Private Foundation Returns, 1986 and 1987

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Between 1986 and 1987, the total revenue of private foundations dropped an estimated 14.5 percent, from $20.0 billion to $17.1 billion, while the fair market value of their total assets grew just short of 1 percent, from $113.2 billion to $114.3 billion [1,2,3]. In real terms, total revenue decreased by 17.2 percent and real asset values actually declined by 2.1 percent [4]. In comparison, between 1985 and 1986, revenue and assets grew by nominal rates of 22.0 percent and 16.6 percent, respectively [5].

CHANGES IN FOUNDATION REVENUE, ASSETS, AND GRANTS, 1986-1987

The decrease in total revenue from 1986 to 1987, coupled with a 9.6-percent increase in total expenses, resulted in a decline in "excess of revenue over expenses" of nearly 32 percent [6]. In fact, the amount of the excess of revenue over expenses was less for 1987 than it had been for each of the 2 preceding years. Figure A shows both real and nominal percentage changes in selected asset, revenue, and expense items, from 1985 to 1986 and from 1986 to 1987.

Figure A.—Percentage Changes in Selected Financial Items, 1986 to 1987

Item	Percentage change: Current dollars, 1985 to 1986	Percentage change: Current dollars, 1986 to 1987	Percentage change: Constant dollars[1], 1985 to 1986	Percentage change: Constant dollars[1], 1986 to 1987
	(1)	(2)	(3)	(4)
Fair market value of total assets	+16.6%	+1.0%	+13.6%	-2.1%
Total revenue	+22.0	-14.5	+18.9	-17.2
Net gain (less loss) from sales of assets	+36.4	-20.4	+32.9	-22.8
Contributions received	+31.0	-26.1	+27.6	-28.4
Total expenses	+14.3	+9.6	+11.4	+6.3
Grants paid	+18.3	+9.1	+15.3	+5.8
Excess of revenue over expenses	+28.2	-31.6	+24.9	-33.7

[1]The GNP implicit price deflator was used to adjust for inflation.

The decline in total revenue between 1986 and 1987 can be attributed to a 20.4-percent decrease in net gain (less loss) from sales of assets (primarily securities) and a 26.1-percent drop in contributions, gifts and grants received [7]. These factors contributed to the decline in the real value of foundation assets for 1987. This is in sharp contrast to the 36.4-percent increase in net gain (less loss) from sales of assets and the 31.0-percent increase in contributions, gifts and grants received from 1985 to 1986.

Despite the lower asset and revenue growth rates for private foundations for 1987, grant payments rose by 9.1 percent to $6.8 billion. For 1986, grant payments totalled $6.2 billion, an increase of 18.3 percent from 1985. The increase for 1987 can be explained, in part, by a 7.2 percent increase in net investment assets and, therefore, in the minimum amount (5 percent of net investment assets, plus or minus certain adjustments) that foundations were required to pay out for 1987. Net investment assets are calculated by averaging the monthly holdings of noncharitable-use assets over the foundation's annual accounting period, whereas total assets are the foundation's holdings at the end of the accounting period. The stock market crash in October 1987 explains the discrepancy between the growth in net investment assets and the growth in total assets for 1987.

Another explanation for the higher rate of increase in grants paid, compared to the rates of increase in revenue and assets, is that large foundations (which account for a large portion of grants paid) typically do not make grants solely on the basis of the current year's earnings or investment performance. They usually plan their grantmaking budgets prior to the fiscal year during which the grants are made.

In addition, corporations often set up foundations to help stabilize their annual grantmaking. While corporate contributions to a "company-sponsored" foundation are usually related to the profits of the corporation, i.e., more

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corporate giving occurs in "good" years than in "bad," the foundation has the ability to maintain and control its endowment so that a steady flow of grants is provided, even when corporate profits are down. (For a further discussion of foundation giving, see the Assets, Distributions, and Decision-Making section.)

OVERVIEW AND EXPLANATION OF PRIVATE FOUNDATIONS

A private foundation is a nonprofit, tax-exempt corporation, association or trust which is narrowly supported and controlled, usually by an individual, family, or corporation, as opposed to an organization receiving broad support from a large number of sources within the general public. It is this narrow base of support and control which differentiates a private foundation from a publicly supported tax-exempt organization, although both receive tax exemption under Internal Revenue Code section 501(c)(3) [8]. Because of the centralized support and control, private foundations are more strictly regulated than other section 501(c)(3) organizations.

Most private foundations must pay an excise tax on investment income. Some "operating foundations" are exempt from this tax. (For example, 24 percent of the operating foundations, or 2 percent of all foundations, claimed an exemption from this excise tax on their 1987 returns.) All private foundations are subject to additional excise taxes if they engage in certain prohibited activities (deemed not to be in the public interest); e.g., failure to distribute the required minimum payout after the one-year grace period to do so, or attempts to influence legislation, such as lobbying or participating in the campaign of a candidate for public office. And, individual income tax deductions for contributions to "nonoperating foundations" are generally more restrictive than deductions for contributions made to operating foundations or other section 501(c)(3) organizations.

The two types of private foundations, "operating" and "nonoperating," are distinguished by the form of charitable support they provide. Nonoperating foundations generally provide indirect charitable support by making grants to other section 501(c)(3) organizations that actually conduct charitable programs [9]. Nonoperating foundations are required each year to distribute, by the end of the following year, a minimum amount for charitable purposes, based on the value of their net investment assets. Operating foundations provide direct support by actively conducting charitable programs or activities, and are not subject to a payout requirement. However, they have to expend a minimum amount each year for their direct involvement in tax-exempt charitable activities (as opposed to the payout of grants in support of such activities). They also have to meet one of three tests based on assets, endowment, or sources of support, to continue to qualify as operating foundations [10]. Although operating foundations are not subject to the annual payout requirement, many choose to make grants in addition to carrying on charitable programs of their own.

Of the 35,907 organizations filing private foundation information returns for 1987, 91 percent were nonoperating foundations and the remaining 9 percent were operating foundations, virtually the same as for 1986. Approximately 30,000 were grantmaking foundations. About 87 percent of the nonoperating foundations and 46 percent of the operating foundations made grants for 1987. For 1986, the percentages of nonoperating and operating foundations making grants were 81 percent and 44 percent, respectively.

For 1987, about 30 percent of the nearly 6,000 nongrantmaking foundations were operating foundations, which are not required to make grants. Another 25 percent were nonoperating foundations that had no "distributable amount" and, therefore, were not required to make a minimum distribution. Some of the remaining nongrantmaking foundations were "failed public charities" that had been reclassified as nonoperating foundations. Many failed public charities continued to operate direct charitable programs rather than make grants to other tax-exempt organizations [11]. Nonoperating foundations that did not fully make the required distribution for 1987 had, by law, until the end of their 1988 accounting periods to do so without any tax penalty.

From 1982 to 1987, the number of foundations increased by 26 percent. This compares to a 6-percent increase from 1974 to 1982. This difference may result from a variety of factors such as the recognition of social needs in light of domestic budget cuts during the 1980's, changes in the tax-deductibility of donations, and the effects of the Economic Recovery Tax Act of 1981 (ERTA).

The wealthiest foundations--those with assets whose fair market value was $100 million or more--numbered less than 0.5 percent of all foundations for 1987, but held slightly more than half of all foundation assets. Only 3.6 percent of all private foundations had assets worth $10 million or more, but they accounted for nearly 80 percent of all assets. The group of foundations considered to be small in size--with less than $1 million in assets--accounted for 80 percent of all foundations, but only 4.8 percent of aggregate total assets.

Half of the top ten private foundations, ranked by asset size (Figure B), saw a decrease in the 1987 end-of-year value of their assets and six realized less revenue for 1987 than for 1986. While they form only a small fraction of the universe of private foundations, these foundations held approximately 20.7 percent of all assets and accounted for 11.7 percent of total revenue for 1987.

IMPACT OF STOCK MARKET CONDITIONS AND 1986 TAX REFORM ACT

The October 1987 stock market plunge and the reactions of individual and corporate donors to the tax law changes legislated under the Tax Reform Act of 1986 (TRA) may have affected foundation revenue and assets for 1987. Combined, it appears that they had a negative impact on net gain (less loss) from sales of assets, contributions received, and the real market value of investments in securities for 1987.

Decreases in aggregate net gain (less loss) from sales of assets and in contributions received were jointly responsible for the drop in total revenue, while a decline in the real market value of foundation securities, which made up 76.4 percent of total foundation assets for 1987, was largely responsible for the overall decline in asset

Figure B

Top Ten Domestic Foundations Ranked by Size of Fair Market Value of Total Assets, 1986 and 1987[1]

[Money amounts are in millions of dollars]

Name	Location	Total assets 1987	Total assets 1986	Total revenue 1987	Total revenue 1986
Ford Foundation	New York	$5,087	$5,543	$ 339	$ 692
J. Paul Getty Trust[2]	California	3,982	4,141	295	420
W. K. Kellogg Foundation Trust[3]	New York	2,812	3,471	112	151
John D. and Catherine T. MacArthur Foundation	Illinois	2,436	2,426	202	217
Robert Wood Johnson Foundation	New Jersey	1,910	1,804	194	178
Lilly Endowment, Incorporated	Indiana	1,792	1,730	72	54
Rockefeller Foundation	New York	1,667	1,606	291	379
Andrew W. Mellon Foundation	New York	1,522	1,521	181	140
Pew Memorial Trust	Pennsylvania	1,437	1,477	178	167
Kresge Foundation	Michigan	1,046	1,047	141	329
Total		**$23,692**	**$24,765**	**$2,005**	**$2,727**

[1]A foundation is considered "domestic" if it is organized in the United States; however, this does not necessarily imply that all of its activities or grant recipients are domestic.

[2]J. Paul Getty Trust is an operating foundation. All other foundations listed are nonoperating foundations.

[3]The W.K. Kellogg Foundation Trust has a "pass-through" relationship with the W.K Kellogg Foundation, located in Michigan. Typically, the entire amount of the annual "qualifying distributions" of the W.K. Kellogg Foundation Trust are made in the form of a grant to the W.K. Kellogg Foundation, which redistributes the grant for charitable purposes (and does not count the redistribution as a qualifying distribution of its own). Together, the two organizations had combined total assets of $3.6 billion for 1986 and $2.9 billion for 1987.

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

growth. Mainly due to the drastic drop in the market value of various stock holdings which occurred during October 1987, the end-of-year aggregate value of investments in securities for 1987 increased by only 0.4 percent, from $87.0 billion to $87.4 billion. After adjusting for inflation, the aggregate fair market value of securities held by foundations at the end of their 1987 tax periods was actually 2.7 percent lower than the year before.

The relatively low post-October 1987 market value of certain stocks probably influenced foundations to defer selling them until a later date when their value might increase. In addition to the negative effect that postponed sales of capital assets had on foundation revenue for 1987, it appears that foundations also sustained heavier losses from those assets that they did sell. The net gain, alone, from sales of assets decreased from $7.0 billion to $5.7 billion, while net losses nearly tripled, from $49.8 million to $147.9 million. Furthermore, the number of foundations reporting a net gain for 1987 decreased slightly, and those reporting a net loss increased by almost two-thirds.

The severity of the declines in the real fair market value of securities may also have deterred both individuals and corporations from forming new foundations or from making large gifts of stock to foundations at the end of their 1987 tax periods. The devalued stock would not have provided as sizable a charitable contribution or tax deduction, and donations may have been postponed to a future date when market conditions would improve. Gifts of stock actually made to foundations during 1987, whose value was less than those made for 1986, also may account for some of the decrease in the amount of total contributions received between the 2 years.

Changes in marginal corporate and individual tax rates which became effective under TRA may also have had a strong impact on individual and corporate charitable giving during 1986 and 1987. (However, there were offsetting factors which made more individual and corporate income taxable starting with 1987 [12].) With lowered individual and corporate tax rates, the actual tax benefit from making a charitable contribution became comparatively less for 1987 than for 1986 [13]. Given this situation, many contributors may have taken advantage of the higher 1986 tax rates by accelerating their contributions into 1986, and contributing less or not at all to private foundations in 1987. The 26-percent decrease in the total contributions received by foundations from 1986 to 1987, when compared to the 31-percent increase from 1985 to 1986, is consistent with this proposition.

Donors also may have been encouraged to make gifts of stock to foundations before 1987, because of the TRA provision relating to contributions of appreciated property. Because donations of appreciated stock to nonoperating foundations were allowed to be deducted at fair market value, the excess of this value over its "cost" could be subject to the revised "alternative minimum tax" (as a "tax preference" item) starting with 1987.

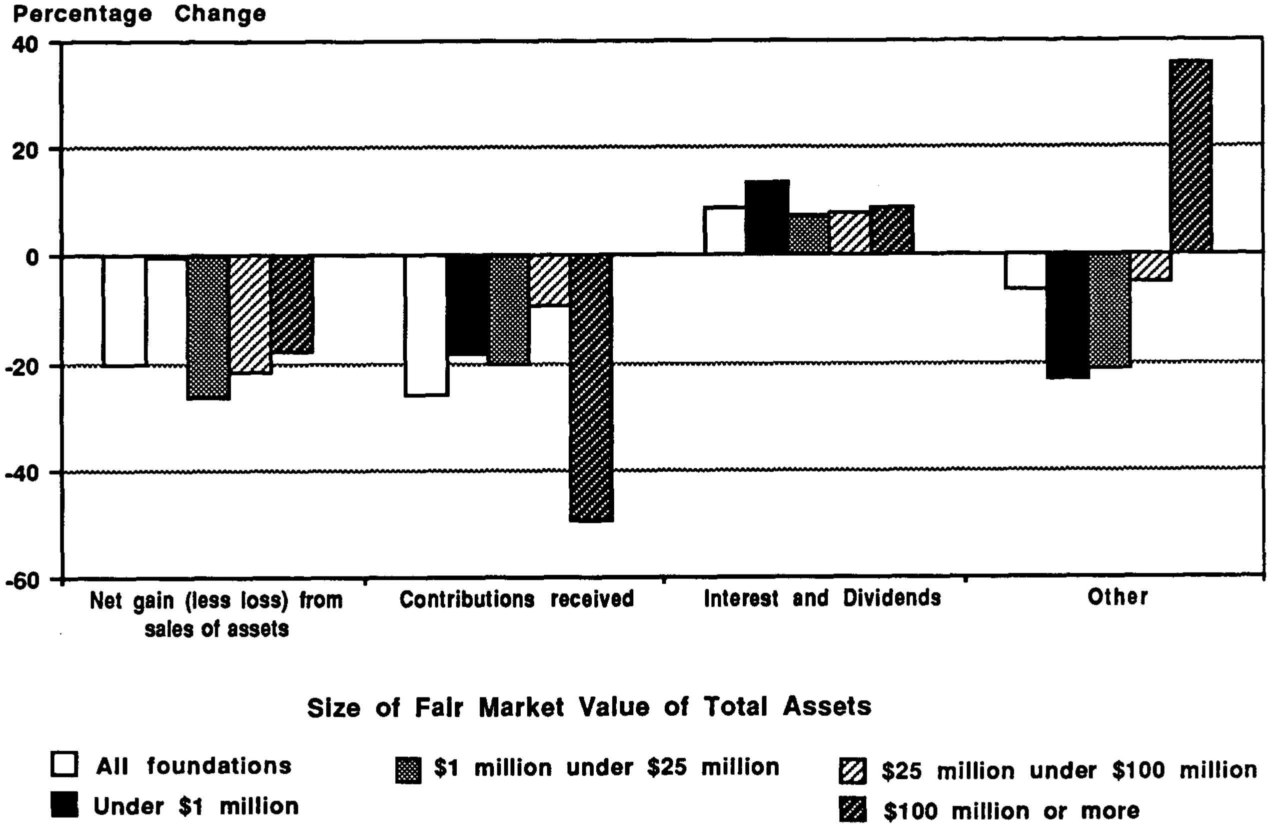
To an unknown extent, these changes under TRA may have contributed to the decline for 1987 in both the total number of individuals and corporations reporting a deduction for charitable contributions and in the amounts they claimed. The number of individual income tax returns with charitable deductions declined by 12.2 percent, while the amount of the deduction dropped by 7.8 percent [14,15]. In the case of corporations, the number of returns with charitable deductions declined by 5.6 percent, while the deduction itself dropped by 3.8 percent [16,17].

The decline in the charitable deductions reported by individuals for 1987 can also be attributed, in part, to the introduction of more liberalized standard deductions introduced under TRA and the repeal of the charitable contributions deduction for individuals who used the standard deduction rather than itemized deductions. However, these two changes probably had little effect on the donations made to private foundations.

COMPONENTS OF REVENUE

By far, the largest sources of total foundation revenue for 1987 were interest and dividends (from securities, savings, and temporary cash investments), net gain (less loss) from sales of assets, and contributions received. Together, these items accounted for 96 percent of total revenue for 1987 (individually, each comprised around a third). This was typical, based on preceding years. As discussed earlier, total contributions received by foundations and aggregate net gain (less loss) realized on sales of assets both decreased between 1986 and 1987. This held true for each of the asset-size groups illustrated in Figure C. This chart shows the percentage change in each major component of revenue, from 1986 to 1987, for all foundations and for each category of foundation grouped by asset-size. Interest and dividends were the only revenue sources that increased across all size classes. Revenue from sources other than the three major components was relatively small and the percentage changes in this "other" category varied greatly among the different size groups.

Figure C
Percentage Changes in Revenue Sources, 1986 to 1987



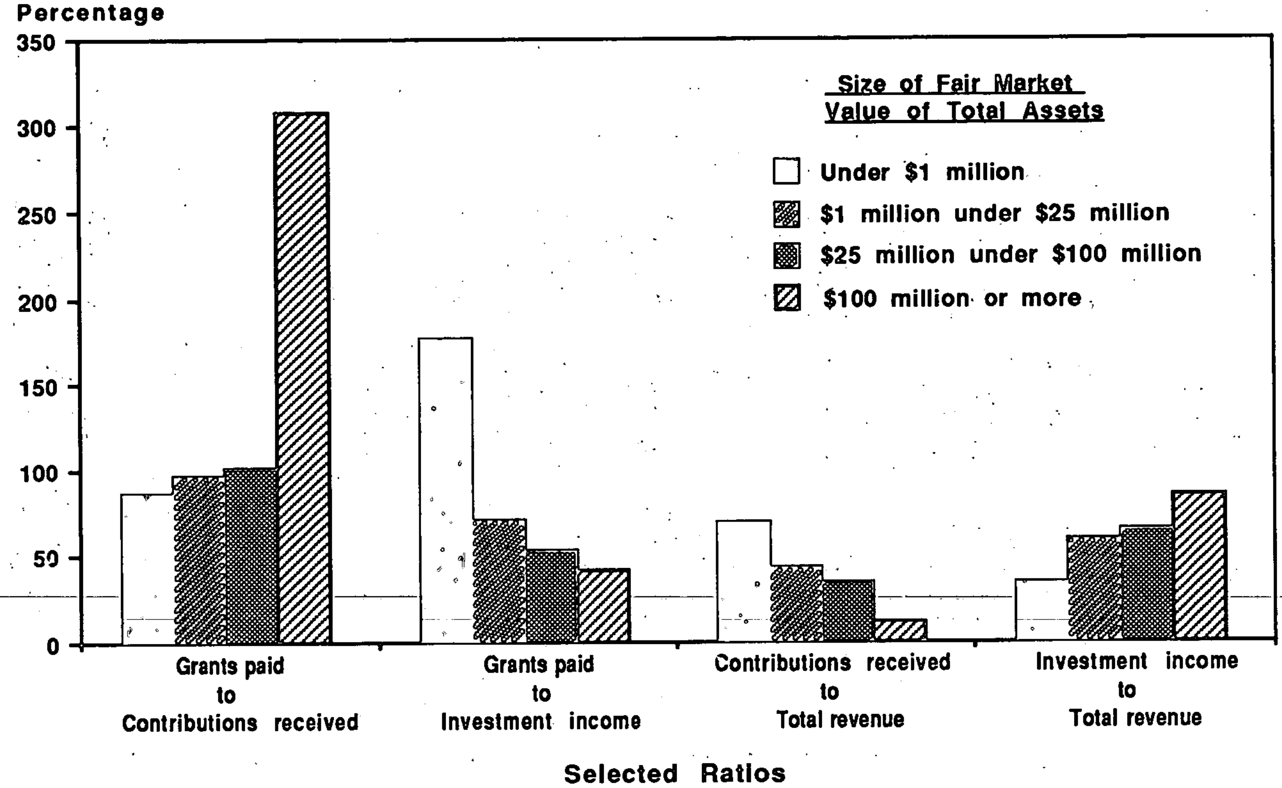
As can be seen from Figure D, the portions of revenue comprised of both "contributions received" and "investment income" vary as the asset size increases [18]. Contributions received was a more significant part of the revenue of smaller foundations, while the opposite was true for larger foundations.

The smaller the size of the foundation, the more it relies on contributions received for its giving programs. As foundation size increases, contributions received play a lesser role in giving, and investment income becomes a more important revenue source. Figure D emphasizes this point, showing that the total grants of the largest foundations (assets of $100 million or more) were over three times larger than the total contributions they received, but less than half of their investment income, suggesting that the amount they gave out was not strongly related to the amount of contributions received. In contrast, the total grants of the smallest foundations (assets of less than $1 million) were 177 percent of their investment income, but only 88 percent of contributions received, suggesting that this asset-size group's giving is not highly dependent upon its investment income.

COMPONENTS OF ASSETS AND INVESTMENTS

For both 1986 and 1987, foundation investments in securities, primarily corporate stocks and bonds, and government obligations, represented over three quarters of the fair market value of total assets, equaling $87.4 billion for 1987 and $87.0 billion for 1986. Total year-end investment assets (defined below) comprised over 92 percent of total assets in both years and equaled $105.8 billion and $104.4 billion, for 1987 and 1986, respectively. Total foundation assets equaled $114.3 billion for 1987, and $113.2 billion for 1986. In real terms, total investments in securities declined between 1986 and 1987 by 2.7 percent, total investments by 1.8 percent, and total assets by 2.1 percent. The decreases resulted largely from the stock market crash in October 1987. These

Figure D
Grants Paid, Contributions Received, and Investment Income Ratios, 1987



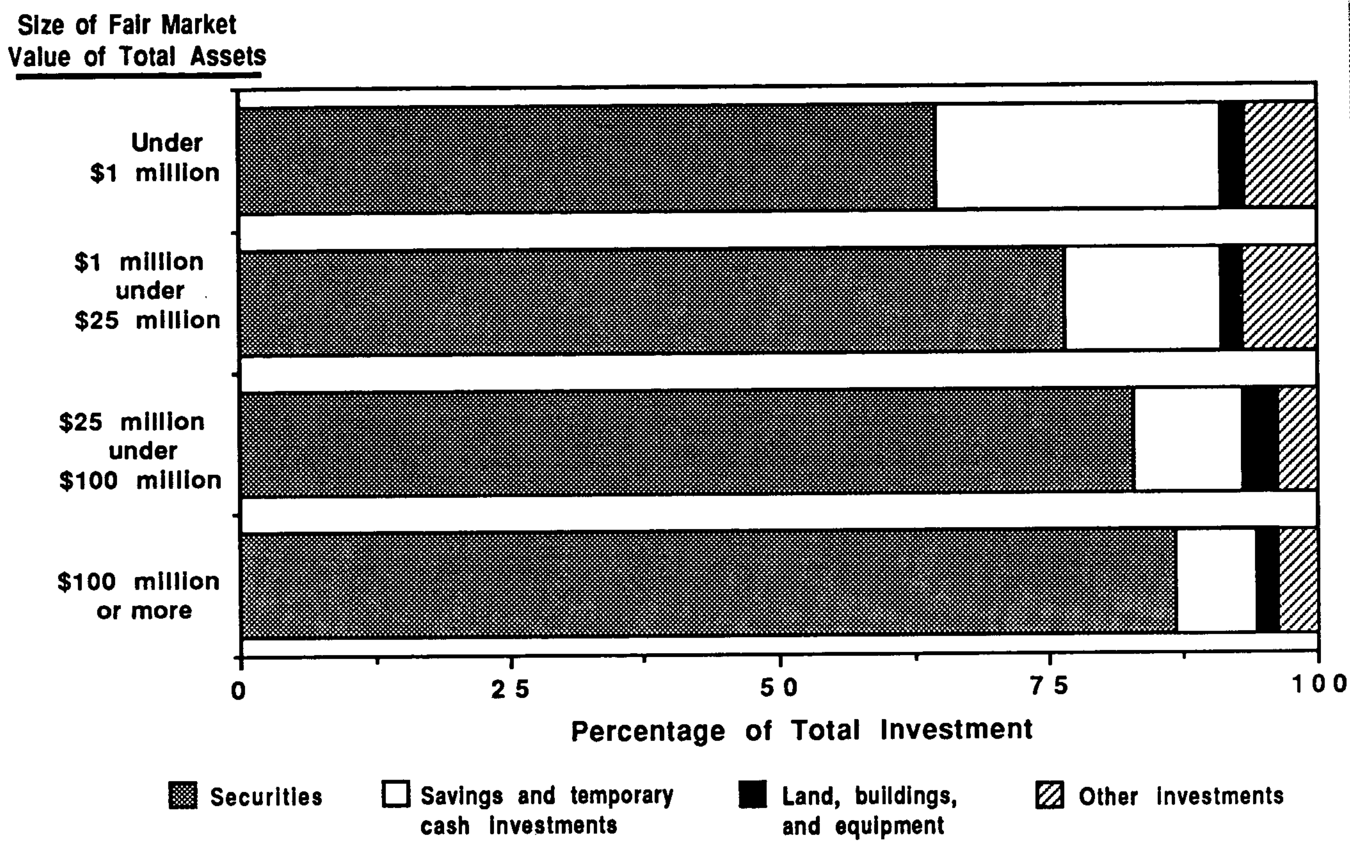
changes compare dramatically with the large real gains from 1985 to 1986. Between these 2 years, total investments in securities increased by 13.0 percent, total investments by 13.5 percent, and total assets by 13.6 percent.

Total investment assets include savings and temporary cash investments; securities; land, buildings, and equipment; mortgage loans; and "other" investments, such as bank certificates, cash values of life insurance, and art. These investment assets represent end-of-year values and are to be distinguished from the average of noncharitable-use (net investment) assets on which the required charitable payout amount is based. Investments in securities represented 83 percent of total investment assets for both 1986 and 1987, and savings and temporary cash investments, 10 percent. Figure E depicts the composition of investment assets for 1987 for each of the different asset size groups. The proportions were similar for 1986.

Regardless of whether a foundation was operating or nonoperating, trends in asset composition varied with differences in the size of the foundation. The larger a foundation, the greater the amount and percentage of investments in securities and the smaller the percentage of savings and temporary cash investments. Although this particularly applies to nonoperating foundations, it applies to operating foundations as well. For 1987, total investment securities as a percentage of total investment assets varied from 65 percent for the smallest foundations (under $1 million in assets) to 87 percent for the largest foundations ($100 million or more in assets). Likewise, holdings of savings and temporary cash investments as a percentage of total investment assets for 1987 varied from 26 percent for the smallest foundations to 7 percent for the largest.

Different asset composition for the small and large foundations helps to explain the different growth rates in

Figure E
Composition of Investment Items, by Size of Foundation, 1987



the fair market value of total assets for both groups. For instance, from 1982 to 1987, the smallest foundations realized a 27.3-percent real increase in assets, while the largest foundations realized an 80.9-percent increase, almost three times as large. A greater proportion of assets held as securities by the larger foundations, along with different investment and distribution goals, to be discussed later, led to this result. However, due to the decline in the stock market and a greater dependence by larger foundations on investments in securities, the largest foundations experienced a 2.6-percent real loss in the fair market value of total assets from 1986 to 1987, while the smallest ones actually realized a 4.3-percent real gain.

Nonoperating foundations and operating foundations each tend to hold a slightly different mix of investment assets. Nonoperating foundations held 84 percent of their investment assets as securities in 1986, and 83 percent in 1987. Operating foundations held fewer investment assets as securities, 78 percent for 1986, and 74 percent for 1987. This difference lies primarily in holdings of savings and temporary cash investments and in charitable-use land, buildings, and equipment.

During 1987 operating foundations realized greater losses than did nonoperating foundations. Their total assets declined by 11 percent in real terms, as compared to a 1 percent decline in nonoperating foundation assets. Likewise, real investments in securities for these groups declined by 12 percent and 2 percent, respectively. This may result from less emphasis placed on investment portfolio management by operating foundations.

While nonoperating foundations held 10 percent of investment assets as savings and temporary cash investments in both years, operating foundations held 13 percent in 1986, and 17 percent in 1987. In terms of charitable-use (rather than investment-use) land, buildings, and equipment, operating foundations held a relatively large proportion for use in the execution of their own charitable programs. For 1986, these foundations held over 16 percent of total assets as charitable-use land, buildings, and equipment; and for 1987, over 12 percent. Nonoperating foundations, conversely, held only 1 percent in both years. Operating foundations reported significant decreases in the value of land, buildings, and equipment between 1986 and 1987. Investment and charitable-use land, buildings, and equipment decreased by 44 and 32 percent, respectively. Nonoperating foundations reported little or no decrease in their holdings of land, buildings, and equipment.

THE PAYOUT REQUIREMENT

Under the Tax Reform Act of 1969 (TRA69), nonoperating foundations were required for the first time to pay out an annual minimum amount for charitable purposes. The charitable amount could, and still can, be distributed by the end of the tax return year following the year in which it was required to be paid. The payout requirement was established in order to prevent the accumulation of tax-exempt assets without a corresponding distribution for charitable purposes. TRA69 required that nonoperating foundations calculate the required charitable payout, the "distributable amount," by basing it on the greater of either current "adjusted net income" or a fixed percentage of the average value of noncharitable-use (net investment) assets, the "minimum investment return" [19]. Later, the Economic Recovery Tax Act of 1981 (ERTA) changed the way that these foundations calculated the distributable amount by eliminating the adjusted net income criterion. ERTA required that foundations use 5 percent of noncharitable-use assets to compute the amount, without regard to the adjusted net income.

In effect, for the years immediately following the enactment of ERTA, the distributable amount declined for many foundations after using the new method. In 1982 and 1983, respectively, 75 and 71 percent of foundations had lower distributable amounts than would have been the case under the law prior to ERTA. Of these foundations, in 1982 and 1983, respectively, 46 and 45 percent, especially the larger foundations, reacted to lower distributable amounts by paying out less than would have been required under the law prior to ERTA. Through the changes enacted under ERTA, policymakers hoped to allow foundations a greater opportunity to maintain (and even to increase) the value of their endowments. An increase in the value of the endowments would, in effect, increase the long-run giving power of foundations, thus increasing long-run charitable distributions. Over the 1982-1987 period charitable distributions increased by a real rate of 38 percent, a large increase in comparison to the 5 percent real change from 1974-1982.

The changes implemented under ERTA allowed foundations more investment flexibility in terms of factors such as type of assets and risk. Since the measurement based on assets, rather than on current income, encompasses both realized income and unrealized appreciation or depreciation in the value of the assets, it better measures the entire endowment. Previously, the calculation based on current adjusted net income measured only realized changes to the endowment. Prior to ERTA, those foundations earning high adjusted net income in relation to the minimum investment return on assets had higher distributable amounts than if the unrealized changes in their endowment had also been used in the final computation of the required distributable amount.

This was particularly true for the years immediately preceding ERTA, when inflation rates were relatively high. During this inflationary period, many foundations that based their distributable amount on their adjusted net income, rather than on minimum investment return, experienced an erosion of their endowment over time. Therefore, ERTA seemed to lead to a more favorable investment environment, particularly for the smaller foundations, which tend to hold a greater proportion of fixed income yield investments that earn proportionately high realized (adjusted net) income [20]. These investments resulted in relatively high distributable amounts for the smaller foundations prior to ERTA. However, the data indicate that the larger foundations, rather than the smaller, tended to take advantage of the change in the payout requirement enacted under ERTA. The larger foundations distributed proportionately less after ERTA, and then reinvested more. The smaller foundations did not tend to significantly readjust their investment and distribution patterns. As illustrated earlier in Figure D, the amount of charitable distributions made by the small foundations tends to be based more upon the amount of contributions received than the amount of investment income.

ERTA has helped foundations to increase the value of their assets, thereby increasing their ability to give charitably. The largest foundations, accordingly, have realized the largest percentage and absolute increases in both assets and distributions since ERTA. Despite the decline in the real value of foundation assets from 1986-1987, the total fair market value of assets of nonoperating foundations increased by 56 percent in real terms from 1982-1987. This represents a large increase in comparison to the 22-percent real increase in the Gross National Product (GNP). The increase in foundation assets from 1982-1987 also compares dramatically to the erosion of aggregate real asset value sustained by foundations in the decade leading up to ERTA, a 31.0-percent decline from 1972-1981 [21]. Since ERTA, the significant increase in assets has enabled the foundation sector to maintain or increase endowment size for future giving. Although ERTA led to decreased distributions in the years immediately following 1981, by 1987 foundations had increased real qualifying distributions considerably, by 38 percent.

Since only nonoperating foundations are required to fulfill the charitable payout requirement, the data that follow, including the payout rates, rates of total return, income yields, and percentage changes in assets and distributions, unless otherwise indicated, represent only nonoperating foundations. These organizations comprise over 90 percent of foundations in both number and total assets. Also, it should be noted that oftentimes, a foundation's performance isn't measured until after the end of its current fiscal year. In these cases, the foundation can take advantage of the 1-year grace period for meeting the payout requirement by making their corresponding charitable distributions by the end of the following fiscal year. The rates of total return, income yields, and percentage changes and dollar amounts all have been adjusted for inflation.

THE PAYOUT RATE

To examine the charitable distribution trends of private (nonoperating) foundations, rates of payout performance were calculated. To calculate the payout rate the amount of (adjusted) qualifying distributions was divided by the amount of the monthly average of (noncharitable-use) net investment assets [22]. Payout trends for selected years from 1974-1987 show that the payout percentage declines as the size of the foundation increases (Figure F). Smaller foundations tend to give out a larger percentage of their asset base, sometimes to an extent exceeding their return on investments. Larger foundations tend to reinvest proportionately more of their earnings, consequently distributing a smaller proportion for charitable purposes in any given year. The median payout rates for all sizes of foundations either equal or exceed the 5-percent charitable payout requirement.

In light of ERTA, the aggregate median payout rate changed in a not unexpected pattern from 1974-1986. From 1974-1982 it increased from 8.4 percent for 1974 to 9.7 percent for 1982 [23]. From 1982-1983 the rate declined to 8.2 percent and then, for 1986, further declined to 6.9 percent. The downward trend after 1982 indicates that after ERTA foundations may have adjusted to the new law by paying out a smaller percentage of their assets. The total median rate then increased slightly to 7.0 percent for 1987. This occurred despite the stock market's sharp decline in October 1987.

Poor stock market conditions contributed to foundations earning much lower rates of return on their investments in 1987. The low returns, discussed later, coupled with the payout rates, led to a 1-percent decline in 1987 in the real fair market value of foundation assets. The end-of-year market value of assets for many foundations declined while total qualifying charitable distributions increased, although at a slower rate than in the past. The

Figure F.—Nonoperating Foundation Payout Rates, Selected Years, 1974-1987

Size of fair market value of total assets	Median payout rates					
	1974	1982	1983	1985	1986	1987
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**8.39%**	**9.69%**	**8.23%**	**7.44%**	**6.87%**	**7.03%**
Small foundations						
$1 under $1,000,000, total	8.72	9.98	8.66	8.03	7.42	7.52
$1 under $100,000	10.94	10.67	9.76	8.30	10.23	9.63
$100,000 under $1,000,000	7.25	9.03	8.03	7.61	6.49	6.66
Medium foundations						
$1,000,000 under $50,000,000, total	6.43	8.19	6.69	6.05	5.62	5.70
$1,000,000 under $10,000,000	6.50	8.37	6.79	6.23	5.63	5.74
$10,000,000 under $50,000,000	5.84	7.23	6.05	5.51	5.39	5.40
Large foundations						
$50,000,000 or more, total	5.91	6.62	5.34	5.32	5.00	5.08
$50,000,000 under $100,000,000	n.a.	6.68	5.67	5.64	5.11	5.17
$100,000,000 or more	n.a.	6.45	5.00	5.10	5.00	5.02

n.a. - not available

NOTE: Data were available only for the years 1974, 1982, 1983, 1985, 1986, and 1987. Data for both the $50,000,000 under $100,000,000 and the $100,000,000 or more categories were not available for 1974.

average value of noncharitable-use (net investment) assets, on which the payout requirement is based, also increased at a slower rate than in previous years. Since distributions increased at a faster rate than assets, a slight increase in the payout rate resulted in 1987 [24]. Due, in part, to prior grantmaking commitments and high returns realized in 1986, foundations did not tend to readjust their payout rates downward in 1987.

For 1987, 71 percent of all foundations distributed more for charitable purposes than required by the payout law. The smaller foundations, in particular, are more likely to exceed the payout requirement by a greater percent. Those foundations with less than $1 million in assets represent the only group with a payout rate greater than the total median rate for all of the years shown. This occurred, in part, since the amount of noncharitable-use assets held by small foundations tends to represent a smaller proportion of total assets than for the larger foundations. Also, small foundations receive a relatively large amount of charitable contributions and then often act as a conduit by redistributing them within a year. In this manner, the amount of contributions received by foundations each year affects the amount of grants that they distribute. For instance, the decline in the median payout rate from 1986 to 1987 for those foundations with under $100,000 in assets, may have resulted, in large part, from the drop in contributions received. Due to different distribution patterns and goals, the smaller foundations most often realize higher payout rates.

Comparing the amount of charitable distributions actually given with the required amount, for 1987, 35 percent of foundations distributed more than double the required payout amount while 13 percent distributed over ten times that amount. As expected, a majority of these foundations were in the smaller asset size categories. Distributions exceeded the required amount by 291 percent in the case of foundations with under $1 million in assets. This compares with 46 percent for all foundations. These characteristics are representative of foundation behavior after the enactment of ERTA.

INVESTING BEHAVIOR

Rate of Total Return

In order to fund charitable activity, most often in the form of grantmaking, a foundation invests its endowment to realize a return on assets that fulfills the 5-percent charitable payout requirement. To fulfill the payout requirement without an erosion of the endowment, a foundation must engage in skillful investment and risk management in order to realize a rate of return equal to 5 percent plus the rate of inflation. Sound investment management will often enable a foundation to support a stable or growing endowment which will secure a permanent existence for the foundation as a charitable organization. For this reason, foundations do have the incentive to maximize their return on investments. Although they do not distribute dividends or income to shareholders, and thus, are not accountable in this manner, they are indirectly accountable to a strong donor desire to perpetuate the endowment of the foundation.

A comparison of the payout rate to the rate of total return helps to explain changes in the relative growth or decline of foundation assets from year to year. The rate of total return formula measures the change in the value of the entire asset base with consideration for inflows and outflows of money. It accounts for the realized income from the assets (investment and otherwise) as well as the unrealized capital appreciation of the endowment [25]. (The net investment income yield, or "NII" yield, examined later, shows only the realized gain or loss from investment assets.)

The rates of total return for 1983-1987 (Figure G) indicate that the median rate of return tends to differ from the median payout rate. Although larger foundations distribute proportionately less than smaller foundations, the rate of return tends to increase as the size of the foundation increases. The larger foundations hold a greater proportion of their assets as investment securities and seem to invest more with the goals of capital appreciation and long-term giving. These foundations also possess the necessary resources to seek the assistance of sophisticated investment consultants. These organizations tend to maintain a greater proportion of lower-income yield, higher-risk, and higher-growth common stock [26]. Since these types of holdings appreciate faster, higher rates of total return for the larger foundations result. The smaller foundations seem to invest with the intention of distributing relatively large charitable contributions currently. This group tends to hold lower risk and higher, fixed-income yield assets that do not appreciate nearly as rapidly [27]. This results in lower relative returns for these foundations.

Foundations realized high rates of total return from 1983 to 1986 (Figure G). Market conditions during these years proved very favorable to investors. For 1983, the largest foundations (those with $100 million or more in assets) earned a real rate of 11.7 percent and for 1986, 13.9 percent. After accounting for the relatively low inflation from 1983 through 1986, all of these size groups show a rate of return on assets well above the 5-percent payout requirement. The 1987 data, however, show different investment results. After inflation, foundations earned well under the minimum desired 5 percent rate of return. For instance, the largest foundations earned only 1.4 percent. This resulted, in large part, from the sharp stock market decline in October 1987.

During the years 1983-1986, foundations, as an aggregate, realized substantially higher returns than payout rates. This contributed to the growth of aggregate foundation assets. However, for 1987, foundations with $1 million or more in assets, as a group, paid out more for charitable purposes than what they earned as total returns on assets. This led to the decline in the value of aggregate foundation assets from 1986 to 1987. It will prove interesting to evaluate 1988 data to ascertain whether or not foundations adjusted their payout percentages downward in response to the unusually low 1987 returns.

Income Yield

While the rate of total return measures the change in the value of the entire endowment, the income yield measures only the realized investment income earned by a foundation. The net investment income yield, or NII yield, is calculated by dividing net investment income by the end-of-year fair market value of investment assets. Investment assets include savings and temporary cash investments; securities; land, buildings and equipment; mortgage loans; and "other" investments. NII yields for the different size groups of foundations vary for selected years from 1974 to 1987 (Figure H).

The larger foundations tend to earn higher NII yields than the smaller foundations. The NII yields of the larger foundations exceeded those of the smaller ones for all of the years shown with the exception of 1982. The NII yield includes net (long-term) capital gains from the sale of assets. This relatively large source of income accounts for a greater proportion of the NII of the larger foundations than of the smaller foundations; and, therefore, helps to explain part of the disparity in the NII yields between the small and large foundations. The increases in NII yields after 1982 may indicate that foundations, especially the medium- and large-sized groups, began to adjust their investment styles following the enactment of ERTA. Prior to ERTA, high income-producing investments, other than long-term capital gains, may have caused higher required distributable amounts.

A comparison of the NII yields with the rates of total return on assets shows that the NII yields tended to be less than the total rates of return for 1983 through 1986. The difference in the total returns and the NII yields indicates unrealized growth in assets between these years, since the NII yield does not account for the unrealized appreciation or depreciation of assets. However, for 1987, the year of the stock market decline and resultant low rates of total return, the NII yields, although they did drop from 1986, actually exceeded the total rates of return for that year. This shows the unrealized loss that occurred for 1987. The difference between the two measures may have occurred, in part, due to foundations that sold securities and realized large gains from January 1987 until the October stock market decline that led to decreased end-of-year asset values.

ASSETS, DISTRIBUTIONS AND DECISION-MAKING

In the very favorable market environment during most of the mid-1980's, which was accompanied by low inflation and interest rates, foundations realized rates of total return that easily allowed them to both meet the payout requirement and increase the value of their endowments. Total nonoperating foundation assets and charitable distributions increased in real terms by 56 and 38 percent, respectively, over the 1982-1987 period. The amount of the real increases equaled $31.7 billion in assets and $1.7 billion in distributions. After the enactment of ERTA, from 1982 to 1986, nonoperating foundation assets grew considerably, by 58.1 percent. However, from 1986 to 1987

Figure G.—Nonoperating Foundation Rates of Total Return on Assets, 1983-1987

Size of fair market value of total assets	Median rates of return[1] 1983	1984-85 (2-year span)	1986	1987
	(1)	(2)	(3)	(4)
$1 under $1,000,000	n.a.	n.a.	n.a.	n.a.
$1,000,000 under $10,000,000	6.39%	25.30%	9.02%	1.29%
$10,000,000 under $25,000,000	9.21	31.17	11.21	-0.08
$25,000,000 under $50,000,000	9.47	34.27	11.39	2.33
$50,000,000 under $100,000,000	9.95	38.58	11.75	1.11
$100,000,000 or more	11.69	29.56	13.94	1.36

n.a. - not available

[1]The GNP implicit price deflator was used to adjust for inflation.

Figure H.—Nonoperating Foundation Net Investment Income (NII) Yields, Selected Years, 1974-1987

Size of fair market value of total assets	Median net investment income yields[1]					
	1974[2]	1982	1983	1985	1986	1987
	(1)	(2)	(3)	(4)	(5)	(6)
Total	**-3.37%**	**2.31%**	**4.47%**	**4.78%**	**4.74%**	**3.89%**
Small foundations						
$1 under $1,000,000, total	-3.45	2.31	4.34	4.61	4.19	3.61
$1 under $100,000	-3.74	2.27	3.90	4.50	3.59	3.05
$100,000 under $1,000,000	-3.05	2.43	4.38	4.95	5.07	4.06
Medium foundations						
$1,000,000 under $50,000,000, total	-2.74	2.49	5.04	5.71	6.29	4.89
$1,000,000 under $10,000,000	-2.78	2.66	5.00	5.71	5.95	4.74
$10,000,000 under $50,000,000	-2.27	1.52	5.48	6.00	8.25	5.99
Large foundations						
$50,000,000 or more, total	-2.46	1.67	5.53	6.84	7.70	5.63
$50,000,000 under $100,000,000	n.a.	2.54	5.63	7.01	8.37	5.65
$100,000,000 or more	n.a.	0.58	5.06	6.56	7.08	5.53

n.a. - Not available

[1]The GNP implicit price deflator was used to adjust for inflation.

[2]The calculation for 1974 divides net investment income by book value of investment assets. For all other years net investment income is divided by the fair market value of investment assets. The use of fair market values, unavailable for 1974, would have lowered the rates from those calculated and most likely affected the differences between the small and large foundations.

NOTE: Data were available only for the years 1974, 1982, 1983, 1985, 1986, and 1987. Data for both the $50,000,000 under $100,000,000 and the $100,000,000 or more categories were not available for 1974.

assets declined by 1 percent. Likewise, distributions grew, with an uncharacteristic decline in the rate of growth only from 1986 to 1987. Relatively high foundation growth as compared to growth in the Gross National Product, the effects of the change in the payout requirement, and differences in the growth rates of different sizes of foundations, all may indicate that the 1981 Economic Recovery Tax Act has had an effect on the increased rate of growth of foundation assets and distributions.

As the size of a foundation increases, asset values tend to increase at faster rates. Since the larger foundations tend to earn relatively high rates of total return and pay out relatively low percentages of assets, the larger foundations increased their assets at a faster rate than did the smaller ones during the 1982-1987 period. The smallest group, during this period, is the only one that paid out qualifying distributions at a rate faster than the growth in their assets. This group, in fact, experienced larger percentage increases in charitable distributions for 1982-1987 than all of the other groups, with the exception of the largest. Due to their large increases in assets and an ability to better withstand market swings, since ERTA, the largest foundations not only have increased assets at the greatest rate, but also distributions. (For a description of changes in assets and distributions for operating foundations, see the Notes and References section [28].)

Foundations assume somewhat different roles and behave accordingly, depending upon their size. The disparity between 1987 and the earlier years may shed light on the nature of the decision-making processes of nonoperating foundations. The question arises: does the rate of total return (and possibly the NII yield) in one year affect the payout rate of the next year? In other words, do certain foundations respond to low rates of return with low payout rates or to high returns with high payout rates? And, do these patterns differ with the size of the foundation?

It appears that the investment returns of smaller foundations may affect, at least in part, the amount of charitable dollars distributed in the following year. For instance, among other reasons, the smallest foundations may have responded to relatively low NII yields for 1982 by paying out distributions at lower rates in 1983 than in 1982. However, the smaller foundations also tend to rely, in large part, on the amount of contributions received in order to help fund their charitable grantmaking. For instance, decreases in the amount of contributions received for 1987 may have led to the slower rate of increase in charitable distributions for that same year. The smaller foundations tend to distribute proportionately large amounts in the present, based on contributions received, investment returns, and income yields.

Conversely, the goal of a more predetermined payout policy appears to drive the operations and investment policies of the larger foundations. They better manage their investments and distribute dollars in such a way as to promote long-run growth of the endowment. A growing endowment will fund charitable grants at the same or at an increased value in the future. These foundations tend to distribute charitable dollars at relatively consistent payout rates irrespective of changing rates of return. For example, the larger foundations continued to pay out charitable dollars at a consistent rate in 1987 despite low rates of total return and declining assets in that year. These foundations tend to operate with a more planned and structured payout policy. A future examination of payout practices in 1988 after the unusually low investment returns of 1987 will provide more definitive insights into the investment and distribution goals and behavior of the different sizes of foundations.

SUMMARY

Total private foundation revenue fell by 17.2 percent in 1986 dollars, or $3.4 billion, from 1986 to 1987. Both contributions received and net gain (less loss) from sales of assets declined significantly in real terms, by 28.4 percent and 22.8 percent, respectively, when comparing 1986 to 1987. Interest and dividends, two significant components of total revenue, did increase, although by relatively small percentages. These losses for 1987 occurred after foundations realized large real increases between 1985 and 1986 in revenue, net gains from sales of assets, and contributions received, 18.9, 32.9, and 27.6 percent, respectively.

The poor market returns in 1987, following the October stock market decline, most likely affected the net gain (less loss) from sales of assets; net losses nearly tripled while net gains decreased by almost 20 percent. The stock market decline and the changes implemented under the 1986 Tax Reform Act may also have reduced contributions to foundations. The general decline in the market value of securities that occurred in the last quarter of 1987 reduced the value of the tax benefit of donating securities to foundations. And, the changes implemented under the 1986 Tax Reform Act, by lowering marginal tax rates, decreased the value of the tax deduction for charitable contributions. The decreases in these components of foundation revenue contributed to the real decline in the fair market value of total assets.

Along with decreases in revenue, the effect of the 1987 stock market decline largely contributed to the 2.1-percent real decline in end-of-year total foundation assets, or the drop from $113.2 billion for 1986 to $110.8 billion for 1987. Likewise, investments in securities declined by 2.7 percent in real terms, from $87.0 billion to $84.7 billion. The significant drop in the rates of total return between 1986 and 1987 confirms the effect of these losses. For nonoperating foundations with $100 million or more in assets, the median rate of total return dropped from 13.9 percent to 1.4 percent. Although the largest foundations realized the greatest rates of return and increases in assets since the Economic Recovery Tax Act of 1981, from 1986 to 1987 these foundations realized a decline in assets. The assets of the smallest foundations, however, actually increased from 1986 to 1987.

Despite the decreases in assets and investments, the amount of constant-dollar grants paid by all foundations increased by 5.8 percent from 1986 to 1987, although at a slower rate of increase than the prior year. Real qualifying charitable distributions (by nonoperating foundations) increased by 5.3 percent, as opposed to the 15.0-percent increase realized from 1985 to 1986. From 1986 to 1987, the largest foundations increased distributions at a rate over twice that of the 5.3-percent total rate, while the smallest foundations increased distributions at a rate 4 percentage points below the total. Also, the total payout rate did increase slightly, from 6.9 percent for 1986 to 7.0 percent for 1987. The payout rates help to explain the total decline in the value of foundation assets for 1987, as foundations tended to pay out charitable dollars at a rate greater than their rate of total return on assets. The results from 1986 to 1987 differ significantly from those between 1983-1986, when foundations realized high rates of total return and significant increases in assets, revenues, and distributions. In order to fund charitable distributions at an increased rate in both the present and the future, foundations rely heavily on the growth of their endowments.

DATA SOURCES AND LIMITATIONS

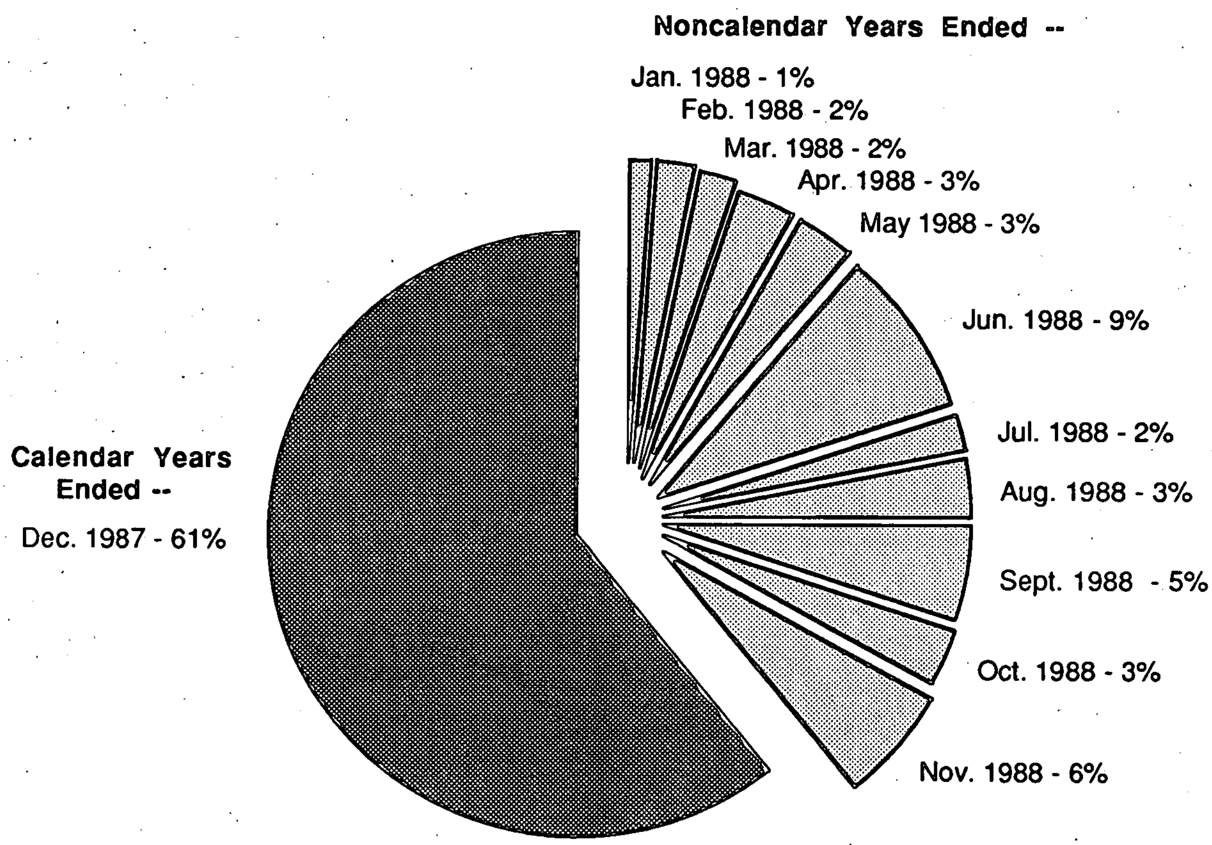
The statistics in this article are based on samples of Tax Year 1986 and 1987 private foundation returns, Forms 990-PF, filed with the Internal Revenue Service (IRS). The 1987 Form 990-PF was required to be filed by organizations which had accounting periods beginning in that year (and therefore ending, in general, December 1987 through November 1988). A corresponding filing requirement applied to the 1986 Forms 990-PF. Some part-year returns were included in the samples for organizations that changed their accounting periods, or filed initial or final returns. Figure I shows the distribution of the 12 accounting periods covered by the 1987 statistics. Approximately 61 percent of the foundations' accounting periods cover either Calendar Year 1987 or any part-year periods ending December 1987. The remaining 11 noncalendar year accounting periods, when grouped together, spread over a period of time that ranges from February of 1987 to November of 1988 (and may also include some part-year periods). While the majority of the 1987 data are for Calendar Year 1987, 39 percent of the data were reported for noncalendar periods that go beyond the end of Calendar Year 1987. In total, however, most of the financial activity is associated with 1987.

Returns filed by nonexempt charitable trusts and certain taxable foundations were excluded from the statistics for both 1986 and 1987. The two samples were stratified based on size of book value of total assets. The 1987 sample was selected at rates that ranged from 7.4 percent (for the more numerous but very small asset-size returns) to 100 percent (for the relatively few returns with large amounts of assets). Selection rates for the 1986 sample ranged from 5.0 percent to 100 percent. The 4,785 returns in the 1987 sample were drawn from an estimated population of 35,907. For 1986, a sample of 2,934 returns was drawn from an estimated population of 35,172.

The 1986 and 1987 samples were designed to provide the most reliable estimates of total assets and total revenue based on a small number of returns. The methodology employed was to include in the samples all returns with assets (book value) of $10 million or more, since these were the returns that dollar-wise accounted for most foundation activity. For example, the 1,155 sample returns for 1987 in this group accounted for approximately 24 percent of all the returns in the sample and 77 percent of the book value of the estimated total assets of all foundations. The remaining 3,630 returns in the 1987 sample were randomly selected at various rates, depending on the asset size. A similar sample selection procedure was followed for 1986 returns.

The population from which the 1986 and 1987 samples were drawn consisted of private foundation records posted to the IRS Business Master File between 1987 and 1989. Some of the records designated were for organizations that were deemed inactive or terminated. Inactive

Figure I
Private Foundation Accounting Periods, 1987



NOTE: Calendar and noncalendar periods may include returns filed for only part of a year because of initial and final filings and changes of accounting period.

and terminated private foundations are not reflected in the estimates. For the small number of large private foundations for which a desired study-year return had not yet been filed or was otherwise unavailable for inclusion in the study, either prior-year returns were substituted or data were estimated using other returns having similar characteristics.

The data presented were obtained from returns as originally filed. In most cases, changes made to the original return as a result of an IRS examination or a taxpayer amendment were not incorporated into the data base. Because the data presented are estimates based on a sample, they are subject to sampling and 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.

Figure J presents, for Tax Years 1986 and 1987, approximate coefficients of variation for frequency estimates of private foundation returns with less than $10 million in assets. Returns with assets of $10 million or more were selected at a prescribed 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, the corresponding CV's can be estimated by interpolation.

Figure J. – Coefficient of Variation for Frequency Estimates, Tax Years 1986 and 1987

Estimated number of returns by size of book value of total assets			Approximate coefficient of variation
Under $100,000 or not reported	$100,000 under $1,000,000	$1,000,000 under $10,000,000	
(1)	(2)	(3)	(4)
Return year 1986			
15,400	12,400	5,000	.010
10,800	9,100	4,200	.025
5,200	4,700	2,600	.050
2,800	2,600	1,600	.075
1,700	1,600	1,000	.100
800	800	500	.150
300	300	200	.250
Return year 1987			
14,700	12,100	4,800	.010
9,200	7,400	2,700	.025
3,900	3,100	1,100	.050
2,000	1,600	500	.075
1,200	900	300	.100
600	400	100	.150
200	200	100	.250

NOTE: Because returns with total assets $10 million or more were prescribed for selection at the 100-percent rate, coefficients of variation for them were not computed.

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 SELECTED TERMS

The following explanations describe terms as they applied to private foundations for 1986 and 1987.

Adjusted Net Income.--In general, this was the amount by which a private foundation's gross income exceeded the expenses associated with earning the income. Included were all amounts derived from, or connected with, property held by the foundation, such as net short-term capital gain (on sales of assets held 12 months or less), ordinary investment income (dividends and interest, rents and royalties), income from amounts set aside for future charitable use, income from all charitable functions, or unrelated trade or business activity income. Excluded were contributions received and long-term capital gains (or losses). This item was reported on Form 990-PF, Part I, line 27c, column (c).

Assets Zero or Unreported.--Included in this asset size category were: (1) final returns of liquidating or dissolving foundations which had disposed of all assets, and (2) returns of foundations not reporting end-of-year assets that had apparently distributed all assets and income received during the year.

Disbursements for Charitable Purposes.--These deductions represented grants paid and other 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, as required by law and regulations. This item was reported on Form 990-PF, Part I, line 26, column (d).

Disqualified Persons.--With respect to engaging in prohibited transactions, such as "self-dealing," with a private foundation, the following were considered disqualified persons: (1) all substantial contributors to the foundation (generally, those who contributed an amount over $5,000 which was more than 2 percent of total contributions received by the foundation); (2) foundation officers, directors, trustees, or managers; (3) an owner of more than a 20 percent interest (voting power, profits interest, or beneficial interest) in an organization which was a substantial contributor to the foundation; (4) a member of the family of any individual described in (1), (2), or (3), above (including spouse, ancestors, children, grandchildren, great-grandchildren, and spouses of children, grandchildren and great-grandchildren, but not brothers or sisters); (5) organizations in which persons described in (1) through (4), above, held more than a 35-percent interest; (6) another private foundation, for purposes of the tax on excess business holdings, which was effectively controlled by a person or persons in control of the foundation in question; and (7) a government official, for purposes of the tax on "self-dealing."

Distributable Amount.--This was the minimum payout amount which was required to be distributed by the end of the year following the year for which the return was filed in order to avoid the excise tax for failure to distribute income currently. The distributable amount was computed as 5 percent of net investment assets, called the "minimum investment return," minus taxes on net investment income and "unrelated business income," plus or minus other adjustments, either allowed or required. (See "Net Adjustments to Distributable Amount.") This item was reported on Form 990-PF, Part X, line 7.

Excess Distributions Carryover.--The excess amount distributed, after fulfilling the charitable payout requirement, that equaled the excess of qualifying distributions over the distributable amount. This amount could be carried forward to the following year from both the current year and the 4 prior years in order to be applied to the distributable amount in future years. This item was reported on Form 990-PF, Part XIV, line 9.

Excess Grant Administrative Expenses.--This was the amount of grantmaking administrative expenses incurred by a foundation, in the charitable grantmaking process, that exceeded the amount which could be applied to either the charitable payout requirement (imposed on nonoperating foundations) or the income test (imposed on operating foundations). The 1984 Deficit Reduction Act required that only the portion of grant administrative expenses incurred by a foundation that did not exceed 0.65 percent of a three-year average of noncharitable-use assets could be treated as qualifying distributions. Any grant administrative expenses in excess of the 0.65 percent calculation could not be treated as qualifying distributions. This temporary limitation on grantmaking expenses expired on December 31, 1990. Beginning with the 1991 tax year, foundations no longer will be subject to this requirement. This item was reported on Form 990-PF, Part XIII, line 5.

Inventories.--The value of materials, goods, and supplies purchased or manufactured by the organization and held to be sold or used in some future period. This item was reported on Form 990-PF, Part II, line 8, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

Land, Buildings, and Equipment, Charitable-use.--The book value or fair market value (less accumulated depreciation) of all land, buildings and equipment not held for investment purposes. Included were any property, plant or equipment owned and used by the organization in conducting its charitable activities. This item was reported on Form 990-PF, Part II, line 14, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

Land, Buildings, and Equipment, Investment-use.--The book value or fair market value (less accumulated depreciation) of all land, buildings and equipment held for investment purposes, such as rental properties. This item was reported on Form 990-PF, Part II, line 11, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

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

Net Adjustments to Distributable Amount.--Adjustments that increased the "distributable amount" consisted of increases attributable to the income portion (as distinct from the principal portion) of distributions from split-interest trusts on amounts placed in trust after May 26, 1969. (A split-interest trust was a trust which was not exempt from tax; not all of whose interests were devoted to charitable, religious, educational, and like purposes; but which had amounts in trust for which a charitable contribution deduction was allowed.) Recoveries of amounts previously treated as qualifying distributions also had to be added back to the distributable amount.

Adjustments that decreased the distributable amount were the result of income required to be accumulated as part of an organization's governing instrument. These adjustments were allowed only to foundations organized before May 27, 1969, whose governing instrument continued to require the accumulation, since State Courts would not allow the organization to change its governing instrument. These items were reported on Form 990-PF, Part X, lines 4a, 4b, and 6.

Net Gain (or Loss) from Sale of Assets.--Included was profit or loss from sales of items such as securities, land, buildings, or equipment. Gain or loss reflected the amount shown on the books of the foundation and included any amount from the sale of property used for both investment and tax-exempt purposes. Most of the gain or loss was from sales of stocks and bonds. Profit or loss from the sale of inventory items was included in gross profit (loss) from business activities. This item was reported on Form 990-PF, Part I, line 6, column (a).

Net Investment Income.--This was the amount by which the sum of gross investment income plus capital gain net income exceeded allowable deductions. Included in investment income were interest, dividends, rents, payments with respect to securities loans, and royalties. Excluded were tax-exempt interest on governmental obligations and any investment income derived from unrelated trade or business activities, subject to the unrelated business income tax reported on Form 990-T. This item was reported on Form 990-PF, Part I, line 27b, column (b).

Noncharitable-use Assets (Net Investment Assets).--For purposes of calculating "minimum investment return," only the average, rather than end-of-year, fair market value of assets that were not used or held for use for tax-exempt purposes entered into the computation. An asset was not used directly in carrying out the foundation's exempt purpose if it was not used in carrying on a charitable, educational, or other similar function which gave rise to the exempt status of the foundation. Examples would be the fair market value of securities and rental property owned by the foundation for investment purposes. This item was reported on Form 990-PF, Part IX, line 5.

Nonoperating Foundations.--These were organizations that generally carried on their charitable activities in an indirect manner by making grants to other organizations that were directly engaged in charitable activities, in contrast to those (operating foundations) engaged in charitable activities themselves. However, some nonoperating foundations were actively involved in charitable programs, in addition to making grants. Nonoperating foundations were subject to an excise tax (and possible additional penalties) for failure to distribute an annual minimum amount for charitable purposes within a required time period.

Operating Foundations.--These foundations generally expended their income for direct, active involvement in a tax-exempt activity, such as operating a library or museum, or conducting scientific research. To qualify as an operating foundation for a particular taxable year, a private foundation had to spend at least 85 percent of the lesser of its adjusted net income or minimum investment return on the direct, active conduct of exempt-purpose activities (the "income test") and satisfy one of three other tests termed the "assets test," the "endowment test," and the "support test." Operating foundations were excepted from the income distribution requirement, and its related excise taxes, applicable to nonoperating foundations.

Distributions made by a private nonoperating foundation to an operating foundation qualified toward meeting the nonoperating foundation's distribution requirement. (Distributions made by one nonoperating foundation to another were subject to a number of conditions and restrictions requiring a "pass-through" of the distribution, whereby the donor foundation received credit for a qualifying distribution but the donee foundation did not.) Additionally, contributions to operating foundations were deductible on individuals' income tax returns, limited to 50 percent of their adjusted gross income (as opposed to 30 percent for contributions to nonoperating foundations).

Other Assets.--Assets reported as "Other" included: (1) those assets not allocable to a specific asset item on the Form 990-PF balance sheet or not included elsewhere on the return, and (2) certain amounts given special treatment in the course of statistical processing. The first category included such items as: construction reserve land, deferred income, dividends receivable, escrow deposits, income tax refunds, interest discounts, interest-free loans, overdraft protection, and program-related investments. The second category included amounts reported by the return filer as negative liabilities. This item was reported on Form 990-PF, Part II, line 15, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

Other Investments.--Investments reported as "Other" included such items as: advances; bank certificates; cash values of life insurance; certificates of investment; investments in art, coins, gold, gems, and paintings; miscellaneous loan income; and patronage dividends. This item was reported on Form 990-PF, Part II, line 13, columns (a) (beginning-of-year book value), (b) (end-of-year book value), and (c) (end-of-year fair market value).

Private Foundation.--A nonprofit corporation, association, or trust with a narrow source of funds which operated or supported social, educational, scientific, charitable, religious, and other programs dedicated to improving the general welfare of society. By law, a private foundation was an organization which qualified for tax-exempt status under Internal Revenue Code section 501(c)(3) and was not a church; school; hospital; medical research organization; an organization with broad public support in the form of contributions or income from tax-exempt activities; an organization which was operated by, or in connection with, any of the above described organizations; or an organization which tested for public safety. The primary difference between a private foundation and a public charity lay in the sources of each organization's funding. A foundation usually received its funds from an individual, a family, or a corporation, while, as the name implies, a public charity received its funds mainly from a large number of sources within the general public.

Qualifying Distributions.--Included were grants, direct expenditures to accomplish charitable purposes, charitable-purpose operating and administrative expenses, amounts paid to acquire assets used directly to accomplish tax-exempt functions, charitable program-related investments, and amounts set aside for future charitable projects. Qualifying distributions were creditable against the foundation's obligation to pay out its "distributable amount." This item was reported on Form 990-PF, Part XIII, line 6.

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

Total Expenses.--This was the sum of contributions, gifts, and grants paid plus various operating and administrative expenses related to both investment and charitable-purpose activities. This item was reported on Form 990-PF, Part I, line 26, column (a).

Total Revenue.--This was the sum of gross contributions, gifts and grants received; interest and dividends from securities, savings, and temporary cash investments; net gain (less loss) from sales of assets (mostly investment assets, but could include charitable-use assets); gross rents and royalties; gross profit (or loss) from business activities; and other miscellaneous income. Total revenue items were reported as shown on the books and records of the foundation and were based on either the cash receipts or accrual method of accounting. This item was reported on Form 990-PF, Part I, line 12, column (a).

Undistributed Income.--The required amount remaining undistributed, after application of the charitable payout requirement, that equaled the excess of the distributable amount over the sum of total qualifying distributions and any excess distributions carryover from prior years applied to the distributable amount. Sanctions were imposed in the form of penalty taxes on private foundations that did not pay out an amount equal to the distributable amount by the end of the following tax year. This item was reported on Form 990-PF, Part XIV, line 6f, column (d).

NOTES AND REFERENCES

[1] All references to assets are stated at their fair market value unless book value is specifically noted.

[2] For 1987, the aggregate total revenue of private foundations consisted of interest and dividends from securities, savings, and temporary cash investments (32.6 percent), net gain (less loss) from sales of assets (32.5 percent), contributions, gifts and grants received (30.9 percent), and other miscellaneous types of income (4.0 percent). "Total revenue" and other terms, as they apply to private foundations, are described and cross-referenced in the "Explanation of Selected Terms" section.

[3] For a description of the time periods covered by the 1986 and 1987 statistics, see the "Data Sources and Limitations" section of this article.

[4] All inflation-adjusted "constant dollar" or "real" figures cited in this article were derived using the Implicit Price Deflators for Gross National Product contained in Council of Economic Advisors, *Economic Report of the President*, February 1990, Table C-3. Unless otherwise noted, figures referred to as "current dollars" or "nominal" are not adjusted for inflation.

[5] For 1985 private foundation data, see Riley, Margaret, "Private Foundation Returns, 1985," *Statistics of Income Bulletin,* Summer 1989, pp. 27-43.

[6] Over three-quarters of total expenses for 1987 were contributions paid out and the remainder, operating and administrative expenses.

[7] The term "net gain (less loss)" refers to the aggregate total of all individual net gains reported minus all individual net losses reported.

[8] For an in-depth discussion of organizations, other than private foundations, which are tax-exempt under Internal Revenue Code section 501(c)(3), see

Hilgert, Cecelia, and Mahler, Susan J., "Nonprofit Charitable Organizations, 1985," *Statistics of Income Bulletin,* Fall 1989, Volume 9, Number 2, pp. 53-65.

[9] Programs termed "charitable" refer to any tax-exempt activities which are charitable, educational, scientific, social, literary, or religious in nature.

[10] Generally, the assets test was met if 65 percent or more of the foundation's assets were used directly for the active conduct of charitable activities. The endowment test was met if the foundation normally made distributions for the active conduct of charitable activities in an amount not less than two-thirds of its minimum investment return. The support test was met if substantially all of its support (other than gross investment income) was normally received from the public or five or more qualifying exempt organizations; no more than 25 percent of its support (other than gross investment income) was normally received from any one such qualifying exempt organization; and no more than half of its support was normally received from gross investment income.

[11] Some of the foundations classified as "nonoperating" for 1986 and 1987 were "failed public charities," organizations that were originally classified as public charities but that could no longer qualify for that favored status because they failed to maintain the required minimum of support from public sources. Most often, the reclassified nonoperating foundations continued to operate like public charities, conducting programs or providing direct services, as opposed to making grants to accomplish a charitable purpose. Perhaps many of these organizations could have qualified as operating foundations, but had not requested such status from the Internal Revenue Service.

[12] For a discussion of how tax law changes made under the Tax Reform Act of 1986 affected individuals for 1987, see Hostetter, Susan and Bates, Jeffrey, "Individual Income Tax Returns, Preliminary Data, 1987," *Statistics of Income Bulletin*, Spring 1989, Volume 3, Number 4, pp. 5-26.

[13] For example, a fully deductible $100 donation made for 1986 by an individual whose income was taxed at a rate of 50 percent would actually cost only $50 after the donation was claimed as a deduction from income on the individual's tax return ($50 in tax was saved by reducing taxable income by $100). The same $100 donation made by the individual for 1987, with a newly reduced income tax rate of 38.5 percent, would actually cost $61.50 (only $38.50 in tax would be saved on $100 deducted from taxable income).

[14] *Statistics of Income--1986, Individual Income Tax Returns,* U.S. Department of the Treasury, Internal Revenue Service, 1989.

[15] *Statistics of Income--1987, Individual Income Tax Returns*, U.S. Department of the Treasury, Internal Revenue Service, 1990.

[16] *Statistics of Income--1986, Corporation Source Book,* U.S. Department of the Treasury, Internal Revenue Service, 1989.

[17] *Statistics of Income--1987, Corporation Income Tax Returns*, U.S. Department of the Treasury, Internal Revenue Service, 1990.

[18] The amounts of "contributions received" and "total revenue" used to calculate the ratios in Figure D were reported in Part I, lines 1 and 12, respectively, column (a) of the Form 990-PF. "Investment income" was reported in Part I, line 12, column (b) and is the gross amount, before deductions for related expenses. "Grants paid" was reported in Part I, line 25, column (d).

[19] This represents the method used after the 1969 Act and up until 1982, when ERTA became effective.

[20] Salamon, Lester M. and Voytek, Kenneth P., *Managing Foundation Assets: An Analysis of Foundation Investment and Payout Procedures and Performance,* The Council on Foundations, 1989.

[21] *The Foundation Directory*, 11th edition, Loren Renz, editor, The Foundation Center, New York, 1987, p. xx.

[22] To calculate the payout rate, the amount of (adjusted) qualifying distributions was divided by the amount of the monthly average of net investment (or noncharitable-use) assets. This payout formula adjusts qualifying distributions with slight additions and subtractions that are made to the required "distributable amount" on the Form 990-PF, Return of Private Foundation. The formula also adjusts for excess distributions made in the past and applied to the requirement of the current filing year.

[23] Data were available only for the years 1974, 1982, 1983, 1985, 1986, and 1987.

[24] The volatile stock market no doubt affected the asset value of a foundation differently depending on its accounting period. For instance, since the payout rate depends on a monthly average of assets, those foundations using a calendar year accounting period for 1987 realized 9 relatively solid months prior to the October decline. The payout rate calculation, then, would account for both the positive and negative months.

[25] The rate of total return formula is the same as that used by Salamon and Voytek in a study on foundation assets for the years 1979-1983. See: Salamon and Voytek, *Ibid*., p. 32. The formula is as follows:

RATE OF TOTAL RETURN =

((Ending Fair Market Value of Assets
- Beginning Fair Market Value of Assets*)
- (Contributions Received by the Foundation)
+ (Grants Paid by the Foundation
+ Operating and Administrative Expenses
+ Excise Tax Paid on Net Investment Income))

DIVIDED BY

(Beginning Fair Market Value of Assets
+ (Contributions Received / 2))

*The beginning fair market value of assets for any given year equals the ending fair market value reported on the prior year's return. Thus, in order to provide a consistent form of measurement by which to compare rates of return among different years, the ending fair market value of assets amounts (reported for both the year subject to the computation and the prior year) were used to compute the total rate of return.

To calculate the rate of total return shown in Figure G, private foundation information returns in data samples for consecutive years were matched in order to analyze both the beginning- and end-of-year fair market value data. The returns in the samples were matched by the employer identification number (EIN). Due to the lower sampling rates for the smaller foundations, the rate of matching the information returns for consecutive years was not high enough to ensure a proper level of statistical confidence. Therefore, the rate of return was only calculated for the medium- and large-sized foundations, those holding $1 million or more in assets. And, since 1984 returns were not sampled, calculating rates for 1984 and 1985 was not possible. However, by matching the 1983 and 1985 data files, median figures for the 2-year period were calculated.

[26] Salamon and Voytek, *Ibid.*

[27] Salamon and Voytek, *Ibid.*

[28] Operating foundations, although they realized smaller increases in assets and distributions than nonoperating foundations between 1982 and 1987, performed similarly during the same period. These organizations increased their real assets and distributions from 1982-1987 by 42 and 13 percent, respectively. Between 1986 and 1987, however, operating foundation assets declined 11 percent in 1986 dollars, a larger percentage than the 1-percent decline in total nonoperating foundation assets. And, unlike nonoperating foundations, operating foundations decreased their charitable distributions from 1986 to 1987, by 14 percent. Since operating foundations are not held accountable to a payout requirement, it is not surprising that their charitable distributions declined by a considerable amount for 1987. These foundations, then, did not increase assets by as much from 1982 to 1987, and did feel the effects of the 1987 decline more strongly.

Table 1A.—Number of Private Foundations and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets, 1986

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

Size of fair market value of total assets	Number of returns	Total revenue		Total expenses		Excess of revenue (less loss) over expenses		Excess of revenue, total		Disbursements for exempt purposes		Contributions, gifts, and grants paid		Grant administrative expenses	
		Number of returns	Amount	Number of returns	Amount	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)	(11)	(12)	(13)	(14)	(15)
ALL FOUNDATIONS															
Total	**35,172**	**34,183**	**20,031,228**	**33,008**	**8,274,395**	**34,312**	**11,756,831**	**23,904**	**12,449,741**	**30,082**	**7,109,100**	**27,615**	**6,205,413**	**19,268**	**391,187**
Zero or unreported	1,215	1,024	60,308	1,122	135,911	951	-75,603	*216	*240	772	133,053	680	130,406	526	1,448
$1 under $100,000	13,771	13,069	376,791	12,398	406,572	13,313	-29,782	8,046	122,537	10,791	388,381	9,409	360,220	6,500	14,151
$100,000 under $1,000,000	13,167	13,086	1,482,104	12,568	710,055	13,059	772,049	9,625	876,005	11,770	632,782	11,080	515,407	7,176	39,275
$1,000,000 under $10,000,000	5,730	5,717	4,040,566	5,638	1,732,485	5,702	2,308,081	4,846	2,448,441	5,493	1,477,917	5,266	1,315,190	3,993	56,722
$10,000,000 under $25,000,000	713	712	2,213,381	709	940,386	712	1,272,995	658	1,326,699	698	857,281	644	734,107	573	49,427
$25,000,000 under $50,000,000	270	269	1,831,520	267	738,318	269	1,093,202	240	1,157,320	258	645,640	248	564,412	231	34,432
$50,000,000 under $100,000,000	155	155	1,812,129	155	741,231	155	1,070,898	137	1,097,883	151	597,795	142	504,615	130	38,221
$100,000,000 or more	151	151	8,214,429	151	2,869,438	151	5,344,991	136	5,420,615	150	2,376,251	145	2,081,057	139	157,511
Nonoperating foundations															
Total	**32,405**	**31,528**	**18,048,034**	**30,536**	**7,362,313**	**31,602**	**10,685,720**	**22,061**	**11,364,142**	**28,109**	**6,550,601**	**26,408**	**6,115,906**	**18,485**	**312,487**
Zero or unreported	1,108	946	56,380	1,016	132,131	859	-75,751	*151	*73	730	131,386	666	130,028	512	1,350
$1 under $100,000	12,474	11,841	357,242	11,335	387,913	12,043	-30,671	7,277	114,299	9,848	372,421	8,760	349,084	6,184	13,541
$100,000 under $1,000,000	12,344	12,278	1,323,881	11,805	583,482	12,251	740,398	9,051	842,281	11,221	524,963	10,764	497,655	6,867	18,128
$1,000,000 under $10,000,000	5,350	5,336	3,531,323	5,258	1,430,595	5,321	2,100,727	4,566	2,238,464	5,196	1,364,383	5,111	1,292,940	3,908	46,901
$10,000,000 under $25,000,000	609	608	2,003,154	605	827,437	608	1,175,717	556	1,228,637	602	770,845	596	727,472	530	35,562
$25,000,000 under $50,000,000	245	244	1,673,356	242	658,106	244	1,015,250	218	1,077,730	238	599,731	237	560,431	223	28,918
$50,000,000 under $100,000,000	138	138	1,658,877	138	643,483	138	1,015,394	120	1,042,379	137	542,963	137	502,584	128	28,088
$100,000,000 or more	137	137	7,443,821	137	2,699,167	137	4,744,654	122	4,820,279	137	2,243,909	137	2,055,711	133	139,999
Operating foundations															
Total	**2,767**	**2,654**	**1,983,194**	**2,472**	**912,082**	**2,710**	**1,071,112**	**1,843**	**1,085,600**	**1,973**	**558,499**	**1,207**	**89,506**	**783**	**78,700**
Zero or unreported	*106	*78	*3,928	*106	*3,780	*92	*148	*64	*167	*42	*1,667	*14	*377	*14	*98
$1 under $100,000	1,298	1,228	19,549	1,063	18,659	1,270	889	769	8,238	942	15,960	649	11,136	316	610
$100,000 under $1,000,000	823	808	158,223	763	126,573	808	31,650	575	33,724	549	107,820	317	17,752	309	21,147
$1,000,000 under $10,000,000	380	380	509,243	380	301,890	380	207,353	280	209,978	297	113,534	155	22,249	*85	*9,821
$10,000,000 under $25,000,000	104	104	210,227	104	112,949	104	97,278	102	98,062	96	86,436	48	6,634	43	13,865
$25,000,000 under $50,000,000	25	25	158,164	25	80,212	25	77,952	22	79,590	20	45,910	11	3,981	8	5,514
$50,000,000 under $100,000,000	17	17	153,252	17	97,748	17	55,504	17	55,504	14	54,832	5	2,031	2	10,133
$100,000,000 or more	14	14	770,608	14	170,272	14	600,337	14	600,337	13	132,341	8	25,346	6	17,512
GRANTMAKING FOUNDATIONS															
Total	**27,615**	**27,480**	**18,440,749**	**27,564**	**7,587,209**	**27,288**	**10,853,539**	**18,498**	**11,529,838**	**27,615**	**6,773,486**	**27,615**	**6,205,413**	**17,619**	**333,063**
Zero or unreported	680	652	55,678	680	131,453	574	-75,775	-	-	680	131,014	680	130,406	462	593
$1 under $100,000	9,409	9,303	287,861	9,409	370,609	9,297	-82,748	5,074	66,613	9,409	367,437	9,409	360,220	5,510	6,759
$100,000 under $1,000,000	11,080	11,080	1,073,304	11,080	582,620	10,987	490,684	7,873	590,059	11,080	544,084	11,080	515,407	6,680	24,363
$1,000,000 under $10,000,000	5,266	5,266	3,525,933	5,216	1,478,853	5,252	2,047,080	4,480	2,184,131	5,266	1,414,587	5,266	1,315,190	3,922	47,630
$10,000,000 under $25,000,000	644	644	2,031,094	644	848,498	644	1,182,596	594	1,233,572	644	784,071	644	734,107	551	36,284
$25,000,000 under $50,000,000	248	248	1,636,009	248	674,799	248	961,210	221	1,022,468	248	616,152	248	564,412	227	29,469
$50,000,000 under $100,000,000	142	142	1,693,766	142	665,760	142	1,028,006	125	1,054,885	142	561,297	142	504,615	129	30,453
$100,000,000 or more	145	145	8,137,103	145	2,834,618	145	5,302,486	130	5,378,110	145	2,344,844	145	2,081,057	139	157,511
Grantmaking-nonoperating foundations															
Total	**26,408**	**26,288**	**17,311,477**	**26,358**	**7,248,178**	**26,096**	**10,063,298**	**17,816**	**10,729,727**	**26,408**	**6,512,904**	**26,408**	**6,115,906**	**17,108**	**298,782**
Zero or unreported	666	638	55,203	666	130,977	574	-75,775	-	-	666	130,539	666	130,028	448	496
$1 under $100,000	8,760	8,668	281,362	8,760	358,112	8,648	-76,750	4,800	65,653	8,760	355,853	8,760	349,084	5,305	6,634
$100,000 under $1,000,000	10,764	10,764	1,027,309	10,764	552,809	10,670	474,499	7,646	572,533	10,764	515,329	10,764	497,655	6,482	15,409
$1,000,000 under $10,000,000	5,111	5,111	3,337,547	5,061	1,403,409	5,096	1,934,137	4,369	2,070,761	5,111	1,359,086	5,111	1,292,940	3,865	46,532
$10,000,000 under $25,000,000	596	596	1,954,452	596	818,677	596	1,135,776	546	1,186,751	596	767,255	596	727,472	525	32,709
$25,000,000 under $50,000,000	237	237	1,555,386	237	644,129	237	911,257	212	971,371	237	597,971	237	560,431	222	28,915
$50,000,000 under $100,000,000	137	137	1,656,399	137	640,898	137	1,015,500	120	1,042,379	137	542,963	137	502,584	128	28,088
$100,000,000 or more	137	137	7,443,821	137	2,699,167	137	4,744,654	122	4,820,279	137	2,243,909	137	2,055,711	133	139,999
Grantmaking-operating foundations															
Total	**1,207**	**1,193**	**1,129,272**	**1,207**	**339,031**	**1,193**	**790,241**	**682**	**800,111**	**1,207**	**260,582**	**1,207**	**89,506**	**511**	**34,281**
Zero or unreported	*14	*14	*475	*14	*475	-	-	-	-	*14	*475	*14	*377	*14	*98
$1 under $100,000	649	635	6,499	649	12,497	649	-5,998	274	960	649	11,584	649	11,136	204	125
$100,000 under $1,000,000	317	317	45,996	317	29,810	317	16,185	227	17,526	317	28,755	317	17,752	198	8,954
$1,000,000 under $10,000,000	155	155	188,386	155	75,444	155	112,942	*111	*113,370	155	55,501	155	22,249	*57	*1,098
$10,000,000 under $25,000,000	48	48	76,642	48	29,822	48	46,820	48	46,820	48	26,816	48	6,634	26	3,576
$25,000,000 under $50,000,000	11	11	80,623	11	30,671	11	49,953	9	51,097	11	18,181	11	3,981	5	554
$50,000,000 under $100,000,000	5	5	37,367	5	24,861	5	12,506	5	12,506	5	18,334	5	2,031	1	2,365
$100,000,000 or more	8	8	693,283	8	135,451	8	557,832	8	557,832	8	100,935	8	25,346	6	17,512

Footnotes at end of table.

Table 1A.—Number of Private Foundations and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets, 1986—Continued

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

Size of fair market value of total assets	Net investment income		Net gain (less loss) from sale of assets		Excise tax on net investment income					Total assets (book value)		Investments in securities (book value)		Total assets (fair market value)	
					Total	Domestic organizations		Foreign organizations							
	Number of returns	Amount	Number of returns	Amount		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
ALL FOUNDATIONS															
Total	**29,452**	**12,326,253**	**12,411**	**6,994,128**	**195,823**	**27,981**	**194,840**	**70**	**983**	**34,073**	**87,191,337**	**20,237**	**64,184,892**	**33,958**	**113,175,809**
Zero or unreported	526	11,833	*199	*7,184	122	448	122	-	-	*129	*131	-	-	-	-
$1 under $100,000	9,775	55,947	1,979	14,760	894	9,168	892	*14	*2	13,771	437,268	4,759	160,341	13,771	451,268
$100,000 under $1,000,000	12,388	419,333	4,973	110,649	7,224	11,986	7,192	*14	*32	13,153	4,164,836	9,288	2,041,805	13,167	4,657,968
$1,000,000 under $10,000,000	5,498	2,098,261	4,122	939,321	34,166	5,214	34,125	*30	*41	5,730	14,840,939	4,963	9,407,579	5,730	17,889,686
$10,000,000 under $25,000,000	699	1,297,745	609	680,325	21,585	648	21,554	2	30	713	8,977,299	674	6,303,287	713	11,221,270
$25,000,000 under $50,000,000	264	1,032,818	241	571,793	16,396	241	16,358	6	38	270	7,460,288	255	5,507,692	270	9,289,741
$50,000,000 under $100,000,000	153	1,232,231	144	674,379	20,722	141	20,687	1	35	155	8,460,707	151	6,395,801	155	10,822,037
$100,000,000 or more	149	6,178,086	143	3,995,716	94,715	138	93,910	3	804	151	42,849,868	147	34,368,387	151	58,843,840
Nonoperating foundations															
Total	**27,513**	**11,355,686**	**11,854**	**6,426,153**	**192,271**	**26,914**	**191,288**	**70**	**983**	**31,348**	**77,367,154**	**19,068**	**58,780,743**	**31,297**	**101,101,380**
Zero or unreported	526	11,833	*199	*7,184	122	448	122	-	-	*64	*40	-	-	-	-
$1 under $100,000	9,001	50,558	1,937	14,724	817	8,643	815	*14	*2	12,474	395,958	4,499	151,406	12,474	408,747
$100,000 under $1,000,000	11,687	404,528	4,820	108,297	7,081	11,613	7,049	*14	*32	12,330	3,870,162	8,806	1,981,491	12,344	4,340,885
$1,000,000 under $10,000,000	5,187	2,006,495	3,884	868,509	33,803	5,116	33,762	*30	*41	5,350	13,680,955	4,680	8,970,287	5,350	16,414,876
$10,000,000 under $25,000,000	598	1,182,447	533	632,015	20,447	595	20,417	2	30	609	7,865,335	576	5,836,940	609	9,734,308
$25,000,000 under $50,000,000	242	960,878	222	531,159	16,187	234	16,149	6	38	245	6,737,227	237	5,163,540	245	8,424,576
$50,000,000 under $100,000,000	137	1,144,209	128	632,366	20,249	134	20,214	1	35	138	7,521,008	134	5,862,653	138	9,624,954
$100,000,000 or more	135	5,594,738	130	3,631,900	93,564	132	92,760	3	804	137	37,296,469	135	30,814,425	137	52,153,033
Operating foundations															
Total	**1,939**	**970,567**	**557**	**567,974**	**3,552**	**1,067**	**3,552**	**-**	**-**	**2,725**	**9,824,182**	**1,169**	**5,404,149**	**2,661**	**12,074,430**
Zero or unreported	-	-	-	-	-	-	-	-	-	*64	*90	-	-	-	-
$1 under $100,000	775	5,388	*42	*36	78	523	78	-	-	1,298	41,310	260	8,935	1,298	42,521
$100,000 under $1,000,000	701	14,805	*153	*2,353	142	372	142	-	-	823	294,675	482	60,314	823	317,082
$1,000,000 under $10,000,000	311	91,766	238	70,812	*362	*99	*362	-	-	380	1,159,984	283	437,292	380	1,474,810
$10,000,000 under $25,000,000	101	115,298	76	48,310	1,138	53	1,138	-	-	104	1,111,964	98	466,347	104	1,486,961
$25,000,000 under $50,000,000	22	71,939	19	40,634	209	7	209	-	-	25	723,061	18	344,152	25	865,165
$50,000,000 under $100,000,000	16	88,022	16	42,014	473	7	473	-	-	17	939,699	17	533,147	17	1,197,083
$100,000,000 or more	14	583,348	13	363,817	1,150	6	1,150	-	-	14	5,553,399	12	3,553,962	14	6,690,807
GRANTMAKING FOUNDATIONS															
Total	**25,372**	**11,978,822**	**11,551**	**6,831,753**	**192,665**	**24,670**	**191,734**	**66**	**931**	**26,935**	**82,414,792**	**17,678**	**62,035,195**	**26,935**	**107,100,963**
Zero or unreported	476	11,833	*199	*7,184	122	448	122	-	-	*14	*26	-	-	-	-
$1 under $100,000	7,724	52,540	1,845	14,696	829	7,425	827	*14	*2	9,409	333,511	3,976	131,550	9,409	345,322
$100,000 under $1,000,000	10,858	383,884	4,523	97,087	6,612	10,677	6,579	*14	*32	11,066	3,513,889	7,929	1,799,405	11,080	3,955,355
$1,000,000 under $10,000,000	5,145	2,022,730	3,912	889,075	33,584	4,988	33,543	*30	*41	5,266	13,558,712	4,639	8,861,074	5,266	16,353,592
$10,000,000 under $25,000,000	640	1,226,472	573	666,318	20,924	627	20,894	2	30	644	8,161,816	616	5,935,997	644	10,294,773
$25,000,000 under $50,000,000	245	994,591	229	550,863	16,165	234	16,144	3	21	248	6,834,668	239	5,188,163	248	8,546,906
$50,000,000 under $100,000,000	141	1,165,548	133	639,915	20,459	137	20,459	-	-	142	7,793,624	138	6,005,829	142	9,912,121
$100,000,000 or more	143	6,121,224	137	3,966,615	93,969	134	93,165	3	804	145	42,218,547	142	34,113,177	145	57,692,914
Grantmaking-nonoperating foundations															
Total	**24,423**	**11,297,530**	**11,255**	**6,404,119**	**191,103**	**24,150**	**190,172**	**66**	**931**	**25,742**	**75,855,312**	**17,092**	**58,067,414**	**25,742**	**99,471,964**
Zero or unreported	476	11,833	*199	*7,184	122	448	122	-	-	*14	*26	-	-	-	-
$1 under $100,000	7,274	47,540	1,817	14,644	759	7,129	757	*14	*2	8,760	311,592	3,760	123,959	8,760	322,186
$100,000 under $1,000,000	10,556	377,215	4,418	96,578	6,541	10,527	6,509	*14	*32	10,750	3,419,124	7,732	1,767,329	10,764	3,855,777
$1,000,000 under $10,000,000	5,018	1,992,270	3,814	864,083	33,519	4,960	33,478	*30	*41	5,111	13,182,725	4,511	8,754,987	5,111	15,881,558
$10,000,000 under $25,000,000	593	1,176,801	529	630,802	20,347	590	20,317	2	30	596	7,682,223	570	5,776,402	596	9,540,780
$25,000,000 under $50,000,000	235	953,799	220	526,562	16,037	230	16,015	3	21	237	6,489,200	231	5,012,156	237	8,147,637
$50,000,000 under $100,000,000	136	1,143,333	128	632,366	20,214	134	20,214	-	-	137	7,473,953	133	5,818,156	137	9,570,992
$100,000,000 or more	135	5,594,738	130	3,631,900	93,564	132	92,760	3	804	137	37,296,469	135	30,814,425	137	52,153,033
Grantmaking-operating foundations															
Total	**949**	**681,293**	**296**	**427,634**	**1,561**	**520**	**1,561**	**-**	**-**	**1,193**	**6,559,480**	**586**	**3,967,782**	**1,193**	**7,629,018**
Zero or unreported	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
$1 under $100,000	450	5,000	*28	*51	71	297	71	-	-	649	21,919	*195	*7,591	649	23,136
$100,000 under $1,000,000	302	6,669	*105	*509	*71	*150	*71	-	-	317	94,765	197	32,076	317	99,578
$1,000,000 under $10,000,000	*127	*30,460	*99	*24,993	*65	*28	*65	-	-	155	375,988	*127	*106,087	155	472,034
$10,000,000 under $25,000,000	47	49,671	44	35,516	577	37	577	-	-	48	479,593	46	159,596	48	753,993
$25,000,000 under $50,000,000	10	40,792	9	24,300	128	4	128	-	-	11	345,468	8	176,007	11	399,268
$50,000,000 under $100,000,000	5	22,215	5	7,550	245	3	245	-	-	5	319,671	5	187,873	5	341,129
$100,000,000 or more	8	526,486	7	334,715	405	2	405	-	-	8	4,922,078	7	3,298,752	8	5,539,880

Footnotes at end of table.

Table 1A.—Number of Private Foundations and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets, 1986—Continued

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

Size of fair market value of total assets	Investments in securities (fair market value)		Net worth		Minimum investment return		Distributable amount		Qualifying distributions		Excess grant administrative expenses		Undistributed income for 1986		Excess distributions carryover to 1987	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
ALL FOUNDATIONS																
Total	**20,081**	**87,014,561**	**34,072**	**83,501,039**	**31,568**	**5,022,891**	**29,390**	**4,578,013**	**30,787**	**7,746,165**	**4,039**	**68,032**	**7,085**	**1,157,489**	**23,063**	**8,754,835**
Zero or unreported	-	-	*157	*116	582	5,233	568	5,103	800	132,875	*171	*281	-	-	674	215,996
$1 under $100,000	4,652	169,817	13,743	410,307	11,312	23,388	10,403	21,866	11,079	390,436	1,854	2,708	2,033	1,911	8,918	1,089,604
$100,000 under $1,000,000	9,240	2,490,138	13,153	3,990,084	12,797	194,152	12,037	180,792	12,089	640,592	1,381	12,481	3,039	26,842	9,087	1,327,005
$1,000,000 under $10,000,000	4,963	12,007,407	5,730	14,338,414	5,605	794,046	5,267	756,704	5,547	1,668,129	480	19,251	1,614	150,457	3,667	2,434,645
$10,000,000 under $25,000,000	672	8,161,106	712	8,612,147	707	489,029	605	438,755	705	911,303	99	19,715	164	77,666	441	1,381,389
$25,000,000 under $50,000,000	255	7,082,033	270	7,105,215	262	408,537	239	372,279	262	652,398	37	9,442	112	110,756	127	680,301
$50,000,000 under $100,000,000	151	8,392,341	155	8,168,200	153	477,231	136	458,870	154	687,671	10	1,312	56	105,656	80	612,183
$100,000,000 or more	147	48,711,720	151	40,876,556	150	2,631,278	135	2,343,644	151	2,662,761	8	2,842	67	684,201	69	1,013,712
Nonoperating foundations																
Total	**18,912**	**80,792,365**	**31,347**	**74,503,576**	**29,477**	**4,644,252**	**29,390**	**4,578,013**	**28,612**	**6,766,426**	**3,708**	**45,000**	**7,085**	**1,157,489**	**23,063**	**8,754,835**
Zero or unreported	-	-	*92	*26	568	5,224	568	5,103	758	131,119	*171	*281	-	-	674	215,996
$1 under $100,000	4,393	159,887	12,446	369,740	10,459	21,906	10,403	21,866	10,137	374,668	1,756	2,376	2,033	1,911	8,918	1,089,604
$100,000 under $1,000,000	8,758	2,422,417	12,330	3,760,959	12,067	184,830	12,037	180,792	11,407	527,705	1,214	3,053	3,039	26,842	9,087	1,327,005
$1,000,000 under $10,000,000	4,680	11,436,705	5,350	13,262,271	5,267	752,924	5,267	756,704	5,196	1,381,116	437	18,030	1,614	150,457	3,667	2,434,645
$10,000,000 under $25,000,000	574	7,578,484	608	7,613,831	605	449,413	605	438,755	603	770,600	79	10,457	164	77,666	441	1,381,389
$25,000,000 under $50,000,000	237	6,666,873	245	6,515,290	239	380,256	239	372,279	237	588,033	34	6,648	112	110,756	127	680,301
$50,000,000 under $100,000,000	134	7,761,226	138	7,317,667	136	439,526	136	458,870	137	574,250	10	1,312	56	105,656	80	612,183
$100,000,000 or more	135	44,766,773	137	35,663,792	136	2,410,173	135	2,343,644	137	2,418,935	8	2,842	67	684,201	69	1,013,712
Operating foundations																
Total	**1,169**	**6,222,197**	**2,725**	**8,997,464**	**2,091**	**378,640**	**N/A**	**N/A**	**2,175**	**979,739**	**331**	**23,032**	**N/A**	**N/A**	**N/A**	**N/A**
Zero or unreported	-	-	*64	*90	*14	*8	N/A	N/A	*42	*1,756	-	-	N/A	N/A	N/A	N/A
$1 under $100,000	260	9,930	1,298	40,567	853	1,481	N/A	N/A	942	15,768	*98	*332	N/A	N/A	N/A	N/A
$100,000 under $1,000,000	482	67,721	823	229,125	730	9,322	N/A	N/A	682	112,887	*167	*9,429	N/A	N/A	N/A	N/A
$1,000,000 under $10,000,000	283	570,702	380	1,076,143	339	41,121	N/A	N/A	351	287,013	*43	*1,221	N/A	N/A	N/A	N/A
$10,000,000 under $25,000,000	98	582,622	104	998,317	102	39,616	N/A	N/A	102	140,702	20	9,257	N/A	N/A	N/A	N/A
$25,000,000 under $50,000,000	18	415,160	25	589,925	23	28,280	N/A	N/A	25	64,365	3	2,794	N/A	N/A	N/A	N/A
$50,000,000 under $100,000,000	17	631,116	17	850,532	17	37,705	N/A	N/A	17	113,421	-	-	N/A	N/A	N/A	N/A
$100,000,000 or more	12	3,944,947	14	5,212,764	14	221,105	N/A	N/A	14	243,827	-	-	N/A	N/A	N/A	N/A
GRANTMAKING FOUNDATIONS																
Total	**17,564**	**84,305,448**	**26,934**	**79,391,407**	**26,277**	**4,873,857**	**25,256**	**4,549,569**	**27,571**	**7,121,889**	**3,647**	**49,187**	**4,957**	**1,144,034**	**20,960**	**8,567,629**
Zero or unreported	-	-	*42	*11	490	5,222	490	5,101	666	130,718	*171	*281	-	-	582	205,669
$1 under $100,000	3,897	140,592	9,381	315,901	8,491	21,080	7,999	20,109	9,409	368,549	1,650	2,390	822	1,062	7,628	996,125
$100,000 under $1,000,000	7,896	2,218,725	11,066	3,390,619	10,869	175,983	10,568	168,998	11,080	541,703	1,210	5,389	2,203	22,294	8,468	1,294,507
$1,000,000 under $10,000,000	4,639	11,342,739	5,266	13,299,561	5,253	761,608	5,097	749,777	5,238	1,429,852	480	19,251	1,543	147,320	3,568	2,424,170
$10,000,000 under $25,000,000	614	7,697,191	643	7,966,256	644	464,915	596	435,456	644	795,180	82	10,944	157	76,054	438	1,343,958
$25,000,000 under $50,000,000	239	6,697,991	248	6,593,017	245	390,032	235	367,615	247	607,459	36	6,776	109	107,447	126	677,306
$50,000,000 under $100,000,000	138	7,912,446	142	7,579,093	141	450,934	136	458,870	142	637,544	10	1,312	56	105,656	80	612,183
$100,000,000 or more	142	48,295,764	145	40,246,949	144	2,604,083	135	2,343,644	145	2,610,884	8	2,842	67	684,201	69	1,013,712
Grantmaking-nonoperating foundations																
Total	**16,979**	**80,001,630**	**25,741**	**73,309,472**	**25,300**	**4,614,832**	**25,256**	**4,549,569**	**26,379**	**6,719,486**	**3,453**	**44,741**	**4,957**	**1,144,034**	**20,960**	**8,567,629**
Zero or unreported	-	-	*42	*11	490	5,222	490	5,101	652	130,243	*171	*281	-	-	582	205,669
$1 under $100,000	3,702	132,003	8,732	294,545	8,027	20,100	7,999	20,109	8,760	356,969	1,594	2,266	822	1,062	7,628	996,125
$100,000 under $1,000,000	7,699	2,184,682	10,750	3,325,305	10,583	172,625	10,568	168,998	10,764	512,569	1,122	2,925	2,203	22,294	8,468	1,294,507
$1,000,000 under $10,000,000	4,511	11,211,955	5,111	12,944,238	5,097	745,713	5,097	749,777	5,097	1,373,270	437	18,030	1,543	147,320	3,568	2,424,170
$10,000,000 under $25,000,000	568	7,509,128	595	7,497,337	596	446,014	596	435,456	596	768,976	78	10,436	157	76,054	438	1,343,958
$25,000,000 under $50,000,000	231	6,487,267	237	6,313,632	235	375,459	235	367,615	236	586,274	34	6,648	109	107,447	126	677,306
$50,000,000 under $100,000,000	133	7,709,821	137	7,270,613	136	439,526	136	458,870	137	574,250	10	1,312	56	105,656	80	612,183
$100,000,000 or more	135	44,766,773	137	35,663,792	136	2,410,173	135	2,343,644	137	2,418,935	8	2,842	67	684,201	69	1,013,712
Grantmaking-operating foundations																
Total	**586**	**4,303,818**	**1,193**	**6,081,935**	**977**	**259,025**	**N/A**	**N/A**	**1,192**	**402,403**	**194**	**4,446**	**N/A**	**N/A**	**N/A**	**N/A**
Zero or unreported	-	-	-	-	-	-	N/A	N/A	*14	*475	-	-	N/A	N/A	N/A	N/A
$1 under $100,000	*195	*8,589	649	21,356	464	980	N/A	N/A	649	11,580	*56	*125	N/A	N/A	N/A	N/A
$100,000 under $1,000,000	197	34,043	317	65,313	287	3,358	N/A	N/A	317	29,134	*89	*2,465	N/A	N/A	N/A	N/A
$1,000,000 under $10,000,000	*127	*130,784	155	355,323	155	15,894	N/A	N/A	*140	*56,581	*43	*1,221	N/A	N/A	N/A	N/A
$10,000,000 under $25,000,000	48	188,062	48	468,920	48	18,901	N/A	N/A	48	28,204	4	508	N/A	N/A	N/A	N/A
$25,000,000 under $50,000,000	8	210,724	11	279,386	10	14,573	N/A	N/A	11	21,185	2	128	N/A	N/A	N/A	N/A
$50,000,000 under $100,000,000	5	202,625	5	308,480	5	11,408	N/A	N/A	5	63,294	-	-	N/A	N/A	N/A	N/A
$100,000,000 or more	7	3,528,991	8	4,583,157	8	193,910	N/A	N/A	8	191,949	-	-	N/A	N/A	N/A	N/A

N/A – not applicable.

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

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

Table 1B.—Number of Private Foundations and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets, 1987

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

Size of fair market value of total assets	Number of returns	Total revenue		Total expenses		Excess of revenue (less loss) over expenses		Excess of revenue, total		Disbursements for exempt purposes		Contributions, gifts, and grants paid		Grant administrative expenses	
		Number of returns	Amount	Number of returns	Amount	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)	(11)	(12)	(13)	(14)	(15)
ALL FOUNDATIONS															
Total	**35,907**	**35,158**	**17,116,794**	**34,747**	**9,072,066**	**35,063**	**8,044,727**	**21,938**	**9,180,495**	**32,496**	**7,801,815**	**30,045**	**6,770,100**	**18,841**	**381,014**
Zero or unreported	858	688	16,506	798	46,362	660	-29,857	*66	*498	619	43,400	563	41,987	260	887
$1 under $100,000	14,190	13,651	292,969	13,334	285,254	13,679	7,716	7,337	62,793	11,879	257,008	10,595	226,293	6,259	10,078
$100,000 under $1,000,000	13,671	13,635	1,254,630	13,467	830,777	13,544	423,853	9,160	629,413	13,004	767,618	12,384	677,248	7,368	31,991
$1,000,000 under $10,000,000	5,882	5,878	3,369,230	5,843	2,010,489	5,878	1,358,741	4,323	1,724,554	5,705	1,688,065	5,306	1,450,072	3,920	65,154
$10,000,000 under $25,000,000	712	712	1,911,881	711	1,018,447	712	893,434	568	1,019,462	702	900,864	648	772,497	538	39,555
$25,000,000 under $50,000,000	284	284	1,696,361	284	845,823	280	850,538	237	963,773	280	717,417	257	597,668	233	34,977
$50,000,000 under $100,000,000	157	157	1,624,120	157	759,035	157	865,086	121	952,091	154	651,386	145	543,653	126	33,187
$100,000,000 or more	154	154	6,951,097	154	3,275,880	154	3,675,217	125	3,827,911	153	2,778,059	148	2,460,682	141	165,205
Nonoperating foundations															
Total	**32,746**	**32,095**	**15,572,480**	**31,790**	**8,268,733**	**31,995**	**7,303,746**	**20,041**	**8,375,114**	**29,979**	**7,172,998**	**28,598**	**6,686,128**	**18,310**	**359,650**
Zero or unreported	816	646	15,568	757	45,336	632	-29,768	*66	*498	577	42,383	536	41,095	246	766
$1 under $100,000	12,652	12,197	261,439	11,990	256,897	12,211	4,542	6,532	55,637	10,774	237,176	9,863	218,587	6,038	9,761
$100,000 under $1,000,000	12,814	12,789	1,156,134	12,621	750,333	12,698	405,801	8,613	594,832	12,269	699,435	11,927	659,527	7,156	29,228
$1,000,000 under $10,000,000	5,296	5,296	2,955,242	5,256	1,775,918	5,291	1,179,323	3,894	1,530,765	5,200	1,507,705	5,128	1,437,360	3,852	53,948
$10,000,000 under $25,000,000	626	626	1,684,733	625	901,866	626	782,867	500	897,991	622	806,961	615	760,847	528	38,248
$25,000,000 under $50,000,000	255	255	1,514,207	255	730,497	251	783,710	213	882,832	254	638,312	247	595,015	229	33,667
$50,000,000 under $100,000,000	140	140	1,459,186	140	670,479	140	788,707	106	871,301	138	581,802	137	539,770	123	30,421
$100,000,000 or more	146	146	6,525,971	146	3,137,408	146	3,388,563	117	3,541,257	145	2,659,223	145	2,433,926	139	163,612
Operating foundations															
Total	**3,161**	**3,063**	**1,544,314**	**2,957**	**803,333**	**3,067**	**740,981**	**1,897**	**805,381**	**2,516**	**628,818**	**1,447**	**83,972**	**531**	**21,364**
Zero or unreported	*41	*41	*937	*41	*1,026	*28	*-88	-	-	*41	*1,017	*28	*892	*14	*100
$1 under $100,000	1,537	1,454	31,530	1,344	28,357	1,468	3,173	805	7,156	1,105	19,830	732	7,705	221	317
$100,000 under $1,000,000	856	845	98,496	845	80,444	845	18,051	548	34,581	735	68,183	457	17,721	210	2,764
$1,000,000 under $10,000,000	586	582	413,988	586	234,570	586	179,418	429	193,789	505	178,361	177	12,712	68	11,206
$10,000,000 under $25,000,000	86	86	227,148	86	116,581	86	110,567	68	121,471	80	93,903	33	11,650	10	1,307
$25,000,000 under $50,000,000	29	29	182,154	29	115,326	29	66,828	24	80,941	26	79,105	10	2,653	4	1,309
$50,000,000 under $100,000,000	17	17	164,935	17	88,556	17	76,378	15	80,790	16	69,584	8	3,883	3	2,767
$100,000,000 or more	8	8	425,126	8	138,473	8	286,654	8	286,654	8	118,836	3	26,755	2	1,593
GRANTMAKING FOUNDATIONS															
Total	**30,045**	**29,861**	**15,804,924**	**30,032**	**8,465,018**	**29,715**	**7,339,905**	**18,283**	**8,428,232**	**30,045**	**7,388,212**	**30,045**	**6,770,100**	**18,018**	**351,670**
Zero or unreported	563	481	13,715	563	43,487	494	-29,772	*25	*395	563	42,297	563	41,987	246	309
$1 under $100,000	10,595	10,498	234,979	10,581	245,419	10,429	-10,440	5,248	40,477	10,595	236,472	10,595	226,293	5,706	6,943
$100,000 under $1,000,000	12,384	12,384	1,075,714	12,384	760,231	12,293	315,482	8,166	507,977	12,384	716,022	12,384	677,248	7,156	23,057
$1,000,000 under $10,000,000	5,306	5,301	2,853,418	5,306	1,798,150	5,301	1,055,268	3,885	1,411,734	5,306	1,543,964	5,306	1,450,072	3,876	54,040
$10,000,000 under $25,000,000	648	648	1,715,813	648	930,829	648	784,984	513	904,465	648	837,741	648	772,497	535	36,709
$25,000,000 under $50,000,000	257	257	1,553,467	257	750,382	257	803,085	218	902,744	257	651,492	257	597,668	233	34,977
$50,000,000 under $100,000,000	145	145	1,502,935	145	705,801	145	797,134	110	883,583	145	616,817	145	543,653	125	30,431
$100,000,000 or more	148	148	6,854,884	148	3,230,721	148	3,624,162	119	3,776,856	148	2,743,408	148	2,460,682	141	165,205
Grantmaking-nonoperating foundations															
Total	**28,598**	**28,419**	**15,131,098**	**28,598**	**8,161,671**	**28,296**	**6,969,427**	**17,427**	**8,027,434**	**28,598**	**7,134,929**	**28,598**	**6,686,128**	**17,573**	**343,789**
Zero or unreported	536	453	12,779	536	42,485	481	-29,706	*25	*395	536	41,305	536	41,095	232	209
$1 under $100,000	9,863	9,766	224,336	9,863	234,416	9,711	-10,080	4,875	38,552	9,863	226,940	9,863	218,587	5,513	6,695
$100,000 under $1,000,000	11,927	11,927	1,032,826	11,927	728,701	11,836	304,125	7,853	487,644	11,927	687,330	11,927	659,527	6,991	22,167
$1,000,000 under $10,000,000	5,128	5,128	2,771,809	5,128	1,746,060	5,124	1,025,749	3,753	1,375,917	5,128	1,500,078	5,128	1,437,360	3,822	51,617
$10,000,000 under $25,000,000	615	615	1,642,308	615	892,813	615	749,495	492	861,744	615	802,994	615	760,847	525	35,402
$25,000,000 under $50,000,000	247	247	1,487,638	247	725,411	247	762,227	210	860,834	247	635,861	247	595,015	229	33,667
$50,000,000 under $100,000,000	137	137	1,441,841	137	661,716	137	780,125	104	862,163	137	581,197	137	539,770	123	30,421
$100,000,000 or more	145	145	6,517,560	145	3,130,068	145	3,387,492	116	3,540,186	145	2,659,223	145	2,433,926	139	163,612
Grantmaking-operating foundations															
Total	**1,447**	**1,443**	**673,826**	**1,433**	**303,348**	**1,420**	**370,478**	**856**	**400,798**	**1,447**	**253,283**	**1,447**	**83,972**	**445**	**7,882**
Zero or unreported	*28	*28	*936	*28	*1,001	*14	*-66	-	-	*28	*992	*28	*892	*14	*100
$1 under $100,000	732	732	10,642	718	11,003	718	-360	373	1,925	732	9,532	732	7,705	193	248
$100,000 under $1,000,000	457	457	42,887	457	31,530	457	11,357	313	20,334	457	28,692	457	17,721	165	890
$1,000,000 under $10,000,000	177	173	81,609	177	52,090	177	29,519	131	35,818	177	43,886	177	12,712	55	2,423
$10,000,000 under $25,000,000	33	33	73,505	33	38,015	33	35,490	21	42,721	33	34,747	33	11,650	10	1,307
$25,000,000 under $50,000,000	10	10	65,829	10	24,971	10	40,858	8	41,910	10	15,631	10	2,653	4	1,309
$50,000,000 under $100,000,000	8	8	61,093	8	44,084	8	17,009	6	21,420	8	35,620	8	3,883	2	11
$100,000,000 or more	3	3	337,323	3	100,653	3	236,670	3	236,670	3	84,185	3	26,755	2	1,593

Footnotes at end of table.

Table 1B.—Number of Private Foundations and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets, 1987—Continued

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

Size of fair market value of total assets	Net investment income		Net gain (less loss) from sale of assets		Excise tax on net investment income					Total assets (book value)		Investments in securities (book value)		Total assets (fair market value)	
					Total	Domestic organizations		Foreign organizations							
	Number of returns	Amount	Number of returns	Amount		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
ALL FOUNDATIONS															
Total	**30,720**	**11,279,279**	**13,362**	**5,567,476**	**174,250**	**29,777**	**173,402**	**46**	**848**	**35,161**	**93,783,400**	**21,223**	**69,946,993**	**35,049**	**114,301,195**
Zero or unreported	273	2,174	*41	*414	29	260	29	-	-	154	7,446	*14	*148	-	-
$1 under $100,000	10,346	37,887	2,168	2,761	641	10,015	641	-	-	14,162	456,021	5,035	173,633	14,190	459,435
$100,000 under $1,000,000	13,111	463,221	5,914	128,677	7,696	12,847	7,692	*18	*3	13,857	4,627,421	9,915	2,508,487	13,871	5,038,021
$1,000,000 under $10,000,000	5,713	1,879,091	4,080	717,981	31,135	5,461	31,096	*15	*39	5,882	15,649,389	5,043	10,189,634	5,882	17,902,316
$10,000,000 under $25,000,000	695	1,092,958	623	474,856	17,636	659	17,601	1	35	712	9,608,393	649	6,803,444	712	11,127,180
$25,000,000 under $50,000,000	273	1,031,008	247	527,881	15,276	251	15,259	3	17	284	8,269,747	263	6,059,557	284	9,841,854
$50,000,000 under $100,000,000	157	1,007,262	143	448,205	15,476	143	15,412	4	64	157	9,083,128	153	7,002,397	157	10,817,271
$100,000,000 or more	152	5,765,677	146	3,266,700	86,362	142	85,672	4	690	154	46,081,854	152	37,209,692	154	59,115,117
Nonoperating foundations															
Total	**28,353**	**10,481,830**	**12,625**	**5,206,990**	**170,089**	**27,948**	**169,240**	**46**	**848**	**32,028**	**84,153,178**	**19,937**	**64,783,044**	**31,929**	**103,192,102**
Zero or unreported	246	2,157	*41	*414	28	232	28	-	-	140	7,397	*14	*148	-	-
$1 under $100,000	9,407	35,099	2,071	3,082	591	9,131	591	-	-	12,625	407,917	4,731	165,981	12,652	417,515
$100,000 under $1,000,000	12,343	443,703	5,671	126,842	7,427	12,269	7,424	*18	*3	12,800	4,346,769	9,467	2,426,707	12,814	4,728,844
$1,000,000 under $10,000,000	5,207	1,718,805	3,787	646,010	29,101	5,183	29,062	*15	*39	5,296	14,033,585	4,620	9,485,961	5,296	15,919,504
$10,000,000 under $25,000,000	618	1,007,648	563	435,649	17,003	617	16,968	1	35	626	8,561,698	583	6,332,380	626	9,858,314
$25,000,000 under $50,000,000	248	961,231	225	489,032	15,005	242	14,987	3	17	255	7,396,129	241	5,626,608	255	8,861,114
$50,000,000 under $100,000,000	140	921,532	128	408,213	14,942	134	14,878	4	64	140	7,986,163	137	6,327,829	140	9,570,394
$100,000,000 or more	144	5,391,655	138	3,097,748	85,992	140	85,302	4	690	146	41,413,521	145	34,417,430	146	53,836,417
Operating foundations															
Total	**2,368**	**797,448**	**737**	**360,486**	**4,162**	**1,829**	**4,162**	**-**	**-**	**3,134**	**9,630,222**	**1,285**	**5,163,949**	**3,120**	**11,109,092**
Zero or unreported	*28	*17	-	-	-	*28	-	-	-	*14	*49	-	-	-	-
$1 under $100,000	939	2,788	*97	*-321	50	884	50	-	-	1,537	48,104	304	7,653	1,537	41,919
$100,000 under $1,000,000	768	19,518	243	1,835	268	578	268	-	-	856	280,652	448	81,780	856	309,177
$1,000,000 under $10,000,000	505	160,286	293	71,971	2,034	278	2,034	-	-	586	1,615,804	422	703,673	586	1,982,813
$10,000,000 under $25,000,000	77	85,310	59	39,207	633	42	633	-	-	86	1,046,696	66	471,064	86	1,268,866
$25,000,000 under $50,000,000	25	69,777	22	38,849	272	9	272	-	-	29	873,618	22	432,949	29	980,740
$50,000,000 under $100,000,000	17	85,730	15	39,992	534	9	534	-	-	17	1,096,965	16	674,568	17	1,246,877
$100,000,000 or more	8	374,022	8	168,952	370	2	370	-	-	8	4,668,333	7	2,792,262	8	5,278,700
GRANTMAKING FOUNDATIONS															
Total	**27,476**	**10,865,292**	**12,672**	**5,355,252**	**169,508**	**27,021**	**168,709**	**42**	**799**	**29,548**	**88,765,457**	**19,529**	**67,659,338**	**29,482**	**108,183,578**
Zero or unreported	246	2,172	*41	*414	29	246	29	-	-	*80	*2,487	*14	*148	-	-
$1 under $100,000	8,703	35,302	2,030	2,929	592	8,509	592	-	-	10,581	375,178	4,358	157,275	10,595	383,250
$100,000 under $1,000,000	12,092	437,612	5,682	124,630	7,248	11,930	7,244	*18	*3	12,384	4,205,184	9,373	2,408,253	12,384	4,592,772
$1,000,000 under $10,000,000	5,248	1,688,774	3,830	610,353	28,274	5,184	28,236	*15	*39	5,306	14,086,040	4,644	9,481,810	5,306	16,028,078
$10,000,000 under $25,000,000	643	1,042,003	585	455,905	17,164	630	17,129	1	35	648	8,786,948	605	6,454,627	648	10,185,757
$25,000,000 under $50,000,000	254	991,301	230	509,915	15,150	244	15,144	2	7	257	7,613,845	246	5,790,680	257	9,008,218
$50,000,000 under $100,000,000	145	953,783	133	410,876	15,072	137	15,033	2	39	145	8,411,490	142	6,588,749	145	9,979,836
$100,000,000 or more	146	5,714,344	141	3,240,231	85,978	140	85,302	3	677	148	45,304,284	147	36,819,797	148	58,009,670
Grantmaking-nonoperating foundations															
Total	**26,261**	**10,390,682**	**12,251**	**5,142,182**	**168,267**	**25,993**	**167,468**	**42**	**799**	**28,129**	**82,782,802**	**18,889**	**64,108,969**	**28,062**	**101,624,374**
Zero or unreported	232	2,157	*41	*414	28	232	28	-	-	*80	*2,487	*14	*148	-	-
$1 under $100,000	8,123	33,163	1,947	3,137	554	7,943	554	-	-	9,849	352,511	4,165	151,197	9,863	359,628
$100,000 under $1,000,000	11,679	428,925	5,495	123,802	7,144	11,628	7,141	*18	*3	11,927	4,063,282	9,104	2,344,407	11,927	4,435,719
$1,000,000 under $10,000,000	5,092	1,655,695	3,727	596,150	27,839	5,068	27,800	*15	*39	5,128	13,588,787	4,515	9,256,496	5,128	15,436,874
$10,000,000 under $25,000,000	611	1,001,886	556	433,736	16,900	610	16,865	1	35	615	8,381,845	576	6,239,697	615	9,678,956
$25,000,000 under $50,000,000	244	958,927	222	488,421	14,953	239	14,947	2	7	247	7,274,924	238	5,584,710	247	8,645,265
$50,000,000 under $100,000,000	137	918,607	125	398,773	14,871	133	14,832	2	39	137	7,863,688	134	6,243,077	137	9,389,759
$100,000,000 or more	143	5,391,323	138	3,097,748	85,978	140	85,302	3	677	145	41,255,276	144	34,279,237	145	53,678,172
Grantmaking-operating foundations															
Total	**1,215**	**474,610**	**421**	**213,071**	**1,241**	**1,028**	**1,241**	**-**	**-**	**1,420**	**5,982,655**	**639**	**3,550,370**	**1,420**	**6,559,204**
Zero or unreported	*14	*15	-	-	-	*14	-	-	-	-	-	-	-	-	-
$1 under $100,000	580	2,140	83	-208	38	566	38	-	-	732	22,667	193	6,078	732	23,621
$100,000 under $1,000,000	412	8,687	188	828	103	302	103	-	-	457	141,902	269	61,846	457	157,053
$1,000,000 under $10,000,000	155	33,080	103	14,203	436	116	436	-	-	177	477,253	129	205,314	177	589,202
$10,000,000 under $25,000,000	32	40,117	29	22,169	265	20	265	-	-	33	405,103	29	214,930	33	506,800
$25,000,000 under $50,000,000	10	32,374	8	21,494	197	5	197	-	-	10	338,921	8	195,970	10	360,953
$50,000,000 under $100,000,000	8	35,176	8	12,103	201	4	201	-	-	8	547,802	8	325,672	8	590,077
$100,000,000 or more	3	323,021	3	142,483	-	-	-	-	-	3	4,049,008	3	2,540,560	3	4,331,498

Footnotes at end of table.

Table 1B.—Number of Private Foundations and Selected Financial Data, by Type of Foundation and Size of Fair Market Value of Total Assets, 1987—Continued

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

Size of fair market value of total assets	Investments in securities (fair market value)		Net worth		Minimum investment return		Distributable amount		Qualifying distributions		Excess grant administrative expenses		Undistributed income for 1987		Excess distributions carryover to 1988	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
ALL FOUNDATIONS																
Total	**21,138**	**87,351,765**	**35,135**	**90,416,197**	**32,791**	**5,494,165**	**30,182**	**5,043,552**	**32,852**	**8,226,031**	**4,354**	**81,782**	**6,657**	**1,345,874**	**24,131**	**10,194,814**
Zero or unreported	-	-	195	-1,909	439	1,243	412	1,191	605	42,849	*110	*256	*28	*418	494	35,768
$1 under $100,000	5,021	180,449	14,107	423,400	11,921	21,244	10,816	20,554	12,059	256,110	1,955	4,066	1,914	2,762	9,302	1,120,709
$100,000 under $1,000,000	9,878	2,853,382	13,646	4,474,257	13,378	233,147	12,577	220,399	13,140	782,462	1,539	15,478	2,791	33,353	9,855	1,704,060
$1,000,000 under $10,000,000	5,025	11,933,881	5,882	15,170,292	5,766	835,592	5,229	790,977	5,757	1,725,646	596	19,906	1,469	153,786	3,778	3,217,329
$10,000,000 under $25,000,000	647	7,900,038	711	9,209,953	706	522,435	621	477,242	706	947,519	93	9,737	214	113,479	410	1,474,180
$25,000,000 under $50,000,000	263	7,304,635	284	7,853,268	276	471,775	249	430,144	282	756,929	38	6,820	118	125,172	135	805,304
$50,000,000 under $100,000,000	153	8,474,289	157	8,857,536	152	501,037	135	443,588	152	684,859	13	4,611	51	114,203	84	699,107
$100,000,000 or more	152	48,705,091	154	44,429,400	153	2,907,693	144	2,659,458	152	3,029,657	9	20,908	72	802,699	72	1,138,357
Nonoperating foundations																
Total	**19,865**	**81,732,088**	**32,002**	**81,409,148**	**30,242**	**5,112,749**	**30,182**	**5,043,552**	**30,197**	**7,351,789**	**3,971**	**66,996**	**6,657**	**1,345,874**	**24,131**	**10,194,814**
Zero or unreported	-	-	181	-1,958	412	1,203	412	1,191	563	41,856	*97	*232	*28	*418	494	35,768
$1 under $100,000	4,717	171,634	12,570	376,936	10,857	19,788	10,816	20,554	10,899	236,726	1,748	3,172	1,914	2,762	9,302	1,120,709
$100,000 under $1,000,000	9,440	2,757,004	12,789	4,212,153	12,588	222,925	12,577	220,399	12,371	706,535	1,429	11,495	2,791	33,353	9,855	1,704,060
$1,000,000 under $10,000,000	4,603	11,084,759	5,296	13,710,754	5,235	775,716	5,229	790,977	5,208	1,514,904	556	15,159	1,469	153,786	3,778	3,217,329
$10,000,000 under $25,000,000	582	7,376,247	625	8,280,698	622	486,344	621	477,242	622	823,743	85	7,383	214	113,479	410	1,474,180
$25,000,000 under $50,000,000	241	6,831,748	255	7,172,804	249	437,972	249	430,144	254	651,795	35	6,693	118	125,172	135	805,304
$50,000,000 under $100,000,000	137	7,720,829	140	7,815,636	135	454,159	135	443,588	135	579,595	12	1,955	51	114,203	84	699,107
$100,000,000 or more	145	45,789,867	146	39,842,126	145	2,714,642	144	2,659,458	144	2,796,635	9	20,908	72	802,699	72	1,138,357
Operating foundations																
Total	**1,273**	**5,619,677**	**3,134**	**9,007,049**	**2,549**	**381,417**	**N/A**	**N/A**	**2,655**	**874,242**	**383**	**14,786**	**N/A**	**N/A**	**N/A**	**N/A**
Zero or unreported	-	-	*14	*49	*28	*40	N/A	N/A	*41	*993	*14	*24	N/A	N/A	N/A	N/A
$1 under $100,000	304	8,815	1,537	46,464	1,063	1,456	N/A	N/A	1,160	19,383	207	894	N/A	N/A	N/A	N/A
$100,000 under $1,000,000	437	96,377	856	262,104	790	10,222	N/A	N/A	768	75,927	*110	*3,983	N/A	N/A	N/A	N/A
$1,000,000 under $10,000,000	422	849,122	586	1,459,538	532	59,876	N/A	N/A	549	210,742	*39	*4,747	N/A	N/A	N/A	N/A
$10,000,000 under $25,000,000	65	523,791	86	929,256	84	36,091	N/A	N/A	84	123,776	8	2,354	N/A	N/A	N/A	N/A
$25,000,000 under $50,000,000	22	472,887	29	680,464	27	33,803	N/A	N/A	28	105,134	3	128	N/A	N/A	N/A	N/A
$50,000,000 under $100,000,000	16	753,460	17	1,041,900	17	46,878	N/A	N/A	17	105,264	1	2,656	N/A	N/A	N/A	N/A
$100,000,000 or more	7	2,915,224	8	4,587,274	8	193,051	N/A	N/A	8	233,021	-	-	N/A	N/A	N/A	N/A
GRANTMAKING FOUNDATIONS																
Total	**19,483**	**84,650,414**	**29,509**	**86,093,389**	**28,835**	**5,322,230**	**27,534**	**5,013,571**	**30,037**	**7,642,851**	**3,932**	**69,180**	**5,479**	**1,336,862**	**22,585**	**9,926,435**
Zero or unreported	-	-	*80	*2,284	412	1,241	398	1,190	563	42,065	*97	*232	*28	*418	453	34,968
$1 under $100,000	4,372	162,447	10,553	349,234	9,697	19,022	9,048	18,839	10,595	234,547	1,693	2,638	1,196	1,937	8,253	1,044,283
$100,000 under $1,000,000	9,348	2,748,330	12,373	4,086,635	12,249	220,453	11,836	210,735	12,384	714,649	1,429	11,900	2,398	30,453	9,474	1,607,942
$1,000,000 under $10,000,000	4,627	11,065,336	5,306	13,812,249	5,284	779,503	5,114	779,133	5,301	1,544,363	565	16,133	1,410	151,001	3,714	3,165,509
$10,000,000 under $25,000,000	603	7,508,401	647	8,581,105	648	497,857	614	473,198	648	856,975	91	8,642	208	111,336	407	1,462,381
$25,000,000 under $50,000,000	246	6,996,825	257	7,368,066	256	450,394	246	428,545	257	661,338	37	6,772	118	125,172	128	773,888
$50,000,000 under $100,000,000	142	7,978,841	145	8,222,233	142	474,112	134	442,473	142	623,533	12	1,955	50	113,845	84	699,107
$100,000,000 or more	147	48,192,234	148	43,671,583	148	2,879,648	144	2,659,458	147	2,965,380	9	20,908	72	802,699	72	1,138,357
Grantmaking-nonoperating foundations																
Total	**18,855**	**80,995,319**	**28,089**	**80,298,149**	**27,554**	**5,082,930**	**27,534**	**5,013,571**	**28,590**	**7,283,840**	**3,674**	**65,618**	**5,479**	**1,336,862**	**22,585**	**9,926,435**
Zero or unreported	-	-	*80	*2,284	398	1,203	398	1,190	536	41,073	*97	*232	*28	*418	453	34,968
$1 under $100,000	4,179	155,349	9,821	326,909	9,076	18,037	9,048	18,839	9,863	225,246	1,527	2,408	1,196	1,937	8,253	1,044,283
$100,000 under $1,000,000	9,088	2,674,306	11,916	3,948,931	11,825	214,608	11,836	210,735	11,927	681,275	1,363	11,120	2,398	30,453	9,474	1,607,942
$1,000,000 under $10,000,000	4,498	10,833,667	5,128	13,387,029	5,115	762,912	5,114	779,133	5,124	1,498,482	547	14,968	1,410	151,001	3,714	3,165,509
$10,000,000 under $25,000,000	575	7,280,551	614	8,180,210	615	482,198	614	473,198	615	819,740	85	7,383	208	111,336	407	1,462,381
$25,000,000 under $50,000,000	238	6,787,507	247	7,074,175	246	436,331	246	428,545	247	642,552	34	6,644	118	125,172	128	773,888
$50,000,000 under $100,000,000	134	7,612,265	137	7,694,691	134	452,999	134	442,473	134	578,838	12	1,955	50	113,845	84	699,107
$100,000,000 or more	144	45,651,674	145	39,683,920	145	2,714,642	144	2,659,458	144	2,796,635	9	20,908	72	802,699	72	1,138,357
Grantmaking-operating foundations																
Total	**627**	**3,655,094**	**1,420**	**5,795,241**	**1,281**	**239,300**	**N/A**	**N/A**	**1,447**	**359,011**	**258**	**3,562**	**N/A**	**N/A**	**N/A**	**N/A**
Zero or unreported	-	-	-	-	*14	*38	N/A	N/A	*28	*992	-	-	N/A	N/A	N/A	N/A
$1 under $100,000	193	7,097	732	22,325	621	985	N/A	N/A	732	9,301	166	230	N/A	N/A	N/A	N/A
$100,000 under $1,000,000	258	72,024	457	137,704	424	5,845	N/A	N/A	457	33,374	*66	*780	N/A	N/A	N/A	N/A
$1,000,000 under $10,000,000	129	231,669	177	425,220	169	16,590	N/A	N/A	177	45,881	*17	*1,164	N/A	N/A	N/A	N/A
$10,000,000 under $25,000,000	28	227,850	33	400,895	33	15,659	N/A	N/A	33	37,235	6	1,259	N/A	N/A	N/A	N/A
$25,000,000 under $50,000,000	8	209,319	10	293,892	10	14,063	N/A	N/A	10	18,786	3	128	N/A	N/A	N/A	N/A
$50,000,000 under $100,000,000	8	366,576	8	527,543	8	21,113	N/A	N/A	8	44,695	-	-	N/A	N/A	N/A	N/A
$100,000,000 or more	3	2,540,560	3	3,987,662	3	165,006	N/A	N/A	3	168,745	-	-	N/A	N/A	N/A	N/A

N/A—not applicable.

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

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

Table 2A.—All Private Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets, 1986

[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	$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	**35,172**	**1,215**	**13,771**	**13,167**	**5,730**	**713**	**270**	**155**	**151**
Total assets (book value)	**87,191,337**	***131**	**437,268**	**4,164,836**	**14,840,939**	**8,977,299**	**7,460,288**	**8,460,707**	**42,849,868**
Cash, total	11,813,575	*131	221,107	1,317,029	3,035,647	1,221,253	969,402	954,441	4,094,566
Non-interest bearing accounts	1,211,283	*131	54,531	290,444	426,424	120,477	82,176	78,529	158,571
Savings and temporary cash investments	10,602,293	-	166,576	1,026,585	2,609,222	1,100,777	887,226	875,911	3,935,995
Accounts receivable, net	608,181	-	5,545	19,897	76,397	39,291	27,141	28,537	411,373
Pledges receivable, net	81,228	-	*364	*1,236	*43,218	35,966	444	-	-
Grants receivable	64,475	-	*1,785	*19,624	*9,638	1,414	9,047	4,637	18,330
Receivables due from disqualified persons	18,807	-	-	*1,526	*16,387	165	183	12	535
Other notes and loans receivable	948,342	-	7,427	61,569	316,395	146,824	69,979	135,265	210,884
Inventories	55,150	-	*894	*2,955	*8,722	34,530	2,286	3,003	2,760
Prepaid expenses and deferred charges	36,088	-	*2,605	*898	2,806	11,739	1,712	8,977	7,351
Investments, total	69,404,049	-	178,084	2,493,534	10,354,976	6,908,674	6,038,358	6,886,083	36,544,342
Securities	64,184,892	-	160,341	2,041,805	9,407,579	6,303,287	5,507,692	6,395,801	34,368,387
Land, buildings, and equipment (less accumulated depreciation)	1,509,361	-	*327	87,356	112,488	126,520	184,195	122,633	875,844
Mortgage loans	543,193	-	*5,947	24,120	222,659	48,160	66,730	29,781	145,817
Other investments	3,166,603	-	11,469	340,252	612,250	430,707	279,742	337,889	1,154,295
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	2,297,235	-	11,687	165,162	525,003	328,459	196,296	265,479	805,148
Other assets	1,864,201	-	7,770	81,405	451,749	248,984	145,441	174,272	754,579
Total liabilities	**3,690,297**	***15**	**26,961**	**174,752**	**502,524**	**365,152**	**355,073**	**292,508**	**1,973,312**
Net worth	**83,501,039**	***116**	**410,307**	**3,990,084**	**14,338,414**	**8,612,147**	**7,105,215**	**8,168,200**	**40,876,556**
Total revenue	**20,031,228**	**60,308**	**376,791**	**1,482,104**	**4,040,566**	**2,213,381**	**1,831,520**	**1,812,129**	**8,214,429**
Contributions, gifts, and grants received	7,152,515	47,384	319,285	1,089,927	1,959,479	908,732	695,505	535,052	1,597,152
Interest on savings and temporary cash investments	973,627	1,680	12,973	77,484	231,148	134,581	94,448	108,959	312,354
Dividends and interest from securities	4,173,428	3,503	15,939	160,030	646,687	416,416	351,979	407,604	2,171,271
Gross rents	180,255	-	*1,544	14,063	34,940	11,504	34,162	31,123	52,919
Net gain (less loss) from sale of assets	6,994,128	*7,184	14,760	110,849	939,321	680,325	571,793	674,379	3,995,716
Gross profit from business activities	209,405	*407	7,410	2,871	142,001	10,200	16,599	15,566	14,352
Other income	347,866	*150	4,879	27,080	86,990	51,624	67,034	39,445	70,664
Total expenses	**8,274,395**	**135,911**	**406,572**	**710,055**	**1,732,485**	**940,386**	**738,318**	**741,231**	**2,869,438**
Contributions, gifts, and grants paid	6,301,524	130,478	360,393	523,672	1,227,712	719,298	554,171	526,043	2,259,758
Compensation of officers	174,205	*188	6,983	14,158	49,998	19,042	17,668	16,837	49,329
Other salaries and wages	383,442	*901	6,288	49,926	103,641	40,457	34,966	37,494	109,771
Pension plans and employee benefits	91,189	*143	*583	*3,609	21,702	6,741	6,455	8,670	43,285
Legal fees	49,217	*333	1,097	5,642	13,058	5,165	3,829	7,421	12,672
Accounting fees	35,954	*214	1,997	6,273	12,529	4,731	3,157	3,032	4,021
Other professional fees	210,183	*37	2,024	7,270	40,010	20,599	19,490	23,955	96,799
Interest	57,407	-	233	5,100	18,492	9,451	9,383	9,457	5,291
Taxes	225,595	301	1,764	12,240	39,697	23,525	18,898	27,311	101,859
Depreciation and depletion	100,260	-	1,369	6,965	23,885	15,712	13,726	16,809	21,794
Occupancy	99,636	*44	2,412	8,842	22,720	15,327	9,494	7,705	33,092
Travel, conferences, and meetings	43,359	-	3,515	2,897	10,759	3,200	2,198	3,263	17,528
Printing and publications	20,950	*14	2,180	878	3,391	1,852	1,377	3,766	7,492
Other expenses	481,467	3,258	15,735	62,580	144,890	55,285	43,507	49,466	106,747
Excess of revenue (less loss) over expenses	**11,756,831**	**-75,603**	**-29,782**	**772,049**	**2,308,081**	**1,272,995**	**1,093,202**	**1,070,898**	**5,344,991**
Excess of revenue, total	12,449,741	*240	122,537	876,005	2,448,441	1,326,699	1,157,320	1,097,883	5,420,615
Loss, total	692,910	75,843	152,319	103,956	140,361	53,704	64,118	26,985	75,625
Total assets (fair market value)	**113,175,909**	-	**451,268**	**4,657,968**	**17,889,686**	**11,221,270**	**9,289,741**	**10,822,037**	**58,843,840**
Cash, total	11,837,309	-	221,282	1,317,624	3,038,533	1,230,092	972,811	954,933	4,102,035
Non-interest bearing accounts	1,216,403	-	57,347	290,703	427,409	120,625	82,175	78,599	159,546
Savings and temporary cash investments	10,620,906	-	163,935	1,026,921	2,611,124	1,109,467	890,636	876,334	3,942,489
Accounts receivable, net	605,970	-	5,545	19,427	75,960	37,845	27,141	28,537	411,515
Pledges receivable, net	81,224	-	*364	*1,236	*43,214	35,966	444	-	-
Grants receivable	64,894	-	*1,785	*20,080	*9,638	1,414	9,047	4,600	18,330
Receivables due from disqualified persons	18,807	-	-	*1,526	*16,387	165	183	12	535
Other notes and loans receivable	984,795	-	7,427	61,700	312,033	148,762	63,398	135,441	256,035
Inventories	53,777	-	*650	*2,955	*8,676	32,463	2,286	3,163	3,585
Prepaid expenses and deferred charges	73,314	-	*2,816	*898	2,806	11,739	1,706	8,968	44,381
Investments, total	93,798,841	-	189,058	2,928,292	13,180,597	8,903,817	7,781,321	9,169,606	51,646,150
Securities	87,014,561	-	169,817	2,490,138	12,007,407	8,161,106	7,082,033	8,392,341	48,711,720
Land, buildings, and equipment (less accumulated depreciation)	2,272,023	-	*503	107,451	220,887	163,754	323,528	321,085	1,134,816
Mortgage loans	560,697	-	*5,965	24,121	240,497	48,493	66,197	29,607	145,817
Other investments	3,951,559	-	12,773	306,582	711,807	530,464	309,562	426,574	1,653,798
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	2,882,673	-	12,452	201,404	665,616	359,919	248,884	290,175	1,104,222
Other assets	2,771,324	-	9,888	99,946	536,226	459,088	182,522	226,602	1,257,053
Total assets, beginning of year (book value)	**73,433,763**	**161,762**	**467,480**	**3,363,216**	**12,266,450**	**7,675,266**	**6,201,612**	**7,275,884**	**36,022,094**
Investments in securities, beginning of year (book value)	**54,532,656**	***89,248**	**219,337**	**1,578,562**	**7,831,212**	**5,397,466**	**4,593,416**	**5,465,601**	**29,357,814**

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

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

Table 2B.—All Private Foundations: Balance Sheets and Income Statements, by Size of Fair Market Value of Total Assets, 1987

[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	$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	**35,907**	**858**	**14,190**	**13,671**	**5,882**	**712**	**284**	**157**	**154**
Total assets (book value)	**93,783,400**	**7,446**	**456,021**	**4,627,421**	**15,649,389**	**9,608,393**	**8,269,747**	**9,083,128**	**46,081,854**
Cash, total	12,095,264	2,734	219,483	1,357,993	2,972,452	1,222,067	1,133,994	956,905	4,229,637
Non-interest bearing accounts	1,086,319	2,699	61,079	286,047	341,381	140,146	80,648	88,947	85,373
Savings and temporary cash investments	11,008,946	*35	158,404	1,071,947	2,631,071	1,081,922	1,053,346	867,958	4,144,264
Accounts receivable, net	383,144	*222	3,926	28,875	65,599	40,807	29,247	23,210	191,258
Pledges receivable, net	124,677	-	*283	*3,429	35,174	53,106	16,343	-	16,342
Grants receivable	69,242	-	*552	*21,698	*16,848	9,718	4,044	2	16,379
Receivables due from disqualified persons	37,554	-	*314	*6,627	29,735	-	111	282	485
Other notes and loans receivable	818,481	*10	5,605	92,424	203,038	119,255	92,368	104,494	201,287
Inventories	45,356	-	*2,171	*6,591	2,114	2,685	25,807	3,339	2,650
Prepaid expenses and deferred charges	58,384	-	1,540	6,818	16,648	4,398	2,478	15,011	11,491
Investments, total	75,894,006	*148	192,531	2,891,139	11,326,473	7,578,175	6,535,966	7,500,090	39,869,485
Securities	69,946,993	*148	173,633	2,508,487	10,189,634	6,803,444	6,059,557	7,002,397	37,209,692
Land, buildings, and equipment (less accumulated depreciation)	1,645,105	-	2,960	73,161	199,313	152,518	173,621	122,170	921,362
Mortgage loans	476,745	-	*3,445	32,481	181,105	56,983	28,282	44,013	130,436
Other investments	3,825,163	-	12,492	277,010	756,421	565,229	274,506	331,510	1,607,994
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	1,775,761	*4,324	9,918	132,616	516,970	292,293	198,097	314,789	306,754
Other assets	2,481,526	*9	19,697	79,208	464,337	285,889	231,294	165,006	1,236,086
Total liabilities	**3,367,202**	***9,356**	**32,621**	**153,164**	**479,097**	**398,440**	**416,479**	**225,592**	**1,652,454**
Net worth	**90,416,197**	**-1,909**	**423,400**	**4,474,257**	**15,170,292**	**9,209,953**	**7,853,268**	**8,857,536**	**44,429,400**
Total revenue	**17,116,794**	**16,506**	**292,969**	**1,254,630**	**3,369,230**	**1,911,881**	**1,696,361**	**1,624,120**	**6,951,097**
Contributions, gifts, and grants received	5,285,234	14,322	247,081	818,208	1,501,066	787,793	582,475	531,563	802,725
Interest on savings and temporary cash investments	1,062,734	1,030	12,506	91,913	253,525	126,164	116,065	107,349	354,182
Dividends and interest from securities	4,513,899	*715	13,738	187,787	700,058	453,867	374,550	439,552	2,343,632
Gross rents	202,374	-	2,406	10,906	48,386	9,979	28,267	36,087	66,342
Net gain (less loss) from sale of assets	5,567,476	*414	2,761	128,677	717,981	474,856	527,881	448,205	3,266,700
Gross profit from business activities	118,164	-	5,202	2,706	56,061	8,812	3,850	24,492	17,041
Other income	366,908	*25	9,273	14,431	92,150	50,408	63,272	36,872	100,476
Total expenses	**9,072,066**	**46,362**	**285,254**	**830,777**	**2,010,489**	**1,018,447**	**845,823**	**759,035**	**3,275,880**
Contributions, gifts, and grants paid	7,060,741	42,020	228,314	683,575	1,548,349	775,481	613,824	546,567	2,622,611
Compensation of officers	185,130	*247	4,137	16,939	48,727	23,508	20,380	17,643	53,549
Other salaries and wages	349,295	*190	9,561	28,722	82,385	39,063	42,455	41,302	105,617
Pension plans and employee benefits	79,003	-	873	2,576	12,001	7,130	8,182	9,650	38,591
Legal fees	50,303	892	1,756	6,220	13,808	5,281	3,732	5,454	13,161
Accounting fees	49,382	224	2,533	9,637	15,359	6,704	4,607	4,036	6,283
Other professional fees	224,706	*155	2,679	8,815	36,430	22,555	21,839	25,969	106,263
Interest	59,011	-	288	3,120	20,748	13,762	11,680	4,830	4,584
Taxes	296,125	97	1,865	15,733	57,537	35,498	28,186	34,793	122,416
Depreciation and depletion	95,840	-	1,003	5,107	23,085	15,336	15,940	13,831	21,537
Occupancy	93,663	*146	2,075	6,988	18,592	9,480	10,751	8,992	36,658
Travel, conferences, and meetings	45,013	*311	3,733	2,653	7,442	3,553	2,955	4,442	19,923
Printing and publications	22,702	39	2,239	1,348	2,618	2,213	1,470	4,563	8,212
Other expenses	461,143	2,039	24,195	39,340	123,407	58,902	59,822	36,964	116,474
Excess of revenue (less loss) over expenses	**8,044,727**	**-29,857**	**7,716**	**423,853**	**1,358,741**	**893,434**	**850,538**	**865,086**	**3,675,217**
Excess of revenue, total	9,180,495	*498	62,793	629,413	1,724,554	1,019,462	963,773	952,091	3,827,911
Loss, total	1,135,768	30,355	55,078	205,560	365,813	126,028	113,235	87,005	152,694
Total assets (fair market value)	**114,301,195**	-	**459,435**	**5,038,021**	**17,902,316**	**11,127,180**	**9,841,854**	**10,817,271**	**59,115,117**
Cash, total	12,076,930	-	219,307	1,355,119	2,970,050	1,213,596	1,128,473	957,806	4,232,579
Non-interest bearing accounts	1,077,628	-	61,064	283,226	341,998	134,710	80,298	88,757	87,576
Savings and temporary cash investments	10,999,302	-	158,243	1,071,893	2,628,052	1,078,886	1,048,175	869,049	4,145,004
Accounts receivable, net	395,547	-	3,893	29,996	67,688	43,075	35,567	22,974	192,354
Pledges receivable, net	124,611	-	*283	*3,429	35,070	53,106	16,381	-	16,342
Grants receivable	70,039	-	*1,264	*21,783	*16,848	9,718	4,044	2	16,379
Receivables due from disqualified persons	46,010	-	*314	*6,304	38,513	-	111	282	485
Other notes and loans receivable	851,740	-	5,605	91,541	195,154	120,702	86,487	105,164	247,107
Inventories	50,950	-	*1,967	*9,118	2,724	2,823	25,807	5,117	3,394
Prepaid expenses and deferred charges	103,169	-	1,417	6,755	26,123	4,359	2,472	15,010	47,034
Investments, total	94,810,924	-	199,824	3,259,451	13,299,145	8,892,602	7,935,196	9,189,086	52,035,620
Securities	87,351,765	-	180,449	2,853,382	11,933,881	7,900,038	7,304,635	8,474,289	48,705,091
Land, buildings, and equipment (less accumulated depreciation)	2,466,881	-	3,490	105,240	338,562	212,563	309,700	298,247	1,199,078
Mortgage loans	482,091	-	*3,445	32,112	186,181	56,986	28,304	44,054	131,009
Other investments	4,510,186	-	12,439	268,718	840,522	723,014	292,557	372,496	2,000,441
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	2,309,957	-	11,840	154,841	720,185	426,695	252,642	308,295	435,460
Other assets	3,452,088	-	13,204	96,091	525,694	360,504	354,695	213,535	1,888,363
Total beginning of year assets (book value)	**86,019,399**	**33,660**	**451,538**	**4,166,481**	**14,167,916**	**8,676,455**	**7,415,644**	**8,211,953**	**42,895,752**
Investments in securities, beginning of year (book value)	**63,514,189**	**10,938**	**165,550**	**2,208,040**	**9,022,169**	**6,046,596**	**5,384,627**	**6,307,046**	**34,369,223**

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

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