Private Foundation Returns, 1985

By Margaret Riley*

Over 31,000 private foundations reported $16.4 billion in revenue for 1985, out of which they disbursed $6.3 billion for charitable purposes. Approximately 85 percent of the charitable disbursements were in the form of grants to organizations engaged in charitable activities [1, 2]. After deducting $7.2 billion in investment expenses, grant payments, and all charitable-purpose operating and administrative costs (all of which comprise "total expenses"), foundations recorded a growth in assets of $9.2 billion for the year [3].

Nearly all foundation revenue for 1985 was attributable to contributions received, net gain from sales of assets (mostly stocks and bonds), and interest and dividend income. Much of the net gain was the result of a restructuring of investment portfolios which foundations were undergoing for 1985, and the income from these sales of assets generally was reinvested. Factors which encouraged the restructuring of portfolios are discussed below in the section, "Analysis of Change in Payout Requirement."

Less than 1 out of every 100 grantmaking foundations had total assets with a fair market value of $50 million or more. However, these large foundations paid out nearly $45 of every $100 granted by foundations for 1985 [4]. In contrast, the smallest foundations (assets under $1 million) paid out roughly $15 of every $100 of grants awarded, although they accounted for 8 out of 10 foundations making grants.

Foundation grants range over a broad spectrum, in terms of both dollar amount and the needs of the recipients. Grants awarded by private foundations also cover a wide variety of purposes and activities. For 1985, foundation grants supported activities ranging anywhere from the operation of an animal shelter to the training and education of the deaf to scientific research on ways to reduce the risk of nuclear war [5].

BACKGROUND

A private foundation is a nonprofit corporation, association, or trust with a narrow source of funds which supports, and sometimes operates, programs that are dedicated to improving the general welfare of society. The activities of a private foundation are exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. Private foundations differ from other section 501(c)(3) tax-exempt organizations because of their sources of funding. Foundations usually receive their funds from an individual, a family, or a corporation, and from earnings on investments, while other tax-exempt organizations' funds are derived mainly from a large number of sources within the general public [6].

Private "nonoperating" foundations, primarily through the making of grants, support other nonprofit organizations which carry on tax-exempt charitable activities [7]. Foundation grants, combined with direct disbursements to accomplish charitable purposes, amounts paid to acquire assets used directly to accomplish exempt functions, program-related investments, and amounts set aside for future charitable projects, form what is called a foundation's "qualifying distributions." Each year, nonoperating foundations are required to pay out in qualifying distributions, by the end of the following year, an amount equal to 5 percent of their "net investment assets" (a 12-month average of investment assets plus or minus certain allowed adjustments). This qualifying distributions rule commonly is referred to as the charitable-purpose "payout requirement."

Under the Tax Reform Act of 1969, nonoperating foundations for the first time were required to pay out an annual minimum amount for charitable purposes, so as to ensure that a reasonable amount would reach charitable beneficiaries and to provide safeguards against the accumulation of assets without a corresponding distribution for charitable purposes.

Private "operating" foundations actively operate tax-exempt programs and provide direct services as a means of carrying out their philanthropic mission. In addition to making direct charitable-program expenditures, some operating foundations also make grants to support other tax-exempt organizations. As a condition of "operating" status, these foundations are required to expend substantially all of their income for the active conduct of activities related to their exempt purposes. Operating foundations are not subject to the same payout requirement as nonoperating foundations because of their direct involvement in charitable programs. However, in order to retain operating foundation status, they must make qualifying distributions for the active conduct of exempt activities which amount to at least 85 percent of the lesser of their current income or 5 percent of their net investment assets. This requirement commonly is referred to as the "income test." They must also meet one of three additional tests based on assets, endowment, or sources of support, respectively.

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Because of the private nature of their sources of funding, private foundations are in a "less favored" tax category than other organizations which are tax exempt under Internal Revenue Code section 501(c)(3). Private foundations, both operating and nonoperating, are subject to an excise tax on their investment income (with the exception of a small number of operating foundations which can qualify for an exemption from the tax). Additional excise taxes are imposed on foundations engaging in activities which are prohibited under the Internal Revenue Code (activities deemed not to be in the best interest of the public). Also, the donors to a private nonoperating foundation have a generally lower limit of tax deductibility for their contributions than do the donors to an operating foundation or donors to other section 501(c)(3) tax-exempt organizations. (Cash contributions to a nonoperating foundation are deductible up to 30 percent of adjusted gross income while cash contributions to all other section 501(c)(3) organizations are deductible up to 50 percent.)

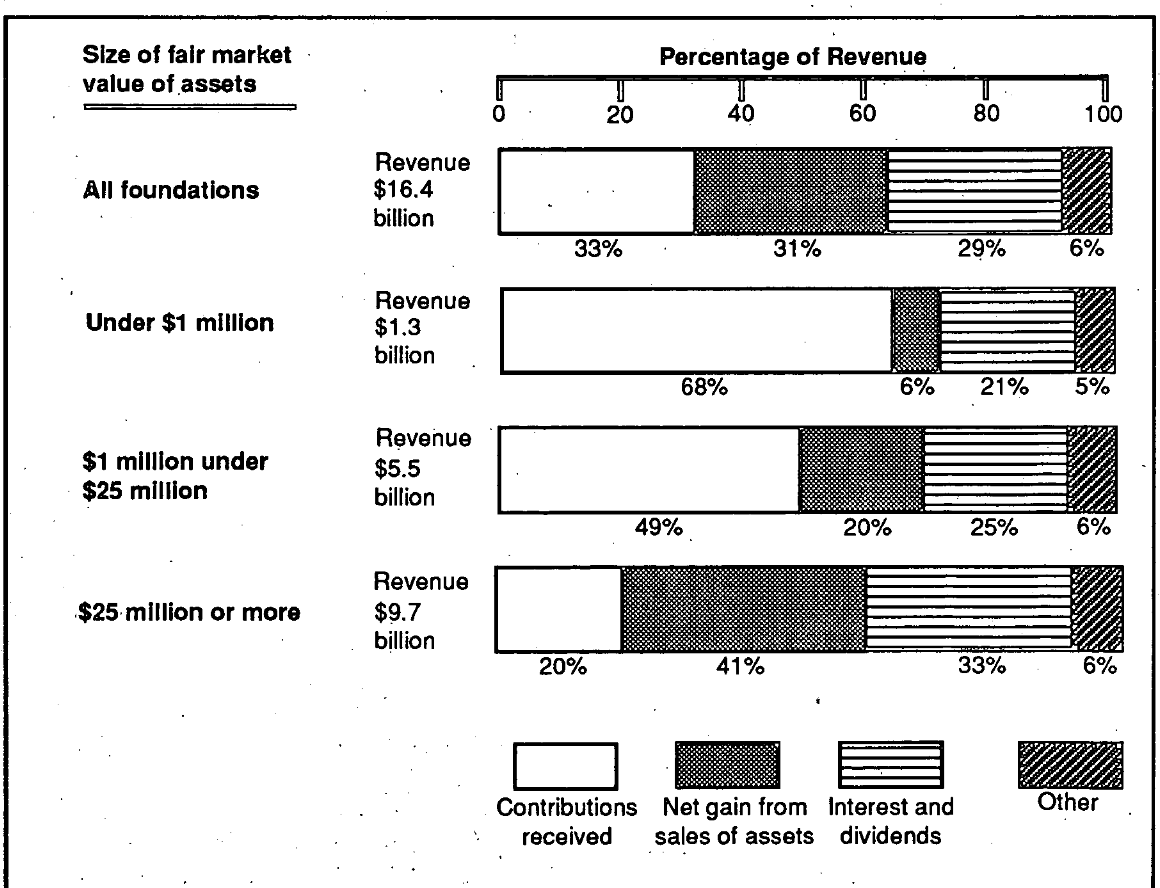
Of the 31,221 organizations filing private foundation information returns for 1985, roughly 90 percent were nonoperating foundations. Nine out of every 10 nonoperating foundations and 4 out of every 10 operating foundations made grants for 1985. Unlike the nonoperating foundations, operating foundations ordinarily fulfill their tax-exempt mission by supporting charitable causes through active involvement, rather than by making grants to other charitable organizations. Some nonoperating foundations were "failed public charities," organizations that were once public charities but could no longer qualify for that favored status because they failed to maintain the required minimum of support from public sources. Many reclassified nonoperating foundations which were formerly public charities continued to operate direct charitable programs but did not make any grants [8].

COMPOSITION OF REVENUE

Figure A shows the components of foundation revenue for 1985. For foundations taken collectively, contributions received comprised the largest share (33 percent) of receipts, followed closely by net gain from sales of assets (31 percent) and interest and dividend income (29 percent).

Figure A

Components of Private Foundation Revenue, Income Year 1985



Contributions accounted for the largest portion of the receipts of foundations with assets under $25 million. For organizations with assets of $25 million or more, sales of assets (most of which were investment assets, principally stocks and bonds) played a more important role in the composition of revenue, as did interest and dividend income. Organizations holding large amounts of assets rely more heavily on investments to generate income for their charitable programs and for building up their endowments than do smaller foundations. Foundations having assets below $1 million often operate as "pass-through" organizations, holding contributions received in accounts for short periods of time before disbursing them as grants paid to other tax-exempt organizations. These small organizations act like a conduit for the funds they receive and do not rely on investment income to maintain an endowment base.

As was the case for 1983, foundations (particularly the larger ones) continued for 1985 to generate a larger share of revenue from sales of assets (principally stocks and bonds) than from interest and dividend income. For 1982, sales of assets accounted for less than one-fifth of all revenue. This proportion grew to approximately one-third for both 1983 and 1985. (Possible reasons for this growth are discussed in the section "Analysis of Change in Payout Requirement" presented below.)

Figure B.—Top Ten Domestic[1] Nonoperating Foundations Ranked by Fair Market Value (FMV) of Assets and Grants Paid, Income Year 1985

[Millions of Dollars]

Asset rankings				
	Name	FMV of assets	Book value of assets	Grants paid
1	Ford Foundation	$4,758.9	$4,758.9	$168.3
2	W.K. Kellogg Foundation Trust	3,011.3	620.0	76.3
3	The MacArthur Foundation	2,296.4	2,164.8	54.0
4	Robert Wood Johnson Foundation	1,544.8	710.0	18.1
5	Andrew W. Mellon Foundation	1,383.8	936.6	63.5
6	Rockefeller Foundation	1,345.6	1,145.3	36.8
7	Pew Memorial Trust	1,342.1	496.1	49.7
8	Lilly Endowment	1,329.6	181.2	27.1
9	Kresge Foundation	938.3	648.5	4.4
10	Carnegie Corporation of NY	715.3	600.5	26.5

Grant rankings				
	Name	Grants paid	FMV of assets	Book value of assets
1	Ford Foundation	$168.3	$4,758.9	$4,758.9
2	Danforth Foundation	112.3	215.1	29.8
3	W.K. Kellogg Foundation Trust	76.3	3,011.3	620.0
4	W.K. Kellogg Foundation	72.7	97.0	65.4
5	Andrew W. Mellon Foundation	63.5	1,383.8	936.6
6	The MacArthur Foundation	54.0	2,296.4	2,164.8
7	Pew Memorial Trust	49.7	1,342.1	496.1
8	Duke Endowment	42.9	654.8	264.5
9	Rockefeller Foundation	36.8	1,345.6	1,145.3
10	W.M. Keck Foundation	32.0	547.1	547.1

[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.

FOUNDATION GRANTS, ASSETS, AND INVESTMENTS

A vast majority (96 percent) of private foundations for 1985 had assets under $10 million; however, these smaller foundations accounted for only one-fifth of all foundation assets. Three percent of all foundations held assets of $10 million to under $50 million and accounted for another one-fifth of all assets. The largest foundations, which held assets of $50 million or more, formed slightly less than 1 percent of the foundation population but held the remaining three-fifths of the total assets of all foundations. Only 127 foundations had assets of $100 million or more for 1985, but they accounted for half of all foundation assets.

Top Foundations

Figure B lists the top ten foundations ranked both by size of assets and grants paid. The 10 largest asset-size foundations ranked by asset size held 19 percent of all foundation assets, while the top 10 grantmakers gave out approximately 14 percent of all grants made for 1985.

The top foundations ranked by size of assets for 1985 remained virtually the same as those which were ranked the highest for 1983, the most recent prior year for which similar information is available. However, the Hewlett Foundation, which was ranked number 10 by size of assets for 1983, dropped from the 1985 rankings and was replaced by the Carnegie Corporation of New York. Hewlett reported a nearly 11 percent decrease in the value of its assets between 1983 and 1985. Assets of the W.K. Kellogg Foundation Trust increased by close to $2 billion, a 173-percent increase over the 2-year period. The Kellogg Foundation Trust benefited from a rapid increase in the value of Kellogg Corporation stock, 35 percent of which was owned by the Trust. The increase in the Trust's total assets may have been even larger if the Internal Revenue Code had not required it to divest itself of "excess business holdings" by the end of its 1983 accounting period [9].

In addition to making grants of $4.4 million, the Kresge Foundation earmarked for future charitable projects $36.1 million which qualified as a "set-aside" distribution for its 1985 accounting period. The Danforth Foundation, ranked second in terms of grant-giving dollars, made the largest single grant for 1985, contributing $100 million to the Washington University of St. Louis [10]. While the W.K. Kellogg Foundation Trust and the W.K. Kellogg Foundation appear as the third and fourth largest grantmakers, it should be noted that the Kellogg Trust's entire contribution of $76.3 million was made to the Kellogg Foundation. The Foundation redistributed the Trust's contribution as part of its $79.9 million of qualifying distributions made for 1985. In satisying the requirements of a "pass-through" of this nature, the Kellogg Foundation deducted the redistributed $76.3 million from its qualifying distributions and used only the balance toward meeting the annual minimum payout.

Analysis of Change in Payout Requirement

An analysis of the relationships between grants paid and the selected financial data items presented in Figure C, for the years for which statistics are available, suggests that a tax law revision enacted under the Economic Recovery Tax Act of 1981 had a significant effect on the investment behavior of private foundations [11]. The 1981 law changed the way a nonoperating foundation computed the annual minimum amount it was required to pay out for charitable purposes.

Prior to 1982, foundations generally had to pay out all of their current income for the year if it was greater than 5 percent of assets which were held for investment purposes (after certain allowed adjustments). During periods of high inflation, this had an eroding effect on foundation assets and seriously threatened the stability of a foundation's endowment base. If a foundation was required to pay out all of its current income and could not reinvest a portion of its earnings, the real value of the assets of the foundation would gradually decline in an inflationary environment. Because of this, foundations opted to include in their portfolios not only securities which offered high income yields, but also a large share of those which were expected to appreciate in value, even at the expense of receiving a lower short-run return on their investments.

Beginning with 1982, the minimum payout became a flat 5 percent of net investment assets (with certain allowed adjustments), without regard to a foundation's income for the year. This change contributed, in part, to the large increase in revenue from sales of assets between 1982 and 1985. With the elimination of the requirement to pay out all of their investment income if it was higher than 5 percent of investment assets, foundations would have been encouraged to include in their portfolios more securities which produced higher income yields.

Figure C.—Nonoperating Foundations: Investment Income, Investment Assets, and Qualifying Distributions, 1979–1985

[All figures are estimates based on samples—money amounts are in millions of dollars]

Income year	Net investment income (NII)	Net investment assets (NIA)	Qualifying distributions	NII as percentage of NIA	Qualifying distributions as percentage of— Net investment income	Qualifying distributions as percentage of— Net investment assets
	(1)	(2)	(3)	(4)	(5)	(6)
1979	$3,027	$36,527	$3,233	8.3%	106.8%	8.9%
1982	5,077	49,072	4,554	10.3	89.7	9.3
1983	7,010	58,958	4,835	11.9	69.0	8.2
1985	9,179	75,355	5,734	12.2	62.5	7.6
Percentage increase, 1979 to 1985	203%	106%	77%	N/A	N/A	N/A
Inflation-adjusted increase, 1979 to 1985	114%	46%	25%	N/A	N/A	N/A

N/A—not applicable.

NOTES: "Qualifying distributions" (QD's) has been used in this table to calculate the payout rates shown in column 6. However, a foundation can apply excess distributions carried over from previous years to meet the required minimum payout of 5 percent of net investment assets. The excess distributions item was not available for all of the years covered by this table. Had excess distributions been used in the calculations for column 6, the resulting percentages would have been somewhat higher than those shown.

Form 990-PF 1985 return line item references and table column explanations:

(1) Part I, line 27b.
(2) Part IX, line 5.
(3) Part XIII, line 6.
(4) Table column (1) divided by table column (2).
(5) Table column (3) divided by table column (1).
(6) Table column (3) divided by table column (2).

SOURCE: Statistics for 1979, 1982 and 1983, respectively, are from U.S. Department of the Treasury, Internal Revenue Service, *Statistics of Income Bulletin*: Fall 1982, Volume 2, Number 2; Fall 1985, Volume 5, Number 2; and Winter 1986–87, Volume 6, Number 3.

As a direct result of the 1981 payout requirement legislation, nonoperating foundations' qualifying distributions as a proportion of net investment income (column 5 of Figure C) had steadily declined since 1979. After 1981, current investment income was no longer considered as a factor in calculating the payout requirement. The payout rates shown in column 6 for the years 1982–1985 appear to be moving closer to the post-1981 required minimum payout of 5 percent of net investment assets. Even though the payout rates declined during the 1982–1985 period, they were consistently above the 5-percent minimum. Foundations may have been taking the opportunity provided under the 1981 law to reinvest at least part of their earnings to increase the value of their asset base.

In terms of inflation-adjusted dollars, the actual amount of qualifying distributions grew 25 percent between 1979 and 1985, while net investment income more than doubled [12]. The sizeable increase in investment income, compared to the more modest increases in net investment assets and qualifying distributions, can be attributed to three major factors which influenced foundation investment practices; namely, favorable market conditions, divestitures required by the excess business holdings provision (see footnote 7 for explanation), and the relaxed distribution rules, effective for accounting periods beginning after 1981.

A marked increase (138 percent) in net gain from sales of assets between 1982 and 1983 provides evidence of the portfolio restructuring which was a product of these three factors. The lowered payout requirement probably encouraged foundations that were heavily invested in appreciable stocks to include more high-yield securities in the mix of their assets. It also permitted foundations to retain more of their income for reinvestment. The compounding effect of the reinvested income may account for some of the substantial increase in net investment income between 1979 and 1985.

Foundation Investments

Foundation assets reached nearly $100 billion in fair market value for 1985. Investments in securities accounted for over three-quarters of total assets. Cash, mostly in the form of savings, money market accounts, certificates of deposit, U.S. Treasury bills, and checking accounts, made up about one-tenth of all assets. Cash held by foundations rose $4.6 billion between 1982 and 1985, an 80-percent increase after adjustment for inflation. Considering the concurrent increase in foundations' net investment income and holdings of cash which occurred between 1982 and 1985, it appears that foundations chose to invest some of their earnings in short-term investments or other interest-bearing accounts, which together accounted for over 90 percent of the total cash reported by foundations for 1985.

Foundation investments viewed as a proportion of total assets ranged widely by size of foundation. Investments figured less prominently in the mix of the assets of small foundations and increased in importance as the asset size of an organization increased. As Figure D shows, the income yield on foundation investments declined as the foundation asset size increased. Figure D does not indicate, however, the "total return" (income yield plus unrealized appreciation value) of foundation investments, and a comprehensive assessment of foundation investment performance requires information not only on income yield but appreciation value of investments as well.

Not all of the information needed to determine the total rate of return on foundation investments was available from the Internal Revenue Service Form 990-PF returns which were used as the basis for this article. However, a recent study of foundation investment performance commissioned by the Council on Foundations concluded that about 46 percent of all foundations followed a total return philosophy as of 1984, the year for which a survey on this issue was conducted [13]. Over 80 percent of the large foundations (assets of $50 million or more) surveyed pursued a total return objective compared to 45 percent of small foundations (assets under $10 million). The Council's study further concluded that over the period 1979-1983, the median annual return rate decreased as asset size increased when

Figure D.—Selected Investment Items, by Size of Fair Market Value of Assets, 1985

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

Fair market value of assets	Total investments	Percentage of total assets	Net investment income		Investment expenses as a percentage of total investments
			Amount	As a percentage of total investments	
	(1)	(2)	(3)	(4)	(5)
Total	$81,306	83.7%	$10,043	12.4%	0.6%
Under $100,000 [1]	212	43.7	58	27.2	2.2
$100,000 under $1,000,000	2,557	63.9	374	14.6	0.8
$1,000,000 under $10,000,000	11,652	75.6	1,619	13.9	0.9
$10,000,000 under $50,000,000	15,520	82.4	1,910	12.3	0.6
$50,000,000 or more	51,365	88.0	6,082	11.8	0.5

[1] Includes foundations with zero assets and unreported assets.
NOTES: Detail may not add to total because of rounding.
Form 990-PF 1985 return line item references and table column explanations:
(1) Part II, sum of lines 10 through 13, column (c).
(2) Table column (1) divided by Part II, line 16, column (c).
(3) Part I, Line 27b.
(4) Table column (3) divided by table column (1).
(5) Part I, line 26, column (b) divided by table column (1)

income yield alone was used as a measure, but that the rate of return increased as asset size increased when total return was the measure. These inverse results, obtained by using the two different approaches to measuring rate of return, correspond with the different investment philosophies and objectives of large and small foundations.

Investment expenses as a percentage of investments decreased as the size of the foundation increased. This suggests that larger foundations can more cost efficiently manage their portfolios than smaller foundations. A probable reason for this lies in the fact that the larger foundations held substantial dollar amounts of investments and could realize economies of scale that were not afforded to the smaller organizations that held less sizeable investments. Small organizations, most of which operate with volunteer staff, often need to pay fees to financial or legal professionals to manage their relatively small investments. Usually, an initial flat fee is charged for management services, regardless of an organization's asset size, and additional charges are then assessed based on a percentage of the value of the assets being managed. The fees paid by many small organizations, when compared to their total investments, were disproportionately higher than the fees or salaries paid by larger organizations, many of which have investments that are hundreds of times larger than those of the small organizations.

FOUNDATION DISBURSEMENTS AND GRANT ADMINISTRATIVE EXPENSES

Detailed information on private foundation grant administrative expenses (GAE) was first required to be reported by private foundations on the returns they filed with the Internal Revenue Service (IRS) for 1985. The requirement to report these expenses was the result of Congressional hearings reviewing the effect on private foundations of the Tax Reform Act of 1969, which included an emphasis on the portion of expenses which were related to grantmaking (such as those incurred in connection with responding to grant seekers, reviewing grant applications, and monitoring grants awarded). Members of the House Ways and Means Committee became concerned that some foundations might have been incurring excessive amounts of administrative expenses which were used to satisfy the annual charitable-purpose payout requirement. Upon seeking statistical information regarding private foundation administrative expenses, the Committee found that there were no reliable data available. Therefore, the Deficit Reduction Act of 1984 directed the Treasury Department to conduct a study of the administrative expenses of private foundations.

The 1984 Act also placed a temporary limitation (equal to 0.65 percent of net investment assets) on administrative expenses incurred for the purpose of making grants. Private foundations could apply these expenses, as "qualifying distributions," toward meeting either the charitable-purpose payout requirement (imposed on nonoperating foundations), or the income test (imposed on operating foundations). This temporary limitation on grant administrative expenses will expire on December 31, 1990 unless extended by Congress.

The Congressionally mandated study on the administrative expenses of foundations currently is being conducted jointly by IRS' Office of the Assistant Commissioner (Employee Plans and Exempt Organizations) and the Treasury Department's Office of Tax Policy. The statistics and conclusions resulting from this mandated study, scheduled for completion by January 1990, will be based on post-IRS audit information and will be much more detailed than the Statistics of Income (SOI) foundation expense data presented here. The SOI expense data are based on the tax returns as originally filed and do not reflect changes made at a later date, either by the organization or by IRS after examination. Nevertheless, they can be considered a preliminary indication of the effect of the new rules on foundation expenses and their relationship to the payout requirement. Since operating foundations were not subject to the payout requirement, they are excluded from much of the following discussion of foundation expenses as they relate to the requirement. Operating foundations, however, had to exclude from their qualifying distributions the portion of grant administrative expenses which exceeded the limitation amount. For purposes of meeting the income test (discussed earlier in the Background section), operating foundations could apply only those qualifying distributions which were made directly for the active conduct of the programs for which they were organized and operated. Grants made by operating foundations to other tax-exempt organizations were considered indirect expenditures and were not allowed as a qualifying distribution, but the administrative expenses associated with making the grants were considered a direct expenditure and were allowed.

Effective with Income Year 1985, only the portion of grantmaking administrative expenses which did not exceed 0.65 percent of net investment assets could be counted toward meeting the total 5 percent of net investment assets which nonoperating foundations were required to pay out annually for charitable purposes. The 0.65-percent limit was computed on the basis of a 3-year average (1983–1985 for 1985).

Private nonoperating foundation expenses for 1985 totalled $6.4 billion, reducing gross revenue by 43 percent. About one-sixth of these expenditures was made up of operating and administrative expenses, while the remaining five-sixths consisted of grants paid out for charitable purposes.

The portions of total expenses reported by nonoperating foundations which were allocated as distributions for charitable purposes (i.e., grants paid, direct charitable activity operating expenses, and associated administrative expenses) and incurred as administrative expenses in order to carry on grantmaking programs are illustrated in Figure E. Ninety-eight percent of the 27,279 nonoperating foundations reporting total expenses also reported making disbursements for charitable purposes and slightly more than half reported grantmaking administrative expenses.

Nearly 90 percent of all nonoperating foundation expenses were incurred to support charitable or other tax-exempt activities (versus investment activities). Grants paid accounted for about nine-tenths of this charitable support. Operating and administrative costs made up the remaining one-tenth.

The cost of maintaining grantmaking programs was equal to about 6 percent of the total grants paid out by all nonoperating foundations. The smallest nonoperating foundations (assets under $1 million) spent about 3 cents in administrative costs for every grant dollar contributed. These small organizations are more likely to have uncomplicated giving programs. Grantmaking administrative costs were highest for organizations with assets between $25 million and $50 million, which spent a little over 9 cents for each dollar paid out in grants. For the 25,219 nonoperating foundations which made grants, the proportion of organizations reporting administrative expenses related to grantmaking gradually rose as asset size increased, ranging from 6 out of every 10 organizations with assets under $1 million to nearly all organizations with assets $50 million and over.

Beginning with 1985 accounting periods, private foundation grant administrative expenses which exceeded 0.65 percent of their net investment assets (computed on a 3-year average) could not be applied toward meeting the required annual payout for charitable purposes (nonoperating foundations) or the income test (operating foundations). For 1985, 3,691 operating and nonoperating foundations reported $91.6 million of "excess" (over the 0.65 percent limitation) grant administrative expenses. (Total grant administrative expenses of all foundations amounted to $551.3 million, of which $300.5 million was attributable to nonoperating foundations.)

The excess GAE which was reported by 3,402 nonoperating foundations amounted to $59.8 million, or roughly one-fifth of all GAE reported by nonoperating foundations. Twelve percent of all nonoperating foundations reported GAE which exceeded the limitation amount. However, only 1 percent of all nonoperating foundations failed to meet the required annual charitable-purpose payout amount because of the limitation. However, these foundations have the 1-year grace period to distribute the required amount.

Roughly four out of every five organizations (including both operating and nonoperating) reporting GAE above the

Figure E.—Nonoperating Foundation Expense Items, 1985

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

Expense item	Total amount	Percentage of total amount disbursed for charitable purposes[1]	Percentage of total amount incurred to administer grantmaking programs	Percentage of disbursements for charitable purposes incurred to administer grantmaking programs
	(1)	(2)	(3)	(4)
Total expenses and disbursements	$6,374	87.4%	4.7%	5.4%
Contributions, gifts, and grants paid	5,321	97.3[2]	N/A	N/A
Total operating or administrative expenses[3]	1,053	37.2	28.5	76.7
Compensation of officers	127	59.0	53.1	90.1
Other salaries and wages	108	71.6	53.6	74.9
Pension plans and employee benefits	38	75.2	57.5	76.4
Legal fees	37	45.0	33.1	73.5
Accounting fees	24	42.7	35.0	82.1
Other professional fees	148	17.1	11.7	68.5
Interest	29	38.4	34.4	89.7
Taxes	220	2.9	2.2	76.6
Depreciation and depletion	60	N/A	N/A	N/A
Occupancy[4]	35	80.3	75.9	94.5
Travel, conferences, and meetings	20	88.9	65.5	73.7
Printing and publications	10	82.5	59.8	72.4
Other expenses	196	44.5	28.0	62.8

[1] Foundations must report "disbursements for charitable purposes" using the cash method of accounting; however, they have the option to use either the cash or accrual method to report total expenses. If the accrual method was used, the "total amount" reported for an expense item may include amounts which were actually disbursed in a subsequent year or exclude amounts which were disbursed in the current year, but accrued in a prior year.

[2] Because of the accounting practices followed for reporting expenses, only the amount of contributions, gifts and grants which was actually paid ($5,177 billion for 1985), versus accrued, was allowed to be reported as a disbursement for charitable purposes. For this reason, the percentage shown in column 2 for this item is less than 100. (Disbursements of contributions, gifts or grants are considered as made entirely for charitable purposes, while expenditures for any other item shown in Figure E can be allocated as made for either charitable or investment purposes.)

[3] "Total operating or administrative expenses" are the total expenses of the foundation, exclusive of contributions, gifts and grants paid.

[4] "Occupancy" included rents, mortgage interest, real estate taxes, utilities, trash removal, and any other service necessary for occupying office space or other facilities.

N/A—not applicable.

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

Form 990-PF 1985 return line item references and table column explanations:

(1) Part I, lines 13 through 26, column (a).

(2) Part I, lines 13 through 26, column (d) divided by corresponding items in table column (1).

(3) Part XII, lines 1 through 13 divided by corresponding items in table column (1).

(4) Part XII, lines 1 through 13 divided by corresponding items in Part I, lines 13 through 26, column (d).

statutory limit had assets under $1 million. Many of the 2,779 small nonoperating foundations which reported an excess were not affected by the 0.65-percent limitation on GAE because they usually paid out, in qualifying distributions, nearly all of their current income, including investment earnings. These qualifying distributions most often well exceeded the required minimum distribution of 5 percent of investment assets, despite the limitation on grant administrative expenses. Less than one-half of 1 percent of organizations which reported excess GAE held assets of $50 million or more. While less than one-fifth of the foundations reporting excess GAE had assets which ranged from $1 million to under $50 million, they accounted for well over four-fifths of the total dollar amount of the excess.

EXCISE TAX ON NET INVESTMENT INCOME

The excise tax on net investment income is a type of "audit" tax originally levied on private foundations under the Tax Reform Act of 1969 to provide funds for IRS oversight of foundation activities and the enforcement of laws governing their exempt status. Effective for tax years beginning in 1985, a provision of the Deficit Reduction Act of 1984 altered the excise tax payment requirements. Prior to the 1984 Act, domestic foundations generally paid a tax equal to 2 percent of their net investment income and foreign foundations paid a tax equal to 4 percent of their gross investment income. Domestic organizations computed the excise tax based on investment income from all sources, while foreign organizations computed the tax based on investment income from U.S. sources only. For 1985, foreign foundations accounted for only 1 percent of the organizations reporting the tax and only 1 percent of the total amount of tax reported.

Under the new rules, the excise tax was waived for certain operating foundations which had been publicly supported for at least 10 years (or which were classified as operating foundations as of January 1, 1983); had a governing body broadly representative of the general public, as opposed to substantial contributors to the foundation or members of their family (called "disqualified persons"); and had no disqualified persons as officers of the foundation.

The 2-percent excise tax could be reduced to 1 percent for any domestic operating or nonoperating foundation that increased its qualifying distributions for charitable purposes by an amount equal to the 1 percent tax reduction (based on a 5-year average). The 4-percent excise tax levied on the gross investment income of foreign foundations remained unchanged.

Figure F presents excise tax information for 1982, 1983, and 1985, as reported by domestic private foundations.

Under the new excise tax provision, 283 operating foundations claimed an exemption from the tax for 1985. This meant that fifteen percent fewer operating foundations reported the tax than would have been required under the pre-1985 rules. Twenty-one percent of the domestic nonoperating foundations and 15 percent of the domestic operating foundations which were required to pay the excise tax qualified for the 1-percent reduction.

Foundations able to take advantage of the new 1985 excise tax rules reported $32.2 million less in the excise tax on investment income, or 16 percent less than they would have under the old rules (assuming that the activities of private foundations did not change significantly as a result of the tax law revision). Close to 5,300 domestic foundations qualified for the 1-percent tax reduction, collectively reducing their tax by $20.2 million and increasing their qualifying distributions for 1985 by at least that amount.

CHARITABLE DISTRIBUTIONS

For 1985, private foundations disbursed a total of $6.3 billion in support of charitable activities. Operating foundations were responsible for 11 percent of the disbursements (about $705 million), mainly for their own direct active involvement in tax-exempt activities. The remaining $5.6 billion, disbursed by nonoperating foundations, was principally given out as grants to other organizations that were directly engaged in charitable activities. A small portion (7 percent) of the disbursements of these nonoperating foundations was attributable to operating and administrative expenses applicable to the organizations' exempt purposes.

Figure F.—Domestic Foundations Reporting Excise Tax on Net Investment Income, 1982, 1983 and 1985

[All figures are estimates based on samples—money amounts are in millions of dollars]

Item	Income Year		
	1982	1983	1985
	(1)	(2)	(3)
All domestic foundations:			
Number of returns with excise tax	23,238	25,145	25,759
Total excise tax	$110.4	$166.0	$167.6
Operating foundations:			
2-percent tax:			
Number of returns	1,945	1,973	1,406
Amount	$9.3	$26.3[1]	$4.0
1-percent tax:			
Number of returns	N/A	N/A	256
Amount	N/A	N/A	$0.6
Number of returns claiming exemption from tax	N/A	N/A	283
Nonoperating foundations:			
2-percent tax:			
Number of returns	21,293	23,173	19,083
Amount	$101.1	$139.7	$143.4
1-percent tax:			
Number of returns	N/A	N/A	5,014
Amount	N/A	N/A	$19.6

[1] The substantial increase in excise taxes reported by operating foundations between 1982 and 1983 in large part can be attributed to the J. Paul Getty Trust, which for 1983 reported a 495-percent increase over 1982 in the amount of net investment income on which the tax is computed. (The increase largely was due to net gain from the sale of Getty oil stock.) For 1985, Getty qualified for the exemption from the tax. Excluding Getty from the table, the amounts shown for the 2-percent tax reported by operating foundations for the years 1982 and 1983 would be $6.2 million and $7.5 million, respectively. Had Getty not been exempt from paying the 2-percent tax for 1985, the amount shown for that year would be $11.3 million.

N/A—not applicable.

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

Excise tax shown for 1985 is from Form 990-PF, Part VI, line 5.

SOURCE: Data for 1982 and 1983 respectively were from issues of the *Statistics of Income Bulletin* for Fall 1985, Volume 5, Number 2 and Winter 1986-87, Volume 6, Number 3.

Charitable program-related investments, amounts reserved for future charitable projects, and amounts spent to acquire assets used for charitable purposes added to the $5.6 billion of disbursements made by nonoperating foundations resulted in total qualifying distributions for 1985 of $5.7 billion. (Qualifying distributions were those distributions which counted toward meeting a foundation's required annual payout for charitable purposes.) Nonoperating foundation qualifying distributions, taken collectively, exceeded the amount required to be given out for 1985 by $2.1 billion, or more than half the required amount. In spite of this substantial excess of qualifying distributions over required payouts, nonoperating foundation assets for 1985 reached $86.5 billion, an all-time high.

There were 21,852 nonoperating foundations with excess distributions to carry over to 1986. These represent 76.3 percent of the 28,649 nonoperating foundations. Twelve percent of the foundations that had a payout requirement for 1985 used at least some of their unapplied qualifying distributions carried over from the 5 previous years to meet the 1985 payout.

SUMMARY

For 1985, private foundations disbursed $6.3 billion for charitable purposes, including $5.2 billion in grants to organizations carrying on tax-exempt activities. These grant payments amounted to 32 percent of total foundation revenue reported for the year. Contributions received by foundations collectively made up the largest portion (33 percent) of their $16.4 billion of total revenue. Net gain from sales of assets (primarily investment assets) was a close second as a major component of revenue, only 2 percentage points behind contributions received.

A look at the composition of revenue when foundations are classified by size of assets reveals a very different picture from that revealed when all foundations are considered. Sales of assets were responsible for a very small portion of the revenue of foundations which had assets under $1 million, while contributions received accounted for over two-thirds of these organizations' revenue for 1985. Foundations with assets of at least $1 million but less than $25 million received nearly half of their revenue from contributions, one-fourth from interest and dividends, and one-fifth from sales of assets. The largest source of revenue for organizations with assets of $25 million or more was income realized from sales of assets, which accounted for a little over two-fifths of total revenue. The second largest source, interest and dividends, accounted for one-third of their total revenue. Contributions received, a less significant source of revenue for these largest foundations, accounted for only one-fifth of total revenue.

Foundation assets reached nearly $100 billion for 1985, a 35-percent increase since 1983, the most recent prior year for which similar data are available. A 1981 tax law change and favorable market conditions between 1982 and 1985 had a positive effect on private foundation earnings. Under the 1981 law, nonoperating foundations no longer were required to pay out all of their current investment income if it exceeded 5 percent of their investment assets. After adjustment for inflation, income earned from their investments (mostly interest and dividend income and realized capital gains) more than doubled between 1979 and 1985, and net investment assets increased 46 percent during the same period. Based on a foundation payout model constructed by the Council on Foundations, the period 1984 to 1985 showed the highest level of percentage increase in investment returns since the 1953 to 1954 period.

As a result of a 1984 tax law revision, the excise tax on net investment income reported by private foundations was $32.2 million less than it otherwise would have been (assuming that the activities of private foundations did not change significantly as a result of the tax law revision). Twenty percent of all foundations that were liable for the tax qualified for a 1-percent tax reduction because they increased their qualifying distributions by at least the same amount. The 1-percent tax reduction was claimed by 256 operating foundations and 5,014 nonoperating foundations. Fifteen percent of all operating foundations reporting net income from investments claimed an exemption from paying any excise tax under the new law.

DATA SOURCES AND LIMITATIONS

The statistics in this article are based on a sample of Income Year 1985 private foundation returns, Forms 990-PF, filed with the Internal Revenue Service. The 1985 Form 990-PF was required to be filed by organizations which had accounting periods beginning in that year (accounting periods ending December 1985 through November 1986). Forms 990-PF filed by nonexempt charitable trusts and certain taxable foundations were excluded from the study. The sample was stratified based on size of book value of total assets and selected at rates that ranged from 0.7 percent to 100 percent. The 1,905 returns in the sample were drawn from an estimated population of 31,221.

The 1985 sample was 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 sample all returns with assets (book value) of $10 million or more, since these were the returns that dollar-wise accounted for most foundation activity. The 930 returns in this group accounted for approximately 49 percent of all the returns in the sample and 77 percent of the book value of the total assets of all foundations. The remaining 975 returns in the sample were randomly selected at various rates, depending on the asset size and date selected.

The population from which the sample was drawn consisted of private foundation records posted to the IRS Business Master File between 1986 and 1988. Some of the records designated were for organizations that were deemed inactive or terminated. Inactive and terminated private foundations are not reflected in the estimates. Prior-year returns were substituted for the small number of large private foundations for which a 1985 return had not yet been filed or was otherwise unobtainable for inclusion in the study. Sample weights applied to small organizations were revised upward to compensate for missing returns in that category.

The data presented were collected 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 G presents 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 below, the corresponding CV's can be estimated by interpolation.

Figure G.—Coefficient of Variation Table, 1985

Estimated number of returns by size of book value of total assets			Approximated 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)
12,600	8,600	3,100	.025
10,800	6,100	1,900	.050
8,800	4,100	1,200	.075
6,900	2,800	700	.100
4,300	1,500	400	.150
2,000	600	100	.250

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 1985.

Assets Zero or Not Reported.—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 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 or regulations.

Distributable Amount.—The distributable amount represented the minimum payout 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 being subject to an excise tax for failure to distribute income currently. This 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 allowed or required adjustments. (See "Net Adjustments to Distributable Amount" for a definition of allowed adjustments.)

Minimum Investment Return.—This was the aggregate fair market value of assets not used for charitable purposes, less the sum of indebtedness incurred to acquire those assets and cash held for charitable activities, multiplied by 5 percent. The minimum investment return was used as the base for calculating the "distributable amount."

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 because State Courts would not allow the organization to change its governing instrument.

Nonoperating Foundations.—Nonoperating foundations were organizations that carried on their charitable activities in an indirect manner by making grants, in general, to other organizations that were directly engaged in charitable activities, rather than engaging 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.—Operating 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 requirements and related excise taxes applicable to nonoperating foundations. Distributions made by a private nonoperating foundation to an operating foundation qualified toward meeting the distributable amount. (Distributions made by one nonoperating foundation to another were subject to a number of strict 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 the tax returns of the donors up to 50-percent of their adjusted gross income (reduced to 30 percent for contributions to nonoperating foundations) provided under the Internal Revenue Code.

Private Foundations.—Private foundations were nonprofit corporations, associations, or trusts 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 foundations and public charities lay in the sources of their funding. Foundations usually received their funds from an individual, a family, or a corporation, while, as their name implies, public charities' funds were derived mainly from a large number of sources within the general public.

Sales of Assets.—This item represented the net gain or loss from the sale of foundation assets, exclusive of gross profit or loss from sales of inventory (items a foundation makes to sell to others or buys for resale). Included was profit or loss from sale of items of an investment nature 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 tax-exempt purposes. Most of the amount reported by foundations as "net gain or loss from sale of assets" on their Forms 990-PF 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.

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

NOTES AND REFERENCES

[1] Throughout this article, contributions, gifts, and grants are referred to collectively as "grants."

[2] Foundation disbursements for charitable purposes could include amounts paid out in grants, direct expenditures to operate a charitable program or activity, and all necessary and reasonable administrative expenses which were incurred in implementing the foundation's charitable purposes.

[3] In addition to adding the $9.2 billion of excess revenue over expenses to their asset base, foundations also reported other adjustments (mostly due to unrealized appreciation or depreciation) to the value of their assets at the end of their 1985 accounting periods.

[4] All references to assets are stated at their fair market value unless otherwise indicated.

[5] The Foundation Center, *National Data Book*, 11th Edition, New York, 1987.

[6] For an in-depth discussion of Internal Revenue Code section 501(c)(3) organizations other than private foundations, see Hilgert, Cecelia, "Nonprofit Charitable Organizations, 1983," *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4.

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

[8] If an organization failed to meet the Internal Revenue Service's requirements for retaining its more favored tax status of "public charity," it was reclassified as a private nonoperating foundation. Most often, these reclassified organizations continued to operate like public charities, operating 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.

[9] Information on the W.K. Kellogg Foundation Trust's holdings of Kellogg Corporation stock was obtained from the Council on Foundations, Washington, DC. Under the "excess business holdings" provision of the Internal Revenue Code, foundations which on May 26, 1969, held more than a 75-percent interest either in the voting stock or in the value of all classes of stock in a business enterprise generally were required to dispose of a certain amount of that interest to reach a permissible level of holdings within the 15-year period ending on May 26, 1984.

[10] *USA TODAY*, "How Foundations Spend Their Money," December 15, 1987.

[11] Comparative statistics are being used for the years 1974, 1979, 1982 and 1983 because they are the years in which Statistics of Income (SOI) data are available. SOI studies of private foundations were not conducted for any omitted intervening years between 1974 and 1985. Certain data published for 1982 have been revised and the revised data have been used in the comparisons contained in this article. Updated 1982 data are available upon request from the Director, Statistics of Income Division R:S, Internal Revenue Service, Washington, DC 20224.

[12] All inflation-adjusted 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 1988, Table B-3.

[13] See Salamon, Lester M. and Voytek, Kenneth P., *Managing Foundation Assets: An Analysis of Foundation Investment and Payout Procedures and Performance*, A Report to the Council on Foundations, The Foundation Center, 1989.

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

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

Size of fair market value of assets	Number of returns	Total revenue		Total expenses		Excess of revenue over expenses (net)		Excess of revenue over expenses		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	**31,221**	**30,397**	**16,412,533**	**29,691**	**7,240,579**	**30,217**	**9,171,952**	**20,826**	**9,863,306**	**28,966**	**6,273,522**	**26,288**	**5,244,114**	**16,591**	**551,262**
Zero or unreported	*409	*391	*30,815	*409	*119,119	*266	*-88,305	*35	*55	*374	*115,893	*356	*115,887	*18	*1
$1 under $100,000	13,222	12,509	249,043	12,010	188,339	12,527	60,703	7,530	92,246	11,835	178,121	10,196	156,628	5,944	11,214
$100,000 under $1,000,000	11,511	11,433	991,222	11,230	731,997	11,371	259,224	8,158	465,936	10,815	677,894	10,216	539,597	6,166	105,808
$1,000,000 under $10,000,000	4,871	4,861	3,087,775	4,841	1,541,960	4,851	1,545,814	4,020	1,743,096	4,746	1,355,035	4,418	1,057,797	3,406	118,688
$10,000,000 under $25,000,000	694	690	2,373,352	689	850,351	690	1,523,001	624	1,565,535	686	761,165	627	636,475	612	77,373
$25,000,000 under $50,000,000	238	237	1,369,113	237	609,038	237	760,075	213	810,877	236	540,673	218	446,501	198	63,164
$50,000,000 under $100,000,000	148	148	1,765,574	148	776,487	148	989,087	132	1,024,338	147	659,359	134	540,299	129	54,818
$100,000,000 or more	127	127	6,545,639	127	2,423,287	127	4,122,353	114	4,161,223	127	1,985,383	122	1,750,930	119	120,198
Nonoperating foundations, total	**28,649**	**27,987**	**14,760,155**	**27,279**	**6,373,876**	**27,788**	**8,386,277**	**19,541**	**9,056,134**	**26,735**	**5,568,438**	**25,219**	**5,176,563**	**15,326**	**300,497**
Zero or unreported	*391	*374	*30,622	*391	*118,971	*248	*-88,349	*18	*12	*356	*115,745	*339	*115,739	—	—
$1 under $100,000	11,852	11,283	221,772	10,801	162,618	11,300	59,153	6,998	89,040	10,678	157,747	9,717	151,321	5,374	5,376
$100,000 under $1,000,000	10,814	10,754	834,770	10,532	599,083	10,673	235,686	7,820	436,756	10,214	554,694	9,812	530,233	5,764	16,132
$1,000,000 under $10,000,000	4,520	4,510	2,687,818	4,490	1,248,574	4,500	1,439,244	3,749	1,627,945	4,425	1,111,817	4,301	1,045,318	3,225	57,410
$10,000,000 under $25,000,000	610	606	2,187,562	605	747,974	606	1,439,588	546	1,480,337	604	678,357	596	630,284	543	39,962
$25,000,000 under $50,000,000	213	212	1,256,519	212	538,499	212	718,020	191	765,533	211	490,700	209	444,332	185	38,588
$50,000,000 under $100,000,000	130	130	1,544,454	130	671,140	130	873,314	114	908,565	129	581,134	128	536,745	120	28,720
$100,000,000 or more	118	118	5,996,639	118	2,287,017	118	3,709,622	106	3,747,945	118	1,878,245	117	1,722,592	114	114,310
Operating foundations, total	**2,572**	**2,410**	**1,652,378**	**2,412**	**866,702**	**2,429**	**785,675**	**1,285**	**807,172**	**2,231**	**705,084**	**1,069**	**67,551**	**1,265**	**250,765**
Zero or unreported	*18	*18	*193	*18	*149	*18	*44	*18	*44	*18	*149	*18	*148	*18	*1
$1 under $100,000	1,370	1,227	27,271	1,209	25,722	1,227	1,549	532	3,205	1,157	20,374	479	5,308	570	5,839
$100,000 under $1,000,000	698	679	156,452	698	132,913	698	23,539	339	29,180	602	123,200	404	9,364	402	89,675
$1,000,000 under $10,000,000	352	352	399,957	352	293,386	352	106,571	271	115,151	321	243,218	117	12,479	181	61,278
$10,000,000 under $25,000,000	83	83	185,790	83	102,377	83	83,413	78	85,198	81	82,808	31	6,191	68	37,410
$25,000,000 under $50,000,000	25	25	112,594	25	70,538	25	42,056	22	45,344	25	49,973	9	2,169	13	24,576
$50,000,000 under $100,000,000	18	18	221,120	18	105,347	18	115,773	18	115,773	18	78,225	6	3,554	9	26,098
$100,000,000 or more	9	9	549,001	9	136,270	9	412,731	8	413,278	9	107,137	5	28,338	5	5,888
Grantmaking foundations, total	**26,288**	**26,252**	**15,228,333**	**26,270**	**6,674,835**	**25,875**	**8,553,496**	**17,710**	**9,220,924**	**26,288**	**5,852,602**	**26,288**	**5,244,114**	**14,923**	**319,374**
Zero or unreported	*356	*339	*30,653	*356	*116,563	*213	*-85,909	*18	*44	*356	*115,889	*356	*115,887	*18	*1
$1 under $100,000	10,196	10,178	206,845	10,178	165,453	10,018	41,391	5,803	71,049	10,196	161,783	10,196	156,628	5,018	4,250
$100,000 under $1,000,000	10,216	10,216	816,545	10,216	601,851	10,135	214,693	7,239	413,869	10,216	566,156	10,216	539,597	5,745	24,246
$1,000,000 under $10,000,000	4,418	4,418	2,789,279	4,418	1,394,891	4,408	1,394,387	3,658	1,588,086	4,418	1,250,500	4,418	1,057,797	3,151	62,415
$10,000,000 under $25,000,000	627	627	2,204,377	627	761,849	627	1,442,528	567	1,482,082	627	695,621	627	636,475	564	43,743
$25,000,000 under $50,000,000	218	218	1,287,570	218	552,960	218	734,610	197	780,423	218	500,639	218	446,501	188	35,489
$50,000,000 under $100,000,000	134	134	1,559,175	134	703,218	134	855,957	118	891,208	134	605,301	134	540,299	122	32,560
$100,000,000 or more	122	122	6,333,889	122	2,378,049	122	3,955,840	110	3,994,163	122	1,956,712	122	1,750,930	117	116,670
Grantmaking-nonoperating foundations, total	**25,219**	**25,184**	**14,306,847**	**25,201**	**6,292,795**	**24,806**	**8,014,049**	**17,115**	**8,672,456**	**25,219**	**5,531,093**	**25,219**	**5,176,563**	**14,288**	**274,939**
Zero or unreported	*339	*321	*30,461	*339	*116,414	*196	*-85,953	—	—	*339	*115,740	*339	*115,739	—	—
$1 under $100,000	9,717	9,699	198,867	9,699	158,604	9,539	40,262	5,573	69,766	9,717	155,268	9,717	151,321	4,769	3,596
$100,000 under $1,000,000	9,812	9,812	759,327	9,812	570,075	9,731	189,252	7,037	385,883	9,812	542,005	9,812	530,233	5,462	11,391
$1,000,000 under $10,000,000	4,301	4,301	2,570,142	4,301	1,227,471	4,291	1,342,670	3,561	1,531,015	4,301	1,102,234	4,301	1,045,318	3,101	48,449
$10,000,000 under $25,000,000	596	596	2,149,244	596	738,897	596	1,410,347	538	1,449,285	596	675,234	596	630,284	540	39,353
$25,000,000 under $50,000,000	209	209	1,246,200	209	526,916	209	719,284	189	764,747	209	482,444	209	444,332	183	30,332
$50,000,000 under $100,000,000	128	128	1,481,748	128	667,725	128	814,023	112	849,274	128	579,992	128	536,745	119	27,577
$100,000,000 or more	117	117	5,870,856	117	2,286,693	117	3,584,163	105	3,622,487	117	1,878,176	117	1,722,592	113	114,241
Grantmaking-operating foundations, total	**1,069**	**1,069**	**921,486**	**1,069**	**382,039**	**1,069**	**539,447**	**595**	**548,469**	**1,069**	**321,509**	**1,069**	**67,551**	**635**	**44,435**
Zero or unreported	*18	*18	*193	*18	*149	*18	*44	*18	*44	*18	*149	*18	*148	*18	*1
$1 under $100,000	479	479	7,978	479	6,849	479	1,129	*231	*1,284	479	6,515	479	5,308	*248	*653
$100,000 under $1,000,000	404	404	57,217	404	31,776	404	25,441	*202	*27,986	404	24,152	404	9,364	*283	*12,855
$1,000,000 under $10,000,000	117	117	219,137	117	167,420	117	51,717	*97	*57,071	117	148,266	117	12,479	*51	*13,967
$10,000,000 under $25,000,000	31	31	55,132	31	22,952	31	32,180	29	32,797	31	20,387	31	6,191	24	4,390
$25,000,000 under $50,000,000	9	9	41,370	9	26,044	9	15,325	8	15,677	9	18,196	9	2,169	5	5,157
$50,000,000 under $100,000,000	6	6	77,427	6	35,493	6	41,934	6	41,934	6	25,309	6	3,554	3	4,983
$100,000,000 or more	5	5	463,032	5	91,356	5	371,676	5	371,676	5	78,536	5	28,338	4	2,430
Nongrantmaking-nonoperating foundations, total	**3,430**	**2,803**	**453,309**	**2,078**	**81,081**	**2,981**	**372,228**	**2,427**	**383,678**	**1,517**	**37,345**	**—**	**—**	**1,038**	**25,558**
Zero or unreported	*53	*53	*161	*53	*2,557	*53	*-2,396	*18	*12	*18	*4	—	—	—	—
$1 under $100,000	2,135	1,583	22,904	1,101	4,013	1,761	18,891	1,425	19,275	961	2,478	—	—	605	1,779
$100,000 under $1,000,000	1,002	942	75,443	721	29,009	942	46,434	783	50,874	402	12,689	—	—	*302	*4,741
$1,000,000 under $10,000,000	219	209	117,676	189	21,103	209	96,573	188	96,930	124	9,583	—	—	*124	*8,961
$10,000,000 under $25,000,000	14	10	38,318	9	9,077	10	29,241	8	31,052	8	3,123	—	—	3	609
$25,000,000 under $50,000,000	4	3	10,319	3	11,583	3	-1,265	2	787	2	8,256	—	—	2	8,256
$50,000,000 under $100,000,000	2	2	62,706	2	3,415	2	59,291	2	59,291	1	1,142	—	—	1	1,142
$100,000,000 or more	1	1	125,782	1	324	1	125,459	1	125,459	1	70	—	—	1	70

Footnotes at end of table.

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

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

Size of fair market value of assets	Net investment income		Net gain or 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)	
						Domestic organizations		Foreign organizations							
	Number of returns	Amount	Number of returns	Amount	Total	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	**26,675**	**10,042,766**	**10,189**	**5,128,130**	**169,529**	**25,759**	**167,606**	**46**	**1,922**	**30,847**	**73,225,342**	**18,718**	**53,980,591**	**30,812**	**97,089,200**
Zero or unreported	*161	*28,563	*18	*3	*571	*161	*571	—	—	*35	*85	—	—	—	—
$1 under $100,000	9,588	28,955	984	2,743	516	9,036	516	—	—	13,222	406,582	5,651	158,735	13,222	443,352
$100,000 under $1,000,000	10,995	373,938	4,726	69,566	6,542	10,876	6,542	—	—	11,511	3,442,972	7,827	1,664,003	11,511	4,003,165
$1,000,000 under $10,000,000	4,745	1,619,209	3,419	577,845	28,183	4,573	28,164	*19	*19	4,871	12,651,620	4,094	7,981,319	4,871	15,410,722
$10,000,000 under $25,000,000	682	1,043,987	576	506,853	18,318	644	17,981	16	337	694	7,727,924	657	5,528,039	694	10,692,655
$25,000,000 under $50,000,000	231	866,270	210	464,959	14,381	213	14,147	6	234	238	6,335,925	221	4,647,642	238	8,150,688
$50,000,000 under $100,000,000	147	1,165,826	139	593,964	19,397	136	18,832	3	566	148	7,929,076	142	6,015,035	148	10,265,729
$100,000,000 or more	126	4,916,019	117	2,912,197	81,619	120	80,852	2	767	127	34,731,159	125	27,985,817	127	48,122,888
Nonoperating foundations, total	**24,720**	**9,178,989**	**9,676**	**4,691,058**	**164,930**	**24,098**	**163,008**	**46**	**1,922**	**28,275**	**64,377,227**	**17,492**	**48,852,295**	**28,257**	**86,505,757**
Zero or unreported	*161	*28,563	*18	*3	*571	*161	*571	—	—	*18	*12	—	—	—	—
$1 under $100,000	8,680	26,137	984	2,743	461	8,128	461	—	—	11,852	365,816	5,151	139,857	11,852	398,487
$100,000 under $1,000,000	10,397	362,057	4,546	67,426	6,377	10,397	6,377	—	—	10,814	3,204,647	7,468	1,593,207	10,814	3,743,882
$1,000,000 under $10,000,000	4,424	1,534,132	3,205	540,287	27,301	4,382	27,282	*19	*19	4,520	11,318,750	3,847	7,387,145	4,520	13,777,097
$10,000,000 under $25,000,000	601	968,540	502	463,368	17,309	585	16,972	16	337	610	6,808,504	581	5,104,422	610	9,526,285
$25,000,000 under $50,000,000	210	812,150	192	441,164	13,996	203	13,762	6	234	213	5,641,376	202	4,298,976	213	7,303,334
$50,000,000 under $100,000,000	130	1,015,317	121	535,010	18,064	127	17,498	3	566	130	6,908,699	125	5,345,707	130	8,936,092
$100,000,000 or more	117	4,432,093	109	2,641,056	80,851	115	80,084	2	767	118	30,129,423	117	24,982,981	118	42,820,579
Operating foundations, total	**1,955**	**863,777**	**513**	**437,073**	**4,599**	**1,662**	**4,599**	**—**	**—**	**2,572**	**8,848,115**	**1,226**	**5,128,296**	**2,555**	**10,583,443**
Zero or unreported	—	—	—	—	—	—	—	—	—	*18	*73	—	—	—	—
$1 under $100,000	908	2,818	—	—	56	908	56	—	—	1,370	40,766	*499	*18,878	1,370	44,865
$100,000 under $1,000,000	598	11,881	*181	*2,140	165	479	165	—	—	698	238,324	359	70,796	698	259,283
$1,000,000 under $10,000,000	321	85,077	214	37,558	882	191	882	—	—	352	1,332,870	248	594,174	352	1,633,625
$10,000,000 under $25,000,000	80	75,447	74	43,485	1,009	59	1,009	—	—	83	919,419	75	423,618	83	1,166,370
$25,000,000 under $50,000,000	21	54,120	18	23,795	385	10	385	—	—	25	694,549	19	348,666	25	847,353
$50,000,000 under $100,000,000	17	150,509	18	58,954	1,333	9	1,333	—	—	18	1,020,377	17	669,328	18	1,329,637
$100,000,000 or more	9	483,926	8	271,140	768	5	768	—	—	9	4,601,736	8	3,002,836	9	5,302,309
Grantmaking foundations, total	**24,206**	**9,652,785**	**9,566**	**4,978,661**	**164,665**	**23,570**	**162,798**	**44**	**1,867**	**25,949**	**68,592,008**	**17,259**	**51,739,802**	**25,931**	**91,435,231**
Zero or unreported	*143	*28,483	—	—	*570	*143	*570	—	—	*18	*73	—	—	—	—
$1 under $100,000	8,575	26,849	984	2,743	477	8,093	477	—	—	10,196	356,787	5,277	149,323	10,196	393,068
$100,000 under $1,000,000	10,016	349,177	4,446	66,669	6,089	9,976	6,089	—	—	10,216	3,055,948	7,106	1,511,488	10,216	3,573,926
$1,000,000 under $10,000,000	4,376	1,512,989	3,177	548,700	26,835	4,304	26,817	*19	*19	4,418	11,196,140	3,823	7,324,277	4,418	13,699,788
$10,000,000 under $25,000,000	625	996,371	522	487,444	17,682	604	17,345	16	337	627	6,944,641	597	5,138,103	627	9,787,327
$25,000,000 under $50,000,000	215	835,689	198	450,527	14,078	206	13,899	4	179	218	5,813,820	206	4,416,002	218	7,496,529
$50,000,000 under $100,000,000	134	1,049,853	126	534,196	17,863	128	17,297	3	566	134	7,210,316	130	5,632,119	134	9,285,819
$100,000,000 or more	121	4,853,373	113	2,888,382	81,072	116	80,305	2	767	122	34,014,282	120	27,568,491	122	47,198,775
Grantmaking-nonoperating foundations, total	**23,285**	**9,076,665**	**9,297**	**4,651,255**	**162,952**	**22,747**	**161,085**	**44**	**1,867**	**24,880**	**63,064,203**	**16,528**	**48,314,135**	**24,880**	**85,026,609**
Zero or unreported	*143	*28,483	—	—	*570	*143	*570	—	—	—	—	—	—	—	—
$1 under $100,000	8,183	25,231	984	2,743	445	7,701	445	—	—	9,717	335,839	4,938	133,196	9,717	368,321
$100,000 under $1,000,000	9,652	338,908	4,284	64,490	5,937	9,652	5,937	—	—	9,812	2,903,707	6,823	1,443,775	9,812	3,404,274
$1,000,000 under $10,000,000	4,259	1,495,428	3,114	538,196	26,586	4,230	26,567	*19	*19	4,301	10,869,028	3,756	7,259,199	4,301	13,298,922
$10,000,000 under $25,000,000	595	963,355	496	462,714	17,218	579	16,881	*16	*337	596	6,606,229	571	5,011,759	596	9,307,415
$25,000,000 under $50,000,000	207	809,212	191	441,005	13,910	202	13,731	*4	*179	209	5,530,468	199	4,243,084	209	7,154,750
$50,000,000 under $100,000,000	128	985,561	120	501,163	17,469	125	16,903	*3	*566	128	6,822,384	124	5,335,024	128	8,805,223
$100,000,000 or more	116	4,430,487	108	2,640,943	80,819	114	80,052	*2	*767	117	29,996,549	116	24,888,098	117	42,687,705
Grantmaking-operating foundations, total	**921**	**576,120**	**269**	**327,406**	**1,714**	**823**	**1,714**	**—**	**—**	**1,069**	**5,527,804**	**731**	**3,425,667**	**1,051**	**6,408,622**
Zero or unreported	—	—	—	—	—	—	—	—	—	*18	*73	—	—	—	—
$1 under $100,000	*391	*1,619	—	—	*32	*391	*32	—	—	479	20,948	*339	*16,127	479	24,747
$100,000 under $1,000,000	*364	*10,269	*162	*2,179	*153	*323	*153	—	—	404	152,241	*283	*67,713	404	169,652
$1,000,000 under $10,000,000	117	17,561	*64	*10,504	*249	*74	*249	—	—	117	327,113	*67	*65,077	117	400,866
$10,000,000 under $25,000,000	30	33,017	26	24,730	464	25	464	—	—	31	338,413	26	126,344	31	479,912
$25,000,000 under $50,000,000	8	26,477	7	9,522	168	4	168	—	—	9	283,351	7	172,919	9	341,779
$50,000,000 under $100,000,000	6	64,292	6	33,033	394	3	394	—	—	6	387,932	6	297,095	6	480,596
$100,000,000 or more	5	422,886	5	247,439	253	2	253	—	—	5	4,017,734	4	2,680,393	5	4,511,070
Nongrantmaking-nonoperating foundations, total	**1,436**	**102,324**	**379**	**39,803**	**1,978**	**1,350**	**1,923**	***2**	***55**	**3,395**	**1,313,024**	**964**	**538,160**	**3,377**	**1,479,148**
Zero or unreported	*18	*80	*18	*3	*2	*18	*2	—	—	*18	*12	—	—	—	—
$1 under $100,000	497	907	—	—	16	426	16	—	—	2,135	29,977	*213	*6,661	2,135	30,165
$100,000 under $1,000,000	745	23,148	*262	*2,935	441	745	441	—	—	1,002	300,940	645	149,432	1,002	339,609
$1,000,000 under $10,000,000	165	38,704	*91	*2,091	715	152	715	—	—	219	449,722	*91	*127,945	219	478,175
$10,000,000 under $25,000,000	6	5,185	6	654	91	6	91	—	—	14	202,276	10	92,663	14	218,870
$25,000,000 under $50,000,000	3	2,938	1	158	86	1	31	2	55	4	110,907	3	55,892	4	148,585
$50,000,000 under $100,000,000	2	29,756	1	33,847	595	2	595	—	—	2	86,315	1	10,683	2	130,869
$100,000,000 or more	1	1,605	1	113	32	1	32	—	—	1	132,874	1	94,884	1	132,874

Footnotes at end of table.

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

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

Size of fair market value of assets	Investments in securities (fair market value)		Net worth		Minimum investment return		Distributable amount		Qualifying distributions		Excess grant administrative expenses		Undistributed income for 1985		Excess distributions carryover to 1986	
	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	**18,544**	**75,030,077**	**30,853**	**70,046,573**	**28,370**	**4,097,359**	**26,024**	**3,672,648**	**29,189**	**6,636,222**	**3,691**	**91,568**	**5,947**	**907,733**	**21,852**	**7,261,095**
Zero or unreported	—	—	*53	*-72	*178	*1,309	*161	*738	*391	*116,008	—	—	—	—	*356	*392,534
$1 under $100,000	5,508	193,934	13,222	397,074	11,087	19,029	9,983	17,875	11,709	176,766	2,051	2,341	2,033	2,545	9,144	529,469
$100,000 under $1,000,000	7,827	2,135,984	11,511	3,257,323	11,154	171,476	10,394	158,813	11,118	699,089	961	6,126	2,140	25,302	8,573	1,137,528
$1,000,000 under $10,000,000	4,064	10,177,827	4,861	12,191,442	4,763	648,421	4,432	598,256	4,776	1,384,114	504	29,757	1,351	130,708	3,134	2,108,204
$10,000,000 under $25,000,000	656	8,181,934	694	7,427,588	685	424,130	601	384,101	686	783,200	120	25,614	240	88,279	368	1,047,874
$25,000,000 under $50,000,000	221	6,194,103	237	5,962,698	230	330,216	207	295,283	234	559,262	38	24,325	78	81,100	133	619,024
$50,000,000 under $100,000,000	143	8,059,873	148	7,494,323	146	425,822	128	366,469	147	698,852	10	1,446	45	89,615	84	630,648
$100,000,000 or more	125	40,086,422	127	33,316,198	127	2,076,956	118	1,851,113	127	2,218,931	7	1,960	59	490,184	59	795,815
Nonoperating foundations, total	**17,318**	**69,123,461**	**28,281**	**61,940,359**	**26,295**	**3,764,356**	**26,024**	**3,672,648**	**26,883**	**5,733,895**	**3,402**	**59,811**	**5,947**	**907,733**	**21,852**	**7,261,095**
Zero or unreported	—	—	*35	*-92	*178	*1,309	161	738	374	115,806	—	—	—	—	*356	*392,534
$1 under $100,000	5,008	170,757	11,852	357,589	10,143	17,162	9,983	17,875	10,535	156,537	1,980	1,933	2,033	2,545	9,144	529,469
$100,000 under $1,000,000	7,468	2,047,574	10,814	3,030,330	10,475	161,806	10,394	158,813	10,478	563,174	799	5,260	2,140	25,302	8,573	1,137,528
$1,000,000 under $10,000,000	3,816	9,427,956	4,510	11,046,646	4,442	599,378	4,432	598,256	4,435	1,128,665	471	20,683	1,351	130,708	3,134	2,108,204
$10,000,000 under $25,000,000	580	7,647,312	610	6,594,885	602	395,921	601	384,101	604	674,245	103	19,162	240	88,279	368	1,047,874
$25,000,000 under $50,000,000	202	5,777,297	212	5,400,935	208	304,121	207	295,283	210	510,233	32	9,368	78	81,100	133	619,024
$50,000,000 under $100,000,000	126	7,171,712	130	6,569,504	128	382,188	128	366,469	129	603,095	10	1,446	45	89,615	84	630,648
$100,000,000 or more	117	36,880,853	118	28,940,563	118	1,902,470	118	1,851,113	118	1,982,141	7	1,960	59	490,184	59	795,815
Operating foundations, total	**1,226**	**5,906,616**	**2,572**	**8,106,214**	**2,075**	**333,003**	**N/A**	**N/A**	**2,305**	**902,327**	**288**	**31,757**	**N/A**	**N/A**	**N/A**	**N/A**
Zero or unreported	—	—	*18	*20	—	—	N/A	N/A	*18	*201	—	—	N/A	N/A	N/A	N/A
$1 under $100,000	*499	*23,178	1,370	39,485	943	1,867	N/A	N/A	1,174	20,229	*70	*408	N/A	N/A	N/A	N/A
$100,000 under $1,000,000	359	88,410	698	226,993	679	9,670	N/A	N/A	640	135,915	*162	*866	N/A	N/A	N/A	N/A
$1,000,000 under $10,000,000	248	749,870	352	1,144,796	321	49,043	N/A	N/A	341	255,450	*33	*9,074	N/A	N/A	N/A	N/A
$10,000,000 under $25,000,000	75	534,623	83	832,703	82	28,209	N/A	N/A	81	108,956	17	6,452	N/A	N/A	N/A	N/A
$25,000,000 under $50,000,000	19	416,806	25	561,763	22	26,095	N/A	N/A	24	49,029	6	14,956	N/A	N/A	N/A	N/A
$50,000,000 under $100,000,000	17	888,161	18	924,819	18	43,634	N/A	N/A	18	95,758	—	—	N/A	N/A	N/A	N/A
$100,000,000 or more	8	3,205,569	9	4,375,635	9	174,486	N/A	N/A	9	236,790	—	—	N/A	N/A	N/A	N/A
Grantmaking foundations, total	**17,085**	**72,215,145**	**25,965**	**66,046,994**	**25,041**	**3,949,244**	**23,794**	**3,642,848**	**26,287**	**6,157,073**	**3,375**	**63,261**	**4,528**	**886,570**	**20,527**	**7,149,430**
Zero or unreported	—	—	*35	*-84	*161	*1,307	*161	*738	*356	*115,942	—	—	—	—	*339	*392,472
$1 under $100,000	5,134	183,961	10,196	351,299	9,232	17,422	8,627	17,053	10,196	160,189	1,855	2,318	1,052	2,087	8,505	528,512
$100,000 under $1,000,000	7,106	1,968,751	10,216	2,916,821	10,178	160,462	9,693	149,823	10,216	574,590	880	5,973	1,843	21,761	7,969	1,080,928
$1,000,000 under $10,000,000	3,792	9,384,903	4,418	10,943,046	4,377	599,558	4,270	586,685	4,418	1,269,142	481	22,252	1,220	124,447	3,081	2,093,517
$10,000,000 under $25,000,000	596	7,688,679	627	6,766,473	625	401,369	593	380,245	627	695,294	108	19,880	235	86,627	360	1,014,026
$25,000,000 under $50,000,000	206	5,919,919	217	5,583,214	214	315,327	206	294,142	217	527,069	34	9,433	77	74,484	131	613,512
$50,000,000 under $100,000,000	130	7,471,552	134	6,859,835	132	398,345	126	364,249	134	637,501	10	1,446	43	88,110	84	630,648
$100,000,000 or more	120	39,597,380	122	32,626,390	122	2,055,453	117	1,849,914	122	2,177,347	7	1,960	58	489,054	59	795,815
Grantmaking-nonoperating foundations, total	**16,353**	**68,462,386**	**24,896**	**60,876,673**	**24,036**	**3,732,696**	**23,794**	**3,642,848**	**25,218**	**5,690,186**	**3,156**	**59,652**	**4,528**	**886,570**	**20,527**	**7,149,430**
Zero or unreported	—	—	*18	*-104	*161	*1,307	*161	*738	*339	*115,740	—	—	—	—	*339	*392,472
$1 under $100,000	4,795	163,844	9,717	330,567	8,788	16,325	8,627	17,053	9,717	154,082	1,785	1,910	1,052	2,087	8,505	528,512
$100,000 under $1,000,000	6,823	1,883,575	9,812	2,766,551	9,774	152,446	9,693	149,823	9,812	545,340	759	5,224	1,843	21,761	7,969	1,080,928
$1,000,000 under $10,000,000	3,726	9,290,459	4,301	10,699,508	4,270	587,091	4,270	586,685	4,301	1,118,395	461	20,584	1,220	124,447	3,081	2,093,517
$10,000,000 under $25,000,000	570	7,539,923	596	6,450,966	594	391,974	593	380,245	596	671,061	103	19,162	235	86,627	360	1,014,026
$25,000,000 under $50,000,000	199	5,706,240	208	5,335,047	206	302,940	206	294,142	208	501,976	32	9,368	77	74,484	131	613,512
$50,000,000 under $100,000,000	124	7,092,377	128	6,484,197	126	379,374	126	364,249	128	601,519	10	1,446	43	88,110	84	630,648
$100,000,000 or more	116	36,785,969	117	28,809,941	117	1,901,239	117	1,849,914	117	1,982,071	7	1,960	58	489,054	59	795,815
Grantmaking-operating foundations, total	**731**	**3,752,758**	**1,069**	**5,170,322**	**1,005**	**216,549**	**N/A**	**N/A**	**1,069**	**466,888**	**219**	**3,609**	**N/A**	**N/A**	**N/A**	**N/A**
Zero or unreported	—	—	*18	*20	—	—	N/A	N/A	*18	*201	—	—	N/A	N/A	N/A	N/A
$1 under $100,000	*339	*20,117	479	20,732	444	1,098	N/A	N/A	479	6,107	*70	*408	N/A	N/A	N/A	N/A
$100,000 under $1,000,000	*283	*85,176	404	150,270	404	8,016	N/A	N/A	404	29,250	*121	*749	N/A	N/A	N/A	N/A
$1,000,000 under $10,000,000	*67	*94,444	117	243,538	107	12,467	N/A	N/A	117	150,748	*20	*1,668	N/A	N/A	N/A	N/A
$10,000,000 under $25,000,000	26	148,756	31	315,507	31	9,396	N/A	N/A	31	24,233	5	719	N/A	N/A	N/A	N/A
$25,000,000 under $50,000,000	7	213,679	9	248,168	8	12,387	N/A	N/A	9	25,092	2	64	N/A	N/A	N/A	N/A
$50,000,000 under $100,000,000	6	379,175	6	375,639	6	18,971	N/A	N/A	6	35,982	—	—	N/A	N/A	N/A	N/A
$100,000,000 or more	4	2,811,411	5	3,816,449	5	154,214	N/A	N/A	5	195,275	—	—	N/A	N/A	N/A	N/A
Nongrantmaking-nonoperating foundations, total	**965**	**661,075**	**3,385**	**1,063,687**	**2,259**	**31,661**	**2,231**	**29,800**	**1,666**	**43,710**	***246**	***159**	**1,419**	**21,163**	**1,325**	**111,665**
Zero or unreported	—	—	*18	*12	*18	*2	—	—	*35	*66	—	—	—	—	*18	*62
$1 under $100,000	*213	*6,913	2,135	27,021	1,355	838	1,355	822	818	2,455	*196	*23	981	458	640	957
$100,000 under $1,000,000	645	164,000	1,002	263,779	702	9,360	702	8,991	666	17,834	*40	*36	298	3,541	604	56,600
$1,000,000 under $10,000,000	*91	*137,497	209	347,138	172	12,287	162	11,571	134	10,270	*10	*99	131	6,262	*54	*14,687
$10,000,000 under $25,000,000	10	107,389	14	143,919	8	3,947	8	3,856	8	3,183	—	—	5	1,652	8	33,847
$25,000,000 under $50,000,000	3	71,057	4	65,888	2	1,181	1	1,141	2	8,256	—	—	1	6,616	2	5,512
$50,000,000 under $100,000,000	2	79,335	2	85,308	2	2,814	2	2,219	1	1,575	—	—	2	1,505	—	—
$100,000,000 or more	1	94,884	1	130,622	1	1,232	1	1,200	1	70	—	—	1	1,130	—	—

N/A — not applicable.

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

[1] Not all of the type of foundation categories shown in this table are mutually exclusive; therefore, they do not add to the total shown for all foundations. However, data shown for nonoperating and operating foundations add to the total shown for all foundations, and data shown for grantmaking-nonoperating and grantmaking-operating foundations add to the total shown for grantmaking foundations.

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

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

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

Item	Total	Size of book value of assets (end of year): 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	**31,221**	***374**	**13,980**	**11,469**	**4,468**	**538**	**192**	**111**	**89**
Total assets (book value)	**73,225,342**	**—**	**463,134**	**3,911,852**	**13,852,548**	**8,305,557**	**6,630,454**	**7,709,428**	**32,352,370**
Cash, total	9,193,373	—	209,459	1,093,432	2,466,355	1,065,036	862,128	647,471	2,849,492
Non-interest bearing accounts	831,079	—	77,089	156,929	256,948	82,075	91,705	64,293	102,040
Savings and temporary cash investments	8,362,294	—	132,370	936,503	2,209,406	982,961	770,423	583,179	2,747,452
Accounts receivable, net	326,524	—	3,221	11,948	57,837	23,531	32,926	29,550	167,511
Pledges receivable, net	97,339	—	*263	*11,949	*37,187	14,046	33,895	—	—
Grants receivable	68,106	—	*491	*16,106	*29,916	15,054	1,455	—	5,084
Receivables due from disqualified persons	19,755	—	—	*6,514	*2,752	9,896	58	32	504
Other notes and loans receivable	823,171	—	*1,730	85,968	213,280	117,603	55,825	189,279	159,485
Inventories	28,173	—	*81	*1,527	3,574	16,908	2,795	1,215	2,073
Prepaid expenses and deferred charges	60,781	—	*785	*6,340	4,283	12,686	22,801	7,111	6,775
Investments, total	58,711,090	—	227,377	2,403,416	10,087,033	6,498,739	5,358,021	6,394,278	27,742,225
Securities	53,980,591	—	196,746	1,991,574	9,037,746	5,911,513	4,842,388	5,837,285	26,163,339
Land, buildings, and equipment (less accumulated depreciation)	1,567,982	—	*405	39,039	217,745	154,727	177,513	143,546	835,007
Mortgage loans	494,481	—	*2,161	*31,626	184,356	54,333	54,406	21,326	146,274
Other investments	2,668,035	—	28,065	341,178	647,186	378,165	283,715	392,120	597,606
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	2,068,318	—	4,031	197,184	516,406	288,740	140,426	258,497	663,035
Other assets	1,828,709	—	15,695	77,468	433,924	243,317	120,123	181,995	756,186
Total liabilities	**3,178,769**	***104**	**9,573**	**186,031**	**502,184**	**323,600**	**399,444**	**412,629**	**1,345,204**
Net worth	**70,046,573**	***-104**	**453,561**	**3,725,820**	**13,350,364**	**7,981,957**	**6,231,009**	**7,296,799**	**31,007,166**
Total revenue	**16,412,533**	***30,549**	**258,962**	**1,564,933**	**3,326,653**	**2,041,359**	**1,537,742**	**1,735,604**	**5,916,731**
Contributions, gifts, and grants received	5,461,570	*580	213,036	1,175,967	1,430,282	789,731	456,259	555,743	839,971
Interest on savings and temporary cash investments	927,305	*3,416	13,744	93,368	242,221	140,014	102,567	86,569	245,406
Dividends and interest from securities	3,902,791	—	19,810	177,012	713,464	451,159	361,441	398,782	1,781,123
Gross rents	269,827	*27,108	*963	12,153	56,728	33,075	20,818	31,978	87,005
Net gain or loss from sale of assets	5,128,130	*3	4,991	85,036	665,478	563,800	540,418	558,686	2,709,719
Gross profit or loss from business activities	172,280	—	4,729	*-629	114,031	10,567	3,512	15,931	24,138
Other income	550,625	*-559	1,688	22,024	104,447	53,013	52,728	87,914	229,368
Total expenses	**7,240,579**	***118,909**	**197,893**	**800,386**	**1,673,988**	**922,335**	**748,810**	**747,791**	**2,030,466**
Contributions, gifts, and grants paid	5,397,439	*117,496	165,186	593,467	1,167,370	714,201	588,885	509,723	1,541,111
Compensation of officers	158,002	—	1,593	22,123	46,655	21,067	14,818	14,777	36,971
Other salaries and wages	354,756	—	*5,245	53,735	104,701	37,006	27,694	39,753	86,622
Pension plans and employee benefits	79,059	—	*526	*6,677	18,756	6,632	6,731	9,658	30,079
Legal fees	44,403	*143	2,621	5,286	11,640	4,993	2,723	7,363	9,634
Accounting fees	29,531	*179	1,360	6,142	9,374	4,294	2,415	2,579	3,187
Other professional fees	173,307	—	1,439	6,796	34,165	19,581	15,104	21,868	74,355
Interest	58,231	*35	198	3,144	12,751	8,754	12,730	14,495	6,123
Taxes	242,479	*1,054	1,756	12,268	51,661	23,803	21,201	31,402	99,333
Depreciation and depletion	97,755	—	*912	6,537	22,332	14,682	11,954	19,099	22,238
Occupancy	76,790	—	1,123	12,909	14,601	9,248	5,395	7,030	26,485
Travel, conferences, and meetings	41,079	—	3,706	5,975	11,281	2,359	2,237	3,713	11,808
Printing and publications	19,777	—	1,959	4,267	2,547	1,615	2,436	1,633	5,321
Other expenses	467,966	*3	10,267	61,057	166,153	54,098	34,487	64,699	77,202
Excess of revenue over expenses (net)	**9,171,952**	***-88,360**	**61,068**	**764,546**	**1,652,665**	**1,119,024**	**788,932**	**987,813**	**3,886,265**
Excess of revenue over expenses	9,863,306	—	94,197	977,392	1,846,623	1,187,414	843,416	1,022,500	3,891,764
Deficit	691,354	*88,360	33,129	212,846	193,958	68,390	54,484	34,687	5,499
Total assets (fair market value)	**97,089,200**	**—**	**569,093**	**5,085,616**	**18,124,663**	**12,094,586**	**8,905,091**	**10,104,499**	**42,205,651**
Cash, total	9,197,013	—	209,434	1,092,819	2,455,219	1,068,613	862,630	653,177	2,855,121
Non-interest bearing accounts	827,974	—	76,742	156,753	252,640	82,772	92,734	64,293	102,040
Savings and temporary cash investments	8,369,039	—	132,692	936,066	2,202,579	985,841	769,896	588,884	2,753,081
Accounts receivable, net	313,132	—	3,232	12,815	57,754	20,838	21,431	29,550	167,511
Pledges receivable, net	96,141	—	*263	*10,796	*37,187	14,006	33,889	—	—
Grants receivable	69,025	—	*491	*17,025	*29,916	15,054	1,455	—	5,084
Receivables due from disqualified persons	22,194	—	—	*6,514	*2,752	12,334	58	33	504
Other notes and loans receivable	915,627	—	*1,730	88,886	211,874	116,822	52,151	189,534	254,630
Inventories	26,715	—	*80	*904	3,574	15,166	2,914	1,215	2,862
Prepaid expenses and deferred charges	63,421	—	*822	*538	4,283	12,651	30,828	7,111	7,188
Investments, total	81,305,993	—	333,042	3,540,441	13,972,578	10,112,125	7,597,921	8,542,939	37,206,947
Securities	75,030,077	—	284,138	3,060,194	12,565,800	9,242,219	6,992,337	7,659,573	35,225,817
Land, buildings, and equipment (less accumulated depreciation)	2,273,030	—	*405	63,003	424,393	305,993	215,938	285,800	977,498
Mortgage loans	512,670	—	*2,161	*32,487	198,874	57,074	54,404	20,917	146,752
Other investments	3,490,215	—	46,338	384,757	783,510	506,839	335,243	576,649	856,880
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	2,523,098	—	4,259	223,257	643,390	335,987	163,169	301,413	851,623
Other assets	2,556,867	—	15,767	91,620	706,136	370,990	138,644	379,528	854,181
Total assets, beginning of year (book value)	**62,644,429**	***102,722**	**412,008**	**3,488,120**	**12,050,856**	**6,905,467**	**5,603,522**	**6,607,956**	**27,473,779**
Investments in securities, beginning of year (book value)	**45,743,253**	***27**	**202,973**	**1,807,827**	**7,867,985**	**4,881,381**	**4,155,320**	**4,900,413**	**21,927,326**

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

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

Item	Total	Size of fair market value of assets (end of year): 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	31,221	*409	13,222	11,511	4,871	694	238	148	127
Total assets (book value)	73,225,342	*85	406,582	3,442,972	12,651,620	7,727,924	6,335,925	7,929,076	34,731,159
Cash, total	9,193,373	*85	204,541	1,014,881	2,429,027	931,600	827,536	763,731	3,021,971
Non-interest bearing accounts	831,079	*85	76,490	148,812	237,636	89,058	100,603	69,215	109,179
Savings and temporary cash investments	8,362,294	—	128,052	866,069	2,191,391	842,541	726,933	694,516	2,912,792
Accounts receivable, net	326,524	—	3,135	9,154	51,318	29,524	34,627	24,004	174,762
Pledges receivable, net	97,339	—	*263	*11,949	*37,187	4,046	43,895	—	—
Grants receivable	68,106	—	*491	*16,106	*29,916	15,054	1,455	—	5,084
Receivables due from disqualified persons	19,755	—	—	*6,514	*2,752	9,896	58	32	504
Other notes and loans receivable	823,171	—	*1,730	84,784	212,718	118,512	50,508	143,816	211,103
Inventories	28,173	—	*1,229	*379	3,310	17,112	1,867	2,028	2,247
Prepaid expenses and deferred charges	60,781	—	*785	*6,315	3,762	12,888	23,019	7,038	6,974
Investments, total	58,711,090	—	174,682	2,028,712	9,082,923	5,990,733	5,060,847	6,591,710	29,781,482
Securities	53,980,591	—	158,735	1,664,003	7,981,319	5,528,039	4,647,642	6,015,035	27,985,817
Land, buildings, and equipment (less accumulated depreciation)	1,567,982	—	*405	39,033	214,634	123,048	128,524	163,974	898,365
Mortgage loans	494,481	—	*2,161	*26,506	186,992	45,813	55,348	23,428	154,233
Other investments	2,668,035	—	*13,380	299,171	699,978	293,833	229,333	389,273	743,067
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	2,068,318	—	4,031	194,681	426,272	304,274	188,278	249,182	701,601
Other assets	1,828,709	—	15,694	69,496	372,435	294,283	103,835	147,534	825,432
Total liabilities	3,178,769	*156	9,508	185,649	460,178	300,336	373,227	434,753	1,414,961
Net worth	70,046,573	*-72	397,074	3,257,323	12,191,442	7,427,588	5,962,698	7,494,323	33,316,198
Total revenue	16,412,533	*30,815	249,043	991,222	3,087,775	2,373,352	1,369,113	1,765,574	6,545,639
Contributions, gifts, and grants received	5,461,570	*846	211,731	655,365	1,407,957	1,239,097	418,715	556,645	971,214
Interest on savings and temporary cash investments	927,305	*3,416	13,368	89,454	227,628	127,234	94,049	96,373	275,783
Dividends and interest from securities	3,902,791	—	13,777	147,230	610,067	408,330	326,903	426,818	1,969,666
Gross rents	269,827	*27,108	*963	9,724	57,858	21,107	20,011	27,907	105,149
Net gain or loss from sale of assets	5,128,130	*3	2,743	69,566	577,845	506,853	464,959	593,964	2,912,197
Gross profit or loss from business activities	172,280	—	4,771	*-161	113,519	8,558	4,098	17,356	24,138
Other income	550,625	*-559	1,688	20,041	92,900	62,173	40,379	46,510	287,493
Total expenses	7,240,579	*119,119	188,339	731,997	1,541,960	850,351	609,038	776,487	2,423,287
Contributions, gifts, and grants paid	5,397,439	*117,705	156,701	542,480	1,079,846	640,928	443,944	544,886	1,870,948
Compensation of officers	158,002	—	1,344	17,598	46,256	18,262	15,546	16,256	42,740
Other salaries and wages	354,756	—	*5,295	53,030	90,326	41,505	32,125	36,331	96,144
Pension plans and employee benefits	79,059	—	*530	*6,202	17,226	6,800	6,486	9,181	32,634
Legal fees	44,403	*143	2,509	4,349	10,712	4,978	3,465	7,607	10,639
Accounting fees	29,531	*179	1,195	5,776	8,843	4,389	2,405	2,712	4,033
Other professional fees	173,307	—	1,225	5,733	31,854	17,025	15,751	22,390	79,329
Interest	58,231	*35	144	3,199	12,751	8,091	11,474	15,857	6,680
Taxes	242,479	*1,054	1,128	11,837	45,802	23,278	16,435	29,003	113,942
Depreciation and depletion	97,755	—	*912	5,561	21,582	14,583	11,213	16,394	27,509
Occupancy	76,790	—	1,301	11,441	13,421	7,370	8,108	7,272	27,876
Travel, conferences, and meetings	41,079	—	3,706	5,537	10,352	2,968	1,919	3,961	12,637
Printing and publications	19,777	—	2,037	1,401	2,313	4,074	1,139	3,102	5,710
Other expenses	467,966	*4	10,312	57,852	150,674	56,099	39,027	61,534	92,464
Excess of revenue over expenses (net)	9,171,952	*-88,305	60,703	259,224	1,545,814	1,523,001	760,075	989,087	4,122,353
Excess of revenue over expenses	9,863,306	*55	92,246	465,936	1,743,096	1,565,535	810,877	1,024,338	4,161,223
Deficit	691,354	*88,360	31,543	206,711	197,281	42,534	50,802	35,251	38,871
Total assets (fair market value)	97,089,200	—	443,352	4,003,165	15,410,722	10,692,655	8,150,688	10,265,729	48,122,888
Cash, total	9,197,013	—	204,601	1,014,273	2,438,666	914,398	828,404	769,038	3,027,634
Non-interest bearing accounts	827,974	—	76,228	148,641	233,324	89,756	102,421	68,425	109,179
Savings and temporary cash investments	8,369,039	—	128,374	865,632	2,205,342	824,642	725,983	700,613	2,918,454
Accounts receivable, net	313,132	—	3,146	10,021	51,235	26,831	23,141	23,995	174,762
Pledges receivable, net	96,141	—	*263	*10,796	*37,187	4,006	43,889	—	—
Grants receivable	69,025	—	*491	*17,025	*29,916	15,054	1,455	—	5,084
Receivables due from disqualified persons	22,194	—	—	*6,514	*2,752	12,334	58	33	504
Other notes and loans receivable	915,627	—	*1,730	87,702	211,312	114,079	50,506	144,050	306,248
Inventories	26,715	—	*606	*379	3,310	15,370	1,867	2,147	3,036
Prepaid expenses and deferred charges	63,421	—	*822	*514	3,762	12,888	31,016	7,033	7,387
Investments, total	81,305,993	—	211,694	2,556,939	11,652,009	8,732,558	6,787,731	8,825,853	42,539,209
Securities	75,030,077	—	193,934	2,135,984	10,177,827	8,181,934	6,194,103	8,059,873	40,086,422
Land, buildings, and equipment (less accumulated depreciation)	2,273,030	—	*405	57,080	413,668	176,764	253,582	236,143	1,135,386
Mortgage loans	512,670	—	*2,161	*27,367	201,510	48,571	55,377	22,972	154,712
Other investments	3,490,215	—	*15,194	336,508	859,004	325,289	284,668	506,864	1,162,689
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	2,523,098	—	4,259	220,754	534,120	336,977	239,330	262,884	924,773
Other assets	2,556,867	—	15,767	78,248	446,453	508,159	143,291	230,697	1,134,252
Total assets, beginning of year (book value)	62,644,429	*102,750	356,741	3,062,175	10,959,938	6,421,764	5,323,556	6,816,094	29,601,411
Investments in securities, beginning of year (book value)	45,743,253	*27	162,348	1,511,972	6,902,477	4,603,865	3,943,095	5,130,390	23,489,080

* 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.