757
Total liabilities	2,593,918	—	224,373	69,152	449,373	243,807	288,827	305,975	1,012,412
Accounts payable and accrued expenses.....	423,918	—	12,191	13,468	47,871	19,480	101,648	28,306	200,952
Grants payable.....	1,264,317	—	*196,053	*11,221	83,974	73,343	78,229	164,644	656,852
Support and revenue held for future periods.....	73,222	—	—	*3,808	*38,900	11,584	11,425	7,506	—
Loans from officers, directors, trustees, etc.....	*6,479	—	—	*1,109	*2,041	2,160	—	1,169	—
Mortgages and other notes payable.....	418,791	—	*1,131	*15,581	160,381	55,819	80,624	76,667	28,587
Other liabilities.....	407,191	—	*14,997	23,965	116,204	81,421	16,901	27,682	126,020
Net worth	45,633,125	—	167,290	3,255,646	10,704,286	5,604,630	4,472,511	4,848,458	16,580,304
Total receipts	9,126,529	*1,013	267,211	873,963	2,076,409	1,068,363	925,567	1,157,087	2,756,916
Contributions, gifts, and grants received.....	2,679,359	*935	220,893	456,347	648,559	342,829	236,746	565,056	207,995
Membership dues and assessments.....	24,482	*58	*494	*4,323	13,583	5,893	132	—	—
Interest on savings and temporary cash investments.....	799,713	*20	27,096	85,901	250,788	117,118	103,443	73,261	142,085
Dividends and interest from securities.....	2,970,206	—	15,168	191,479	655,296	382,674	347,350	294,187	1,084,051
Gross rents.....	181,971	—	*775	31,138	60,233	27,316	29,413	11,995	21,101
Net gain (or loss) from sale of assets.....	1,783,651	—	*959	56,517	301,431	145,103	132,089	178,821	968,751
Gross profit from business activities.....	113,222	—	—	*10,713	79,415	16,664	1,201	253	4,975
Other income.....	573,924	—	1,826	37,544	67,105	30,765	75,214	33,513	327,957
Total deductions	5,834,328	*1,411	459,720	717,455	1,489,615	769,213	634,432	415,888	1,346,594
Contributions, gifts, and grants paid.....	4,477,761	*1,118	417,074	584,416	1,101,782	598,934	488,766	304,541	981,129
Compensation of officers.....	105,365	*4	*767	8,272	36,305	15,587	10,798	10,514	23,119
Other salaries and wages.....	254,176	*56	—	35,243	90,826	35,395	19,595	20,771	52,290
Pension plans, employee benefits.....	50,572	—	*8	*5,481	10,816	6,437	4,758	5,342	17,730
Investment, legal and other professional services.....	144,007	*4	3,987	13,038	45,951	18,793	14,549	13,046	34,638
Interest.....	35,859	—	*151	1,334	14,096	6,997	2,757	7,648	2,876
Taxes.....	177,208	—	769	9,086	40,251	25,794	32,574	19,233	49,501
Depreciation and depletion.....	51,080	—	*1,627	4,111	18,062	8,118	9,795	4,948	4,418
Occupancy.....	33,411	—	*1,923	*3,372	9,380	3,781	2,887	3,343	8,727
Other expenses.....	504,889	*229	33,415	53,103	122,145	49,377	47,953	26,502	172,165
Net income (less deficit)	3,292,200	*-397	-192,510	156,508	586,794	299,150	291,135	741,199	1,410,323
Net income.....	4,274,832	*1	41,920	296,080	772,941	402,368	362,806	778,688	1,620,028
Deficit.....	982,631	*398	234,430	139,573	186,147	103,218	71,671	37,489	209,706
Total assets (fair market value)	62,886,606	—	409,055	3,839,783	13,891,391	8,052,683	6,949,015	6,800,151	22,944,528
Selected fair market value assets:									
Cash, total.....	4,597,266	—	160,188	808,172	1,530,035	638,609	400,436	406,378	653,449
Investments in securities.....	49,822,624	—	173,432	2,342,702	9,600,908	6,174,613	5,464,150	5,329,804	20,737,016
Investment-purpose land, buildings, and equipment (Less accumulated depreciation).....	1,512,375	—	*3,827	108,412	513,696	262,340	208,233	86,411	329,455
Charitable-purpose land, buildings and equipment (Less accumulated depreciation).....	1,491,368	—	*21,167	119,963	583,085	244,341	247,562	126,051	149,199
Beginning of year assets (book value), total	43,181,895	*398	578,248	3,139,067	10,225,418	5,448,507	4,305,161	4,303,934	15,181,162
Selected beginning of year assets:									
Investments in securities.....	31,673,360	—	142,686	1,948,726	6,838,747	3,998,511	3,135,425	3,239,446	12,369,819
Investment-purpose land, buildings, and equipment (Less accumulated depreciation).....	712,059	—	*7,355	81,291	167,487	142,090	137,658	25,452	150,726

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

†Less than \$500.

NOTE: Detail may not add to total because of rounding.

Table 3.—All Foundations: Balance Sheets and Income Statements, by Size of Total Fair Market Value of Assets

[Money amounts are in thousands of dollars]

Item	Total	Size of total fair market value of assets							
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Number of returns	28,468	1,515	13,237	9,125	3,771	493	162	85	80
Total assets (Book value)	48,227,043	*6,107	408,901	2,981,006	10,096,084	5,967,814	4,751,234	4,639,926	19,375,972
Cash, total	4,643,217	*2,218	161,414	726,422	1,528,103	622,003	453,605	386,393	763,060
Non-interest bearing accounts	490,462	*2,031	43,745	134,537	187,276	36,558	29,826	26,011	30,477
Savings and temporary cash investments	4,152,755	*187	117,669	591,885	1,340,827	585,445	423,779	360,382	732,583
Accounts receivable, net	247,814	—	*11,036	2,883	37,616	39,272	25,795	32,076	99,136
Pledges receivable, net	14,853	—	—	*3,125	*1,725	10,000	2	—	—
Grants receivable	43,003	—	—	—	*38,341	1,823	75	—	2,783
Receivables due from disqualified persons	60,609	—	*7,730	*1,376	*12,895	23,603	1	—	15,006
Other notes and loans receivable, net	560,221	—	*3,911	46,110	268,493	92,808	44,308	57,020	47,570
Inventories	33,909	—	—	*6,755	10,623	12,233	2,761	291	1,245
Prepaid expenses and deferred charges	23,287	—	—	*17	3,337	13,887	2,839	506	2,701
Investments, total	40,290,739	*3,814	190,967	2,111,743	7,441,897	4,809,809	3,987,095	3,943,535	17,801,878
Securities	37,418,071	*3,814	155,798	1,770,325	6,579,417	4,466,902	3,534,173	3,652,311	17,255,330
Land, buildings, and equipment (Less accumulated depreciation)	733,440	—	*3,827	77,984	170,751	128,087	136,416	46,564	169,812
Mortgage loans	392,490	—	*9,006	*17,070	100,167	40,328	47,713	35,299	142,906
Other investments	1,746,738	—	22,337	246,363	591,562	174,493	268,794	209,360	233,830
Charitable-purpose land, buildings and equipment (Less accumulated depreciation)	1,125,326	*75	*24,037	60,841	446,181	181,203	139,197	108,836	164,955
Other assets	1,184,067	(*)	9,807	21,734	306,872	161,173	95,554	111,269	477,658
Total liabilities	2,593,918	*20	224,354	60,120	437,728	218,052	223,281	381,357	1,049,008
Accounts payable and accrued expenses	423,918	*20	*12,172	9,031	47,155	18,578	18,611	113,472	204,879
Grants payable	1,264,317	—	196,053	*11,221	*69,741	69,532	83,261	148,122	686,387
Support and revenue held for future periods	73,222	—	—	*3,808	*38,900	17,406	5,603	7,506	—
Loans from officers, directors, trustees, etc.	6,479	—	—	*1,109	2,041	2,160	—	1,169	—
Mortgages and other notes payable	418,791	—	*1,131	*15,581	160,381	50,540	80,904	81,667	28,587
Other liabilities	407,191	—	*14,997	19,370	119,509	59,837	34,903	29,420	129,155
Net worth	45,633,125	*6,087	184,547	2,920,886	9,658,355	5,749,762	4,527,953	4,258,569	18,326,964
Total receipts	9,126,529	6,906	264,945	662,390	2,097,182	1,010,618	767,421	1,165,244	3,151,824
Contributions, gifts and grants received	2,679,359	*5,673	216,874	349,425	754,358	319,503	188,382	539,185	305,960
Membership dues and assessments	24,482	*58	*494	*1,802	*16,002	*5,895	132	—	—
Interest on savings and temporary cash investments	799,712	*276	27,282	74,813	231,696	119,536	110,388	75,703	160,019
Dividends and interest from securities	2,970,206	*413	15,332	174,098	566,829	371,605	274,475	281,222	1,286,232
Gross rents	181,971	—	—	5,776	76,398	30,613	25,951	13,043	29,414
Net gain (or loss) from sale of assets	1,783,651	*419	*959	41,700	277,832	134,837	123,135	179,007	1,025,662
Gross profit from business activities	113,222	—	—	*4,263	85,865	3,997	13,784	337	4,975
Other income	573,924	*67	3,228	10,414	88,201	24,531	31,173	76,746	339,562
Total deductions	5,834,328	6,721	458,142	524,324	1,515,561	746,510	473,535	527,937	1,581,598
Contributions, gifts, and grants paid	4,477,761	*5,630	414,534	456,305	1,088,908	594,660	342,470	390,319	1,174,935
Compensation of officers	105,365	*4	*767	7,514	33,798	14,680	10,852	10,980	26,771
Other salaries and wages	254,176	*206	—	12,421	106,598	32,096	22,608	20,294	59,953
Pension plans, employee benefits	50,572	—	*8	*1,900	13,866	4,914	4,691	5,108	20,084
Investment, legal and other professional services	144,007	*185	3,871	11,003	40,906	21,888	12,950	15,750	37,456
Interest	35,859	—	*151	1,324	13,807	6,649	2,466	8,183	3,278
Taxes	177,208	*53	920	7,615	36,925	19,247	25,149	29,174	58,126
Depreciation and depletion	51,080	—	*2,517	1,727	17,899	8,070	9,465	6,206	5,196
Occupancy	33,411	—	*1,923	*936	10,854	3,785	2,793	3,641	9,479
Other expenses	504,889	*644	33,452	23,579	142,001	40,521	40,090	38,281	186,321
Net income (less deficit)	3,292,200	*186	-193,198	138,065	581,621	264,108	293,886	637,306	1,570,226
Net income	4,274,832	*1,048	41,734	246,205	775,798	373,646	366,377	674,890	1,795,134
Deficit	982,631	*862	234,932	108,140	194,177	109,538	72,491	37,584	224,907
Total assets (fair market value)	62,886,606	—	416,696	3,262,919	11,981,973	7,543,920	5,816,852	6,035,403	27,828,843
Selected fair market value assets:									
Cash, total	4,597,266	—	161,161	718,922	1,514,107	617,710	430,765	389,131	765,469
Investments in securities	49,822,624	—	176,924	1,975,788	8,080,023	5,571,440	4,445,853	4,657,527	24,915,268
Investment-purpose land, buildings, and equipment (Less accumulated depreciation)	1,512,375	—	*3,827	99,361	329,802	338,938	254,981	88,845	396,621
Charitable-purpose land, buildings, and equipment (Less accumulated depreciation)	1,491,368	—	*22,825	75,228	562,264	225,440	213,312	212,698	179,600
Beginning of year assets (book value), total	43,181,895	*5,902	596,194	2,796,059	9,279,226	5,535,151	4,286,246	3,884,496	16,798,623
Selected beginning of year assets:									
Investments in securities	31,673,360	*3,902	153,405	1,789,958	5,889,219	4,168,101	3,192,059	2,957,995	13,518,721
Investment-purpose land, buildings, and equipment (Less accumulated depreciation)	712,059	—	*7,355	75,818	161,048	109,502	157,826	37,504	163,005

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

†Less than \$500.

NOTE: Detail may not add to total because of rounding.

Table 4. — All Foundations: Selected Balance Sheet and Income Statement Items, and Reconciliation of Net Worth, by Size of Total Fair Market Value of Assets

[Money amounts are in thousands of dollars]

Item	Total		Size of total fair market value of assets							
	Number of returns	Amount	Assets zero or unreported		\$1 under \$100,000		\$100,000 under \$1,000,000		\$1,000,000 under \$10,000,000	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All foundations, total	28,468	62,886,606	1,515	—	13,237	416,696	9,125	3,262,919	3,771	11,981,973
Foundations with—										
Total assets (Book value)	27,584	48,227,043	*631	*6,107	13,237	408,901	9,125	2,981,006	3,771	10,096,084
Selected assets:										
Cash, total.....	26,507	4,643,217	*484	*2,218	12,795	161,414	8,830	726,422	3,606	1,528,103
Investments in securities.....	16,815	37,418,071	*42	*3,814	5,535	155,798	7,104	1,770,325	3,348	6,579,417
Total liabilities	7,001	2,593,918	*147	*20	2,210	224,354	2,452	60,120	1,627	437,728
Selected liabilities:										
Contributions, gifts, and grants payable.....	1,142	1,264,317	—	—	*589	*196,053	*211	*11,221	176	69,741
Mortgages and other notes payable.....	464	418,791	—	—	*147	*1,131	*126	*15,581	155	160,381
Net worth/fund balances (end of year)	27,584	45,633,125	*631	*6,087	13,237	184,547	9,125	2,920,886	3,771	9,658,355
Reconciliation of net worth/fund balances:										
Net worth/fund balances (beginning of year).....	27,283	40,807,229	*926	*5,902	12,648	332,050	9,125	2,743,832	3,771	8,840,121
Plus:										
Net income.....	15,896	4,274,833	*337	*1,048	6,376	41,734	6,041	246,206	2,547	775,798
Other increases.....	5,170	1,818,190	—	—	2,210	52,714	1,642	57,482	1,017	259,238
Minus:										
Deficit.....	11,064	982,632	*589	*862	6,124	234,932	2,915	108,141	1,215	194,177
Other decreases.....	4,928	284,495	—	—	2,357	7,018	1,578	18,494	786	22,624
Equals:										
Net worth/fund balances (end of year).....	27,584	45,633,125	*631	*6,087	13,237	184,547	9,125	2,920,886	3,771	9,658,355
Total receipts	27,603	9,126,529	*1,368	*6,906	12,606	264,945	9,040	662,390	3,771	2,097,182
Selected receipts:										
Contributions, gifts, and grants received.....	13,222	2,679,359	*1,221	*5,673	6,376	216,874	3,621	349,425	1,670	754,358
Interest on savings and temporary cash investments.....	18,200	799,713	*337	*276	8,334	27,282	6,283	74,813	2,631	231,696
Dividends and interest from securities.....	17,389	2,970,206	*189	*413	5,787	15,332	7,356	174,098	3,276	566,829
Net capital gain.....	5,513	1,754,665	—	—	*737	*1,885	2,210	65,742	2,021	244,538
Net short-term capital gain.....	2,699	461,233	—	—	*442	*480	968	16,358	962	35,845
Total deductions	27,645	5,834,328	1,515	6,721	12,500	458,142	9,040	524,324	3,771	1,515,561
Selected deductions:										
Contributions, gifts, and grants paid.....	23,806	4,477,761	*1,031	*5,630	9,954	414,534	8,619	456,305	3,429	1,098,908
Compensation of officers.....	5,135	105,365	*147	*4	*1,178	*767	1,895	7,514	1,371	33,798
Investment, legal and other professional services.....	14,532	144,007	*337	*185	5,156	3,871	5,357	11,003	2,933	40,906
Total assets (fair market value)	26,953	62,886,606	—	—	13,237	416,696	9,125	3,262,919	3,771	11,981,973
Cash, total.....	25,829	4,597,266	—	—	12,648	161,161	8,788	718,922	3,605	1,514,107
Non-interest bearing accounts.....	19,890	549,787	—	—	9,323	47,447	7,009	134,526	2,908	190,632
Savings and temporary cash investments.....	16,904	4,047,479	—	—	7,597	113,714	6,031	584,396	2,684	1,323,476
Accounts receivable, net.....	2,781	235,831	—	—	*1,178	*8,129	600	2,882	704	32,940
Pledges receivable, net.....	*55	*20,851	—	—	—	—	*42	*3,125	*10	*1,725
Grants receivable.....	60	43,001	—	—	—	—	—	—	*52	*38,341
Receivables due from disqualified persons.....	116	35,929	—	—	—	—	*84	*1,376	*21	*41
Other notes and loans receivable, net.....	1,676	552,997	—	—	*589	*3,911	505	46,029	454	262,449
Inventories.....	287	45,106	—	—	—	—	*126	*9,844	125	10,455
Prepaid expenses and deferred charges.....	504	40,587	—	—	—	—	*126	*20,897	271	4,152
Investments, total.....	19,110	54,020,434	—	—	6,903	210,642	7,819	2,325,920	3,585	9,181,129
Securities.....	17,025	49,822,624	—	—	5,935	176,924	6,967	1,975,788	3,347	8,080,023
Land, buildings, and equipment (Less accumulated depreciation).....	1,727	1,512,375	—	—	*442	*3,827	632	99,361	467	329,802
Mortgage loans.....	1,018	418,754	—	—	*295	*8,002	*253	*53,936	382	94,362
Other investments.....	3,520	2,266,681	—	—	*1,010	*21,889	1,231	196,834	1,037	676,942
Charitable-purpose land, buildings, and equipment (Less accumulated depreciation).....	2,593	1,491,368	—	—	*779	*22,825	716	75,228	777	562,264
Other assets.....	7,447	1,803,238	—	—	3,094	10,027	2,368	58,695	1,541	374,368

Footnotes at end of table.

Table 4. — All Foundations: Selected Balance Sheet and Income Statement Items, and Reconciliation of Net Worth, by Size of Total Fair Market Value of Assets — Continued

[Money amounts are in thousands of dollars]

Item	Size of total fair market value of assets — Continued							
	\$10,000,000 under \$25,000,000		\$25,000,000 under \$50,000,000		\$50,000,000 under \$100,000,000		\$100,000,000 or more	
	Number of returns (11)	Amount (12)	Number of returns (13)	Amount (14)	Number of returns (15)	Amount (16)	Number of returns (17)	Amount (18)
All foundations, total	493	7,543,920	162	5,816,852	85	6,035,403	80	27,828,843
Foundations with —								
Total assets (Book value)	493	5,967,814	162	4,751,234	85	4,639,926	80	19,375,972
Selected assets:								
Cash, total	477	622,003	155	453,605	80	386,393	80	763,060
Investments in securities	470	4,466,902	154	3,534,173	83	3,652,311	80	17,255,330
Total liabilities	317	218,052	113	223,281	66	381,357	69	1,049,008
Selected liabilities:								
Contributions, gifts, and grants payable	67	69,532	38	83,261	20	148,122	41	686,387
Mortgages and other notes payable	19	50,540	9	80,904	9	81,667	3	28,587
Net worth/fund balances (end of year)	493	5,749,762	162	4,527,953	85	4,258,569	80	18,326,964
Reconciliation of net worth/fund balances:								
Net worth/fund balances (beginning of year)	491	5,352,350	160	4,095,532	84	3,538,428	79	15,899,015
Plus:								
Net income	341	373,646	123	366,377	71	674,890	61	1,795,134
Other increases	163	163,536	57	167,981	39	147,089	43	970,149
Minus:								
Deficit	150	109,538	38	72,491	14	37,584	19	224,907
Other decreases	115	30,233	37	29,446	27	64,254	28	112,426
Equals:								
Net worth/fund balances (end of year)	493	5,749,762	162	4,527,953	85	4,258,569	80	18,326,964
Total receipts	492	1,010,618	161	767,421	85	1,165,244	80	3,151,824
Selected receipts:								
Contributions, gifts, and grants received	197	319,503	61	188,382	41	539,185	35	305,960
Interest on savings and temporary cash investments	350	119,536	135	110,388	65	75,703	66	160,019
Dividends and interest from securities	466	371,605	153	274,475	82	281,222	80	1,286,232
Net capital gain	323	171,373	102	141,992	58	202,586	62	926,549
Net short-term capital gain	168	38,707	71	28,321	37	44,297	51	297,225
Total deductions	492	746,510	161	473,535	85	527,937	80	1,581,598
Selected deductions:								
Contributions, gifts, and grants paid	464	594,660	151	342,470	79	390,319	78	1,174,935
Compensation of officers	287	14,680	119	10,852	68	10,980	70	26,771
Investment, legal and other professional services	453	21,888	144	12,950	77	15,750	76	37,456
Total assets (fair market value)	493	7,543,920	162	5,816,852	85	6,035,403	80	27,828,843
Cash, total	475	617,710	155	430,765	79	389,131	79	765,469
Non-interest bearing accounts	387	36,254	129	78,475	69	31,767	65	30,686
Savings and temporary cash investments	360	581,456	112	352,289	56	357,364	64	734,783
Accounts receivable, net	173	35,907	63	26,205	30	32,102	33	97,667
Pledges receivable, net	1	10,000	—	—	1	3,000	1	3,000
Grants receivable	4	1,821	3	75	—	—	1	2,763
Receivables due from disqualified persons	5	19,505	1	1	—	—	5	15,006
Other notes and loans receivable, net	65	97,013	31	43,614	17	53,579	15	46,402
Inventories	12	19,814	13	3,140	6	312	5	1,540
Prepaid expenses and deferred charges	51	10,724	25	2,836	17	493	14	1,484
Investments, total	478	6,278,018	161	5,042,504	84	5,062,360	80	25,919,860
Securities	461	5,571,440	155	4,445,653	81	4,657,527	80	24,915,268
Land, buildings, and equipment (Less accumulated depreciation)	88	338,938	43	254,981	26	88,845	30	396,621
Mortgage loans	43	38,121	24	49,206	13	35,299	8	139,826
Other investments	139	329,520	49	292,663	26	280,689	27	468,145
Charitable-purpose land, buildings, and equipment (Less accumulated depreciation)	164	225,440	71	213,312	49	212,698	38	179,600
Other assets	233	227,968	98	54,399	57	281,728	57	796,052

*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 because of rounding.

Private Foundation Information Returns, 1982

Table 5. — Nonoperating Foundations: Minimum Investment Return, Distributable Amount, Qualifying Distributions, and Undistributed Income, by Size of Total Assets not Held for Charitable Purposes

[Money amounts are in thousands of dollars]

Item	Total		Size of total assets not held for charitable purposes							
	Number of returns	Amount	Assets zero or unreported		\$1 under \$100,000		\$100,000 under \$1,000,000		\$1,000,000 under \$10,000,000	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Nonoperating foundation returns, total	25,363	50,028,879	2,365	—	10,439	325,654	8,638	2,948,807	3,229	9,824,368
Computation of minimum investment return:										
Fair market value of assets not used directly in carrying out charitable purposes, total.....	22,998	50,028,879	—	—	10,439	325,654	8,638	2,948,807	3,229	9,824,368
Minus:										
Acquisition indebtedness.....	271	106,805	—	—	—	—	*126	*386	115	40,918
Cash held for charitable purposes.....	22,941	748,377	—	—	10,439	4,893	8,596	43,971	3,217	147,581
Equals: Base for computing minimum investment return.....	22,995	49,173,693	—	—	10,439	320,759	8,638	2,904,448	3,227	9,635,868
Minimum investment return (5% of base)¹.....	22,995	2,458,286	—	—	10,439	15,958	8,638	145,222	3,227	481,793
Computation of distributable amount for 1982:										
Minimum investment return.....	22,995	2,458,286	—	—	10,439	15,958	8,638	145,222	3,227	481,793
Minus:										
Tax on investment income.....	20,951	101,962	—	—	8,586	587	8,470	6,236	3,207	20,765
Income tax under subtitle A.....	173	3,688	—	—	—	—	*137	*592	*21	*82
Equals: Distributable amount before adjustments.....	22,994	2,352,636	—	—	10,439	15,370	8,638	138,392	3,227	460,946
Net adjustments.....	1,205	44,953	—	—	*631	*4,281	*379	*5,238	147	12,570
Positive adjustments.....	982	47,252	—	—	*589	*4,299	*253	*5,297	96	14,667
Negative adjustments.....	223	2,299	—	—	*42	*18	*126	*59	*52	*2,098
Distributable amount, adjusted.....	22,983	2,397,588	—	—	10,439	19,651	8,638	143,631	3,217	473,515
Total qualifying distributions.....	23,555	4,872,483	1,273	53,531	9,808	72,838	8,554	833,753	3,229	1,175,376
Disbursements for charitable purposes.....	23,555	4,868,652	1,273	53,531	9,808	72,838	8,554	818,114	3,229	1,145,479
Program-related investments.....	126	49,442	—	—	—	—	*52	*7,787	*53	*15,718
Amounts paid to acquire charitable-use assets.....	376	55,284	—	—	—	—	*242	*7,854	69	14,076
Amounts set aside for charitable projects:										
Under the suitability test.....	*153	*24,878	—	—	*147	(²)	—	—	—	—
Under the cash distribution test.....	*13	*78,228	—	—	—	—	—	—	*10	*104
Undistributed income for 1982.....	6,525	663,503	—	—	2,631	4,422	2,273	30,841	1,308	136,145
Excess distributions carryover to 1983.....	15,585	4,857,481	*452	*144,204	6,693	150,118	6,281	2,053,832	1,794	1,298,353

Item	Size of total assets not held for charitable purposes — Continued							
	\$10,000,000 under \$25,000,000		\$25,000,000 under \$50,000,000		\$50,000,000 under \$100,000,000		\$100,000,000 or more	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Nonoperating foundation returns, total	434	6,353,042	128	4,614,035	66	4,666,254	64	21,296,720
Computation of minimum investment return:								
Fair market value of assets not used directly in carrying out charitable purposes, total.....	434	6,353,042	128	4,614,035	66	4,666,254	64	21,296,720
Minus:								
Acquisition indebtedness.....	16	12,639	7	40,333	2	4,322	4	8,209
Cash held for charitable purposes.....	433	95,413	126	68,070	66	69,122	64	319,327
Equals: Base for computing minimum investment return.....	434	6,244,990	127	4,505,633	66	4,592,811	64	20,969,183
Minimum investment return (5% of base)¹.....	434	311,932	127	225,282	66	229,641	64	1,048,460
Computation of distributable amount for 1982:								
Minimum investment return.....	434	311,932	127	225,282	66	229,641	64	1,048,460
Minus:								
Tax on investment income.....	433	12,411	126	10,149	66	11,332	64	40,483
Income tax under subtitle A.....	6	329	5	1,718	—	—	5	968
Equals: Distributable amount before adjustments.....	434	299,192	126	213,414	66	218,308	64	1,007,009
Net adjustments.....	25	5,611	9	3,204	8	11,056	5	2,993
Positive adjustments.....	24	5,612	8	3,232	7	11,152	5	2,993
Negative adjustments.....	1	(²)	1	27	1	96	—	—
Distributable amount, adjusted.....	434	304,803	126	216,619	66	229,364	64	1,010,002
Total qualifying distributions.....	434	605,662	128	406,967	66	434,065	64	1,290,290
Disbursements for charitable purposes.....	434	603,050	128	400,363	66	427,834	64	1,145,444
Program-related investments.....	4	380	4	736	1	14	12	24,807
Amounts paid to acquire charitable-use assets.....	23	2,240	10	3,302	10	6,217	22	21,595
Amounts set aside for charitable projects:								
Under the suitability test.....	2	167	1	2,567	1	(²)	2	22,144
Under the cash distribution test.....	1	-175	—	—	—	—	2	76,300
Undistributed income for 1982.....	190	91,000	56	63,708	32	67,714	36	269,671
Excess distributions carryover to 1983.....	232	469,002	72	247,102	34	231,350	26	263,520

*Estimate should be used with caution because of the small number of sample returns on which it is based.
¹A computation using less than 5 percent is allowed on returns covering an accounting period of less than one year.
²Indicates amount between -\$500 and +\$500.
 NOTE: Detail may not add to total because of rounding.

Table 6. — All Foundations With Total Book Value of Assets of \$10 Million or More—Summary: Number of Foundations; Total Book Value and Fair Market Value of Assets; Contributions, Gifts, and Grants Received; and Contributions, Gifts, and Grants Paid; by State

[Money amounts are in thousands of dollars]

State	Total assets		Contributions, gifts and grants											
	Number of returns	Percent	Book value			Fair market value			Received			Paid		
			Number of returns	Amount	Percent	Number of returns	Amount	Percent	Number of returns	Amount	Percent	Number of returns	Amount	Percent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
United States, total	620	100.0	620	32,825,180	100.0	620	43,547,780	100.0	262	1,352,453	100.0	583	2,254,342	100.0
Alabama	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Arizona	2	0.3	2	60,054	0.2	2	60,057	0.1	1	24,924	1.8	2	2,134	0.1
Arkansas	2	0.3	2	30,885	0.1	2	36,374	0.1	1	3,500	0.3	2	2,114	0.1
California	61	9.8	61	4,952,662	15.1	61	5,779,338	13.3	27	177,807	13.1	59	236,096	10.5
Colorado	8	1.3	8	320,137	1.0	8	427,010	1.0	3	2,851	0.2	7	20,423	0.9
Connecticut	14	2.3	14	422,400	1.3	14	546,211	1.3	9	5,135	0.4	12	53,478	2.4
Delaware	13	2.1	13	453,944	1.4	13	603,736	1.4	2	43,055	3.2	13	28,811	1.3
Florida	14	2.3	14	405,056	1.2	14	444,128	1.0	4	8,764	0.6	11	18,738	0.8
Georgia	10	1.6	10	256,769	0.8	10	411,350	0.9	1	9,122	0.7	10	21,267	0.9
Hawaii	3	0.5	3	55,453	0.2	3	78,874	0.2	—	—	—	3	6,991	0.3
Idaho	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Illinois	29	4.7	29	1,712,889	5.2	29	2,985,740	6.9	14	44,993	3.3	24	142,841	6.3
Indiana	11	1.8	11	369,107	1.1	11	894,399	2.3	4	10,498	0.8	10	63,217	2.8
Iowa	2	0.3	2	41,204	0.1	2	42,636	0.1	1	10,890	0.8	2	2,779	0.1
Kansas	2	0.3	2	29,783	0.1	2	36,013	0.1	1	17,036	1.3	2	1,502	0.1
Kentucky	1	0.2	1	135,689	0.4	1	135,592	0.3	—	—	—	1	6,381	0.3
Louisiana	6	1.0	6	100,791	0.3	6	161,744	0.4	3	12,440	0.9	4	2,773	0.1
Maine	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Maryland (includes D.C.)	19	3.1	19	422,855	1.3	19	658,395	1.5	10	11,653	0.9	16	26,542	1.2
Massachusetts	11	1.8	11	223,189	0.7	11	319,517	0.7	5	740	0.1	8	11,914	0.5
Michigan	16	2.6	16	1,386,717	4.2	16	1,789,727	4.1	7	84,189	6.2	15	138,180	6.1
Minnesota	18	2.9	18	1,376,942	4.2	18	1,383,744	3.2	9	16,350	1.2	16	81,974	3.6
Mississippi	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Missouri	15	2.4	15	373,378	1.1	15	531,265	1.2	6	19,404	1.4	14	39,175	1.7
Montana	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nebraska	4	0.6	4	102,934	0.3	4	121,816	0.3	3	1,451	0.1	3	5,509	0.2
Nevada	1	0.2	1	22,168	0.1	1	24,257	0.1	1	301	(¹)	1	1,473	0.1
New Hampshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
New Jersey	19	3.1	19	1,093,896	3.3	19	1,985,558	4.6	9	3,914	0.3	17	40,770	1.8
New Mexico	1	0.2	1	26,957	0.1	1	27,194	0.1	—	—	—	—	—	—
New York	159	25.6	159	11,249,493	34.3	159	13,296,293	30.5	69	307,950	22.8	156	588,363	26.1
North Carolina	8	1.3	8	454,026	1.4	8	752,272	1.7	3	532	(¹)	8	53,442	2.4
North Dakota	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ohio	30	4.8	30	669,772	2.0	30	860,265	2.0	12	29,289	2.2	29	56,613	2.5
Oklahoma	12	1.9	12	493,592	1.5	12	1,046,549	2.4	8	13,549	1.0	12	39,491	1.8
Oregon	3	0.5	3	194,057	0.6	3	205,249	0.5	1	120,201	8.9	3	4,710	0.2
Pennsylvania	34	5.5	34	1,950,842	5.9	34	3,108,441	7.1	10	84,619	6.3	33	204,164	9.1
Rhode Island	2	0.3	2	26,291	0.1	2	26,023	0.1	1	1	(¹)	2	1,554	0.1
South Carolina	3	0.5	3	47,653	0.1	3	50,300	0.1	1	10	(¹)	3	3,390	0.2
South Dakota	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Tennessee	6	1.0	6	246,741	0.8	6	301,542	0.7	3	48,857	3.6	6	18,063	0.8
Texas	58	9.4	58	2,387,084	7.3	58	3,512,282	8.1	28	223,527	16.5	57	280,049	12.7
Utah	2	0.3	2	39,672	0.1	2	42,312	0.1	—	—	—	2	3,667	0.2
Vermont	1	0.2	1	24,203	0.1	1	25,521	0.1	—	—	—	—	231	(¹)
Virginia	5	0.8	5	179,059	0.5	5	190,394	0.4	1	10	(¹)	5	9,400	0.4
Washington	8	1.3	8	250,930	0.8	8	280,208	0.6	2	8,736	0.6	7	14,968	0.7
West Virginia	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Wisconsin	7	1.1	7	235,908	0.7	7	265,452	0.6	2	6,154	0.5	7	15,056	0.7
Wyoming	—	—	—	—	—	—	—	—	—	—	—	—	—	—
All others	14	N/A	14	531,743	N/A	14	1,188,596	N/A	4	173	N/A	8	37,482	N/A

N/A — Not applicable.

¹Less than .05 percent.

NOTE: Detail may not add to total because of rounding.