

Private Foundation and Charitable Trust Statistics, 1989

Data Release

Pivate foundations experienced a strong year for 1989 as both total revenues and total assets increased markedly from 1988. Total foundation revenues increased by 22 percent, to \$19.9 billion, thereby reversing the trend of declining revenues from 1986 to 1988. Increasing revenues resulted largely from significant increases in the amount of contributions received, 32 percent, and net gains from sales of assets, 30 percent. Decreases in these two items contributed to the declining revenues for the 2 previous years. Total foundation assets increased from 1988 to 1989 at the highest annual rate of the past decade, 18 percent, to \$151.7 billion. Assisted by a relatively strong stock market in 1989, the value of investments in securities, which represented 80 percent of total assets, increased by 22 percent. Likewise, foundations realized rates of total return on assets that increased from the 1988 rates of return [1]. The very largest foundations, those holding \$100 million or more in assets, realized a rate of return of 12.7 percent.

Foundations maintained relatively consistent levels of charitable giving for 1989, with the amount of their contributions and grants increasing by 10 percent over 1988, to \$8.1 billion. Likewise, foundation payout rates remained relatively constant as well, ranging from 10.9 percent for the very smallest to 5.0 percent for the very largest foundations. (The term, "payout rate," refers to the amount of a foundation's charitable distributions, plus or minus certain allowable adjustments, divided by its net investment assets. Since 1982, the required annual payout requirement has been set at 5.0 percent.)

Charitable Trusts

For the first time since 1979, Statistics of Income has collected and published data on charitable trusts included under Internal Revenue Code section 4947(a)(1). These trusts have exclusively charitable interests. They currently file the Form 990-PF, *Return of Private Foundation*.

Other charitable trusts, which receive the majority of their support from public, rather than private sources, file the Form 990, *Return of Organization Exempt from Income Tax*. And, split-interest trusts, which have both charitable and noncharitable beneficiaries, file the Form 5227, *Split-Interest Trust Information Return*. The trusts examined here, like private foundations, are considered tax-exempt organizations and are subject to the same charitable distribution and excise tax requirements as foundations. However, they are not required to formally apply for tax-exemption with the Internal Revenue Service.

For 1989, there were over 2,600 charitable trusts filing Form 990-PF. They held \$2.9 billion in total assets and realized \$404.6 million in total revenues. The trusts, which paid out charitable dollars at a slightly lower rate than the foundations, distributed a total of \$143.7 million in contributions and grants for 1989. From 1979 to 1989 the number of charitable trusts filing Form 990-PF increased by over 25 percent. On a book value basis, total assets increased by over 50 percent in constant dollars from 1979 to 1989, approximately half the rate of increase in private foundation assets over the same time period.

Summary Statistics

Tables 1 and 2 provide summary statistics for 1989 for both private foundations and charitable trusts. The data are separated to show the different sizes of foundations (and trusts), grouped by fair market value of assets. More extensive data and analyses will be included in the upcoming article, "Private Foundations and Charitable Trusts, 1989," by Alicia Meckstroth. The article will be included in a later issue of the *Statistics of Income Bulletin*.

Notes and References

[1] Rates of total return take into account both realized and unrealized gains on investments.

This data release was written by Alicia Meckstroth, an economist with the Foreign Special Projects Section, under the direction of Michael Alexander, Chief.

Private Foundation and Charitable Trust Statistics, 1989

Table 1.—All Private Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Item	Total	Size of fair market value of total assets			
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000
	(1)	(2)	(3)	(4)	(5)
Number of returns.....	38,773	946	14,352	14,799	7,049
Total assets (book value).....	118,202,994	*62,466	476,009	4,982,084	18,081,031
Cash, total.....	13,496,423	*48,822	249,857	1,525,192	3,379,093
Non-interest bearing accounts.....	1,230,791	*35	64,128	287,955	438,837
Savings and temporary cash investments.....	12,265,632	*48,787	185,729	1,257,237	2,940,256
Accounts receivable, net.....	618,639	--	4,026	23,786	89,578
Pledges receivable, net.....	130,630	--	--	*27,194	26,272
Grants receivable.....	47,059	--	--	*5,516	*15,028
Receivables due from disqualified persons.....	118,490	--	*3,023	*5,909	45,763
Other notes and loans receivable.....	891,024	*38	5,070	96,497	230,948
Inventories.....	83,416	--	*1,247	*12,909	4,715
Prepaid expenses and deferred charges.....	111,387	*6,000	945	6,728	14,980
Investments (non-cash), total.....	96,814,483	*5,655	194,997	3,060,828	13,389,373
Securities.....	89,777,246	*5,655	181,817	2,767,526	12,398,927
Land, buildings and equipment (less accumulated depreciation).....	2,410,339	--	*2,739	101,776	369,134
Mortgage loans.....	449,201	--	*3,799	60,093	155,064
Other investments.....	4,177,697	--	6,643	131,433	466,247
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	2,212,993	--	8,711	161,778	609,068
Other assets.....	1,678,447	*1,950	8,132	55,745	276,212
Total liabilities.....	4,360,399	105,924	41,906	102,469	561,353
Net worth.....	111,842,594	-43,458	434,103	4,879,614	17,519,678
Total revenue.....	19,916,920	136,027	330,392	1,272,296	4,165,432
Contributions, gifts and grants received.....	6,936,870	135,100	276,419	763,946	2,125,079
Interest on savings and temporary cash investments.....	1,455,676	843	17,079	124,108	321,298
Dividends and interest from securities.....	5,969,519	*272	13,855	220,056	884,010
Gross rents.....	203,827	--	*1,044	13,018	54,004
Net gain (less loss) from sale of assets.....	4,738,242	*419	10,765	128,612	662,770
Gross profit (less loss) from business activities.....	64,602	--	2,340	4,009	12,369
Other income.....	548,179	*230	8,889	18,545	125,899
Total expenses.....	10,734,604	159,420	343,434	885,351	2,141,205
Contributions, gifts and grants paid.....	8,481,867	158,866	285,936	701,678	1,688,000
Compensation of officers.....	217,404	*455	4,099	16,213	51,349
Other salaries and wages.....	420,678	*53	9,023	46,828	78,374
Pension plans and employee benefits.....	110,998	--	714	4,060	11,586
Legal fees.....	67,323	528	1,907	9,415	18,448
Accounting fees.....	53,484	375	3,499	10,297	17,619
Other professional fees.....	304,809	*117	5,564	11,253	48,250
Interest.....	52,659	*1	298	4,216	19,761
Taxes.....	221,145	83	1,600	13,538	42,083
Depreciation and depletion.....	103,465	--	849	6,732	22,994
Occupancy.....	121,679	*192	3,778	14,163	22,237
Travel, conferences and meetings.....	58,529	*50	4,669	3,452	8,140
Printing and publications.....	32,780	28	3,170	1,928	5,419
Other expenses.....	487,779	670	18,327	41,575	106,944
Excess of revenue (less loss) over expenses.....	9,182,315	-23,392	-13,043	386,945	2,024,226
Excess of revenue.....	10,344,434	*46	66,407	567,730	2,300,422
Loss.....	1,162,120	23,438	79,450	180,785	276,196
Total assets (fair market value).....	151,694,261	--	455,836	5,500,624	21,242,400
Cash, total.....	13,464,610	--	249,685	1,528,516	3,383,919
Non-interest bearing accounts.....	1,239,869	--	63,947	274,118	441,780
Savings and temporary cash investments.....	12,224,741	--	185,738	1,254,398	2,942,139
Accounts receivable, net.....	635,050	--	4,026	23,623	99,955
Pledges receivable, net.....	130,151	--	--	*27,194	*25,344
Grants receivable.....	47,059	--	--	*5,516	*15,028
Receivables due from disqualified persons.....	128,348	--	*2,672	*5,909	54,941
Other notes and loans receivable.....	952,477	--	5,070	95,910	229,007
Inventories.....	84,253	--	*881	*13,867	4,720
Prepaid expenses and deferred charges.....	152,162	--	937	7,261	14,949
Investments (non-cash), total.....	130,420,912	--	173,772	3,547,169	16,255,286
Securities.....	121,393,974	--	160,407	3,207,334	15,067,879
Land, buildings and equipment (less accumulated depreciation).....	3,296,273	--	*2,456	123,002	510,337
Mortgage loans.....	458,691	--	*3,157	60,093	169,339
Other investments.....	5,271,974	--	7,752	156,740	507,731
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	2,856,022	--	9,254	178,049	800,900
Other assets.....	2,823,217	--	9,539	67,609	357,991
Total beginning-of-year assets (book value).....	105,953,876	29,031	496,440	4,605,854	16,112,783
Investments in securities, beginning of year (book value).....	81,164,570	*14,285	202,409	2,515,179	10,971,214

Footnotes at end of table.

Private Foundation and Charitable Trust Statistics, 1989

Table 1.—All Private Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets—Continued

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Item	Size of fair market value of total 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
	(6)	(7)	(8)	(9)
Number of returns.....	912	329	196	189
Total assets (book value).....	11,650,413	9,668,966	11,275,587	60,006,437
Cash, total.....	1,461,366	1,127,027	1,176,664	4,528,402
Non-interest bearing accounts.....	129,802	113,559	43,606	172,869
Savings and temporary cash investments.....	1,331,564	1,013,468	1,133,058	4,355,533
Accounts receivable, net.....	38,638	42,985	30,707	388,919
Pledges receivable, net.....	11,955	53,323	11,366	520
Grants receivable.....	17,392	6,466	—	2,658
Receivables due from disqualified persons.....	3,624	39,041	20,559	570
Other notes and loans receivable.....	106,714	124,825	71,327	255,605
Inventories.....	9,505	43,647	8,080	3,312
Prepaid expenses and deferred charges.....	28,260	5,497	4,918	44,058
Investments (non-cash), total.....	9,524,751	7,849,777	9,482,807	53,306,294
Securities.....	8,855,268	7,425,401	8,909,752	49,232,899
Land, buildings and equipment (less accumulated depreciation).....	146,495	187,538	163,394	1,439,262
Mortgage loans.....	59,990	44,061	50,311	75,883
Other investments.....	462,997	192,777	359,351	2,558,250
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	326,499	253,117	309,378	544,442
Other assets.....	121,708	123,260	159,781	931,658
Total liabilities.....	258,224	481,660	224,159	2,584,703
Net worth.....	11,392,189	9,187,306	11,051,427	57,421,734
Total revenue.....	2,240,661	1,876,996	1,821,957	8,273,159
Contributions, gifts and grants received.....	927,043	612,788	434,364	1,662,130
Interest on savings and temporary cash investments.....	183,638	138,579	138,758	531,373
Dividends and interest from securities.....	601,816	479,026	600,991	3,189,493
Gross rents.....	21,912	25,792	8,302	79,755
Net gain (less loss) from sale of assets.....	418,521	343,714	571,892	2,602,386
Gross profit (less loss) from business activities.....	18,368	11,088	14,352	2,075
Other income.....	69,361	66,010	53,298	205,948
Total expenses.....	1,182,517	934,125	879,903	4,208,649
Contributions, gifts and grants paid.....	928,758	712,869	659,642	3,348,118
Compensation of officers.....	29,105	23,751	22,521	69,909
Other salaries and wages.....	46,038	42,671	41,597	156,093
Pension plans and employee benefits.....	9,156	9,252	10,238	65,991
Legal fees.....	5,914	5,443	6,388	19,279
Accounting fees.....	6,414	4,650	4,288	6,343
Other professional fees.....	33,610	27,272	31,700	147,043
Interest.....	2,996	14,522	1,859	9,006
Taxes.....	27,093	18,801	21,925	96,022
Depreciation and depletion.....	17,863	14,657	12,992	27,377
Occupancy.....	12,290	10,914	9,736	48,369
Travel, conferences and meetings.....	4,830	2,721	4,503	30,163
Printing and publications.....	3,195	1,300	3,939	13,800
Other expenses.....	55,253	45,300	48,575	171,134
Excess of revenue (less loss) over expenses.....	1,058,143	742,871	942,054	4,064,510
Excess of revenue.....	1,168,050	847,613	989,107	4,405,059
Loss.....	109,906	104,742	47,053	340,549
Total assets (fair market value).....	14,086,317	11,554,315	13,615,696	85,239,432
Cash, total.....	1,464,713	1,128,820	1,174,736	4,534,221
Non-interest bearing accounts.....	127,744	113,058	42,953	176,269
Savings and temporary cash investments.....	1,336,968	1,015,762	1,131,783	4,357,952
Accounts receivable, net.....	42,213	43,425	32,892	388,915
Pledges receivable, net.....	11,955	53,323	11,814	520
Grants receivable.....	17,392	6,466	—	2,658
Receivables due from disqualified persons.....	4,654	39,041	20,559	570
Other notes and loans receivable.....	107,365	120,352	71,295	323,478
Inventories.....	9,504	43,647	8,080	3,553
Prepaid expenses and deferred charges.....	14,524	5,497	4,702	104,248
Investments (non-cash), total.....	11,818,869	9,626,317	11,785,351	77,214,149
Securities.....	11,029,294	8,997,526	10,931,558	71,999,978
Land, buildings and equipment (less accumulated depreciation).....	211,280	333,132	318,579	1,797,487
Mortgage loans.....	54,512	44,076	50,280	77,233
Other investments.....	523,783	251,583	484,935	3,339,450
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	457,306	354,461	333,533	722,519
Other assets.....	137,822	132,919	172,735	1,944,602
Total beginning-of-year assets (book value).....	10,506,034	8,840,285	10,204,143	55,159,307
Investments in securities, beginning of year (book value).....	7,860,378	6,506,320	8,108,914	44,985,871

*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 totals because of rounding.

Private Foundation and Charitable Trust Statistics, 1989

Table 2.--All Internal Revenue Code Section 4947(a)(1) Charitable Trusts Treated as Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets

[All figures are estimates based on a sample--money amounts are in thousands of dollars]

Item	Total	Size of fair market value of total assets			
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000
	(1)	(2)	(3)	(4)	(5)
Number of returns.....	2,634	*21	942	1,155	478
Total assets (book value).....	2,267,350	--	30,869	374,843	1,090,623
Cash, total.....	270,200	--	4,977	46,071	128,106
Non-interest bearing accounts.....	31,106	--	1,451	7,294	18,360
Savings and temporary cash investments.....	239,095	--	3,526	38,778	109,726
Accounts receivable, net.....	6,607	--	--	*5,630	949
Pledges receivable, net.....	*58	--	--	--	58
Grants receivable.....	--	--	--	--	--
Receivables due from disqualified persons.....	*575	--	*69	*428	78
Other notes and loans receivable.....	5,672	--	*383	1,597	3,179
Inventories.....	*11,668	--	--	*128	--
Prepaid expenses and deferred charges.....	240	--	*23	*34	45
Investments (non-cash), total.....	1,905,618	--	23,763	309,788	937,905
Securities.....	1,722,125	--	23,337	291,791	885,374
Land, buildings and equipment (less accumulated depreciation).....	19,675	--	--	6,105	7,067
Mortgage loans.....	16,517	--	*16	1,884	6,639
Other investments.....	147,301	--	*410	10,008	38,824
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	31,467	--	--	5,318	12,261
Other assets.....	35,244	--	1,652	5,848	8,041
Total liabilities.....	13,754	--	45	5,493	3,857
Net worth.....	2,253,596	--	30,823	369,350	1,086,766
Total revenue.....	404,571	*3,783	4,299	56,682	204,232
Contributions, gifts and grants received.....	86,254	*3,633	1,071	8,443	49,800
Interest on savings and temporary cash investments.....	29,589	12	643	4,393	12,462
Dividends and interest from securities.....	127,828	112	1,733	22,584	64,215
Gross rents.....	6,464	--	*55	1,510	2,628
Net gain (less loss) from sale of assets.....	132,869	27	361	12,915	70,321
Gross profit (less loss) from business activities.....	*48	--	*30	--	44
Other income.....	21,518	--	407	6,836	4,762
Total expenses.....	184,191	3,910	5,627	39,247	75,633
Contributions, gifts and grants paid.....	143,547	3,885	4,859	27,113	60,654
Compensation of officers.....	13,894	*21	396	3,350	6,565
Other salaries and wages.....	3,328	--	--	*2,705	440
Pension plans and employee benefits.....	876	--	--	*799	52
Legal fees.....	1,483	*3	19	312	826
Accounting fees.....	1,423	*1	128	423	614
Other professional fees.....	3,078	--	53	1,004	714
Interest.....	427	--	*30	89	166
Taxes.....	4,885	--	45	924	2,113
Depreciation and depletion.....	847	--	*1	262	463
Occupancy.....	668	--	*39	*136	337
Travel, conferences and meetings.....	264	--	--	*90	43
Printing and publications.....	153	--	11	122	15
Other expenses.....	9,317	--	47	1,917	2,632
Excess of revenue (less loss) over expenses.....	220,380	*-127	-1,328	17,435	128,598
Excess of revenue.....	235,295	*4	1,052	21,656	133,115
Loss.....	14,915	*131	2,381	4,221	4,517
Total assets (fair market value).....	2,888,063	--	34,229	440,615	1,338,228
Cash, total.....	270,264	--	5,047	46,094	128,077
Non-interest bearing accounts.....	31,124	--	1,520	7,253	18,370
Savings and temporary cash investments.....	239,140	--	3,527	38,841	109,707
Accounts receivable, net.....	6,629	--	--	*5,802	800
Pledges receivable, net.....	*58	--	--	--	58
Grants receivable.....	--	--	--	--	--
Receivables due from disqualified persons.....	*598	--	*97	*423	78
Other notes and loans receivable.....	5,670	--	*383	1,597	3,177
Inventories.....	*18,172	--	--	*128	--
Prepaid expenses and deferred charges.....	1,588	--	*23	*34	1,387
Investments (non-cash), total.....	2,455,900	--	26,806	372,472	1,179,753
Securities.....	2,233,339	--	26,397	351,295	1,110,143
Land, buildings and equipment (less accumulated depreciation).....	47,881	--	--	8,319	18,493
Mortgage loans.....	16,214	--	*16	1,861	6,681
Other investments.....	158,466	--	*393	10,997	44,435
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	47,108	--	--	7,681	15,679
Other assets.....	82,075	--	1,872	6,384	9,219
Total beginning-of-year assets (book value).....	2,021,071	*175	31,133	355,124	949,484
Investments in securities, beginning of year (book value).....	1,537,629	*168	22,932	273,680	749,053

Footnotes at end of table.

Private Foundation and Charitable Trust Statistics, 1989

Table 2.—All Internal Revenue Code Section 4947(a)(1) Charitable Trusts Treated as Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets—Continued

[All figures are estimates based on a sample—money amounts are in thousands of dollars]

Item	Size of fair market value of total 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
	(6)	(7)	(8)	(9)
Number of returns.....	26	5	6	1
Total assets (book value).....	313,297	108,614	239,400	109,704
Cash, total.....	38,877	10,246	19,533	22,389
Non-interest bearing accounts.....	2,923	2	1,056	--
Savings and temporary cash investments.....	35,954	10,244	18,477	22,389
Accounts receivable, net.....	27	--	--	--
Pledges receivable, net.....	--	--	--	--
Grants receivable.....	--	--	--	--
Receivables due from disqualified persons.....	--	--	--	--
Other notes and loans receivable.....	487	--	25	--
Inventories.....	11,540	--	--	--
Prepaid expenses and deferred charges.....	133	--	4	--
Investments (non-cash), total.....	247,996	98,365	200,486	87,315
Securities.....	218,545	95,744	122,937	84,395
Land, buildings and equipment (less accumulated depreciation).....	3,558	2,621	--	324
Mortgage loans.....	5,383	--	--	2,596
Other investments.....	20,510	--	77,549	--
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	13,853	3	32	--
Other assets.....	383	--	19,319	--
Total liabilities.....	2,757	74	308	1,219
Net worth.....	310,540	108,540	239,092	108,485
Total revenue.....	57,874	15,098	28,085	34,520
Contributions, gifts and grants received.....	21,813	1,460	--	35
Interest on savings and temporary cash investments.....	3,474	336	6,166	2,104
Dividends and interest from securities.....	17,143	8,262	8,892	4,888
Gross rents.....	1,311	920	--	40
Net gain (less loss) from sale of assets.....	8,907	4,112	8,773	27,454
Gross profit (less loss) from business activities.....	--	--	-26	--
Other income.....	5,226	8	4,280	--
Total expenses.....	27,546	10,847	13,637	7,743
Contributions, gifts and grants paid.....	19,334	9,215	11,540	6,946
Compensation of officers.....	2,192	728	334	310
Other salaries and wages.....	91	37	54	--
Pension plans and employee benefits.....	14	2	9	--
Legal fees.....	249	11	64	--
Accounting fees.....	185	19	53	--
Other professional fees.....	458	128	700	22
Interest.....	21	--	--	122
Taxes.....	836	123	532	313
Depreciation and depletion.....	77	24	6	14
Occupancy.....	90	1	66	--
Travel, conferences and meetings.....	58	3	70	--
Printing and publications.....	2	3	--	--
Other expenses.....	3,940	554	209	18
Excess of revenue (less loss) over expenses.....	30,328	4,251	14,447	26,777
Excess of revenue.....	32,018	6,227	14,447	26,777
Loss.....	1,690	1,976	--	--
Total assets (fair market value).....	404,982	148,399	401,111	120,499
Cash, total.....	38,877	10,246	19,533	22,389
Non-interest bearing accounts.....	2,923	2	1,056	--
Savings and temporary cash investments.....	35,954	10,244	18,477	22,389
Accounts receivable, net.....	27	--	--	--
Pledges receivable, net.....	--	--	--	--
Grants receivable.....	--	--	--	--
Receivables due from disqualified persons.....	--	--	--	--
Other notes and loans receivable.....	487	--	25	--
Inventories.....	18,044	--	--	--
Prepaid expenses and deferred charges.....	139	--	4	--
Investments (non-cash), total.....	323,250	138,150	317,359	98,110
Securities.....	284,386	130,135	236,195	94,787
Land, buildings and equipment (less accumulated depreciation).....	12,327	8,015	--	727
Mortgage loans.....	5,061	--	--	2,596
Other investments.....	21,477	--	81,163	--
Charitable-purpose land, buildings and equipment (less accumulated depreciation).....	23,714	3	32	--
Other assets.....	443	--	64,158	--
Total beginning-of-year assets (book value).....	281,515	99,462	224,608	79,571
Investments in securities, beginning of year (book value).....	215,272	89,736	115,525	71,263

*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 totals because of rounding.