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Introduction

Producing and using regional giving studies has become a key strategy of many regional associations of grantmakers to fulfill their missions and goals. If regional associations want to be recognized and respected as knowledge centers by their key stakeholders (members, the media, elected officials, nonprofits, donors, etc.), they will need to be able to provide a comprehensive picture of the breadth and depth of private charitable resources in their regions. At a minimum, a regional association needs to be able to paint a picture of the charitable activities of its members. At a maximum, the association should be able to describe the giving activities of a broad range of other philanthropic entities that contribute to the region’s quality of life.

The Forum of Regional Associations of Grantmakers has developed this Resource Guide to serve as a comprehensive source of practical information for regional associations of grantmakers on how to produce and use a regional giving study. The Guide includes recommendations from the Forum on how to develop studies that are as effective and useful as possible and that can allow for consistency from region to region. The Guide provides information that will be particularly useful to regional associations just starting to produce giving studies, but even organizations experienced at conducting studies should find some useful tips and guidance.
Section One: Using a Regional Giving Study

Regional associations of grantmakers can use regional giving studies in many effective ways to help advance their missions and goals. A giving study can be a useful tool to help an RA implement its communications strategies with external stakeholders (media, legislators, nonprofits), provide services to its membership, and facilitate its own internal operations.

This section offers some tips and guidance on the different ways to make the most of an organization’s giving studies. This includes not only ways to use the giving report itself, but also the databases associated with the study: the Total Grantmaker Database (which includes grants paid and asset data for all grantmakers in a region) and the Grants Sample Database (which includes all the grants for the largest funders in a region, coded by subject area, geographic focus, type of support and intended beneficiary).

Use of these data will require an RA to have in-house staff or ready access to consultants with expertise in accessing data and generating queries in a database program such as Microsoft Access, and in performing data analysis in a spreadsheet program such as Microsoft Excel.
Key Goals for Studies

Regional associations of grantmakers typically conduct regional giving studies to achieve one or more of the following goals:

- Position the RA as the primary source for philanthropic information and data in its region.
- Demonstrate the value of the RA to its members and other key stakeholders.
- Foster communication, networking and awareness among RAs’ members of the issues, programs and organizations that their grantmaking colleagues support.
- Promote community discussion about key philanthropy issues and trends in the region.
- Increase understanding of philanthropy in the region.
- Provide baseline and benchmarking philanthropy information for the RA and its members.
- Demonstrate the value of the philanthropic sector to the region.
- Provide a strategic planning tool for the philanthropic and nonprofit sector.
Key Audiences/Users of Studies

Regional giving studies are typically focused on one or more of the following audiences:

- **Grantmakers (both RA members and non-members).** Regional giving studies can help grantmakers in their own planning, help expand their understanding of the field in which they work, and provide data for use in their speeches and presentations to community groups.

- **Nonprofits.** Regional giving studies can help expand nonprofits’ understanding of the philanthropy field from which they solicit funds, and can help nonprofits with their fundraising planning.

- **Media.** Regional giving studies offer useful data to inform a wide variety of media stories, both stories focused on the philanthropy and nonprofit sector itself as well as stories covering areas funded by grantmakers (arts, education, etc.).

- **Legislators/policymakers.** Regional giving studies can help legislators understand the many positive contributions of grantmakers in their local districts, and can provide useful information for developing policies and legislation.

- **Business and community leaders.** Regional giving studies can help business and community leaders see the “big picture” of the role philanthropy plays in the region.

- **Professional advisors.** Regional giving studies can help professional advisors to better understand the philanthropy field in which their current and potential philanthropy clients operate, so that they can be more effective in the philanthropic services they provide.

- **RA staff.** Regional giving studies provide data that can help inform various managerial and operational tasks for RA staff, from estimating future dues to identifying potential members.
Key Uses of Studies

Media Relations

When writing or developing stories on philanthropy, media reporters are always looking for solid, reliable, local giving data and information to provide background and context for their stories. Giving studies go a long way toward filling that need for reporters, and can also inform stories covering areas funded by grantmakers (arts, education, etc.).

Strategies & Tactics

Here are some specific tactics and strategies for using giving studies with the media:

Stage an official report release. Staging an official report release to the media is the most standard method for using a giving study as part of a media relations strategy. This is a good basic way to give some visibility to the report’s key findings and to help position an RA as a resource for this information.

Issuing a news release is a standard but effective way to announce the release of the report to the media (see Tools below). Consider granting exclusive advance coverage of the report’s release to a valued reporter or giving an embargoed news release of the report to a few select local reporters about a week ahead of the official report release date. This can give the reporter(s) more time to delve into the report’s findings, get reactions from local grantmakers and nonprofits, and develop a bigger, more effective story.

If you want to take the report’s release to the next level, you can consider arranging a press conference to announce the release of the report (see Tools below). This can add a sense of importance to the report and its findings. But be cautioned that conducting a press conference can require much more time and expense to arrange than issuing a news release, so make sure the costs will be worth the benefits.

Position your RA as an ongoing resource for ad-hoc media inquiries. Data from your giving study can be used to answer ad-hoc information inquiries from the media throughout the year, not just from philanthropy reporters but from reporters covering all types of beats (arts, education, etc.). Reporters in your region will appreciate having a reliable source they can turn to for any kind of facts and figures on philanthropy in the region.

It should be noted that sometimes a media representative may ask for some information that is not in the report itself but that can be answered by querying the grants sample database used in the giving study. So the best way to respond to ad-hoc media requests is to have in-house access to the grants sample database, so that you can conduct queries that go beyond the analysis in the giving report.

The key is to position your organization with the media as the best source of comprehensive, up-to-date data on the field. Producing the giving report is the critical first step, but then you have to let the media know that the information is there. Aside from issuing a news release for the release of the report, there
Using a Regional Giving Study

are several strategies you can pursue to help raise the visibility of the facts and figures in your giving report with the media:

• **Respond quickly and effectively.** Try to answer media inquiries quickly and effectively. Reporters love one-page fact sheets, so have several standard ones on hand that present various key pieces of data from the report. Also be prepared to quickly create ad-hoc one-pagers for information requests you can’t anticipate in advance (have a standard template ready). Over time, if you provide reporters with the regional giving data they need when they need it, they’ll be sure to come back to you again and again and refer you to their colleagues.

• **Provide online facts & figures.** Package the basic facts and figures from your giving report on a section of your website that reporters can find quickly and easily (see Tools below). Reporters often use the Internet to search for background data and information so their stories, so you want to make sure your site comes up in their searches. Even if your website doesn’t answer a reporter’s specific question, you want to make sure the data and information is presented in a way that positions your organization as the primary resource for philanthropy information in your region.

**Use as an entrée for interviews with your spokesperson or members.** If a reporter contacts your organization just to get a fact or figure from your giving study, try using that contact as an opportunity to position your organization’s spokesperson and/or your members as interviewees for the story. For example, if a reporter asks for data on arts giving in the region, let them know that you can provide the names of three knowledgeable arts funders in the region. Suddenly the RA is not just the source of background arts giving data for the story but is getting its key messages on philanthropy in the story.

**Use as an entrée for stories on philanthropy.** Sometimes you can use your giving study data to pitch new story ideas to the media beyond just the story about the report’s release. Try identifying a key finding that would make a good story and pitch it to the appropriate reporter. For example, you may pitch the release of your giving report to a reporter covering the nonprofit/philanthropy beat. But a few weeks later you can try pitching a story about a drop in arts funding to an arts reporter.

**Tools**

• **Report news release & related materials.** Develop a standard news release that highlights a few key findings from the report. As a companion piece to the release, develop a one-page fact sheet that presents some of the report’s key findings, facts and figures. Giving studies often generate a lot of information and data that you’ll find interesting, so it’s tempting to present all of it to the media. But that will overwhelm any reporter. Work hard to distill the report’s findings to its most critical points. (See Appendix 10 for some sample RA giving report news releases.)

• **Press conference.** If you conduct a press conference for the report’s release, speakers should include the RA’s spokesperson; representatives from any partner organizations for the report; the RA board chair or some other grantmaker representative; and perhaps a representative of a local nonprofit
Using a Regional Giving Study

association or assistance organization. Press conferences can be time-intensive to set up, so in many cases they may not be an appropriate media relations tactic for releasing a giving report.

- **Standard fact sheets.** Develop a one-page “giving at-a-glance” fact sheet that presents the basic general facts and figures about grantmaking and philanthropy in your region, using a few graphics or tables if possible. You may also want to develop additional fact sheets around specific subject areas (arts, education, etc.). Having one-page fact sheets ready can greatly facilitate responses to many media inquiries.

- **Ad-hoc fact sheet template.** When reporters contact you for information inquiries during the year that are not addressed in the standard fact sheets, have a one-page fact sheet template ready to fill in with the necessary data.

- **Website.** Develop an easy-to-find spot on your website that will answer the most basic questions reporters will have regarding facts and figures on philanthropy in your region. Include downloadable fact sheets and links to national philanthropy data. This could be part of an online press room, or part of a general section on local giving data, research and trends.
Government Relations/Public Policy

The data and information from regional giving studies can be used to help regional associations build and maintain relationships with legislators in their regions, both on the state and federal level.

Strategies & Tactics

**Communicate the value of philanthropy in a legislator’s district.** The more you can localize information to a legislator’s home district, the more you’ll grab that legislator’s attention for your cause. If you break down the Total Grantmaker Database from your giving study by federal legislative district, it can provide some powerful information about the impact of philanthropy in a legislator’s home district — much more so than if you just provide overall figures for a state or region. Some effective ways to communicate data by legislative district are through the use of fact sheets and grantmaker lists by district (see Tools below) as part of an information packet for legislators.

Calculating giving data by legislative district requires a few additional steps during your giving study research process. First, when you gather the grants paid and asset data for all grantmakers in your region for the Total Grantmaker Database (see the Overall Grantmaking Analysis section), you’ll want to make sure that the database also includes the name of each grantmaker and its zip code (nine digits if possible). Several data services are available that can add the legislative district for each grantmaker to your database (based on the nine-digit zip code). Costs for this service will vary based on the size of your database, but would generally cost about $500 to $1,000. As an alternative, an RA’s staff could manually add the legislative district for each grantmaker to its internal database and then run reports by legislative district on its own.

**Communicate the limitations of philanthropy.** Data from your giving study can be used to demonstrate clearly to legislators the limitations of philanthropy to fill in gaps in service due to government funding cuts — particularly at the state or local level. Like the general public, many legislators still do not fully understand that total foundation dollars are dwarfed by the size of government budgets.

RAs can fight this perception with the hard data from their giving studies. One way to do this is to compare the total grants paid in a given year in your region (from your giving study) with the (far larger) total government budget for your state or region. For example, the Minnesota Council on Foundations used figures from its giving study to show that the state’s annual grantmaking of $920 million represented just 6.5 percent of the state’s annual budget.

If your region is experiencing government budget deficits, you could also consider comparing the total annual grants paid in your region against just the projected deficits. Some regions have been able to show, for example, that even if you diverted all the grants in a given year away from nonprofit grant recipients you still couldn’t make up the deficit.

Another effective way to use these data is to provide comparisons in specific subject areas using subject area data from a giving study. For example, you can compare foundation grants paid in your state just for
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human services against the budget for the department of human services at the state government. The Minnesota Council on Foundations made just such a calculation, and was able to show that annual grantmaking in Minnesota for health and human services ($287.2 million) represented just 7.7 percent of the state government’s health and human services budget.

Try to have these data comparisons on hand to use in any and all communications you have with legislators. Use the comparisons in fact sheets you provide to legislators, in testimony you may give before legislative committees, and in letters and other types of communications with may have with legislators.

**Promote the accountability and openness of the field.** With legislators you can position the release of your giving report as an example of philanthropy’s willingness to be open and accountable about its work. Try sending out the report (preferably a summary report) to each of your federal and state legislators along with a cover letter to communicate this point to them.

**Tools**

- **Fact sheets by legislative district.** These one-page fact sheets can be a variation on your general “giving at-a-glance” fact sheet, with some data that is specific to each legislative district from your Total Grantmaker Database. Provide data on the total grants paid by grantmakers in the district (for the most recent year), total assets of foundations in the district, and the top five or 10 funders in the district. You might also consider describing a few notable grants in the district from the most recent fiscal year.

- **Lists of grantmakers by legislative district.** Provide an alphabetical list of all the grantmakers located in each legislative district, from your Total Grantmaker Database.
Using a Regional Giving Study

Member Services

Regional giving studies can help regional associations of grantmakers enhance and expand the direct services they provide to their members and thus increase the overall value of RA membership.

Strategies & Tactics

Member research. RA members can use regional giving study reports and data to help them with many different research and information needs. The data in the giving reports can help members with their internal planning and budgeting, by giving them a more accurate sense of the current state of the field and a greater understanding of trends in the field on a regional level. The data can also be helpful to members when they are preparing speeches to talk about local giving issues and trends (to community groups, employee groups, etc.). Most RAs provide a free print copy of their giving reports to each of their members, and tout it as a benefit of membership.

Ad-hoc member inquiries. The giving report and the database for the giving study can be invaluable in helping RA staff answer ad-hoc information inquiries from their members. The study can help to position the RA among its membership as the primary source of giving information for the region, helping to enhance the value of RA membership.

Sometimes members’ inquiries may require RA staff to conduct a query against a Microsoft Access database or to perform some special data analysis in Microsoft Excel. So it is important that an RA have this type of technical expertise on staff or readily available through a consultant. In most cases, members will expect responses to their inquiries in a timely manner, so RAs need to be able to respond fairly quickly to these types of requests if they are to be useful for members.

Member newsletters. Findings from a giving study can identify issues and trends that can serve as the basis for articles in an RA’s member newsletters. For example, if an RA’s giving study finds that education funding has increased dramatically in the region, it could publish an article in its member newsletter to delve more deeply into the reasons behind this trend.

Member programs. Findings from a giving study can sometimes identify funding issues and trends that can spark ideas or needs for future member programs. And data from the study can also provide useful background information for various member programs throughout the year.
Using a Regional Giving Study

Membership Recruitment

Regional giving studies can provide a wealth of useful data to help RAs with their membership recruitment efforts.

Strategies & Tactics

**Reach out to new foundations.** Each time an RA conducts a new giving study, it will be able to identify new additions to its Total Grantmaker Database from the previous giving study. It is likely that most of these new foundations are not aware of the regional association in its area, so the RA should consider using these new foundation data to build awareness of the organization.

It is likely that many of these new foundations will be small and may not be immediately interested in joining the RA, so approaching them with a full membership recruitment effort is probably not the most appropriate strategy. Instead, consider sending them a simple “welcome to the field” letter or postcard (see Tools below). This can help to give the RA some initial visibility with the new foundations, and start priming them to join the RA once they are ready for membership.

**Identify membership recruitment prospects.** RAs can use the giving study data to identify some of the most likely potential members to target with a membership recruitment effort. Since the larger grantmakers are often the most likely candidates for RA membership, an RA can sort grantmakers in the Total Grantmaker Database by grants paid and asset size and identifying all non-members above a certain threshold amount ($500,000 in grants, for example, or $10 million in assets).

Grantmakers that have experienced strong growth in grants and assets could also be possible candidates for membership. So RAs can consider calculating the percentage change in assets and grants for its current giving study with the data from its last giving study, and identify non-members with particularly strong growth.

Tools

- **“Welcome to the field” letter.** This can be a simple letter from an RA’s executive director and/or board chair to newly created grantmakers in the region. The letter can explain the association’s mission and membership, describe the types of service and help it can offer to grantmakers (particularly new and small foundations) and how to learn more about the organization.

- **“Welcome to the field” postcard.** This is similar to a “welcome to the field” letter except it provides a much briefer description of the RA and its services. The postcard should include a link to the RA’s website for more information on the association and on membership.
Using a Regional Giving Study

Revenue Generation

The data that an RA compiles for a giving study holds the potential for producing new products and services that can generate important non-dues revenue for the organization.

Strategies & Tactics

Sell access to an online database. The sample grants database that an RA will produce for a giving study holds a wealth of information on funders’ giving patterns, and is in a format that can be adapted to an online database format. RAs can charge a subscription fee to access the database through the Web, where users can search for grants by subject area, geographic focus, type of support, etc.

Production of such a database service could require some significant upfront development costs, but revenues could also be significant. For example, the Minnesota Council on Foundations offers an online database service that includes access to its grants sample database for a $240 annual subscription, and the service is generating more than $80,000 in annual revenue for the Council. Primary subscribers to the database are nonprofit grantseekers and fundraising consultants.

The Council provides its members with free access to the database, which enhances the value of Council membership. Members find the database useful for identifying other grantmakers that share its funding interests. And community/public foundation members use the database to help develop funding guidance for their donors.

The Donors Forum of Chicago also offers access to an online version of its grants database, which it provides free of charge to its grantmaking members and at a discounted rate to its nonprofit forum partners.

Provide fee-for-service research. RAs can consider charging a fee to perform queries and searches of its database to answer information and research inquiries. Given the up-and-down nature and unpredictable timing of such inquiries, it may be more appropriate to use outside consultants to provide this service rather than using in-house RA staff (or perhaps a combination of both staff and consultants).

Sell the report. RAs can also consider generating revenue by selling the full giving report. However, the report does not tend to generate a high volume of sales.
Using a Regional Giving Study

RA Management & Operations

Data from an RA’s giving study can be helpful to an RA’s own management and operations.

Strategies & Tactics

Use for staff training. Giving reports can be used as part of trainings and orientations for RA staff, to orient new staff to the field and keep current staff up-to-date on the field.

Estimate future dues revenue. If an RA’s dues levels are based on grants paid, data from a giving study can help the RA budget for future dues revenue by helping to understand the current growth trends for grantmaking.

For those RAs that conduct an outlook survey to estimate future grantmaking in the region, either as part of the giving study or as a separate outlook report, the results can be particularly helpful in estimating the organization’s dues revenue for budgeting purposes. The survey results can even help organizations estimate the specific future dues level of individual members, particularly larger funders. (Read more about outlook reports in the “Other Types of Giving Studies” section.)
Regional Giving Study Communications Models

Regional associations tend to utilize one or more of three different models to communicate the results of their regional giving studies: the factual model, the promotional model and/or the motivational model.

Factual Model: “Here’s What’s Happening”

Under the factual model, an RA positions a regional giving study as a source of objective, neutral data and information about charitable giving in the region. People are left to draw their own conclusions about what the data mean. The main theme of this model is “Here’s what’s happening.”

There are several advantages to using the factual model as the core of any communications strategy for a regional giving study. First and foremost, an RA should use the factual model if it wants both the organization and the report to be viewed as a source of reliable, valid data and information on a region’s charitable giving. If an RA puts too much subjective spin on the data, it runs the risk of diminishing the perceived value and usefulness of the data among its key stakeholders.

The factual model also helps RAs maintain neutrality and objectivity, which is often one of their key strength and competitive advantages. Many grantmakers value RAs as safe, neutral spaces where they can discuss issues freely and openly without any pressure or judgments from the RA about where they should be directing their funds. An RA can risk that neutrality if it strays too much from the factual model in communicating its study results. For example, if the results of a regional giving study show that grantmaking to the arts has declined, an RA may be tempted to add some commentary in the report about how bad this trend is for the community. But some of its members may think that a drop in arts funding is good for the community if it means more money is going to, say, social services, and they may be put off by a membership association that appears to speak negatively about foundations that have redirected money from the arts to social services.

Despite the advantages of the factual model, in certain cases an RA may want to apply the promotional model or motivational model as a communications strategy to meet specific goals. But in most cases the promotional and motivational models work best as secondary communications strategies for a regional giving study, and not as the primary or sole communications strategy.

Promotional Model: “Here’s What’s Happening — Isn’t It Great!”

Under the promotional model, an RA uses a regional giving study to help promote the region’s philanthropy field. RAs may focus on certain findings in a regional giving study to make people in the region feel good about the work being done by local philanthropy, or to better understand philanthropy. The main theme of this model is “Here’s what’s happening — isn’t it great!”

With the promotional model, an RA might use a real-life giving story to highlight a study finding. Or it might supplement the facts and figures in the report with pictures and quotes that give a positive face to philanthropy.
Using a Regional Giving Study

The promotional model can help an RA achieve some broader strategic goals to promote the philanthropy field to the broader public. But if taken too far, the promotional model can cause people to question the reliability of a giving report’s data and damage the RA’s reputation as a source of information and knowledge on charitable giving.

If an RA uses the promotional model at all, it should do so in small doses together with the factual model. For example, it could present the overall report using the factual model, but create a separate summary piece that uses some of the report’s data for promotional purposes.

Motivational Model: “Here’s What’s Happening — We Could Do Better!”

Under the motivational model, an RA uses a regional giving study as a way to grow philanthropy, by encouraging grantmakers and/or individuals to give more. The main theme of this model is “Here’s what’s happening — we could do better!”

With the motivational model, an RA might focus on a negative trend in the report and use it to motivate people to give more. For example, if a study finds that giving to education declined, an RA could expand on this finding in its report by offer real-life stories of local education service organizations that had to close programs due to funding cuts that year — in the hopes that it would encourage more giving to education. A study might also focus on a region’s poor charitable giving ranking compared to other regions as a way to motivate people in the region to give.

The motivational model is perhaps the riskiest giving study communications model to pull off successfully. RAs run the risk of turning off certain segments of the community if they appear to be making too strong of a statement about where people should direct their charitable funds. One of an RA’s key strengths is that it is a neutral convener for all types of charitable giving. Once it starts trying to encourage certain types of giving, it runs the risk of losing that neutrality and perhaps some members.

When using a motivational model an RA also has to be careful to not appear to be shaming people into giving. Studies have shown that the shaming model is not an effective strategy for encouraging people to give.

Like the promotional model, the motivational model should be used in small doses together with the factual model. For example, an RA could present the overall report using the factual model, but introduce a subtle motivational element into the press release. Or it could use the giving study data as baseline data to help communities develop plans for increasing philanthropy.
Section Two: Producing a Regional Giving Study

This section offers regional associations of grantmakers with tips, guidance and recommendations on how to produce regional giving studies from start to finish.

Setting Study Parameters

The first step in producing a regional giving study is to provide some clear definitions for several key study parameters.

Define the “Research Year”

A giving study examines the giving patterns and trends of a single calendar year. But grantmakers’ fiscal years end in many different months, so an RA needs to establish the range of fiscal year end dates to include in a study.

The Forum recommends that a regional giving study’s “research year” include data for grantmakers’ fiscal years ending between June 1 of the year being studied to May 31 of the following year. For example, a giving study for the year 2004 would include data from grantmakers for fiscal years ending between June 1, 2004 and May 31, 2005. So if a foundation’s fiscal year ended on May 31, 2004, its giving data for that fiscal year would be included in the giving study for the 2003 research year. If a foundation’s fiscal year ended on June 30, 2004, its giving data for that fiscal year would be included in the giving study for the 2004 research year.

For grantmakers whose fiscal years do not coincide with the calendar year, a research year of June 1 through May 31 allows data from their fiscal year to be included in the study for the calendar year in which the majority of its months fall. For the sake of consistency, it is important that the same cut-off dates be used for every giving study.

Due to the time lag in reporting data to the IRS, a giving study will analyze data that is two years old. The typical IRS filing deadline for most foundations is approximately six months after the end of the foundation's fiscal year. It then takes another few months for the IRS to process and scan the 990-PFs into a digitized format. And foundations can also request a filing extension from the IRS, which can lead to further delays in the 990-PF becoming publicly available. So, if a foundation's fiscal year ended on December 31, 2003, its Form 990-PF would, in all likelihood, become available sometime in the fall of 2004. And for foundations whose fiscal year ended on May 31, 2004, the Form 990-PF would not be available until the winter of 2005. This means that all the data for the “research year” of 2003 would not be ready to analyze until the winter of 2005.

The following page shows a sample research schedule for the Minnesota Council on Foundations for the development of its 2004 “Giving in Minnesota” study:
Sample Research Schedule
Minnesota Council on Foundations’ 2004 “Giving in Minnesota” Study

<table>
<thead>
<tr>
<th>Period</th>
<th>Task Description</th>
<th>Responsible Parties</th>
</tr>
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<tbody>
<tr>
<td>Nov. 2003 – July 2004</td>
<td>Load overall grantmaking data (grants, assets) for all Minnesota grantmakers from Minnesota Attorney General’s Office data file, and conduct follow-up research to complete overall grantmaking data for 2002 (MCF staff).</td>
<td>MCF staff.</td>
</tr>
<tr>
<td>July 2004 – Aug. 2004</td>
<td>Analyze overall grantmaking data and grantmaker sample data, and prepare charts and graphs for giving report (MCF staff).</td>
<td>MCF staff.</td>
</tr>
<tr>
<td>Sept. 2004</td>
<td>Write copy for full and summary giving reports (MCF staff).</td>
<td>MCF staff.</td>
</tr>
<tr>
<td>Oct. 2004</td>
<td>Design &amp; layout of full and summary giving reports (outside design consultant plus MCF staff).</td>
<td>Outside consultant plus MCF staff.</td>
</tr>
<tr>
<td>Nov. 2004</td>
<td>Print and release report (MCF staff).</td>
<td>MCF staff.</td>
</tr>
</tbody>
</table>

Define In-Region Vs. Out-of-Region Grantmakers
Before starting a regional giving study, it is important that you have a clear understanding of which grantmakers to include in the analysis. This is not always as clear-cut as it may sound.

Naturally, a regional giving study should include in its analysis any foundations whose main or home office is located in the region, as well as any corporate grantmakers that are headquartered in the region. In addition, an RA may want to consider including the following grantmakers in its regional giving study:

- **Grantmakers along border regions.** If a foundation is not located in the region being studied but is on the edge of the region’s borders, you may want to consider including it in your regional giving study under certain circumstances. For example, if an RA is conducting a statewide giving study, it may want to include a foundation in a neighboring state that is located right along the state’s border, if that foundation serves a metropolitan region that covers both states and/or it if provides it least half of its grants to the state being studied. In most cases this will be a judgment call for the RA to make based on its knowledge and understanding of the grantmaker in question.
Producing a Regional Giving Study

- **Non-headquarters corporations with a strong presence in the region.** If a corporate grantmaker is not located in the region under study but has a strong philanthropic presence in the region, an RA may want to consider including the grantmaker in its regional giving study. In most cases, this exception will involve companies that have a major center or hub in the region even though they are headquartered outside the region. In these situations, the Forum recommends an RA only include the company’s grantmaking to the region in the study rather than all of its funding around the country.

**Two-Out-of-Three Test:** The Donors Forum of South Florida has developed three measures of an in-region grantmaker. A funder must meet two of the three criteria to be included in the Donors Forum’s study:

1. It is registered in the region.
2. It is headquartered in the region.
3. It gives in the region.

**Define Active Grantmakers**
Grantmakers will come and go each year as foundations spend down their assets or stop making grants, or as corporate giving programs dissolve after a merger. So it is important that a regional giving study only include active grantmakers in its analysis. This is particularly important for a study’s overall giving analysis (see the “Part One of a Giving Study” section), which includes an analysis of the total grants, assets and number of grantmakers in a region.

If a foundation has not awarded any grants for two consecutive years, the Forum recommends that the foundation be excluded from the giving research. If an RA maintains a database of all the grantmakers in its region for its ongoing research, before conducting a new giving study be sure to remove any foundations that have been terminated or dissolved since the last giving study.

The Foundation Center publishes lists of terminated foundations in its directories. Some state Attorneys General also provide this information. For questionable foundations, RA staff can also determine if a foundation has dissolved by examining the foundation’s 990-PF (see the “Reading 990-PF and 990 Tax Forms” section).

**Implementation Considerations**
When developing an implementation plan for a giving study, there are several important factors for a regional association to consider:

**Report Frequency**
Since a full regional giving study requires some significant investment of human and financial resources, the frequency of a regional giving study will depend to some extent on a regional association’s size and available resources. The more often a regional giving study can be produced, the better, so that the most up-to-date information can be provided in a timely manner. In today’s fast-paced, information-driven
Producing a Regional Giving Study

society, people expect information to be as current as possible. Information that is just a few years old can often be perceived as having little use or value.

Only a few regional associations currently conduct full giving studies on an annual basis, and several produce reports on a semiannual basis. Whatever the frequency of its giving studies, an RA should commit to conducting a study and issuing a report at regular intervals, rather than sporadically as resources are available. This helps to manage expectations for users of the research, and allows for more consistency and validity in the data analysis. For example, a report that shows a region’s grantmaking data by subject area every two years over a ten-year period is much more useful and valid than one that shows the same data at intervals of two years, then three years, then four years. When data is reported at regular intervals, there is much more validity to the variances observed between each time period.

An organization may want to consider conducting a complete giving study every few years, and produce a much smaller interim report in the intervening years. The interim report would just include data from the overall giving analysis, while the complete study would also include the grants sample analysis of detailed grantmaking trends (see Section Two).

Timing Options

Given the timing of when grantmaker and individual giving data are available for analysis, a typical research cycle for a giving study would involve coding and analyzing data in the winter and spring and releasing a report in the summer or fall.

If a regional giving study is analyzing grantmaking data for the 2003 research year, for example, it would be using data from grantmakers’ fiscal years ending between July 1, 2003 and May 31, 2004. Since foundations have six months to file their 990 tax forms and it takes a few months for the forms to be processed and digitized, the full year of grantmaking data would not be available for analysis until the winter of 2005. Allowing about six months for conducting the research, the earliest that the grantmaking data could be ready for release would be late summer or early fall of 2005.

However, if a regional giving study includes an analysis of individual giving, the source for the individual giving data — IRS Statistics of Income (SOI) data — is not released until the fall (in 2004, the IRS released the 2002 SOI data in November 2004). So this would delay the release of a giving report until late fall at the earliest.

From a media relations standpoint, releasing a giving study report in late fall, just before the holiday season, has some advantages. Many media reporters look for giving stories around the holiday season, and a regional giving report is full of ready-made giving stories.

Funding

Conducting a complete regional giving study can require some significant investment of human and financial resources. Some regional associations cover these costs through their core operating budget,
Producing a Regional Giving Study

viewing the research as a part of fulfilling their mission, providing services to members, and playing a public education role.

Regional giving studies also hold some potential for grant funding or sponsorship. For example, National City Bank sponsored the Ohio Grantmakers Forum’s “Ohio: The State of Philanthropy” reports in 2003 and 2004; and the Polk Bros. Foundation gave a grant to support the Donors Forum of Chicago’s “Giving in Illinois 2003” report.

According to the Ohio Grantmakers Forum, supporting its regional giving study holds some appeal for banks and investment firms because the report is mailed to every foundation in Ohio, which translates to 3,000 potential customers of their endowment management and investment services. In return for its sponsorship of the Ohio giving report, National City Bank received placement of a full-page on the report’s back cover, some promotion during the report’s release at OGF’s annual conference, and recognition in all news releases for the report.

In presenting its giving study grant proposal to and the Polk Bros. Foundation, Donors Forum of Chicago made the case that the report (along with an accompanying economic outlook report that also received funding) was crucial to nonprofits’ understanding of current events and the importance of diversifying and balancing their revenue streams. The Polk Bros. Foundation funds community improvement and capacity-building through technical assistance and program support. DFC believes the foundation was interested in supporting research that would help their grantees and others in the community improve their understanding of the future funding outlook for the nonprofit sector, as well as spurring conversations about these issues among nonprofits, funders, government officials and the media. See Appendix 12 for a copy of DFC’s successful grant proposal to the Polk Bros. Foundation.

Human Resource Considerations

Regional associations typically follow one of three different models for managing the necessary human resources to conduct a regional giving study:

- **Option 1: In-House Research.** A few regional associations use in-house research staff to conduct the bulk of the research and analysis for their giving studies. This option requires a significant financial investment for the organization. But the benefits can also be significant, including having more capacity and flexibility in using the research data after the initial report; keeping more knowledge and understanding of regional giving patterns and trends within the organization; and developing staff expertise that can improve the quality of the research over the longer term. See Appendix 2 for a profile of two regional associations that have maintained in-house research staff for many years: the Minnesota Council on Foundations and the Donors Forum of Chicago.

- **Option 2: Contract with Vendors.** Many regional associations have chosen to contract with an outside consulting firm to conduct the research and analysis for their giving studies. For many smaller organizations and those organizations conducting their first studies, using outside consultants is often
Producing a Regional Giving Study

the only feasible option from a financial and staffing standpoint. See Appendix 4 for a list of consultants that have been used by regional associations to conduct regional giving studies.

• **Option 3: Hybrid: Vendors plus In-House.** Some regional associations use outside consultants to staff the most time-intensive parts of a regional giving study, such as collecting data and coding grants, but use in-house staff to help analyze the data and produce the report. This option can help an organization maintain some research expertise on staff, but with a smaller financial commitment than what is required for a full research staff.

Giving study analysis requires access to in-house staff or consultants that have expertise in accessing data and generating queries in a database program such as Microsoft Access; performing data analysis in a spreadsheet program such as Microsoft Excel; and in understanding and analyzing detailed issues and trends in philanthropy.
Regional Giving Study Part One: Overall Giving Analysis

There are two key research components to a complete regional giving study. The first research component provides an overall picture of the total size and make-up of philanthropy in the region. In a complete giving study, this component would include an analysis of some basic giving data for all grantmakers in the region (foundations, corporate givers, etc.), as well as some basic data on current charitable giving by individuals (both current giving and giving through charitable bequests).

The second component of a complete regional giving study includes a detailed analysis of grantmaking trends and patterns, based on the coding and analysis of the grants awarded by a sample of foundations and other grantmakers in the region (see the “Giving Study Part Two: Grants Sample Analysis” section).

Overall Grantmaking Analysis (Total Grantmaker Database)

The overall grantmaking analysis in Part One of a regional giving study provides an overall picture of the total size and make-up of grantmaking by foundations and other funders in the region. Unlike Part Two of the study (see the “Giving Study Part Two: Grants Sample Analysis” section), which is based on analysis of a small sample of grantmakers, the analysis in Part One involves the collection and analysis of some key data from all grantmakers in the region.

Core & Optional Grantmaker Types to Include in a Study

There are several different types of grantmakers that an RA can decide to include in a regional giving study, each with its own unique research attributes and challenges. At a minimum, the Forum recommends that a regional study include the following core types of grantmakers in its grantmaking analysis:

- Private foundations (other than corporate foundations).
- Community foundations.
- Corporate foundations and corporate giving programs.

In addition to these three main grantmaker types, the other main types of grantmakers that an RA may want to consider including in a regional giving study are:

- Family foundations (which are a subset of private foundations).
- Public grantmaking foundations (which can be combined with the community foundation category above).
- Other grantmaking public charities.
- Smaller business giving programs.
- Donor-advised funds (in community/public foundations and elsewhere).
Overall Giving Analysis – Grantmaking

Core & Optional Grantmaker Data to Include in a Study

The Forum recommends that the overall grantmaking analysis for all regional giving studies include the following core data for all grantmakers in the region:

- **Total grants paid** by all grantmakers in the region during the research year, which involves collecting and tallying the grants paid figure for every grantmaker in the region. This includes both grants awarded in the region as well as grants awarded outside the region, except in the cases of non-headquartered corporate grantmakers included in the study (see the “Setting Study Parameters” section). The grants paid figure typically includes grants, scholarships and employee matching gifts.

- **Total foundation assets** at the end of the fiscal year for all foundations in the region, which involves collecting and tallying the fiscal-year-end asset figure (at fair market value) for every foundation.

- **Total number of active grantmakers** in the region, including the number of new grantmakers in the region since the last giving study.

A regional giving study should provide a total overall figure for each of these three pieces of data, and should also provide breakdowns of these figures by grantmaker type (private foundation, community foundation, corporate, etc.) and by grantmakers’ geographic location in the region.

In addition to these core data, the other data that an RA may want to consider including in a regional giving study for each grantmaker type are:

*For private foundations (other than corporate foundations), including family foundations:*

- Grants by out-of-state foundations to the region.

*For community foundations & public grantmaking foundations:*

- Total number and assets of donor-advised funds.
- Total number and assets of supporting organizations.
- New gifts received.

*For corporate foundations & giving programs and smaller business giving programs:*

- In-kind product donations.
- Employee volunteer hours (paid).

The “Grantmaker Types” Section describes each of the grantmaker types in greater detail, and provides more information on data collection and research issues, limitations and cautions for each grantmaker type.
Overall Giving Analysis – Grantmaking

Grantmaker Types - Core

This section describes how to collect data for each of the core grantmaker types that should be analyzed in all regional giving studies, and describes research issues, limitations and cautions for each type.

Private Foundations (Non-Corporate)

Because private foundations are required by law to provide their giving information on tax forms designed specifically for private foundations (990-PFs), their giving data are the most straightforward to collect of all the grantmaker types.

For the purposes of regional giving studies, private foundations can include both family foundations (where the donor and/or donor’s family are actively involved in the management of the foundation) and independent private foundations (where no or few family members of the original donor are actively involved in the foundation’s operations). Some RAs may want to consider breaking out these two foundations as separate grantmaker types for the study, although this would raise some additional research issues and challenges (read more on family foundations in the “Grantmaker Types – Optional” section).

Although corporate foundations fall under the legal definition of a private foundation, they should be included in a separate “corporate grantmaking” category, which includes giving through both a company’s foundation and through a giving program and other vehicles.

Regional giving studies focus on private nonoperating foundations. Like private nonoperating foundations, private operating foundations have an endowment that is invested and earns interest. But instead of distributing earnings to other charities, an operating foundation uses its earnings to hire its own staff and run its own programs (for more information, see the Glossary).

Data to Collect for Private Foundations

Core

Minimum private foundation data to collect for all regional giving studies:

- Total grants paid, which includes grants, scholarships and employee matching gifts.
- Total assets at end of year, fair market value.
- Total number of private foundations, including new foundations since the last study.

Optional

Possible additional private foundation data to include in a regional giving study:

- New gifts received.
- Out-of-region foundation grants to the region.
Data Sources for Private Foundations

The key sources of giving data for private foundations are:

- **The Foundation Center & Other Consultants.** If an RA wants to purchase private foundation data from an outside source rather than developing it internally, the Forum recommends purchasing these data from the Foundation Center in New York City. The Foundation Center is the signature research organization in the philanthropy field, and has been collecting and analyzing foundation data for many decades. The Center can provide an RA with a database that includes the latest grant and asset figures for most private foundations in a region. Other consulting options include private companies such as Jankowski Associates and university-based operations such as the Center on Philanthropy at Indiana University (See “Appendix 4: Regional Giving Studies Resource List.”)

- **State AG’s Office.** In some states, the Attorney General’s Office can provide a free database with basic data (including grants and assets) of all private foundations that are registered with the state. In most states this service would be provided through an Attorney General’s Office charities/nonprofit division, but in some states the responsibility for the nonprofit sector falls under a different division. Consult the Attorney General’s Office in your state to see if it offers this service.

- **IRS new foundation data.** The Forum has brokered an arrangement with Jankowski Associates to provide RAs with an annual data file of new foundations in its region, pulled from the IRS Business Master File. This file can help an RA identify foundations to be included in the overall grantmaking analysis for a regional giving study. At least some of the data in these files will be duplicative of data from The Foundation Center, and additional research would be required to capture grants paid data for the foundations in these files. However, the new foundation data files can serve as a “double check” to make sure that all foundations are included in a regional giving study, and they may be most useful for purposes other than a regional giving study (such as membership recruitment). In 2005, the Forum arranged with Jankowski Associates to charge 25 cents per foundation for the data, for a total cost of about $120 to $1,200 per region depending on the size of the region. For the latest brokered fee arrangement, contact the Forum (see “Appendix 4: Regional Giving Studies Resource List”).

- **990-PFs.** If an RA is conducting its own research, a private foundation’s 990-PF tax form is probably the best source of data on a private foundation’s giving. Most foundations’ 990-PFs can be accessed free of charge at GuideStar’s website (www.guidestar.org). See the “Reading 990-PF and 990 Tax Forms” Section for more information on reading and using 990-PFs.

- **Annual reports.** Foundations’ annual reports can be a good back-up data source if a private foundation’s 990-PF is not readily available for some reason. Annual reports for larger foundations are increasingly available on foundations’ websites.

- **Surveys.** Some RAs survey their grantmakers regularly as part of the process for producing a directory of members or all grantmakers in the region, and include a survey section on financial data. However, not all private foundations in a region will respond to a survey, so any survey would need to be supplemented with additional research of 990-PFs or other data sources.

- **RA databases.** Some regional associations maintain their own grantmaker database that includes the key financial data used in giving studies. Typically RA staff will update the database on an ongoing
Overall Giving Analysis – Grantmaking

basis, and some may allow their members to update their own data in the database through an online updating screen. This database can then serve as a solid base for conducting a regional giving study, supplemented with some additional research to fill in the gaps.

### Private Foundation Key Data Sources

<table>
<thead>
<tr>
<th></th>
<th>consultants</th>
<th>State AG’s Office</th>
<th>new foundation data</th>
<th>990-PFs</th>
<th>annual reports</th>
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</table>

\(^1\)This figure available from the Foundation Center for its sample of the largest foundations, not for all foundations in the region.
Overall Giving Analysis – Grantmaking

Community/Public Foundations

Gathering complete and accurate giving data for community/public foundations is not quite as straightforward as for private foundations. It requires a bit more work to develop quality data on community/public foundation giving in a region.

Key Research Issues & Challenges

In developing a regional giving study, RAs must address the following key research issues and challenges in collecting data on community/public foundations:

- **Developing a standard definition.** Unlike private foundations, the term “community foundation” is not a legal definition but a term that has been developed by the field, and the term has been used in different ways by different parts of the field. This can present a research challenge to determine exactly which foundations to include in a study’s analysis of community foundation giving. For consistency, the Forum recommends that all regional giving studies use the community foundation definition in the national Council on Foundations’ National Standards for U.S. Community Foundations:

  A community foundation is a tax-exempt, nonprofit, autonomous, publicly supported, non-sectarian philanthropic institution with a long-term goal of building permanent, named component funds established by many separate donors for the broad-based charitable benefit of the residents of a defined geographic area, typically no larger than a state.

  If all regional giving studies use the same definition, it can help ensure consistency across different studies, thereby adding more validity to regional comparisons of community foundation giving.

- **Community foundations vs. public grantmaking foundations:** Even if all regional giving studies use the same community foundation definition in their research, another complication is the growth of other public grantmaking foundations that act in many ways like community foundations but do not completely fit the community foundation definition above. These public grantmaking foundations will often offer the same array of donor giving vehicles as those offered by community foundations and may even use the phrase “community foundation” in their name. But unlike community foundations, these public grantmaking foundations are focused on a “community” that is not defined primarily by geography but by a population group (such as an ethnic or racial group or gender) or a common affinity — religious, cultural or philosophical. And the conversion of nonprofit hospitals to for-profit entities has created another large category of public grantmaking foundations — health conversion foundations.

  Due to the significant gray area that exists between the definitions of community foundations and public charity grantmaking foundations, the Forum recommends that regional giving studies combine the data for both types of foundations into a single “community/public foundation” category for
Overall Giving Analysis – Grantmaking

research purposes. This avoids the difficult, if not impossible, task of trying to fit a foundation into one slot versus another slot, and avoids potential problems with RA members who may, for example, consider themselves a community foundation even if they don’t fit the standard definition in the field.

Some RAs may want to break out a subgroup of community/public foundations for separate analysis in a regional giving study. For example, if an RA’s region has a large number of health conversion foundations, it may want to conduct a separate breakout analysis of the giving by these foundation. But the report should also provide an overall summary of total community/public foundation giving, to allow consistent comparisons across regions.

- **Identifying all community/public foundations.** Unlike private foundations, which are required to file their own separate tax form (the 990-PF), community/public foundations file the same general 990 tax form as all other nonprofit organizations. So identifying all community/public foundations in a region is not as clear-cut as identifying all private foundations in a region. This is why many sources of community/public foundation data — including data from the Foundation Center (see Data Sources below) — often will not provide a complete list of all community and public grantmaking foundations in a region. RAs are perhaps the best source for developing a complete list of local community/public foundations, due to their knowledge of the region and their close relationships with funders in their region.

- **Including supporting organizations and donor-advised funds.** Many community/public foundations will house supporting organizations and donor-advised funds, which can sometimes comprise the bulk of a community/public foundation’s giving — particularly for newer and smaller foundations. A giving study’s grants data for community/public foundations should include all grants awarded from a foundation’s supporting organizations and donor-advised funds.

- **Pass-through funds.** Some community/public foundations operate pass-through funds that do not have an endowment but instead are used by donors as a vehicle to spend — or pass through — all of the money put into the fund each year. Questions are sometimes raised by community/public foundations and others about whether the money from these funds should be included in a foundation’s grants figure for a giving study. Since the donations from pass-through funds represent grants paid in a given year, the Forum advises that these be included in a community/public foundation’s grants figure in order to represent the total grants awarded by the foundation that year.

**Data to Collect for Community/Public Foundations**

*Core*

Minimum community/public foundation data to collect for all regional giving studies:

- Total grants paid, which includes grants, scholarships and employee matching gifts.
- Total assets at end of year, fair market value.
- Total number of community/public foundations, including new foundations since the last study.
Optional
Possible additional community/public foundation data to include in a regional giving study:

- New gifts received.
- Out-of-region foundation grants to the region.
- Total number and assets of donor-advised funds.
- Total number and assets of supporting organizations.
- Total number and assets of community funds.
- New funds created since the last study.
- Number of volunteers for the foundation.

Data Sources for Community/Public Foundations

The key sources of giving data for community/public foundations are:

- **The Foundation Center & Other Consultants.** If an RA wants to purchase community/public foundation data from an outside source rather than developing it internally, the Forum recommends purchasing these data from the Foundation Center in New York City. The Foundation Center is the signature research organization in the philanthropy field, and has been collecting and analyzing foundation data for many decades. The Center can provide an RA with a database that includes the latest grant and asset figures for a fair number of community/public foundations in a region, although this will likely need to be supplemented by some additional work by the RA. Other consulting options include private companies such as Jankowski Associates and university-based operations such as the Center on Philanthropy at Indiana University (See “Appendix 4: Regional Giving Studies Resource List.”)

- **State AG’s Office.** In some states, the Attorney General’s Office will provide a free database with basic data (including grants and assets) of all foundations and nonprofits that are registered with the state, which can include community/public foundation data. In most states this service would be provided through an Attorney General’s Office charities/nonprofit division, but in some states the responsibility for the nonprofit sector falls under a different division. Consult the Attorney General’s Office in your state to see if it offers this service.

- **990s.** If an RA is conducting its own research or wants to supplement research data it receives from an outside source, a community/public foundation’s 990 tax form is probably the best source of data on a community/public foundation’s giving. See the “Reading 990-PF and 990 Tax Forms” Section for more information on reading and using 990s.

- **Annual reports.** Annual reports can be a good back-up data source if a community/public foundation’s 990 is not readily available for some reason. Annual reports may include some optional data not found through most other sources, such as the total number and assets of community/public foundations’ donor-advised funds, supporting organizations and/or community funds. Annual reports for larger foundations are increasingly available on foundation websites.
Overall Giving Analysis – Grantmaking

- **Surveys.** Since outside sources of community/public foundation data are not always complete, an RA may need to survey community/public foundations in its region to collect necessary data for its giving study. Surveys are also the only way to collect some optional data from community/public foundations, such as the total number and assets of community/public foundations’ donor-advised funds, supporting organizations and/or community funds.

- **The Columbus Foundation Survey.** Since 1998, The Columbus Foundation in Columbus, Ohio, has conducted an annual survey of U.S. community foundations’ gifts received, grants paid and assets. In 2003, the foundation reported on 645 community foundations. The survey’s data can be searched at the foundation’s website (www.columbusfoundation.org), and can serve as a back-up source of community foundation data that may not be available from 990s, annual reports or other sources.

- **Word of mouth/RA knowledge of region.** An RA’s close ties to its region and its in-depth knowledge of the region’s nonprofit and philanthropy field can be a great tool to help identify active community/public foundations that should be included in a giving study.

- **RA databases.** Some regional associations maintain their own grantmaker database that includes the key financial data used in giving studies. Typically RA staff will update the database on an ongoing basis, and some may allow their members to update their own data in the database through an online updating screen. This database can then serve as a solid base for conducting a regional giving study, supplemented with some additional research to fill in the gaps.
### Community/Public Foundation Key Data Sources

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\(^1\)This figure available from the Foundation Center for its sample of the largest foundations, not for all foundations in the region.
Overall Giving Analysis – Grantmaking

Corporate Foundations & Corporate Giving Programs

Corporate giving data are the most difficult data to collect of the three core grantmaker types covered in a regional giving study. The only giving that corporations are required to report is the grants they make through a company-sponsored foundation. But not all corporations operate their own foundations, choosing instead to give through a corporate giving program. And many corporations with foundations also give substantial portions of their grant dollars outside of the foundation. Capturing the philanthropic activity of smaller businesses in the region can be even more difficult and time-consuming than for larger corporations (see “Smaller Business Giving Programs” in the “Grantmaker Types – Optional” Section).

Key Research Issues & Challenges

In developing a regional giving study, RAs must address the following key research issues and challenges in collecting data on corporate grantmakers:

- **Corporate giving vs. smaller business giving.** Although gathering philanthropic data from larger corporations can be difficult, gathering these data from smaller businesses is even more challenging. Smaller businesses give in ways that are less formal and well-documented than in larger corporations, often without any dedicated staff. So most RAs limit their regional giving studies to collecting giving data from just the larger corporations in their regions, perhaps supplemented occasionally with more in-depth surveys of smaller business giving in the region (see “Appendix 3: Business Giving Studies”).

- **Foundation grants vs. corporate giving program grants.** As noted above, the only corporate giving data that are readily available from national sources are the data on a company’s grantmaking through its foundation, since this is the only portion of corporate grantmaking that must be reported to the IRS (through the Form 990-PF). Collecting data on the substantial grantmaking that corporations do outside of the foundation structure will require an RA to conduct additional research, primarily by conducting surveys and reviewing corporations’ annual reports (see Data Sources below).

- **Corporate grantmaking vs. corporate social responsibility.** Even if an RA succeeds in collecting data on all the grants made by corporations in its region through both corporate foundations and corporate giving programs, for many companies grantmaking is becoming a smaller part of their overall community involvement. More and more corporations are managing and viewing their grantmaking within a broader model of corporate citizenship or corporate social responsibility. Within this model, companies prefer to document not just their giving through cash grants but also their philanthropy through such activities as in-kind giving and employee volunteerism. Grantmakers also spend funds through sponsorships and social-marketing activities that touch on a gray area between philanthropy and marketing, and view some internal practices toward the environment and in other areas as part of how they give back to the community.
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An RA’s members may put some pressure on their association to collect these additional data on corporate philanthropy, so that the regional giving study presents a fuller picture of their giving and provides the companies with some benchmarking data that are more useful and relevant for their work. These additional data on corporate philanthropy can only be collected by spending additional time conducting surveys and reviewing corporations’ community/social responsibility reports (see Data Sources below).

At the most, RAs may want to consider gathering data on the value of a company’s in-kind donations of products and services and of its paid employee volunteer hours. However, companies currently use a number of different methods to determine the value of their non-cash giving, so RAs will face some challenges to ensure the consistency of these data.

- **Special challenges of gathering corporate data.** As noted above, gathering comprehensive data on corporate giving is dependent on some self-reporting from companies, either through completion of a survey or through an annual report. But many companies may be reluctant to provide their giving data for a regional giving study, or to provide it in the format required for the study. This reluctance can be due to several factors, including the following:

  o **Concern of misrepresentation.** A company may be concerned about its giving data being represented in a way that is inconsistent with its own reporting structure or giving guidelines. For example, a corporation whose grantmaking guidelines do not include arts funding might show up in a giving report as one of the region’s top arts funders due to a large number of arts grants its makes through its employee matching gift program.

  o **Fear of controversy.** A company may make some grants to organizations that are considered controversial by some people, and would be fearful of those grants getting wide public attention and scrutiny.

  o **Incomplete giving data.** If a regional giving study focuses just on a company’s grants, the company may be concerned that the report is not providing a complete picture of all of its philanthropic activity (in-kind donations, employee volunteerism, etc.).

  o **Lack of time.** If a large corporation has a decentralized giving program where a large number of grants are awarded through many different committees, councils and other vehicles throughout the country, it may believe it does not have enough time and staff resources to collect all of its grantmaking data.

To help address these challenges, RAs should consider the tips on collecting corporate giving data listed below.

**Tips for Collecting Corporate Giving Data**

- **Be flexible and accommodating.** To address a company’s concerns about misrepresenting its giving data, an RA may need to be flexible and accommodating to a company’s specific wishes and concerns in order to obtain its grantmaking data. For example, if a company gives a large number of education
grants but does not want to be listed in the report as one of the region’s top education funders, an RA may need to agree to not list the funder in those rankings or to at least include a footnote.

- **Build relationships and trust.** Given all the potential concerns and fears that companies may have about providing their giving data, it is critical that an RA builds strong relationships with the corporate grantmakers in its region and develops a strong sense of trust. The more that companies trust an RA to handle their giving data accurately and responsibly, the more likely they will be to provide the RA with that data on an ongoing basis.

- **Be efficient.** Corporate foundations and giving programs often operate with minimal staff members who have busy schedules, so an RA needs to make it as easy as possible for corporations to provide their giving data. If an RA conducts a giving survey, for example, it should make sure to conduct it online.

- **Demonstrate bottom-line value.** The more that an RA can show its corporate members how a regional giving study can help them in their work, the more willing they will be to contribute their own data for the study. Consider providing corporations with some special internal reports from the study that can give them some useful benchmarking data. Or demonstrate how the study can provide some positive visibility to a company’s giving program, such as by arranging for some corporate grantmakers to be interviewed by the media when the report is released.

### Data to Collect for Corporate Grantmakers

#### Core

Minimum corporate grantmaking data to collect for all regional giving studies:

- Total grants paid, which includes grants, scholarships and employee matching gifts.
- Total assets at end of year, fair market value (for those companies with foundations). Note that many corporate foundations have small or no endowments. Some corporate foundations are pass-through foundations that are used by companies as a vehicle to donate — or pass through — a portion of their profits each year. Despite this fact, RAs should still attempt to gather data on the assets of corporate foundations so that it can calculate an accurate figure for the total foundation assets in the region.
- Total number of corporate grantmakers, including new grantmakers since the last study.

#### Optional

Possible additional corporate grantmaking data to include in a regional giving study:

- Total in-kind donations of products and services.
- Total employee volunteer hours (paid).

If data on in-kind donations or employee volunteer hours are used in the study as reported from the companies, it is likely that the companies will use different valuation measures for these data. It would be
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preferable for an RA to develop a standard valuation method for all companies to use, although this could complicate and perhaps inhibit the data collection process.

Some companies estimate the value of their employees’ volunteer hours using Independent Sector’s estimated dollar value of volunteer time, which for 2003 was $17.19 per hour plus 12 percent for fringe benefits. Other companies develop their own average internal hourly wage to use for estimation purposes, and still other companies estimate the value of volunteer hours according to each employee’s pay grad.

In estimating the value of in-kind donations of products and services, some companies use the market value of the products and services, others use the appreciated value and still others use the cost to the company.

Data Sources for Corporate Grantmakers

The key sources of giving data for corporate foundations and corporate giving programs are:

- **The Foundation Center & Other Consultants.** If an RA wants to purchase corporate giving data from an outside source rather than developing it internally, the Forum recommends purchasing these data from the Foundation Center in New York City. The Foundation Center is the signature research organization in the philanthropy field, and has been collecting and analyzing foundation data for many decades. The Foundation Center can provide an RA with a database that includes the latest grant and asset figures for many corporate foundations in a region, although these data will need to be supplemented by some additional work by the RA. The corporate foundation data alone will significantly underrepresent all corporate giving in the region, since a fair amount of corporate grantmaking comes through corporate giving programs rather than through corporate foundations. Other consulting options include private companies such as Jankowski Associates and university-based operations such as the Center on Philanthropy at Indiana University (See “Appendix 4: Regional Giving Studies Resource List.”)

- **Surveys.** Surveys are often the best way — and sometimes the only way — for an RA to gather complete giving data for corporations in its region. Surveys are also the only way to collect some optional data from corporate grantmakers, such as in-kind donations or paid employee volunteer hours.

- **Annual reports.** Many larger corporations issue annual community reports or social responsibility reports that can be a good source of total grantmaking data for a given year. Sometimes they may be the only source for corporate giving data other than a survey. These reports are increasingly available on company websites.

- **RA databases.** Some regional associations maintain their own grantmaker database region that includes the key financial data used in giving studies. Typically RA staff will update the database on an ongoing basis, and some may allow their members to update their own data in the database through
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an online updating screen. This database can then serve as a solid base for conducting a regional
giving study, supplemented with some additional research to fill in the gaps.

- **Word of mouth/RA knowledge of region.** An RA’s close ties to its region and its in-depth
knowledge of the region’s nonprofit and philanthropy field can be a great tool to help identify active
corporate grantmakers that should be included in the giving study.

- **990-PFs.** If a company operates a private foundation, the foundation’s 990-PF tax form can be a
source of annual giving data for the foundation. However, since most companies’ foundation giving
represents just one portion of their overall philanthropy, 990-PFs typically are not the best data source
for research on corporate giving. However, if a company’s total grantmaking information is not
readily available, it would be better to document the portion of a company’s giving reported on its
990-PF than to document nothing at all.

### Corporate Grantmaking Key Data Sources

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¹The grants figure from this source will represent just the grants from a company’s foundation, which is often just one part of its total
grantmaking activity.

²Many corporate foundations have small or no endowments.
Grantmaker Types - Optional

This section describes how to collect data for each of the optional grantmaker types that might be analyzed in a regional giving study, and describes research issues, limitations and cautions for each type.

Family Foundations

Family foundations are a subset of the private foundation category described in the “Grantmaker Types – Core” section. Family foundations have generated a great deal of interest and attention in the field because they represent the largest and fastest-growing type of private foundation. Likewise, RAs are interested in family foundations because they are the largest single source of potential new members. As a result, many people would like to have more data about family foundations. However, RAs face a number of challenges in trying to compile complete and accurate data on family foundations in their regions.

Key Research Issues & Challenges

From a research standpoint, the key challenge in collecting data about family foundations is that “family foundation” is not a separate legal entity. The term “family foundation” is widely used in the philanthropy field, but from a legal standpoint a family foundation is no different from any other type of private foundation.

Gathering data on family foundations therefore requires a review of every foundation in a region, one by one, to determine if it fits the definition of a family foundation. In order for family foundation data to be compared consistently from region to region, it is critical that every RA use the same definition of a “family foundation” and use the same criteria in identifying family foundations.

Family Foundation Definition & Criteria

The Forum recommends that all RAs use the following general definition of a family foundation from the national Council on Foundations as the basis for any giving research:

A family foundation is a private foundation established by an individual donor with the donor and/or the donor’s family playing a significant governing role.

Translating this definition into practice for identifying family foundations, the Forum recommends using the following family foundation criteria developed by the Foundation Center:

• Is a private foundation with “family” or “families” in its name, and/or
• Has a living donor whose surname matches the surname in the foundation’s name and/or
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- Has at least two trustees/board members whose surnames match the foundation donor’s name (you can find a family foundation’s list of board members in its annual report, on its website or in its 990-PF tax form — see the “Reading 990-PF and 990 Tax Forms” section).
- Private foundations that identify themselves as family foundations in a survey (see Data Sources below).

These criteria are somewhat subjective, but in most cases they will help an RA to accurately identify a family foundation. RAs can supplement these criteria with their own knowledge of foundations in their region.

Data to Collect for Family Foundations

Core
Minimum family foundation data to collect for all regional giving studies:

- Total grants paid, which includes grants, scholarships and employee matching gifts.
- Total assets at end of year, fair market value.
- Total number of family foundations, including new foundations since the last study.

Optional
Possible additional family foundation data to include in a regional giving study:

- New gifts received.
- Out-of-region foundation grants to the region.

(Note: These are the same core and optional data as for private foundations.)

Data Sources for Family Foundations

The key sources of giving data for family foundations are:

- **The Foundation Center.** The Foundation Center is the Forum-recommended source for purchasing private foundation data from an outside source, and the Center’s database includes a grantmaker type field for family foundations (see “Appendix 4: Regional Giving Studies Resource List”). However, since the identification of family foundations is somewhat subjective, it is advisable for RAs to do some follow-up verification of the Center’s data to ensure the proper classification of family foundations in its region.

- **990-PFs.** If an RA is conducting its own research, a family foundation’s 990-PF tax form is probably the best source of data on a foundation’s giving. Most foundation’s 990-PFs can be accessed free of charge at GuideStar’s website (www.guidestar.org). The board lists in 990-PFs can be useful for classifying family foundations (see the “Reading 990-PF and 990 Tax Forms” Section for more information on reading and using 990-PFs.)
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- **Annual reports.** Family foundations’ annual reports can be a good back-up data source if a foundation’s 990-PF is not readily available for some reason. However, many family foundations tend to be smaller foundations, which are less likely than larger foundations to produce an annual report. The 990-PF forms therefore tend to be a much more important data source for family foundations.

- **State AG’s Office.** In some states, the Attorney General’s Office will provide a free database with basic data (including grants and assets) of all foundations and nonprofits that are registered with the state. In most states this service would be provided through an Attorney General’s Office charities/nonprofit division, but in some states the responsibility for the nonprofit sector falls under a different division. Consult the Attorney General’s Office in your state to see if it offers this service.

- **Surveys.** Some RAs survey their grantmakers regularly as part of the process for producing a directory of members or all grantmakers in the region, and the surveys will include a section on the financial data used for giving studies. These surveys should include a spot for grantmakers to identify their grantmaker type, which can help spot foundations that self-identify as family foundations. However, not all family foundations in a region will respond to a survey, so any survey would need to be supplemented with additional research of 990-PFs or other data sources.

- **RA databases.** Some regional associations maintain their own grantmaker database that includes the key financial data used in giving studies. Typically RA staff will update the database on an ongoing basis, and some may allow their members to update their own data in the database through an online updating screen. This database can then serve as a solid base for conducting a regional giving study, supplemented with some additional research to fill in the gaps. If an RA’s database includes a “grantmaker type” field with a family foundation option, this can help facilitate an RA’s ongoing research on family foundations for giving studies and other purposes.

- **Word of mouth/RA knowledge of region.** An RA’s close ties to its region and its in-depth knowledge of the region’s nonprofit and philanthropy field can be one of the best resources for identifying the private foundations in its region that fit the family foundation criteria for a giving study.
Public Grantmaking Foundations

The term “public grantmaking foundation” or “public foundation” has come into common usage to describe public charities that have a primary purpose of making grants. A public grantmaking foundation is defined as a public charity whose primary purpose is grantmaking to multiple individuals or organizations and whose sources of support are predominantly private rather than governmental. As distinguished from most public charities, public grantmaking foundations focus more on grantmaking than on providing direct charitable services.

Key Research Issues & Challenges

In developing a regional giving study, RAs must address the following key research issues and challenges in collecting data on public grantmaking foundations:

- **Community foundations vs. public grantmaking foundations.** As mentioned in the “Grantmaker Types – Core” section on community foundations, a research challenge for tracking the giving of public grantmaking foundations is that a growing number of public grantmaking foundations act in many ways like community foundations but do not completely fit the community foundation definition. These public grantmaking foundations will often offer the same array of donor giving vehicles as those offered by community foundations and may even use the phrase “community foundation” in their name. But unlike community foundations, these public grantmaking foundations are focused on a “community” that is not defined primarily by geography but by a population group (such as an ethnic or racial group or gender) or a common affinity — religious, cultural or philosophical. And the conversion of nonprofit hospitals to for-profit entities has created another larger category of public grantmaking foundations — health conversion foundations (Note: Most health conversion foundations are created as public grantmaking foundations, but a significant number are registered as private foundations and some are classified as social welfare organizations, according to Grantmakers in Health).

Due to the significant gray area that exists between the definitions of community foundations and public charity grantmaking foundations, the Forum recommends that regional giving studies combine the data for both types of foundations into a single “community/public foundation” category for research purposes. This avoids the difficult, if not impossible, task of trying to fit a foundation into one slot versus another slot, and avoids potential problems with RA members who may, for example, consider themselves a community foundation even if they don’t fit the standard definition in the field.

Some RAs may want to break out a subgroup of community/public foundations for separate analysis in a regional giving study. For example, if an RA’s region has a large number of health conversion foundations, it may want to conduct a separate breakout analysis of the giving by these foundation. But the report should also provide an overall summary of total community/public foundation giving, to allow consistent comparisons across regions.
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- **Identifying all public grantmaking foundations.** Unlike private foundations, which are required to file their own separate tax form (the 990-PF), public grantmaking foundations file the same general 990 tax form as all other nonprofit organizations. So identifying all public grantmaking foundations in a region is not as clear-cut as identifying all private foundations in a region. This is why many sources of public grantmaking foundation data — including data from the Foundation Center (see Data Sources below) — often will not provide a complete list of all public grantmaking foundations in a region. RAs are perhaps the best source for developing a complete list of local community/public foundations, due to their knowledge of the region and their close relationships with funders in their region.

- **Including supporting organizations and donor-advised funds.** Many public grantmaking foundations will house supporting organizations and donor-advised funds, which can sometimes comprise the bulk of a public grantmaking foundation’s giving — particularly for newer and smaller foundations. A giving study’s grants data for public grantmaking foundations should include all grants awarded from a foundation’s supporting organizations and donor-advised funds.

**Public Grantmaking Foundation Criteria**

Due to their close connections to a region, RAs will often be the first organization to learn about a new public grantmaking foundation in their regions. They may read a story about the foundation in the local paper, for example, or a foundation’s name may start popping up in local nonprofits’ lists of foundation donors. Here are some criteria to use for determining if an organization should be defined as a public grantmaking foundation and thus included in a region’s giving study research:

- It awards grants to multiple unrelated nonprofit organizations every year (rather than just giving grants to one or a few organizations that are legally related to the foundation), and
- At least 50 percent of its operating budget is for direct grants each year, and
- Its grants go predominately to private rather than public (governmental) organizations.

You can find the information about these criteria in the organization’s annual report, on its website or in its 990 tax form (see the “Reading 990-PF and 990 Tax Forms” section).

Note: If the organization has the word “foundation” in its name that can also be a clue that it is a public grantmaking foundation. But be cautioned that many organizations use the word “foundation” in their name that are not grantmaking foundations.

**Data to Collect for Public Grantmaking Foundations**

- **Core**

  Minimum public grantmaking foundation data to collect for all regional giving studies:
  - Total grants paid, which includes grants, scholarships and employee matching gifts.
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- Total assets at end of year, fair market value.
- Total number of public grantmaking foundations, including new foundations since the last study.

Optional
Possible additional public grantmaking foundation data to include in a regional giving study:
- New gifts received.
- Out-of-region foundation grants to the region.
- Total number and assets of donor-advised funds.
- Total number and assets of supporting organizations.
- Total number and assets of community funds.
- New funds created since the last study.
- Number of volunteers for the foundation.

Data Sources for Public Grantmaking Foundations

The key sources of giving data for public grantmaking foundations are:

- **The Foundation Center & Other Consultants.** If an RA wants to purchase public grantmaking foundation data from an outside source rather than developing it internally, the Forum recommends purchasing these data from the Foundation Center in New York City. The Foundation Center is the signature research organization in the philanthropy field, and has been collecting and analyzing foundation data for many decades. The Center can provide an RA with a database that includes data for some public grantmaking foundations in a region, but an RA will need to do some additional research work to develop a more complete list of foundations. Other consulting options include private companies such as Jankowski Associates and university-based operations such as the Center on Philanthropy at Indiana University (See “Appendix 4: Regional Giving Studies Resource List.”)

- **State AG’s Office.** In some states, the Attorney General’s Office will provide a free database with basic data (including grants and assets) of all foundations and nonprofits that are registered with the state, which can include public grantmaking foundation data. In most states this service would be provided through an Attorney General’s Office charities/nonprofit division, but in some states the responsibility for the nonprofit sector falls under a different division. Consult the Attorney General’s Office in your state to see if it offers this service.

- **990s.** If an RA is conducting its own research, or wants to supplement data it receives from an outside source, a public grantmaking foundation’s 990 tax form is probably the best source of data on a foundation’s giving. See the “Reading 990-PF and 990 Tax Forms” Section for more information on reading and using 990s.

- **Annual reports.** Annual reports can be a good back-up data source if a public grantmaking foundation’s 990 is not readily available for some reason. And annual reports may include some optional data not found through most other sources, such as the total number and assets of a public
grantmaking foundation’s donor-advised funds or supporting organizations. Annual reports for larger foundations are increasingly available on foundation websites.

- **Surveys.** Since outside sources of public grantmaking foundation data are not always complete, an RA may need to survey the public grantmaking foundations in its region to collect the necessary data for the giving study. Surveys are also the only way to collect some optional data on public grantmaking foundations, such as the total number and assets of public foundations’ donor-advised funds or supporting organizations.

- **RA databases.** Some regional associations maintain their own grantmaker database that will include the key financial data used in giving studies. Typically RA staff will update the database on an ongoing basis, and some may allow their members to update their own data in the database through an online updating screen. This database can then serve as a solid base for conducting a regional giving study, supplemented with some additional research to fill in the gaps.

- **Word of mouth/RA knowledge of region.** An RA’s close ties to its region and its in-depth knowledge of the region’s nonprofit and philanthropy field can be one of the best resources for identifying the foundations in its region that fit the public grantmaking foundation criteria for a giving study.

- **Grantmakers in Health.** Grantmakers in Health, a national grantmaker affinity group of health care grantmakers, publishes periodic reports of new health foundations (sometimes known as health care conversion foundations), which are a growing subset of public grantmaking foundations. The GIH data can help RAs identify new health foundations in its region. The reports can be accessed at the GIH website: www.gih.org.
Other Grantmaking Public Charities

In addition to the complexities of distinguishing between community foundations and public grantmaking foundations for the purposes of a giving study (see the Community Foundations and Public Grantmaking Foundations sections), the lines are further blurred by other types of public charities that make grants but do not meet the criteria of a community foundation or a public grantmaking foundation.

Unlike public grantmaking foundations, other types of grantmaking public charities tend to put more emphasis on their direct charitable services then on their grantmaking. Another characteristic of some grantmaking public charities is that they primarily re-grant donations they have received from individual, corporate or governmental sources. Examples of grantmaking public charities include federated giving programs like the United Ways and community chests or funds, the United Jewish Appeal and other religious appeals, the United Negro College Fund, and joint arts councils.

Although grantmaking public charities represent some of the grantmaking activity in the region, trying to include them in a giving study requires a great amount of additional research work that is probably not worth the effort. Also, since grantmaking public charities often re-grant donations they receive from foundations, corporations and individuals, if an RA includes the grants of grantmaking public charities in its region’s giving figures it runs the risk of double-counting grants in the giving research. For these reasons, the Forum recommends that RAs do not include grantmaking public charities in a regional giving study unless they meet the criteria for a public grantmaking foundation.
Donor-Advised Funds

As donor-advised funds have grown in popularity as a charitable giving vehicle, people have become interested in learning much more about these funds’ giving patterns and trends. But an RA faces many serious challenges and roadblocks in trying to gather and analyze data on donor-advised funds for a regional giving study.

As noted in the Community Foundations and Public Grantmaking Foundations sections, RAs can use surveys and annual reports of community foundations and public grantmaking foundations to get a sense of the number and size of donor-advised funds in their regions. But community/public foundations are not the only organizations that house donor-advised funds. Many nonprofit organizations are now setting up donor-advised funds, and many mutual fund companies and brokerage firms now offer donor-advised funds (also known as commercial charitable gift funds), including Fidelity, Vanguard and Merrill Lynch, to name a few.

Gathering accurate and complete data on all donor-advised funds in a region is a daunting task. Not only would it be difficult to determine all of the nonprofits in a region that have donor-advised funds, but data on commercial charitable gift funds is not readily available.

RAs may want to try contacting the local headquarters of a large commercial charitable gift fund — such as the Fidelity Charitable Gift Fund, which is the largest — to see if it would be willing to share its donor-advised fund data for a giving study. The advantage to the commercial funds of participating in a giving study is that it could help cement their image as a legitimate source of philanthropy, and dispel some of the suspicions and distrust that some people still have about these funds.

But if an RA has limited staff and resources for its giving study, the Forum recommends that it does not spend a great deal of time including donor-advised funds in a regional giving study beyond the data it can collect from community/public foundations.
Smaller Business Giving Programs

Gathering giving data for small and mid-sized businesses is much more challenging than gathering giving data for corporations (see the “Grantmaker Types – Core” section on corporate foundations and corporate giving programs).

The challenge of researching smaller business giving stems in part from the fact that most of these businesses do not track and report on their giving in any regular or comprehensive way. Also, small and mid-sized companies typically do not have staff dedicated to their philanthropy, but instead operate their giving as a small part of another job function that varies from company to company, so it can difficult to even know who to contact for a company’s giving data. And the giving of some businesses is tightly integrated with the individual giving of the company’s owner, so it can be a challenge to untangle the two.

Often the only way to gather data on the giving of small and mid-sized business is through a survey. Recently a number of regions have conducted business giving studies that have asked similar types of questions about the giving practices of small and mid-sized businesses. These studies have yielded similar results and could form the basis for developing a common survey on business giving that could be used in all regions (see “Appendix 3: Business Giving Studies”). These surveys can be costly and time-consuming to produce, but RAs could achieve some economies of scale if they pooled their resources to conduct a common survey.
Overall Giving Analysis – Individual Giving

Individual Giving Analysis

The bulk of private charitable giving comes from individuals, so an analysis of a region’s overall giving should include contributions from individuals as well as from grantmakers.

Why Include Individual Giving in a Study?

Some RAs may decide to focus their regional giving studies just on grantmaking in the region and not include individual giving. This is a valid consideration given an RA’s limited resources and the fact that most RA’s memberships are comprised primarily, if not entirely, of grantmaking organizations and not individual donors. However, there are several good reasons for an RA to include individual giving in its regional giving study:

1. **It provides a more complete picture of philanthropy in the region.** Giving by foundations and corporate grantmakers typically represents just about 20 percent of a region’s total private charitable giving, with giving by individuals representing the bulk of donations. By focusing just on foundation and corporate giving, a giving study paints an incomplete picture of a region’s charitable giving, and diminishes the RA as the best source of information on all philanthropy in the region.

2. **It provides a powerful message.** The fact that individual giving represents the bulk of a region’s charitable giving can be a powerful message to communicate to legislators, the media and nonprofits. When government funding declined in the 1990s and many legislators turned to grantmakers to fill in the gaps, some RAs found that providing research data that showed the small share of local giving from grantmakers helped legislators and the media understand that grantmakers play a relatively small role as a source of philanthropic dollars. Individual giving data can also be useful in helping nonprofits understand the importance of seeking funds from individuals and not just focusing on foundations and corporations.

3. **It fits with most RAs' missions.** The missions of many RAs are focused on all of philanthropy, not just organized philanthropy, so research on individual giving fits with that mission.

4. **RAs will get asked about it anyway.** Many RAs find that they get asked questions regularly about their region’s individual giving from the media, members, nonprofits and other key stakeholders. Adding an individual giving component to a giving study helps RAs answer these questions confidently and accurately.

5. **RAs don't want someone else to do it.** If an RA doesn’t provide good regional data on individual giving, it’s likely that eventually some other organization in the region will start filling that need — which would diminish the RA’s role as the primary source of philanthropy information for the region.
Overall Giving Analysis – Individual Giving

Key Research Issues & Challenges
In developing a regional giving study, RAs must address the following key research issues and challenges in collecting data on giving by individuals:

- **Getting complete data.** Compiling accurate and comprehensive data on charitable giving by individuals is an imperfect science. Beyond IRS data that documents just one portion of the total giving amounts by individuals (see Data Sources below), getting a handle on the full size, scope, trends and motivations of individual giving requires either extensive surveys (see “Individual Giving and Volunteering Reports” in the “Other Types of Giving Studies” section) and/or some estimation and reasonable “guesstimation.” Due to both time and cost constraints, most regional giving studies need to limit their analysis of individual giving to some general overall figures and some basic trends.

- **State vs. regional data.** Gathering individual giving data gets complicated if a giving study is analyzing a region other than a single state. The recommended source for estimating a region’s total individual giving data is the IRS Statistics of Income (SOI) data (see Data Sources below). However, the IRS provides statewide SOI data every year but only provides SOI data by zip code every five years. So if a regional giving study covers just a portion of a state or covers more than one state, it will only be able to collect individual giving data from the IRS every five years. At the moment there is no way to work around this limitation, other than to lobby the IRS to provide zip code data every year.

Data to Collect for Individual Giving

**Core**
The basis for core individual giving data is the IRS Statistics of Income (SOI) reports, which provide state-by-state data on the charitable contributions that people claim on their itemized tax returns in a given year (see Data Sources below). Page 48 shows an excerpt of individual tax return data table for a single state that can be downloaded in a Microsoft Excel spreadsheet from the IRS website. Using this table, the following individual giving data can be collected for a state:

- **Total individual giving dollar amount for the region.** The Forum recommends that every regional giving study include, at a minimum, an estimate of the total dollar amount of charitable donations from individuals in the region. This figure is then added together with the total grants paid by foundations and corporations to develop the total charitable giving dollars for a region (see the “Analyzing Overall Giving” section).

The basis for the total individual giving figure comes from the IRS Statistics of Income (SOI) data (see Data Sources below), which provide the total dollar amount of charitable donations that people in a state have itemized on their tax returns for a given year (Line 40, Column 1 in the table excerpt on page 48). However, this figure only represents a portion of total individual giving in the region, since there are many people who make charitable gifts but don’t itemize their tax returns. Estimates vary as to the portion of total individual giving that is represented by the charitable gifts of those who itemize...
their taxes, but the respected *Giving USA* report estimates that it represents about 82 percent of all individual giving. So to estimate total individual giving in a region, an RA would extrapolate the IRS data by this percentage. For example, if a state’s total charitable contribution claims were $2.697 billion in 2002, total individual giving in that state would be estimated at $3.289 billion:

\[
\frac{2.697 \text{ billion}}{.82} = 3.289 \text{ billion}
\]

This is a somewhat crude estimation technique, but no better method has yet been devised. And if an RA used the same calculation for every giving report, over time it can provide useful trending data. And if all RAs use the same calculation, it can provide some useful comparisons by region.

- **Change in total giving.** This is a calculation of the percentage increase or decrease in a region’s total individual giving since the last regional giving study.

- **Individual giving as a percentage of income.** This is a calculation of a region’s total individual giving (Line 40, Column 1 in the table excerpt on page 48) as a percentage of the total adjusted gross income for those who itemized their tax returns (Line 5, Column 1 in the table excerpt on page 48). This figure can give some sense of how much people are giving based on their ability to give (as measured by their income). However, income is just one indication of a person’s ability to give, since a person’s total wealth is measured by much more than just income. Another caveat to this measure is that the adjusted gross income figure includes income for people who did not make any charitable contributions. For example: Using the table on page 48, individuals in Minnesota gave 2.3 percent of their income to charity ($2.697 billion in contribution claims/$116,040 billion in AGI = 2.3 percent).

- **Average contribution per giver.** This is the average charitable deduction by those who claimed charitable deductions on their tax returns, which is calculated by dividing the region’s total charitable contribution claims (Line 40, Column 1 in the table excerpt on page 48) by the number of people with charitable contributions on their itemized tax return (Line 39, Column 1 in the table excerpt on page 48). For example: Using the table on page 48, individual donors in Minnesota gave an average of $2,953 to charity ($2.697 billion in contribution claims/913.1 million itemizers who claimed charitable contributions).

- **Average contribution per itemizer.** This is the average charitable deduction by all individuals who itemized their returns (not just those with charitable contribution deductions), which is calculated by dividing the total charitable contribution claims (Line 40, Column 1 in the table excerpt on page 48) by the number of people with itemized tax returns (Line 29, Column 1 in the table excerpt on page 48). This figure will be lower than the average contribution per giver figure (see above), since the calculation includes itemizers with no charitable contributions on their tax returns. For example: Using the table on page 48, Minnesotans who itemized their taxes gave an average of $2,668 to charity ($2.697 billion in contribution claims/1.010 billion itemizers).
Overall Giving Analysis – Individual Giving

Optional

- **Motivations and patterns of individual giving.** The core data for individual giving provides some basic figures about overall giving by individuals in a region, but do not offer any details on which causes individuals give to or the motivations and explanations of individual giving patterns. The University of New Hampshire has compiled some state-by-state data on individual giving that offers some initial explanations about overall giving trends. The only way to dig deeper in understanding individual giving behavior is through surveys (see Data Sources below).

Data Sources for Individual Giving

- **IRS Statistics of Income (SOI).** Following these instructions to access SOI data from the IRS website:

  2. Click on “Individual Tax Statistics.”
  3. To access state-level data, under “Data by Geographic Area” click on “State Income.” Then click on the state of interest for the latest year for the “Individual Income and Tax Data, by State and Size of Adjusted Gross Income” Table, which can be viewed and downloaded in a Microsoft Excel file.
  4. To access zip code-level data, Under “Data by Geographic Area” click on “Zip Codes – SOI.” Then click on the state of interest for the latest year for the “Individual Income and Tax Data, by State and Size of Adjusted Gross Income” Table, which can be viewed and downloaded in a Microsoft Excel file.

Note: Each year the Forum plans to continue providing RAs with state-by-state comparison charts of individual giving based on the annual SOI data, so that regions can compare their individual giving to other areas of the country.

- **University of New Hampshire Patterns of Giving Data.** The University of New Hampshire has contracted through the Forum to develop state-by-state analyses of individual giving patterns based on an econometric model and IRS data, as an enhancement to individual giving data from the IRS Statistics of Income (SOI). The New Hampshire analysis includes an assessment of economic/demographic/social characteristics of a state that help explain its rankings relative to other states, including income, capital gains, education, race, age and unemployment trends. In 2005, the Forum arranged with Ross Gittell at the University of New Hampshire to provide these data for $400 per state per year. For the latest brokered fee arrangement, contact the Forum (see “Appendix 4: Regional Giving Studies Resource List”).
Overall Giving Analysis – Individual Giving

• **Center on Philanthropy at Indiana University.** The Center has conducted several studies of individual giving for various regions of the country, and has developed some expertise in surveying and reporting on individual giving (see “Individual Giving and Volunteering Reports” in the “Other Types of Giving Studies” section). For contact information, see Appendix 4: Regional Giving Studies Resource List.

• **Surveys.** Understanding how individuals give and where they give requires some fairly extensive surveying. Several regions of the country have conducted Individual Giving & Volunteering studies that can serve as a model for these types of surveys. For more information, see “Individual Giving and Volunteering Reports” in the “Other Types of Giving Studies” section.
### Tax Year 2002, United States Selected Income and Tax Items for Individual Income Tax Returns:

<table>
<thead>
<tr>
<th>Form(s)</th>
<th>Filing/Processing Period: January 1, 2003 to December 31, 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>1040, 1040-A, &amp; 1040-E</td>
<td>By State and Size of Adjusted Gross Income</td>
</tr>
</tbody>
</table>

#### Minnesota

<table>
<thead>
<tr>
<th>State and Size of Adjusted Gross Income</th>
<th>All Returns</th>
<th>Under $20,000</th>
<th>Under $50,000</th>
<th>Under $100,000</th>
<th>Under $200,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>MINNESOTA</td>
<td>2,348,207</td>
<td>999,326</td>
<td>816,226</td>
<td>190,164</td>
<td>27,455</td>
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</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted gross income (AGI)</td>
<td>2,348,207</td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>895,700</td>
<td>642,367</td>
</tr>
<tr>
<td>Other income</td>
<td>640,614</td>
<td>568,940</td>
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<tr>
<td>Dividends</td>
<td>59,225</td>
<td>40,154</td>
</tr>
<tr>
<td>Interest</td>
<td>22,273</td>
<td>17,733</td>
</tr>
<tr>
<td>Capital gains</td>
<td>31,873</td>
<td>29,609</td>
</tr>
<tr>
<td>Business or profession net income less losses</td>
<td>21,026</td>
<td>18,169</td>
</tr>
<tr>
<td>Total for all returns</td>
<td>2,348,207</td>
<td></td>
</tr>
</tbody>
</table>

#### Excerpt from IRS Statistics of Income (SOI) Table for Minnesota
Charitable Bequests Analysis

A regional giving study’s Individual Giving Analysis focuses on current charitable giving by individuals. But another important source of giving from individuals is the giving that comes in the form of charitable bequests that individuals make from their estates through a will upon death. So an analysis of a region’s overall giving should include an analysis of giving through charitable bequests. It should be noted that an analysis of charitable bequests does not reflect planned gifts such as charitable remainder trusts, charitable lead trusts, foundations, etc., whose creation often results from estate planning.

Key Research Issues & Challenges

- **State vs. regional data.** The recommended data source for a region’s charitable bequests comes from the IRS data from estate tax returns (see Data Sources below), but these data are only available on a statewide basis. So if a regional giving study covers just a portion of a state, it will only be able to collect charitable bequest data for the entire state and not a specific region within a state. At the moment there is no way to work around this limitation, other than to lobby the IRS to provide zip code data for estate tax data.

Data to Collect for Charitable Bequests

- **Total charitable bequests.** The total dollar amount of charitable bequests from individuals in a region for the research year. This figure is added together with the total grants paid by foundations and corporations and the current individual giving data to develop the total charitable giving dollars for a region (see the “Analyzing Overall Giving” section).

- **Average charitable bequest.** The average dollar amount of charitable bequests in a region for the research year. This figure is calculated by dividing the total charitable bequests dollar amount by the number of estate tax returns with charitable bequests.

- **Percentage of estates with charitable bequests.** The percentage of all settled estates in the region with charitable bequests for the research year. This figure is calculated by dividing the number of estate tax returns with charitable bequests by the total number of estate tax returns.

- **Percentage of estates left to charity for those with bequests.** The percentage of assets in settled estates in a region that are distributed to charities for the research year, for those who left charitable bequests. This figure is calculated by dividing the total dollar amount of charitable bequests by the total dollar value of the estates for those who left charitable bequests.

- **Percentage of all estates left to charity.** The percentage of all assets in all settled estates in the region distributed to charities for the research year. This figure is calculated by dividing the total dollar amount of charitable bequests by the total dollar value of the estates on all estate tax returns.
Data Sources for Charitable Bequests

- **Connecticut Council for Philanthropy & Forum of Regional Associations of Grantmakers.** Each year the Connecticut Council for Philanthropy provides all RAs with national and state-by-state charitable bequest data, pulled from the IRS Statistics of Income (SOI) data. The Council will continue to work with the Forum to ensure that these charitable bequest data are available to RAs on an annual basis. See Appendix 13 for sample fact sheets on charitable bequest data for Connecticut, prepared by the Connecticut Council for Philanthropy using the charitable bequest data it provides to all RAs.
Analyzing Overall Giving

Analyzing Overall Giving Data

Once an RA collects all the data for its region’s overall grantmaking and individual giving, it needs to analyze the data to spot key findings and notable trends that will help its stakeholders understand and use its giving study findings. Here are some tips and guidance for conducting an analysis of a region’s overall giving data:

**Total giving.** One of the most important figures in a report will be a region’s total charitable giving for the year under study. This figure represents the total giving from foundations, corporations, individuals and charitable bequests, reported in the aggregate and broken out by the four giving sources.

**Trends over time.** A basic analysis is the calculation of the increase/decrease in a region’s total charitable giving since the last giving study, and the increase/decrease in grants, assets and number of grantmakers since the last giving study. This is one of the core pieces of information that people want to know, and is a key finding in most giving reports. In addition to reporting the change since the last study, the report should show the increases/decreases going back as many years as possible, to give a sense of the giving growth trends in the region. An analysis of trends over time should look at the region’s charitable giving as a whole as well as broken down by the four main giving sources (foundations, corporations, individuals, charitable bequests). It can be helpful to report these trends in both current and constant (inflation-adjusted) dollars.

**National comparisons.** It can be useful to compare a region’s giving trends with national giving trends, to determine if the regional giving trends are consistent with national trends or are bucking those trends. Many of an RA’s key stakeholders tend to be interested in national comparisons, particularly media reporters and an RA’s members.

For grantmaker data, the best source of national data for comparison is from the Foundation Center. The Center’s annual “Foundation Yearbook” provides national data on changes in grants, assets and number of grantmakers. The Yearbook can be purchased as part of the “Foundation Today Series” of research publications from the Center. Much of the Center’s overall grantmaking data and trends is available free from the Center’s website. For more information, go to fdncenter.org/research/trends_analysis.

For individual giving and charitable bequests, the best source of comparative national data is from the annual “Giving USA” report, published by the American Association of Fundraising Counsel. For more information, go to www.givingusa.org.

**Regional comparisons.** Most regional giving studies do not include comparisons with other regions of the country. But as more RAs begin to conduct regular regional giving studies using consistent data and methodologies, regional comparisons could become a useful analysis piece for a study. See Appendix 1 for a list of recent regional giving studies.

**RA members breakdown.** RAs may want to consider breaking out their overall grantmaking data by RA members vs. non-members in the region. This type of analysis could help demonstrate the impact that an
Analyzing Overall Giving

RA has in its region. For example, if a giving study shows that an RA’s members represent 70 percent of all grantmaking dollars in its region, this can be a powerful statement of an RA’s “clout” in the field and the community. If an RA’s grantmaking members include some grantmaker types not covered in its giving study (such as public grantmaking charities), it should exclude these grantmakers from the member/non-member analysis so that it is comparing “apples with apples.”

See the “Tips on Spotting Giving Trends” section for more guidance on analyzing data for a regional giving study.
Regional Giving Study Part Two: Grants Sample Analysis (Detailed Grantmaking Trends)

Part One of a regional giving study determines a region’s total grantmaking dollars, but does not give any details on how, where and to whom the grant dollars are directed. Getting to this next level of grantmaking research requires an analysis of a sample of grants that are representative of a region’s overall grantmaking. Each grant is coded by such categories as the subject area it supports (arts, education, etc.), the geographic focus of the grant, who benefits from the grant, and the type of support being provided (general operating, capital, etc.). An analysis of this coded grants sample can provide a wealth of data on grantmaking patterns and trends in a region.

Implementation Options for Conducting a Grants Sample Analysis

The coding and analysis of a sample grants database can be a relatively costly and time-intensive activity. An RA has several options for implementing the grants sample analysis:

1. **In-house research.** Conducting the grants sample analysis with in-house staff gives an RA ultimate control and ownership over the data it creates, allowing the RA maximum flexibility to use the data any way it wants. Staff can query and manipulate the data for any kind of information inquiry from media, members and other stakeholders; can use the data as the basis for smaller reports; and can even sell subscription access to the data online, as several regional associations have done successfully. On the down side, staffing an in-house research department can be a significant expense beyond the reach of smaller organizations. Much of this section of the Guide provides information and guidance for RAs that may be interested in conducting their own grants sample analysis in-house.

   A few regional associations of grantmakers currently manage their own in-house research staff to conduct their grants sample analysis and produce their regional giving studies. Two RAs that have been doing this for the longest period of time are the Donors Forum of Chicago and the Minnesota Council on Foundations. For a profile of how they conduct their in-house research, read the profile in Appendix 2.

2. **Consultants.** If an RA does not manage its own research staff to conduct a giving study, the obvious alternative is to hire outside consultants to do the work. A Forum task force has chosen the Foundation Center as the preferred vendor for providing sample grants coding and analysis services to RAs. There are many advantages to using the Foundation Center for this work. The Center provides the national data that are used for national-regional comparisons in regional giving studies, so involving them in the regional research ensures consistency. Also, the Center has a proven and established process in place to handle this type of research work.

   In 2003, the Center and the Forum established an agreement to provide RAs with grants sample data from its national database and conduct some basic analysis of that data, which an RA can use to produce a regional giving study. The cost for a basic state-level data set is about $4,500.
However, in most cases the state-level data set from the Center’s database will not be large enough to meet the desired grants sample thresholds (see the “Developing Sample Parameters” section). Additional grantmakers and grants will need to be added to the sample to reach these thresholds. The Center can supplement its national database with additional coding for a specific region. The costs for this additional work will vary from region to region, but are likely to be three or four times the cost of receiving the basic state-level data set analysis from the Center. For more information on the Center’s agreement with the Forum or on contracting with the Center, contact the Forum or the Center. Other consulting options include private companies such as Jankowski Associates and university-based operations such as the Center on Philanthropy at Indiana University. (For more information, see “Appendix 4: Regional Giving Studies Resource List.”)

(Note that even with this outside help from the Center, an RA will still be responsible for writing and producing the giving study report.)

3. Hybrid: Consultants plus in-house. A third option for conducting a grants sample analysis is to combine some outside consulting work with in-house staff. For example, an outside firm could provide the coded grants data, but in-house staff could analyze the data. This can allow an RA to develop some in-house expertise and have more control over the data, but without the expense of a full in-house research staff.)
How to Conduct a Grants Sample Analysis

A grants sample analysis involves the coding of all grants awarded in the research year by a sample of grantmakers from the region, usually the largest funders in the region. This section of the Guide covers all the steps for creating and analyzing a set of sample grants in order to identify detailed grantmaking trends for a regional giving study.

Developing Sample Parameters

The first step in conducting a grants sample analysis is to set some parameters about the grants sample to be coded and studied:

- **Sample size.** A key study parameter is the size of the sample of grantmakers to study. If the sample size is too large, the coding process will be unduly time-consuming and expensive. If the sample size is too small, there will be a lower degree of confidence that the funding trends and patterns identified in the analysis are representative of all grantmakers in the region.

  The Forum recommends that the total annual grants of the grantmakers in a regional giving study’s sample size **represent between 55 percent and 70 percent of the total annual grants for all funders in the region.** This size is large enough to give confidence in the results but not large enough to be overly onerous or costly for the coding and analysis process. RAs can conduct giving studies with smaller percentages, but 55-70 percent is the ideal maximum target.

  The ideal sample size will vary a bit from region to region, depending on the characteristics of the funders in the region. For example, if an RA’s region is home to a handful of very large foundations, it will probably want its grants sample size to be closer to 70 percent than 55 percent of all grants, so that the analysis is not skewed by the actions of a few funders. On the other hand, if a region has a large number of small and mid-sized foundations but few or no very large foundations, then a grants sample size that is closer to 55 percent of the region’s total grantmaking might be large enough to be representative of the region.

- **Minimum grant size.** Another key study parameter is the minimum grant size to code for the analysis. If all the grants are coded for each grantmaker in the sample, a great deal of time and expense will be devoted to coding very small grants that will not have much impact on the final study figures. If only grants above a minimum dollar amount are coded, an RA can save coding and analysis time and costs without impacting the study results in any significant way. However, if the minimum grant amount is set too high, an RA runs the risk of excluding a major category of funding from the analysis. For example, emergency grants to individuals are often for small dollar amounts, so if the minimum grant size is too high then the study results will not accurately reflect trends in emergency funding.

  The Forum recommends a **minimum grant size of between $2,000 and $5,000** for the grants sample analysis. This means that any grants awarded by grantmakers in the sample that are below the
minimum grant size are not coded for the study. The right grant size cut-off will vary from region to region, depending on such factors as the number of grants to be coded, the RA’s budget, the number of funders in the region, the number of grantmakers in the sample, etc.

- **U.S. vs. international grants.** Although many grantmakers fund organizations located outside the United States, the Forum recommends that regional giving studies limit the grants sample to grants awarded to U.S.-based charities. The grant coding process requires some knowledge of recipient organizations, including their purpose, populations served, etc. Gathering this information for international charities can often be difficult to do.

### Sources of Grants Sample Data

Once an RA sets the thresholds for its grants sample analysis, it needs to obtain the list of grants for all the grantmakers in its sample for the study’s research year. There are a few basic sources for these grants lists:

- **Grants lists from funders.** One of the best ways to gather grants data for a study’s grants sample analysis is to request grants lists directly from the funders in the sample. RAs should ask the funders to provide the lists in an electronic format (usually a Microsoft Excel or Microsoft Access format) and to supply all the required fields for each grant. RAs can even consider providing funders with guidelines on how to prepare the grants lists for the study. Not all grantmakers will be willing to provide their grants list, or to provide them in the requested formats, but many will if an RA has developed good relationships with them. A grants list should provide the following information on each grant:
  - Grantmaker Name.
  - Recipient Name.
  - Description of the Grant (a one-sentence description of the purpose of the grant).*
  - Grant Amount.
  - Year of Grant.
  - Support Type (general operating, capital, etc.).
  - Beneficiaries (the population group(s) served by the grant).

*Note: The grant description is one of the most important pieces of information, since it helps in many ways to determine the proper coding of a grant.

- **Annual reports.** The annual reports of foundations and corporate grantmakers typically include grants lists that can be useful for a grants sample analysis. Sometimes these reports will provide more details on grants than what is available from 990-PF tax forms.

- **990 & 990-PF tax forms.** Grants lists can be found on the 990-PF tax forms for private foundations and the 990 tax forms for community/public foundations. Often the grants lists in 990 and 990-PF returns will not be as complete as the grants provided directly by funders (some may not have grant
Grants Sample Analysis

descriptions, for example). But if an RA is not able obtain a grants list directly from a funder or from
the funder’s annual report, the 990-PF and 990 tax forms are the only other option (see the “Reading
990-PF and 990 Tax Forms” Section for more information on reading and using 990-PFs).

Coding the Grants
The coding process for a grants sample analysis involves collecting and coding the following data for
both the recipients of the grants and the grants themselves:

Recipient Record

Basic Data
• Recipient Name.
• Recipient City.
• Recipient State.

Categories to Code
• Subject Area of Recipient
  (the main subject area that the organization serves: arts, education, etc.).
• Geographic Focus of Recipient
  (the geographic area that the organization serves).
• Intended Beneficiary (Optional)
  (the main population group(s) the organization serves).

Optional Data
• Zip code.
• County.

(Note: Collecting recipients’ zip code and county data can often be most useful for purposes other than a
regional giving study, such as to develop giving reports by congressional district to provide to
legislators.)

Grant Record

Basic Data
• Grantmaker Name.
• Grant Amount.
• Year Awarded.

Categories to Code
• Subject Area of Grant
  (the main subject area/purpose for the grant: arts, education, etc.).
Grants Sample Analysis

- Geographic Focus of Grant  
  (the geographic area that the grant serves).
- Intended Beneficiary of the Grant (Optional)  
  (the main population group(s) served by the grant).
- Support Type (Optional)  
  (the type of funding provided by the grant: general operating, capital, etc.).

As noted in the list above, the data collection and coding process for the grants sample analysis involves entering some basic data about both the grant recipient and the grant (recipient name, dollar amount, etc.) and assigning some category codes to both the grant recipient and the grant. The Forum recommends that every regional giving study include a coding and analysis of subject area and geographic focus, while the support type and intended beneficiary categories are optional. See the “Categories for Grants Sample Analysis” section for more information on each of these four categories.

If a grant is for general, endowment, capital, continuing/annual or matching support, the recipient record’s subject area, geographic focus and beneficiaries/populations served will be the same for the grant record. If a recipient is an elementary school and it received a general operating grant, for example, then the subject area of the grant is also supporting elementary schools. But if a grant to an elementary school is a project grant for an arts program, the subject area for the grant would be coded under arts rather than education.

If no descriptive information is available for a grant, this is another case where the recipient record’s subject area, geographic focus and beneficiaries/populations served will be the same for the grant record. Even if the grant is for a project, if nothing is known about the project then the codes for the recipient will serve as the default codes for the grant.
Categories for Grants Sample Analysis

A regional giving study’s grants sample analysis involves the coding and analysis of two required categories and two optional categories:

*Required Categories:*
- Subject Area.
- Geographic Focus.

*Optional Categories:*
- Intended Beneficiary.
- Support Type.

The Forum recommends that every regional giving study include a coding and analysis of subject area and geographic focus, while the support type and intended beneficiary categories are optional.
Grants Sample Analysis

Subject Area

A key data component for any grants sample analysis is the subject area (sometimes called subject focus) category, which tracks the causes and issues that a region’s foundations and corporations are funding. Of all the parts of a regional giving study, the giving patterns and trends for subject areas often generate some of the greatest interest among an RA’s key stakeholders.

When coding and analyzing grants for subject area, the Forum recommends that RAs use the National Taxonomy of Exempt Entities (NTEE) grants classification system. NTEE was developed by the National Center for Charitable Statistics (NCCS). NCCS was once housed at Independent Sector, a national association of nonprofits and grantmakers, and is now at the Urban Institute’s Center on Nonprofits and Philanthropy. Many philanthropic research organizations use the NTEE system, including the Foundation Center. Using the NTEE system will allow RAs to make valid and consistent comparisons to grantmaking patterns and trends nationally and in other regions that also use the NTEE system.

The NTEE classification system is based on ten broad subject area categories:

1. Arts, Culture, and Humanities.
2. Education.
3. Environment and Animals.
5. Human Services.
7. Public, Societal Benefit.
8. Religion Related.
9. Mutual/Membership Benefit.
10. Unknown, Unclassified.

The first eight categories listed above are the primary focus of a subject area analysis for most regional giving studies. The NTEE system organizes 26 major field areas under these ten broad categories, and those 26 major field areas are then broken down into hundreds of subcategories and sub-subcategories. See Appendix 5 for a listing of the major NTEE categories and additional information about the NTEE system.

Analyzing Subject Area Data

After all the sample grants are coded for subject area, here are some common subject area analyses to include in a regional giving study:

- Total grant dollars by major category. Calculate the total grants paid in each of the eight major subject areas for the research year.
Grants Sample Analysis

- **Share of grants.** Calculate the share of total grant dollars going to each of the eight major subject areas for the research year.

- **Trends over time.** Calculate the growth trends over time (increases/decreases) for each of the eight major subject areas and for the subcategories within each major subject area. Show trends for both total grant dollars and share of grants by the eight major subject areas and the subcategories within each major subject area. In addition to reporting changes since the last study, the report should show the increases/decreases going back as many years as possible, to give a sense of the giving growth trends in the region. It can be helpful to report the grant dollars trends in both current and constant (inflation-adjusted) dollars.

- **Breakdowns by grantmaker type.** For each of the eight major subject areas, break out the key subject area data (for both total grant dollars and share of grants) by the three major grantmaker types (private foundations, community/public foundations, corporate grantmakers). Show trends over time.

- **Breakdowns by subcategory.** For each of the eight major subject areas, show the share of grant dollars going to each of the subcategories for the subject area (see Appendix 5 for a list of these subcategories). For example, break out the arts grants by museums, performing arts, etc.

- **Top grantmakers and recipients.** The sample grants data can be sorted to calculate the top five to 10 grantmakers and recipients in each of the eight major subject areas. Note: It is best to kept these subject area rankings fairly short. If the funder rankings are expanded beyond five or 10 organizations, an RA runs the risk of excluding an organization that is one of largest funders in a single subject area but is not among the grantmakers in the grants sample analyzed for the study.

- **National comparisons.** It can be useful to compare the subject area giving trends in the region with those nationwide, to determine if the regional giving trends are consistent with national trends or are bucking those trends. Many of an RA’s key stakeholders tend to be interested in national comparisons, particularly media reporters and an RA’s members. The best source of national subject area giving data is the Foundation Center’s annual “Foundation Giving” research report, which can be purchased as part of the “Foundation Today Series” of research publications from the Center. For more information, go to fdncenter.org/research/trends_analysis.

- **Regional comparisons.** Most regional giving studies do not include comparisons with other regions of the country. But as more and more RAs begin to conduct regular regional giving studies using consistent data and methodologies, regional comparisons by subject area could become a useful analysis piece for a study. See Appendix 1 for a list of recent regional giving studies.

- **RA members breakdown.** An RA may want to consider comparing the subject area giving patterns and trends of its members vs. non-members in the region. This type of analysis might demonstrate that funders exposed to an RA’s programs and networking fund differently than other funders in the region. If an RA’s grantmaking members include some grantmaker types not covered in its giving
Grants Sample Analysis

study (such as public grantmaking charities), it should exclude these grantmakers from the member/non-member analysis so that it is comparing “apples with apples.”
Geographic Focus

A giving study’s geographic focus analysis examines where grant dollars go in terms of geographic location. This analysis is often of great interest to many of the key audiences for a giving study report.

There are two different ways to analyze a region’s grantmaking in terms of geography:

- **The geographic location** of the grant recipient, which looks at the physical location of the organization receiving a grant.

- **The geographic service area** of the grant recipient, which looks at the geographic service area covered by a grant (if known) or the geographic service area covered by the grant recipient.

Both types of analyses can be useful to include in a regional giving study. The geographic location of grant recipients can be easier to code. But the geographic service area can be a more useful measure, since it reflects the regions benefitting from the funding (which are often different from the physical location of a grant recipient’s office).

The categories used for a geographic focus analysis will vary somewhat from region to region. For example, the Minnesota Council on Foundations’ “Giving in Minnesota” study breaks out grantmaking to the entire Twin Cities metropolitan vs. to rest of the state (“Greater Minnesota”). On the other hand, the Donors Forum of Chicago’s “Giving in Illinois” study provides a more detailed breakdown of giving by each county in the Chicago metropolitan area.

Due to the different geographic areas covered in regional giving studies, geographic focus data are the least useful part of a study in terms of making region-to-region comparisons. For those regional giving studies that cover an entire state, the following geographic focus categories can be compared from state to state:

**Geographic Location**

- Major metropolitan area(s): Giving to organizations or projects located in a specific metropolitan area in the state.
- Statewide: Giving to all organizations located in the state.
- National: Giving to U.S. organizations or projects located outside the state.

**Geographic Service Area**

- Major metropolitan area(s): Giving to organizations or projects that serve specific metropolitan areas in the state.
- Statewide: Giving to organizations or projects that serve the entire state.
- National Areas: Giving to organizations or projects that serve specific regions of the country outside of the state, but not the entire country (i.e., a grant to an organization that services a single city outside of the state covered in the regional giving study).
Grants Sample Analysis

- Nationwide: Giving to organizations or projects that serve all parts of the country — not just certain specific areas (i.e., a general operating grant to an organization with chapters in every state).
- International: Giving to organizations or projects that serve areas outside of the United States.

Analyzing Geographic Focus Data

After all the sample grants are coded for geographic focus, here are some common geographic focus analyses to include in a regional giving study:

- **Total grant dollars by geographic service area.** Calculate the total grants paid in each of the major geographic service areas for the research year.

- **Total grant dollars by geographic location.** Calculate the total grants paid in each of the major geographic locations for the research year.

- **Share of grants by geographic service area.** Calculate the share of total grant dollars going to each of the major geographic service areas for the research year.

- **Share of grants by geographic location.** Calculate the share of total grant dollars going to each of the major geographic locations for the research year.

- **Trends over time.** Calculate the growth trends over time (increases/decreases) for each of the major geographic service areas and geographic locations (for both total grant dollars and share of grants). In addition to reporting the change since the last study, the report should show the increases/decreases going back as many years as possible, to give a sense of the giving growth trends in the region. It can be helpful to report the grant dollars trends in both current and constant (inflation-adjusted) dollars.

- **Breakdowns by grantmaker type.** Break out the major geographic service area data (both total grant dollars and share of grants) by the three major grantmaker types (private foundations, community/public foundations, corporate grantmakers). Show trends over time.

- **Regional comparisons.** As noted above, the geographic focus category is one of the least useful categories for regional comparison in a giving study, given the variations in the geographic regions covered in the various studies. But some statewide studies could make some basic comparisons of such categories as the amount of giving going to metropolitan areas, to areas inside vs. outside of a state and to international areas. See Appendix 1 for a list of recent regional giving studies.

- **RA members breakdown.** An RA may want to consider comparing the geographic focus giving patterns and trends of its members vs. non-members in the region. This type of analysis might demonstrate that funders exposed to an RA’s programs and networking fund differently than other funders in the region. If an RA’s grantmaking members include some grantmaker types not covered in
its giving study (such as public grantmaking charities), it should exclude these grantmakers from the member/non-member analysis so that it is comparing “apples with apples.”
Intended Beneficiary

A regional giving study’s intended beneficiaries analysis examines the specific population groups that are intended to benefit from a grant (or that are the intended beneficiaries of a grant recipient organization’s work).

The Forum recommends that regional giving studies code grants for intended beneficiary using the Foundation Center’s grants classification system. Using this system will allow for comparisons of the study’s results with national data from the Center and with data from other regional giving studies using the same classification system. The grants classification system identifies 21 major beneficiary groups (see Appendix 6 for the complete list of intended beneficiary categories in the Center’s grants classification system).

Grants should be coded for intended beneficiary whenever the beneficiary of the grant is noted in the grant description or is clear from the name and purpose of the recipient organization.

Key Research Issues & Challenges

In developing a regional giving study, RAs must address the following key research issues and challenges in collecting and coding sample grants for intended beneficiary:

- **Identifying intended beneficiaries.** Grants cannot be coded for their intended beneficiaries without some type of grant description being available or without some knowledge of a grant recipient organization’s intended beneficiaries. Even with a grant description, it may not be possible to determine the intended beneficiary of a grant. An RA should strive to code as many grants as possible by intended beneficiary, so that the results can represent regional grantmaking trends with a fair degree of confidence. But since it is highly likely that some grants list will not include grant descriptions, it may not be possible to code 100 percent of the sample grants for intended beneficiary.

- **Multiple beneficiaries.** Many grants may benefit multiple population groups, so a regional giving study may want to assign multiple beneficiary groups to a single grant in certain cases (see Appendix 6 for more guidance).

- **General public.** It is likely that many grants will not benefit a specific population group and will therefore be coded under the “general public” beneficiary category. The “general public” category is often the largest beneficiary category in a giving study’s analysis of grantmaking to specific population groups.

Analyzing Intended Beneficiary Data

After all the sample grants are coded for intended beneficiaries, here are some common beneficiary analyses to include in a regional giving study:
Grants Sample Analysis

- **Total grant dollars by intended beneficiary.** Calculate the total grants paid for each of the intended beneficiary categories for the research year.

- **Share of grants by intended beneficiary.** Calculate the share of total grant dollars going to each of the intended beneficiary categories for the research year.

- **Trends over time.** Calculate the growth trends over time (increases/decreases) for each of the intended beneficiary categories (for both total grant dollars and share of grants). In addition to reporting the change since the last study, the report should show the increases/decreases going back as many years as possible, to give a sense of the giving growth trends in the region. It can be helpful to report the grant dollars trends in both current and constant (inflation-adjusted) dollars.

- **Breakdowns by grantmaker type.** Break out the intended beneficiary categories data (both total grant dollars and share of grants) by the three major grantmaker types (private foundations, community/public foundations, corporate grantmakers). Show trends over time.

- **National comparisons.** It can be useful to compare the intended beneficiary giving trends in the region with those nationwide, to determine if the regional giving trends are consistent with national trends or are bucking those trends. Many of an RA’s key stakeholders tend to be interested in national comparisons, particularly media reporters and an RA’s members. The best source of national intended beneficiary giving data is from the Foundation Center’s annual “Foundation Giving” research report, which can be purchased as part of the “Foundation Today Series” of research publications from the Center. For more information, go to fdncenter.org/research/trends_analysis.

- **Regional comparisons.** Most regional giving studies do not include comparisons with other regions of the country. But as more and more RAs begin to conduct regular regional giving studies using consistent data and methodologies, regional comparisons by intended beneficiary could become a useful analysis piece for a study. See Appendix 1 for a list of recent regional giving studies.

- **RA members breakdown.** An RA may want to consider comparing the intended beneficiary giving patterns and trends of its members vs. non-members in the region. This type of analysis might demonstrate that funders exposed to an RA’s programs and networking fund differently than other funders in the region. If an RA’s grantmaking members include some grantmaker types not covered in its giving study (such as public grantmaking charities), it should exclude these grantmakers from the member/non-member analysis so that it is comparing “apples with apples.”
Grants Sample Analysis

Support Type

A regional giving study’s support type analysis examines the specific types of funding provided by a region’s grantmakers.

The Forum recommends that regional giving studies code grants for support type using the Foundation Center’s grants classification system. Using this system will allow for comparisons of the study’s results with national data from the Center and with data from other regional giving studies using the same system. The grants classification identifies 42 support type categories within nine major categories:

- General support.
- Capital support.
- Program support.
- Student aid funds (excluding grants paid directly to individuals).
- Research.
- Emergency funds.
- Technical assistance.
- Program evaluation.
- Other.

See Appendix 7 for the complete list of support type categories in the grants classification system.

Key Research Issues & Challenges

- **Identifying support type.** Grants cannot be coded for their type of support without some type of grant description being available. Even with a grant description, it may not be possible to determine the type of support for a grant. An RA should strive to code as many grants as possible by type of support, so that the results can represent regional grantmaking trends with a fair degree of confidence. But since it is highly likely that some grants list will not include grant descriptions, it may not be possible to code 100 percent of the sample grants for type of support.

Analyzing Support Type Data

After all the sample grants are coded for support type, here are some common support type analyses to include in a regional giving study:

- **Total grant dollars by types of support.** Calculate the total grants paid for each of the support type categories for the research year.

- **Share of grants by types of support.** Calculate the share of total grant dollars going to each of the support type categories for the research year.
Grants Sample Analysis

- **Trends over time.** Calculate the growth trends over time (increases/decreases) for each of the support type categories (for both total grant dollars and share of grants). In addition to reporting the change since the last study, the report should show the increases/decreases going back as many years as possible, to give a sense of the giving growth trends in the region. It can be helpful to report the grant dollars trends in both current and constant (inflation-adjusted) dollars.

- **Breakdowns by grantmaker type.** Break out the support type categories data (both total grant dollars and share of grants) by the three major grantmaker types (private foundations, community/public foundations, corporate grantmakers). Show trends over time.

- **National comparisons.** It can be useful to compare the support type giving trends in the region with those nationwide, to determine if the regional giving trends are consistent with national trends or are bucking those trends. Many of an RA’s key stakeholders tend to be interested in national comparisons, particularly media reporters and an RA’s members. The best source of national support type giving data is from the Foundation Center’s annual “Foundation Giving” research report, which can be purchased as part of the “Foundation Today Series” of research publications from the Center. For more information, go to fdncenter.org/research/trends_analysis.

- **Regional comparisons:** Most regional giving studies do not include comparisons with other regions of the country. But as more and more RAs begin to conduct regular regional giving studies using consistent data and methodologies, regional comparisons by type of support could become a useful analysis piece for a study. See Appendix 1 for a list of recent regional giving studies.

- **RA members breakdown.** An RA may want to consider comparing the support type giving patterns and trends of its members vs. non-members in the region. This type of analysis might demonstrate that funders exposed to an RA’s programs and networking fund differently than other funders in the region. If an RA’s grantmaking members include some grantmaker types not covered in its giving study (such as public grantmaking charities), it should exclude these grantmakers from the member/non-member analysis so that it is comparing “apples with apples.”
Regional Giving Studies Framework

Research Year
June 1 of the research year to May 31 of the following year.

Part One: Overall Giving Analysis
Overall Grantmaking
Core Grantmaker Types to Study:
Private foundations.
Community/public foundations.
Corporate foundations and corporate giving programs.

Core Data to Collect:
Grants paid.
Assets.
Total number.
Breakdown by type.

Individual Giving
Current individual giving.
Charitable bequests.

Part Two: Grants Sample Analysis
Grants Sample Parameters:
Sample size: 55-70% of region’s total annual grants.
Minimum grant size: $2,000 - $5,000.
U.S. grants only.

Required Categories:
Subject Area.
Geographic Focus.

Optional Categories:
Intended Beneficiary.
Support Type.
Reading 990-PF and 990 Tax Forms

When conducting research for a regional giving study, here are some instructions and guidelines for finding key giving study data on 990-PF tax forms (for private foundations, including corporate foundations) and 990 tax forms (for community/public foundations).

(Note: Most foundations’ 990 and 990-PF tax forms can be accessed free of charge at GuideStar’s website: www.guidestar.org.)

Reading 990-PF Forms (for private foundations, including corporate foundations)

- **Assets.** A foundation’s end-of-year asset figure (at fair market value) can be found in Box I at the top section of page 1 of the 990-PF form (see No. 2 in the 990-PF sample on the next page). If this box is blank, use the asset figure in Part II, Line 16, Column C on page 2 of the form.

- **Grants paid.** A foundation’s total grants paid figure can be found in Part I, Line 25, Column D of the 990-PF form (see No. 4 in the 990-PF sample on the next page). If the box in Column D is blank, then use Line 25, Column A. The figure in Line 25, Column D is for actual monies that the foundation paid in grants for the filing year. It does not include grants authorized but not paid in the filing year. The figure in Line 25, Column A is for grants authorized for the year of filing but not necessarily paid. In most cases, the two columns report the same figure. Occasionally Column D will be blank, in which case the grants figure in Column A should be used.

- **Gifts received.** The total gifts received by the foundation during the filing year can be found in Part I, Line 1, Column A on page 1 of the 990-PF form (see No. 3 in the 990-PF sample on the next page).

- **Board members.** The names of a foundation’s board members are listed in Part VIII, Section 1 on page 6 of the 990-PF form. Often the board members will be listed in an attachment. If a giving study includes an analysis of giving by family foundations, the board list can be useful in helping determine if a foundation should be classified as a family foundation.

- **Grants list.** Information on the grants awarded by the foundation during the filing year are listed in Part XV on page 10 of the 990-PF form. Often the grants will be listed in an attachment. The grants lists in 990-PF forms can be useful for a giving study’s grants sample analysis, if the lists cannot be obtained directly from the funder or from an annual report.

- **Terminated foundations.** If a foundation has terminated, the “Final Return” box will be checked on the top of page 1 of the 990-PF form (see No. 1 in the 990-PF sample on the next page). It is necessary to identify terminated foundations in order to determine an accurate number of active foundations in a region for the giving study analysis.
**Form 990-PF**  
Return of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation  

### 2003  

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<tr>
<th>For calendar year 2003, or tax year beginning</th>
<th>MAY 1, 2003, and ending</th>
<th>APRIL 30, 2004</th>
</tr>
</thead>
</table>

**1. Name of organization**  
FOUNDAATION, INC.  

**2. Address**  
AVENUE NORTH, SUITE 100  
MINNEAPOLIS, MN 55429-3115  

**3. City, town, state, and ZIP code**  
MINNEAPOLIS, MN 55429-3115  

**4. Telephone number**  

**5. Check type of organization**  
- [ ] Section 501(c)(3) exempt private foundation  
- [ ] Section 4947(a)(1) nonexempt charitable trust  
- [ ] Other tax-exempt private foundation  
- [ ] Other (specify)  

**6. Fair market value of all assets at end of year**  

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<th>(b) Investment income</th>
<th>(c) Adjusted net income</th>
<th>(d) Disclosures of unrelated business (see table 1)</th>
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**8. Not short-term debt**  

**14. Other income**  

### Notes  
- Submit a copy of this return to the IRS if required.  
- Use the IRS label or type.  
- No copy of this return is required if it is not mailed in a timely manner.  
- For Paperwork Reduction Act Notice, see the instructions.
Reading 990-PF and 990 Tax Forms

Reading 990 Forms (for Community/Public Foundations)

(Note: Some community/public foundations’ total grants paid and asset figures may be divided up on separate 990 tax forms, such as those for a supporting organization or some other legal entity associated with the foundation. When possible, data from a community/public foundation’s 990 form should be verified by the foundation.)

- **Grants paid.** A community/public foundation’s grants paid figure can be found in Part II, Line 22, Column A on page 2 of the 990 form (see No. 1 in the 990 sample below).

- **Gifts received.** A community/public foundation’s total gifts received figure can be found in Part I, Line 1d on page 1 of the 990 form (see No. 2 in the 990 sample below).

```
Part II | Statement of Functional Expenses

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<th>(B) Program services</th>
<th>(C) Management and general</th>
<th>(D) Fundraising</th>
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---

Form 990

**Return of Organization Exempt From Income Tax**

**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except social welfare benefit trust of private foundation)**

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2002 calendar year, or tax year beginning JULY 1, 2002, and ending JUNE 30, 2003**

**B**

- **Check if applicable:**
  - Address change
  - Name change
  - Issued return
  - Final return
  - Amended return
  - Application pending

**C**

- **Name of organization:** COMMUNITY FOUNDATION
- **Address:**
  - City or town: 
  - State or country: 
  - ZIP + 4

**D**

- **Employer identification number:**
- **Telephone number:**
- **Accounting method:**
  - Cash
  - Accrual

**E**

- **Organization type:**
  - 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)
  - H(a) Is this a group return for affiliates? Yes No
  - H(b) If "Yes," enter number of affiliates
  - ( "Yes")
  - H(c) Are all affiliates included? Yes No
  - H(d) Is this a separate return filed by an organization covered by a group return? Yes No

**F**

- **Gross receipts:**
  - Add lines 8b, 9a, and 10b (if any): 3,835,421

**Part II | Revenue, Expenses, and Changes in Net Assets or Fund Balances**

<table>
<thead>
<tr>
<th>(See page 17 of the instructions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Contributions, gifts, grants, and similar amounts received</td>
</tr>
<tr>
<td>a Direct public support</td>
</tr>
<tr>
<td>b Indirect public support</td>
</tr>
<tr>
<td>c Government contributions (grants)</td>
</tr>
<tr>
<td>d Total (add lines 1a through 1c)</td>
</tr>
</tbody>
</table>
• **Assets.** A community/public foundation’s end-of-year asset figure (at fair market value) can be found in Part IV, Line 59, Column B on page 3 of the 990 form (see No. 3 in the 990 sample below).

<table>
<thead>
<tr>
<th>Part IV</th>
<th>Balance Sheets (See page 24 of the instructions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>Where required, attached schedules and amounts within the description column should be for end-of-year amounts only</td>
</tr>
<tr>
<td>45</td>
<td>Cash — non-interest-bearing</td>
</tr>
<tr>
<td>46</td>
<td>Savings and temporary cash investments</td>
</tr>
<tr>
<td>47a</td>
<td>Accounts receivable</td>
</tr>
<tr>
<td>47b</td>
<td>Less: allowance for doubtful accounts</td>
</tr>
<tr>
<td>48a</td>
<td>Pledges receivable</td>
</tr>
<tr>
<td>48b</td>
<td>Less: allowance for doubtful accounts</td>
</tr>
<tr>
<td>49</td>
<td>Grants receivable</td>
</tr>
<tr>
<td>50</td>
<td>Receivables from officers, directors, trustees, and key employees (attach schedule)</td>
</tr>
<tr>
<td>51a</td>
<td>Other notes and loans receivable (attach schedule)</td>
</tr>
<tr>
<td>51b</td>
<td>Less: allowance for doubtful accounts</td>
</tr>
<tr>
<td>52</td>
<td>Inventories for sale or use</td>
</tr>
<tr>
<td>53</td>
<td>Prepaid expenses and deferred charges</td>
</tr>
<tr>
<td>54</td>
<td>Investments — securities (attach schedule) □ Cost ☒ FMV</td>
</tr>
<tr>
<td>55a</td>
<td>Investments — land, buildings, and equipment basis</td>
</tr>
<tr>
<td>55b</td>
<td>Less accumulated depreciation (attach schedule)</td>
</tr>
<tr>
<td>56</td>
<td>Investments — other (attach schedule) □ Cost ☒ FMV</td>
</tr>
<tr>
<td>57a</td>
<td>Land buildings, and equipment basis □ Cost ☒ FMV</td>
</tr>
<tr>
<td>57b</td>
<td>Less accumulated depreciation (attach schedule)</td>
</tr>
<tr>
<td>58</td>
<td>Other assets (describe ☒ CHARITABLE REMAINDER TRUSTS)</td>
</tr>
<tr>
<td>59</td>
<td>Total assets (sum lines 45 through 58) (total equal line 74)</td>
</tr>
<tr>
<td>60</td>
<td>Accounts payable and accrued expenses</td>
</tr>
<tr>
<td>61</td>
<td>Grants payable</td>
</tr>
<tr>
<td>62</td>
<td>Deferred revenue</td>
</tr>
</tbody>
</table>

• **Grants list.** Information on the grants awarded by a community/public foundation during the filing year will be listed in an attachment. You can usually find the attachment number referenced in Part III on page 2 of the 990 form.
Tips on Spotting Giving Trends

When analyzing the research data for a regional giving study, both for the overall giving analysis (Part One) and the grants sample analysis (Part Two), here are some tips for spotting notable giving trends and highlights:

- **Look for unusually high increases or decreases.** If a particular giving figure (total giving, grants paid, assets, etc.) has posted an increase or decrease from the previous study that is higher or lower than normal, this is worth noting (for example, the largest annual increase in the region’s total grants paid in 10 years).

- **Look for differences between types of giving.** Compare the increases/decreases in giving between foundations, corporations, community foundations and individuals. Any type of giving that is much higher or lower than the other types is worth noting (for example, corporate grantmakers increased their grants 15 percent while both private and community foundations saw drops in grantmaking).

- **Look for large variances from national data.** If giving overall or by type is much higher or lower than the national average, this can be worth noting (for example, the percentage of a state’s grants going to general operating support is double the national average).

- **Look for new highs or lows.** Any new highs or lows in the history of a regional giving study are worth noting in a report, such as the highest-ever annual/biannual increase in grants, highest-ever total grants paid, etc.

- **Look for firsts.** Any type of “first” is worth noting in a report, such as the first time that foundation assets have declined in the region or the first time that total grants paid have increased less than 10 percent.

- **Explain trends and highlights.** Be sure to dig into the data to provide explanations for any large changes in giving, to help readers better understand and use a giving report’s findings. For example, if the share of a region’s grantmaking to the arts doubled in a two-year period, what is the reason for this jump? Is it due primarily to an increase in arts grantmaking by just one foundation, or an across-the-board increase in arts funding from many grantmakers? These two explanations tell two very different stories about what’s happening with arts funding in the region.
Publishing the Giving Report: Putting It All Together

Writing the Report

Once all the grants are coded and all the data are gathered and analyzed, it’s time to write the giving report’s narrative. This is a key activity, because it is where the report can help an RA’s stakeholders understand and make sense of the giving patterns and trends discovered in the research.

A complete regional giving report should have several main sections:

- Figures and Tables Index: If your report contains a large number of figures and tables, consider creating an index to make them easier to find.
- Executive summary: A summary of the report’s key findings.
- Giving overview: A presentation of the key findings from the overall giving analysis.
- Foundation and corporate giving trends: A presentation of the key findings from the grants sample analysis.
- Methodology: An explanation the methodology used for the research.
- Appendices: Consider listing large tables, grantmaker rankings and other detailed data in appendices.

Full & Summary Reports

Full regional giving reports often provide a great deal of data and information and can become quite lengthy. So it is often a good idea to prepare a summary report (about two to four pages in length) that presents the report’s key findings. A summary report can often meet many people’s information needs, and can save on printing costs for the full report. A summary report is a quick-and-easy download from a website, and can be a useful insert in many different types of information packets—including an RA’s press kits, legislative packets and membership recruitment packets.

Designing & Printing the Report

The design and layout of a regional giving report can make a big difference in helping people understand and interpret the research data from a regional giving study. Here are some things to keep in mind when designing and printing a giving report:

- **Graphics.** Pie charts, bar graphs and tables are useful graphical elements for any regional giving report. They help communicate research findings in a clear and concise way, and add visual appeal to a page layout.
- **Page layout.** Giving reports often contain a great deal of information, so try to create page layouts that are not overly crowded and dense. This will help make the report easier to read.
Publishing the Giving Report

- **Section layout.** Design the report to be as easy as possible to navigate through so that people can quickly find the information they want in the report. People typically don’t read a giving report from front to back, but instead use it to find a specific piece of data. So break up the report into different sections, and make good use of indexes and a table of contents.

- **Use color and photos.** Using color and photos in a giving report can help to make a report more readable and approachable, but can also add significant expense to a report’s production costs. If an RA is using the factual communications model for its giving report (see “Regional Giving Study Communications Models” in Section One of the Guide), then it may want to forgo a lot of color and photos. But if the report’s findings are being communicated under a promotional or motivational model, then photos and color may be more appropriate to help implement the communications strategy. Some regional associations have used color and photos in their smaller summary reports but not in the complete giving report.

Distributing & Selling the Report

RAs typically use several basic tactics to distribute their giving study reports to their key audiences/stakeholders (see “Key Audiences/Users of Studies” in Section One of the Guide):

**Mailings**
Upon the initial release of a new regional giving report, an RA should mail copies of the report along with an appropriate cover letter to the following audience groups, at a minimum:

- **Members.** Mail a copy of the report to all RA members, along with a cover letter to position the report as benefit of membership and to thank all members who submitted information for the report. To save costs, it is advisable to send just one copy of the full report to each member organization, although the RA may want to consider sending a copy of a smaller summary giving report to all staff and trustees of its member organizations.

- **Media.** Send a copy of the report to key media reporters that cover the field in the RA’s region, along with a cover letter that positions the RA as a key source for information on philanthropy in the region — as exemplified by the report.

- **Legislators.** Consider sending a copy of a summary report to all state and federal legislators, along with a cover letter that uses the report to stress the strengths and limitations of philanthropy in the region and to demonstrate the philanthropy field’s willingness to be open and accountable.

- **Community partners.** Send a copy of the report to key community and nonprofit partner organizations in the region, along with a cover letter positioning the report as a demonstration of the philanthropy field’s willingness to be open and accountable.

- **Libraries.** Key local libraries in the region would appreciate receiving a complimentary copy of the giving report for their shelves. In particular, send the report to any libraries that house Foundation Center Cooperating Collections (view a list of FCCCs nationwide at www.fdncener.org) or that have good collections of nonprofit and foundation resources.
Publishing the Giving Report

Website
An RA’s website is an ideal distribution vehicle for a regional giving report. An RA should make its report (or at least a summary giving report) available free for download from its website.

Information Packets
The summary version of a regional giving report is a good insert for information packets that an RA prepares for the media, legislators, potential members and other key purposes.

Report Sales
An RA can also consider selling copies of its full regional giving report. Some RAs sell their reports for between $15 and $25. However, most RAs report that regional giving reports are not big revenue generators, so an RA should not plan to sell its giving report with the goal of earning enough revenue to cover all study costs.
Other Types of Giving Studies

In addition to the traditional regional giving studies and reports described in this Guide, some regional associations have been involved in conducting other types of regional giving research. Here’s a brief summary of some of the most common types of regional giving research beyond an analysis of giving patterns and trends:

Outlook Reports

While regional giving studies look at past patterns and trends for a region’s philanthropy, outlook reports provide estimates of what a region’s giving will look like in the future. Most outlook reports focus just on giving by foundations and corporations, and are based on a survey of a region’s funders. In the survey, funders are asked to provide their best estimates of how much their grantmaking will increase/decrease in the coming year. Some outlook surveys also ask questions about expected changes in grantmaking strategies or programs.

Outlook reports can be particularly useful in helping nonprofits and funders with their planning, and media reporters are often interested in writing about the future outlook for a region’s giving (sometimes even more so than writing about past giving patterns and trends). Legislators are another good audience for an outlook report.

Some regional associations incorporate findings from their outlook survey into their regional giving study, to provide a full look at both past and future giving in a region. But there can be some added value in releasing an outlook report on its own, so that it doesn’t get lost amid the regional giving study and provides a separate opportunity for an RA to gain some visibility with its key stakeholders.

When conducting an outlook survey, try to keep it as short as possible to ensure greater participation. The turnaround time for producing an outlook report should be short, to maintain the relevancy of the data.

See Appendix 8 for a sample of some RA’s outlook surveys and links to some outlook reports.

Grantmaker Rankings

A few regional associations prepare annual rankings of a region’s top grantmakers, which are of interest to a wide range of audiences.

For example, each summer the Minnesota Council on Foundations conducts an annual survey of the state’s 100 largest foundations and corporate grantmakers to gather their grants and asset figures for the previous year. Based on the results of that survey and follow-up research by Council staff, each fall the Council releases rankings of the state’s 50 largest grantmakers by grants paid, 50 largest foundations by asset size, 25 largest private foundations, 25 largest corporate grantmakers, and 10 largest community/public foundations. The Council posts the rankings on its website, and the rankings are
Other Types of Giving Studies

published in various formats in at least four different local media outlets. Each December the Minneapolis Star Tribune newspaper publishes a special “Top 25 Minnesota Grantmakers” section based on the Council’s rankings, which features additional editorial content to which the Council often contributes. The region’s weekly business journal and monthly business magazine also publish the rankings each year as part of special philanthropy issues.

See Appendix 9 for a sample of the survey and cover letter used by the Council to gather grantmaker ranking data. You can view the Council’s latest rankings on its website at www.mcf.org/mcf/giving/top50.htm.

Administrative Expense Reports

In 2004, the Donors Forum of Chicago published a new type of research report that analyzed private foundation administrative expenses data for its membership. Given the recent attention to foundation administrative expenses by many policy makers and media reporters, the report intended to provide some objective data on this issue.

To prepare the report, DFC analyzed the administrative expense data on the 990-PF forms of 100 Illinois-based private non-operating foundations among its membership. The report looked at median administrative costs as a percent of both average assets and grants, and analyzed administrative expenses by category. A key finding in the report is that administrative expenses can vary widely depending on a foundation’s mission and grantmaking strategy, so any analysis of these data must be done with great caution.

Expanding foundation administrative expenses research to other regions could help create a broader body of objective data about foundation administrative practices across the country, which could help inform grantmakers’ work, increase the public’s understanding of how foundations operate, and defend the field against its critics. DFC’s report, “Interpreting Form 990-PF: Looking Beyond Foundation Administrative Expenses,” is available for download in PDF format at: www.donorsforum.org/forms_pdf/990PF-report.pdf

Subject Area Reports

In 2002, the Minnesota Council on Foundations expanded is regional giving research by conducting in-depth studies of specific funding areas and issues. These reports expand on the Council’s regional giving studies, which offer quantitative research of the region’s entire grantmaking field, by providing in-depth qualitative research on a more narrow part of the field.

The Council published its first subject area report, on Minnesota arts funding, in 2002, and followed up in 2004 with a report on youth development. The research methodology for both reports involved a survey of local nonprofits providing services in the subject area, one-on-one interviews with local grantmakers
Other Types of Giving Studies

that are leaders in supporting the subject area, and an analysis of relevant data from the Council’s regional giving studies. The reports have served as neutral forums for the state’s grantmakers and grantseekers to speak about the current issues, challenges and funding gaps for the subject area, in order to help advance the public dialogue around the issue and provide information that may be useful to others interested in funding the issue.

The reports have been the basis for member programs at the Council and have been presented and distributed at programs, convenings and conferences put on by other organizations. Council members have used the reports in various ways as a source of objective data to help advance their own efforts around the issues addressed in the reports. The reports have also generated considerable media coverage and editorials that helped to further advance the public dialogue around the report’s subject areas.

The arts report, “Minnesota Arts Funding: Observations and Reflections,” is available for download at: www.mcf.org/mcf/giving/artsfunding.htm


Individual Giving & Volunteering Reports

The research on individual giving in most regional giving studies is focused primarily on how much money individuals give to charity. But these studies don’t offer any information on which causes individuals give to, what motivates them to give, their patterns and methods of giving, or how they volunteer. Providing this type of information requires an in-depth survey of individuals that is beyond the time and budget constraints of most regional giving studies. But regional associations could achieve some economies of scale if they pooled their resources to conduct a common survey.

For regions that may be interested in conducting a regional study of individual giving and volunteering, several good models exist, including the following studies:

- **Arizona Giving and Volunteering** (2003)
  Arizona State University Center for Nonprofit Leadership and Management
  www.asu.edu/copp/nonprofit/res/res_givvol.htm

- **Charitable Giving and Volunteering in New Hampshire** (2003)
  Giving New Hampshire, New Hampshire Charitable Foundation.

Other Types of Giving Studies

Community Foundation Silicon Valley.
www.cfsv.org/documents/GivingBackSVWay2.pdf

• **Giving and Volunteering in California** (2000)
  University of San Francisco Institute for Nonprofit Organization Management.

• **Michigan Giving & Volunteering** (2004)

**Center on Philanthropy at Indiana University**
In addition, the Center on Philanthropy at Indiana University has conducted two recent regional giving studies that have included household surveys to analyze subject area giving patterns for individual gifts:

• **Giving Memphis 2003**
  AAFRC Trust for Philanthropy, Center on Philanthropy at Indiana University (2003).
  www.grantcenter.org/givngmemphis.htm

• **Indiana Gives 2004**
  Center on Philanthropy at Indiana University (2004).
  www.philanthropy.iupui.edu/Indiana_Gives_key_findings.pdf
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>990 Form</strong></td>
<td>The annual IRS tax form that all nonprofit organizations except private foundations must file (including community/public foundations).</td>
</tr>
<tr>
<td><strong>990-PF Form</strong></td>
<td>The annual IRS tax form that all private foundations must file.</td>
</tr>
<tr>
<td><strong>Active grantmakers</strong></td>
<td>Grantmakers that are actively making grants during the research year of a regional giving study.</td>
</tr>
<tr>
<td><strong>Adjusted gross income</strong></td>
<td>A person’s taxable income from all sources minus certain deductions. This figure is reported on the IRS Statistics of Income (SOI) report and can be used as part of a regional giving study’s individual giving analysis.</td>
</tr>
<tr>
<td><strong>Annual reports</strong></td>
<td>Reports published by some foundations and corporate grantmakers to highlight their accomplishments and present their financial data for a single year. Grantmakers are not required to file annual reports.</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>The dollar value of a foundation’s endowment.</td>
</tr>
<tr>
<td><strong>Community foundation</strong></td>
<td>A tax-exempt, nonprofit, autonomous, publicly supported, non-sectarian philanthropic institution with a long-term goal of building permanent, named component funds established by many separate donors for the broad-based charitable benefit of the residents of a defined geographic area, typically no larger than a state.</td>
</tr>
<tr>
<td><strong>Community/public foundation</strong></td>
<td>A term used to define both community foundations and public grantmaking foundations.</td>
</tr>
<tr>
<td><strong>Community funds</strong></td>
<td>Charitable funds housed at community/public foundations that focus on the needs of a specific geographic region.</td>
</tr>
<tr>
<td><strong>Corporate foundation</strong></td>
<td>A private foundation that is operated by a corporation and funded by the corporation’s profits. In many cases, companies will distribute their charitable gifts through both a foundation and a corporate giving program.</td>
</tr>
<tr>
<td><strong>Corporate giving program</strong></td>
<td>A charitable giving program operated by a corporation and funded as part of its annual operating budget. A corporate giving program has no independent endowment, and its budget is typically administered by corporate staff and directed by the CEO or an advisory committee of management staff members. A corporate giving program is not subject to the rules and regulations governing private corporate foundations.</td>
</tr>
<tr>
<td><strong>Corporate social responsibility</strong></td>
<td>The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.</td>
</tr>
<tr>
<td><strong>Donor-advised fund</strong></td>
<td>A charitable giving fund in which donors are actively involved in recommending how the funds’ grants are distributed. Donor-advised funds can be set up by individuals, families or corporations, and can be housed at community/public foundations, nonprofit organizations and mutual fund foundations.</td>
</tr>
</tbody>
</table>
Glossary

companies and brokerage firms.

Family foundation A private foundation established by an individual donor with the donor and/or the donor’s family playing a significant governing role.

Geographic focus Where grant dollars go in terms of geographic location. There are two different ways to analyze a region’s grantmaking in terms of geography: the geographic location of the grant recipient, which looks at the physical location of the organization receiving a grant; and the geographic service area of the grant recipient, which looks at the geographic service area covered by a grant (if known) or the geographic service area covered by the grant recipient.

Gifts received Charitable donations received by a foundation or other nonprofit organization within a specific period of time, usually a year.

Grants classification system A coding system developed by the Foundation Center to classify grants by subject area, intended beneficiary and support type for the purposes of research and analysis.

Grants paid The total grant dollars paid by a grantmaker within a specific period of time, usually a year.

Grants sample analysis An analysis of grants awarded by a sample of the largest funders in a region for the research year, coded by subject area, geographic focus, type of support and/or intended beneficiary.

In-kind donations Companies’ donations of their products or services to charity.

Independent private foundation A private foundation where no or few family members of the original donor are actively involved in the foundation’s operations.

Individual giving Charitable giving that comes from individual persons rather than from philanthropic institutions.

Intended beneficiary The specific population groups that are intended to benefit from a grant (or that are the intended beneficiaries of a grant recipient organization’s work).

Itemizers People who itemize their tax deductions (including charitable deductions) on their annual IRS tax returns, and whose charitable gifts are the source of charitable giving data from the IRS Statistics of Income (SOI) reports.

National Taxonomy of Exempt Entities (NTEE) A grants classification system used to code and categorize grants by subject area for a grants sample analysis.

Overall giving analysis One of two major components of a complete regional giving study, which analyzes basic overall giving data for all grantmakers and individuals in a region.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall grantmaking analysis</strong></td>
<td>Part of a regional giving study’s overall giving analysis that provides an overall picture of the total size and make-up of grantmaking by foundations and other funders in a region.</td>
</tr>
<tr>
<td><strong>Pass-through fund</strong></td>
<td>A fund at a community/public foundation that does not have an endowment but instead are used by a donor as a vehicle to spend — or pass through — all of the money put into the fund each year.</td>
</tr>
<tr>
<td><strong>Private foundation</strong></td>
<td>A tax-exempt 501(c)(3) organization with a principal fund and/or other assets that aids public charities primarily by making grants within specific IRS regulations.</td>
</tr>
<tr>
<td><strong>Public grantmaking charities</strong></td>
<td>Public charities that make grants but do not meet the criteria of a community foundation or a public grantmaking foundation. Unlike public grantmaking foundations, other types of public grantmaking charities tend to put more emphasis on their direct charitable services than on their grantmaking.</td>
</tr>
<tr>
<td><strong>Public grantmaking foundation</strong></td>
<td>A public charity whose primary purpose is grantmaking to multiple individuals or organizations and whose sources of support are predominantly private rather than governmental. As distinguished from most public charities, public grantmaking foundations focus more on grantmaking than on providing direct charitable services.</td>
</tr>
<tr>
<td><strong>Research year</strong></td>
<td>The range of fiscal year end dates to include in a regional giving study, which the Forum recommends to be fiscal years ending between June 1 of the year being studied to May 31 of the following year.</td>
</tr>
<tr>
<td><strong>Statistics of Income (SOI)</strong></td>
<td>IRS reports that provide state-by-state income tax data that include the charitable contribution claims on itemized tax returns in a given year.</td>
</tr>
<tr>
<td><strong>Subject area</strong></td>
<td>A cause or issue that a grantmaker supports; sometimes called “subject focus.”</td>
</tr>
<tr>
<td><strong>Support type</strong></td>
<td>The specific types of funding provided by a grantmaker.</td>
</tr>
<tr>
<td><strong>Supporting organization</strong></td>
<td>An organization operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more specified public charities. Community foundations are often — though not always — the public charities supported by these types of organizations. There are three basic types of supporting organizations, and each option reserves a varying degree of the supporting organization’s governance for the trustees of the beneficiary charity.</td>
</tr>
<tr>
<td><strong>Total grantmaker database</strong></td>
<td>At database of basic financial data (grants paid and assets) for all grantmakers in a region, which is used to analyze overall grantmaking figures for the region.</td>
</tr>
</tbody>
</table>
Appendices
Appendix 1: Recent Regional Giving Studies

Colorado

- Colorado Giving Study 2004

District of Columbia


Florida

- Philanthropy in the Sunshine State

Illinois

- Giving in Illinois 2003

Indiana

- Indiana Gives 2004
  Center on Philanthropy at Indiana University (2004).
  www.philanthropy.iupui.edu/Indiana_Gives_key_findings.pdf

Maine

  www.megrants.org/MEGrantsGiving.pdf

Maryland

- The State of Giving in Maryland - 2004
  Association of Baltimore Area Grantmakers (2004).

Minnesota

- Giving in Minnesota, 2004 Edition
  www.mcf.org/mcf/giving/givingmn.htm
Appendix 1: Recent Regional Giving Studies

Missouri

- **Private Dollars for Public Good: A Report on Giving in the St. Louis Region**
  Gateway to Giving Coalition, St. Louis Metropolitan Association for Philanthropy (2004).
  www.gatewaytogiving.org/Private_Dollars_for_Public_Good_Report.pdf

New England

- **Foundation Giving in the New England Region**

New Jersey

- **New Jersey Gives: A Report on the State of Philanthropy in New Jersey**
  www.cnjg.org/NJGives.pdf

New Mexico

- **Giving Survey 2003**
  New Mexico Association of Grantmakers (2003).
  nmag.org/givingsurvey/GivingSurvey.pdf

New York

- **New York Metropolitan Area Foundations: A Profile of the Grantmaking Community**
  Foundation Center, New York Regional Association of Grantmakers (2002).
  www.nyrag.org/usr_doc/Highlights.pdf

Ohio


Pennsylvania

- **Common Wealth: Giving in Pennsylvania**
  www.dvg.org/publications/commonwealth.htm

Southeastern United States

- **Southern Philanthropy 2002: A Regional Overview**
  www.secf.org/publications.asp

- **Southeastern Foundations II**
  www.secf.org/publications.asp
Appendix 1: Recent Regional Giving Studies

Tennessee

- **Giving Memphis 2003**
  AAFRC Trust for Philanthropy, Center on Philanthropy at Indiana University (2003).
  www.grantcenter.org/givngmemphis.htm

Wisconsin

- **Wisconsin Giving Report 2003: An Overview of Wisconsin's Charitable Giving**
Appendix 2: Developing Internal Capacity to Produce Regional Giving Studies

The two regional associations of grantmakers that have had the most experience in developing internal capacity to produce and use regional giving studies are the Donors Forum of Chicago (DFC) and the Minnesota Council on Foundations (MCF). DFC has been conducting its own giving studies since the early 1990s; MCF has done so since the early 1980s. Here’s a brief profile of both RA’s research programs.

Staffing & Budget
Both DFC and MCF have two full-time research staff who manage and produce their regional giving studies as well as conduct other research activities (DFC has 14 staff members: MCF has 11). DFC also hires a research intern for several months each year, to assist with grant coding and other research tasks. MCF contracts with an outside data entry temp to code its grants for the giving study.

Both organizations finance their giving research primarily through their core budget. MCF has received some grants for some specialized research reports on specific funding issues (so far it has done specialized reports on the arts and youth development), and DFC received a grant to cover the expenses for its latest giving report. Both organizations also earn subscription revenue from their online grantmaker database services (see “Other Research & Information Services” on the next page).

See sample regional giving study budgets for both DFC and MCF at the end of Appendix 2.

Study Timing
DFC conducts a full giving study every two years. In the years between the full studies, DFC publishes an interim report that gives an update on the overall giving analysis. In 2003, MCF began conducting a full giving study on an annual basis.

In the past, DFC has released its full giving report in the summer, but in 2005 it plans to release the report closer to the end of the year. Similarly, MCF releases its full giving report in the late fall each year.

Process – Overall Giving Analysis
DFC and MCF both conduct statewide giving studies, but they follow slightly different processes for conducting their studies.

For the overall giving analysis, both organizations report on foundation and corporate grantmaking as well as individual giving.

Both organizations maintain a grantmaker database (which includes financial data used for the overall giving analysis) that they update on an ongoing basis. DFC’s database has about 3,100 grantmakers, while MCF’s database contains about 1,300 grantmakers.
Appendix 2: Developing Internal Capacity to Produce Regional Giving Studies

Both DFC and MCF allow grantmakers to update the data in their profiles online on an ongoing basis, and they do one major push each year to encourage grantmakers to update their database profiles — including their financial data. They supplement grantmakers’ updates with information from 990-PF forms. MCF also receives a file of new grantmaker financial data each year from the Minnesota Attorney General’s office, and uploads that data to its grantmaker database.

Process – Grants Sample Analysis
DFC’s grants sample analysis is comprised only of grants from DFC members who opt to participate in the study. DFC’s members provide their grants lists to the organization, and most provide them in the format specified by DFC. DFC reports that a sample of approximately 100 members provide their grants lists to be coded and analyzed. This sample is proportionate to the funder type and size distribution among DFC’s total membership.

MCF’s grants sample analysis, on the other hand, is comprised of grants from the largest grantmakers in the state — both MCF members and non-members. MCF receives a large number of grant lists from its members, which it supplements with grants lists from 990-PF tax forms and annual reports.

MCF codes all grants of $2,000 or more, while DFC codes grants of all sizes. For their most recent giving studies, DFC coded about 14,000 grants from 85 grantmakers, which represented about 45 percent of all grant dollars in Illinois (DFC hopes to increase that figure to 60 percent for its next study). MCF coded about 20,000 grants from 101 grantmakers, which represented 68 percent of all grant dollars in Minnesota.

Both organizations code and analyze grants for geographic focus, subject area, type of support and intended beneficiaries, and both use the Foundation Center’s grants classification system for subject area, type of support and intended beneficiaries. For geographic focus, DFC breaks down data by each county and neighborhood (77 community areas) in the City of Chicago, while MCF tracks a single field for the entire Twin Cities metropolitan area.

Other Research & Information Services
In addition to conducting regular giving studies, the research staff for both DFC and MCF conduct other types of research and information services. Both organizations conduct regular reports that look at the future outlook for giving in the region, as well as special periodic research reports. MCF has done recent research reports on arts and youth development funding, and DFC recently issued a research report on foundation administrative expenses.

Both DFC and MCF also publish statewide print grantmaker directories every two years. And as noted above, both organizations maintain online grantmakers databases that are available to the public. These database services allow users to search an online directory of grantmaker profiles on a number of useful criteria, as well as to search the coded grants that are used for the giving study research. MCF sells subscriptions to access both its online grantmaker and grants directories, and provides one free subscription to be used at each of the six Foundation Center Cooperating Collection libraries located
Appendix 2: Developing Internal Capacity to Produce Regional Giving Studies

across Minnesota. Like MCF, DFC also sells subscriptions for both its online grantmaker and grants directories. But it offers free access to a basic search of the grants directory for the most recent grants for participating funders. Unlike the subscription service, DFC’s free service does not allow advanced searches of the grants directory by such criteria as subject area, intended beneficiary or type of support.
Sample Budget
Minnesota Council on Foundations’ “Giving in Minnesota” Study & Report

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<th>EXPENSES</th>
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<td>1 Expenses for data entry temp. are split 50-50 between “Giving in Minnesota” study and “Minnesota Grantmakers Online” database service.</td>
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<td>2 66% of MGO revenue is from “deluxe” subscriptions that include access to the grants database that comes from the “Giving in Minnesota” research. This revenue is split 50-50 between “Giving in Minnesota” study and “Minnesota Grantmakers Online” database service.</td>
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<td>3 15% of Guide sales are attributed to the “Giving in Minnesota” budget. Overall financial data that MCF collects on all grantmakers for “Giving in Minnesota” research are also used in the Guide.</td>
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$33,610

$33,610

$33,610

$33,610

$33,610
## Appendix 2: Developing Internal Capacity to Produce Regional Giving Studies

### Sample Budget
**Donors Forum of Chicago’s “Giving in Illinois” Study & Report**

### EXPENSES

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<td>Vice President, External Relations</td>
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<td>editing</td>
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<td>Communications Coordinator</td>
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**Total DFC Staffing Expenses**: $25,700

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<td>Urban Institute</td>
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<td>individual giving data analysis and report</td>
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**Total Consultants/Other Data Sources**: $7,060

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**Total Printing & Dissemination**: $3,250

**TOTAL EXPENSES**: $36,010

### REVENUE

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<td>Publication Sales</td>
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**TOTAL REVENUE from this publication**: $2,215

**Budget Notes:**

1. DFC generates additional revenue by presenting the Giving in Illinois grants and funder data in multiple ways: 1.) On-demand research requests (member benefit and fee-for service), 2.) Revenue from Illinois Funding Source (IFS) online database subscriptions, and 3.) The Directory of Illinois Foundations (which reports on high level financial data for all funders in IL and is used for the total grants/assets analysis in the giving report).
Appendix 3: Business Giving Studies Summary

Several regional surveys of business have yielded similar results, offering regional associations some information that can be used to better describe the giving practices of small, mid-sized and large businesses. This appendix summarizes and synthesizes the results of business giving surveys conducted nationwide and in Connecticut, Minnesota, Indiana and Arkansas, based on analysis conducted by Jackie Reis, director of Minnesota Business Gives.

Overall Giving

1. Has your company been approached to make a charitable contribution?
   - US: 92% of business owners/managers say their company was asked to contribute in the past year.

2. Has your company made a charitable contribution?
   - US: 91% said their company donated something in past year.
   - MN: 92% of businesses with more than 20 employees made charitable contributions (of all kinds) in past year (88% of those with >20 employees gave cash; 72% of those <20 employees gave cash).

3. Does your company view monetary contributions and volunteerism as important components of community life?
   - CT: 100% of top 200 businesses agree; 94% of general businesses agree.

4. Is your company involved in community life?
   - IN: 77% say “yes.”
   - AR: 70% say “yes.”

Motivations for Business Giving

5. What are your company’s reasons/motivations for giving?
   Summary of all surveys:
   1. Altruistic reasons: Giving back to the community/business citizenship/company’s community standing/business responsibility (No. 1 reason in US, MN, CT, AR, IN).
   2. Owner/CEOs input/recommendations/personal values.
   3. Efforts of soliciting organizations.
   4. Company’s community standing.
   5. Financial condition of business.

6. Who encourages you to contribute? (MN)
   1. Community.
   2. Customers.

7. What are your company’s barriers to giving more? (MN)
   Barriers to increasing charitable donations:
   1. Lack of profits.
   2. No barriers.
Appendix 3: Business Giving Studies Summary

3. Management’s limited interests.

*Barriers to increasing community involvement:*
1. Lack of time.
2. None.
3. Lack of profits.

**Where Businesses Give**

8. Where do businesses give?

The vast majority of businesses prefer to give to local causes:
- US: 78% give to local causes.
- CT: 77% give to local causes.
- MN: 76% give to local causes (82% for smaller businesses).
- IN: 63% give to local causes.

**How Businesses Give**

9. How do businesses give other than through cash donations?

*Larger companies:*
1. Sponsor community group, education program or community activity.
   - IN: 84%.
   - CT: 77%.
   - MN: 73%.
2. Encourage employees to volunteer.
   - IN: 82%.
   - MN: 70%.
3. Donate surplus inventory.
   - CT: 72%.
   - MN: 59%.
4. Purchase tickets or items unrelated to business.
   - MN: 63%.

*Smaller companies:*
1. Purchase tickets or items unrelated to business.
   - MN: 51%.
   - IN: 49%.
2. Donate surplus inventory.
   - CT: 44%.
   - MN: 44%.
Appendix 3: Business Giving Studies Summary

3. Encourage employees to volunteer.
   - MN: 41%.

4. Sponsor community group, education program or community activity.
   - MN: 35%.

10. How do businesses encourage employees to give and volunteer?

   Larger companies:
   1. Payroll deductions.
      - CT: 65%.
      - IN: 59%.
      - MN: 56%.
   2. Match employee contributions.
      - CT: 61%.
   3. Paid time off to volunteer.
      - CT: 55%.
   4. Unpaid time off to volunteer.
      - MN: 60%.
      - CT: 54%.

   Smaller companies:
   1. Unpaid time off to volunteer.
      - CT: 36%.
      - MN: 36%.
   2. Payroll deductions.
      - CT: 34%.
      - IN: 9%.
      - MN: 6%.
   3. Paid time off to volunteer.
      - CT: 25%.
   4. Match employee contributions.
      - CT: 18%.

What Businesses Give To

11. What causes did your company contribute to in the last year? (CT)

   1. Poor, hungry, homeless 75%
   2. Youth organizations like boys & girls clubs 72%
   3. Schools, colleges, other educational institutions or programs 71%
   4. People sick, working to cure disease 64%
   5. Victims of crime, abuse, and natural disasters 63%
12. What types of charities benefited from your company’s giving?
   1. Civic & community organizations.
      • AR: 49%.
      • IN: 72%.
   2. Education.
      • AR: 51%.
      • IN: 46%.
   3. Health & human services.
      • AR: 39%.
      • IN: 53%.
   4. Religion.
      • IN: 72%.
   5. Arts & culture.
      • AR: 20%.
      • IN: 25%.

13. Does your company prefer to give to a specific organization(s), through a combined community fund (like United Way) or through a combination of both? (CT)
   1. Specific organization(s) Top 200: 42% General: 65%
   2. Combination Top 200: 52% General: 26%
   3. Combined community fund Top 200: 6% General: 7%

Decision-Making Process for Business Giving

14. Who makes the decisions on your company’s giving?
   1. Owners.
      • CT: 56%.
      • AR: 54%.
      • MN: 50%.
      • IN: 50%.
   2. Management.
      • MN: 72%.
      • IN: 33%.
      • CT: 30%.
      • AR: 25%.
   3. Designated person or committee.
      • MN: 46%.
      • IN: 15%.
      • AR: 9%.
Appendix 3: Business Giving Studies Summary

General Finding:
• The smaller the company, the more likely giving decisions are made by owner. The larger the company, the more likely giving decisions are made by a designated person or committee.

15. How are giving decisions reached?
1. Single person.
   • CT: 56%.
   • AR: 55%.
2. Consensus.
   • CT: 28%.
   • AR: 22%.

General Finding:
• The smaller the company, the more likely giving decisions are made by one person. The larger the company, the more likely giving decisions are made by consensus.

16. What are the most important factors for a company in making a giving decision? (MN & IN)

   Larger companies:
   1. The company’s responsibility to the community.
   2. Importance of the soliciting organization in the community.
   3. Personal values of owner/CEO/president.
   4. Quality of the soliciting organization.

   Smaller companies:
   1. Personal values of owner/CEO/president.
   2. Financial condition of the business.
   3. Importance of the soliciting organization in the community.
   4. Quality of the soliciting organization.

17. How likely is your business to respond to organizations that you supported in the past? (CT)
   • Top 200: 98% very/somewhat likely.
   • General: 95% very/somewhat likely.

18. How likely is your business to respond to organizations where employees are active? (CT)
   • Top 200: 92% very/somewhat likely.
   • General: 88% very/somewhat likely.

The Contributions Program

19. Does your company operate a formal giving program? (MN)
   • Under 20 employees: 4%.
   • Others: 41% (range by size: 21%-62%).
Appendix 3: Business Giving Studies Summary

20. Does your company have a formal charitable contributions budget?
   - MN: 9% for under 20 employees; 46% for others.
   - AR: 28%.

21. Does your company have written giving guidelines and criteria?
   - MN: 32% (56% for largest companies).
   - CT: 30% (77% for largest companies).

22. Does your company have a system to evaluate/measure the effectiveness/outcomes of your giving?
   - MN: 15%
   - CT: 84% (77% for largest companies).

Amount and Value of Contributions

23. Percent of gross revenue or net income going to contributions.
   
   Percent of annual gross revenue (MN):
   - Under 20 employees: 1.6% (median 0.4%).
   - Others: 0.6% (median 0.1%).

   Percent of net income (IN):
   - Small: 2.9% (median 1%).
   - Medium: 2.4% (median 1%).
   - Large: 2.5% (median 1%).

   
   Smaller companies:
   - MN: $3,626 average, $701 median.
   - IN: $11,749 average, $500 median.

   Other companies:
   - MN: $364,162, $9,000 median (range: $3,000 - $46,328).
   - IN: medium: $67,037 average, $8,000 median/large: $565,638 average, $50,000 median.

25. Value of donated products/services. (MN)
   - Under 20 employees: $2,009 average, $150 median.
   - Others: $279,011 average, $2,000 median.

26. Value of donated property and/or stock. (MN)
   - Under 20 employees: $267 average.
   - Others: $2,585 average.
Appendix 3: Business Giving Studies Summary

Solicitations

27. Preferred method to receive solicitations. (CT)
   1. Mail (Top 200: 68%; General: 41%).
   2. No solicitation (Top 200: 20%; General: 34%).
   3. In person (General: 12%).
   4. Phone (Top 200: 2%; General: 9%).

28. Is the number of solicitations you received too burdensome? (CT)
   • Somewhat or significantly too burdensome: Top 200: 51%; General: 57%.

29. Do you prefer to receive solicitations or initiate contact with grant applicants? (MN)
   1. No preference (Under 20 employees: 39%; Others: 39%).
   2. To be asked (Under 20 employees: 33%; Others: 38%).
   3. Initiate (Under 20 employees: 28%; Others: 23%).

Business Giving Study Sources:

• “The Business of Giving Back”
  Building Business Investment in Community (BBIC) initiative (2002).
  www.minnesotabusinessgiving.org/downloads/2002_Survey_Results_and_Analysis.pdf

• “Connecticut Companies: Their Commitment to Communities”

• “Corporate Contributions Survey, 2001: An Assessment of the Philanthropic Business Climate in Arkansas”
  Arkansas Community Foundation; Institute for Economic Advancement, University of Arkansas (2001).

• “Indiana Business Contributions to Community Service”
  by Dwight Burlingame and David Kaufmann
  Center on Philanthropy at Indiana University (1995).
  www.philanthropy.iupui.edu/books.html

• “Small Business Giving Survey - Final Report”
  www.give.org/news/SBSurvey.pdf
Appendix 4: Regional Giving Studies Resource List

Regional Grantmaker Data Sources

In-house research:

- **Guidestar**: www.guidestar.org
  
  *Access 990-PF and 990 tax forms for most private and community/public foundations.*

Forum-preferred consultant/data source:

- **The Foundation Center**
  
  Steven Lawrence
  
  Director of Research
  
  (212) 807-2410
  
  sal@fdncenter.org

Other consultants/data sources:

- **Center on Philanthropy at Indiana University**
  
  Patrick M. Rooney
  
  Director of Research
  
  (317) 684-8909
  
  rooney@iupui.edu

- **The Columbus Foundation Survey** (for community foundation data)
  
  www.columbusfoundation.org

- **Jankowski Associates**
  
  Bernie Jankowski
  
  President
  
  (301) 696-0797
  
  bjankowski@grantsdirect.com

Individual Giving Data Sources

In-house research:

  
  Click on “Individual Tax Statistics”

  **To access state-level data:**
  
  o Under “Data by Geographic Area” click on “State Income”;
  
  o Then click on the state of interest for the latest year for the “Individual Income and Tax Data, by State and Size of Adjusted Gross Income” Table, which can be viewed and downloaded in a Microsoft Excel file.

  **To access zip code-level data:**
  
  o Under “Data by Geographic Area” click on “Zip Codes - SOI”;
  
  o Then click on the state of interest for the latest year for the “Individual Income and Tax Data, by State and Size of Adjusted Gross Income” Table, which can be viewed and downloaded in a Microsoft Excel file.

Forum-preferred consultant/data source:

- **University of New Hampshire Patterns of Giving Data**
  
  Contact Jessica Bearman
  
  Deputy Director, New Ventures in Philanthropy
Appendix 4: Regional Giving Studies Resource List

Forum of Regional Associations of Grantmakers
(202) 467-1125
JBearman@givingforum.org

Other consultants/data sources:

- Center on Philanthropy at Indiana University
  Patrick M. Rooney
  Director of Research
  (317) 684-8909
  rooney@iupui.edu

- The Urban Institute National Center for Charitable Statistics
  Linda M. Lampkin
  Program Director
  (202) 261-5806
  LLampkin@ui.urban.org

Charitable Bequests Data Sources

- Connecticut Council for Philanthropy
  Nancy Roberts
  President
  (860) 525-5585
  nroberts@ctphilanthropy.org

  Or Contact:
  Jessica Bearman
  Deputy Director, New Ventures in Philanthropy
  Forum of Regional Associations of Grantmakers
  (202) 467-1125
  JBearman@givingforum.org

National Grantmaking Data Trends

- The Foundation Center
  o “Foundation Yearbook” is an annual research report that provides national data on overall grants, assets and number of grantmakers, to use for national comparisons for a regional giving study’s overall grantmaking analysis.
  o “Foundation Giving” is an annual research report that provides national data on grantmaking trends to use for national comparisons for a regional giving study’s grants sample analysis (for comparisons by subject area, support type, intended beneficiary, etc.).

Both reports can be purchased as part of the Center’s “Foundation Today” series of research publications. Much of the Center’s grantmaking data and trends are also available free from the Center’s website. For more information, go to fdncenter.org/research/trends_analysis.

National Individual Giving Trends
• “Giving USA”
  For individual giving and charitable bequests, the best source of comparative national data is from the annual “Giving USA” report, published by the American Association of Fundraising Counsel. The report’s research is conducted by the Center on Philanthropy at Indiana University. The annual report is available for purchase in both print and electronic formats, although some national data on individual giving is available on AAFRC’s website. For more information, go to www.givingusa.org.

General Information

For general inquiries, contact Jessica Bearman, Deputy Director, New Ventures in Philanthropy, Forum of Regional Associations of Grantmakers, at (202) 467-1125 or JBearman@givingforum.org.
Appendix 5: NTEE Coding System for Subject Area

The National Taxonomy of Exempt Entities (NTEE) is the recommended system for coding grants by subject area for a grants sample analysis in a regional giving study. The NTEE system organizes 26 major field areas (A to Z) under ten broad categories. The 26 major field areas are then broken down further, resulting in a three-level hierarchy.

Below is a list of the first two levels of NTEE categories. The first letter of each code denotes the field — “A” for arts, “B” for education and so on. Within each alpha subject area, numbers 20 to 99 identify services, disciplines or types of institutions unique to that field. For a list of the complete NTEE coding system, along with descriptions of each category, visit the Foundation Center’s website at fdncenter.org/tt2000.

### Major NTEE Subject Areas

<table>
<thead>
<tr>
<th>Arts, Culture, and Humanities</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>B</td>
</tr>
<tr>
<td>Environment and Animals</td>
<td>C, D</td>
</tr>
<tr>
<td>Health</td>
<td>E, F, G, H</td>
</tr>
<tr>
<td>Human Services</td>
<td>I, J, K, L, M, N, O, P</td>
</tr>
<tr>
<td>International, Foreign Affairs</td>
<td>Q</td>
</tr>
<tr>
<td>Public, Societal Benefit</td>
<td>R, S, T, U, V, W</td>
</tr>
<tr>
<td>Religion Related</td>
<td>X</td>
</tr>
<tr>
<td>Mutual/Membership Benefit</td>
<td>Y</td>
</tr>
<tr>
<td>Unknown, Unclassified</td>
<td>Z</td>
</tr>
</tbody>
</table>

#### A. ARTS, CULTURE, AND HUMANITIES
- Arts Service Organizations and Activities (A90)
- Arts, Cultural Organizations (A20)
- Historical Societies, Related Historical Activities (A80)
- Humanities Organizations (A70)
- Media/Communications Organizations (A30)
- Museums, Museum Activities (A50)
- Performing Arts Organizations/Activities (A60)
- Visual Arts (A40)

#### B. EDUCATION
- Adult/Continuing Education (B60)
- Educational Services & Schools — Other (B90)
- Elementary/Secondary Education (B20)
- Graduate/Professional Schools (B50)
- Higher Education (B40)
- Libraries/Library Science (B70)
- Student Services and Organizations of Students (B80)
- Vocational/Technical Schools (B30)
Appendix 5: NTEE Coding System for Subject Area

C. ENVIRONMENTAL QUALITY, PROTECTION & BEAUTIFICATION
Botanical, Horticultural & Landscape Services (C40)
Environmental Beautification & Open Spaces (C50)
Environmental Education/Outdoor Survival Programs (C60)
Natural Resources Conservation, Protection (C30)
Pollution Abatement & Control Services (C20)

D. ANIMAL RELATED
Animal Protection, Welfare (D20)
Other Services — Specialty Animals (D60)
Veterinary Services (D40)
Wildlife Preservation/Protection (D30)
Zoo/Zoological Society (D50)

E. HEALTH - GENERAL & REHABILITATIVE SERVICES
Health Support Services (E60)
Health Treatment Facilities, Primarily Outpatient (E30)
Health, General and Rehabilitative (E80)
Hospitals & Related Primary Medical Care Facilities (E20)
Nursing Services (General) (E90)
Public Health Programs (E70)
Rehabilitative Medical Services (E50)
Reproductive Health Care Facilities, Allied Services (E40)

F. MENTAL HEALTH, CRISIS INTERVENTION
Addictive Disorders (F50)
Alcohol, Drug/Substance Abuse, Dependency Prevention and Treatment (F20)
Counseling, Support Groups (F60)
Hot Line — Crisis Intervention (F40)
Mental Health Association — Multipurpose (F80)
Mental Health Disorders (F70)
Mental Health Treatment — Multipurpose (F30)

G. DISEASES, DISORDERS, MEDICAL DISCIPLINES
Allergy Related Diseases (G60)
Cancer (G30)
Digestive Diseases/Disorders (G70)
Diseases of Specific Organs (G40)
Genetics/Birth Defects (G20)
Medical Disciplines (G90)
Nerve, Muscle, and Bone Diseases (G50)
Specifically Named Diseases (G80)

H. MEDICAL RESEARCH
Allergy Related Diseases Research (H60)
Genetics/Birth Defects, Research (H20)
Cancer Research (H30)
Digestive Diseases/Disorders Research (H70)
Medical Specialty Research (H90)
Nerve, Muscle, and Bone Research (H50)
Specific Named Diseases Research (H80)
Appendix 5: NTEE Coding System for Subject Area

Specific Organ Research (H40)

I. PUBLIC PROTECTION: CRIME/COURTS/LEGAL SERVICES
Administration of Justice/Courts (I50)
Correctional Facilities (I30)
Crime/Violence Prevention (I20)
Law Enforcement Agencies (I60)
Legal Services (I80)
Protection Against, Prevention of Neglect ... (I70)
Rehabilitation Services for Offenders (I40)

J. EMPLOYMENT/JOBS
Employment Procurement Assistance & Job Training (J20)
Labor Unions/Organizations (J40)
Vocational Rehabilitation (J30)

K. FOOD, AGRICULTURE, AND NUTRITION
Agricultural Programs (K20)
Food Service/Free Food Distribution (K30)
Home Economics (K50)
Nutrition Programs (K40)

L. HOUSING, SHELTER
Housing Development/Construction/Management (L20)
Housing Owners', Renters' Organizations (L50)
Housing Search Assistance (L30)
Housing Support Services (L80)
Housing/Shelter, Temporary Shelter (L40)

M. PUBLIC SAFETY, DISASTER PREPAREDNESS, AND RELIEF
Disaster Preparedness & Relief Services (M20)
Safety Education (M40)

N. RECREATION, SPORTS, LEISURE ACTIVITIES
Amateur Sports Clubs/Leagues (N60)
Amateur Sports Competitions (N70)
Physical Fitness, Community Recreational Facilities (N30)
Professional Athletic Leagues (N80)
Recreational & Sporting Camps (N20)
Recreational, Pleasure, or Social Club (N50)
Sports Training Facilities/Agencies (N40)

O. YOUTH DEVELOPMENT
Adult/Child Matching Programs (O30)
Scouting Organizations (O40)
Youth Centers & Clubs — Multipurpose (O20)
Youth Development Programs, Other (O50)

P. HUMAN SERVICES — MULTIPURPOSE AND OTHER
Children's and Youth Services (P30)
Emergency Assistance (Food, Clothing, Cash) (P60)
Appendix 5: NTEE Coding System for Subject Area

Family Services (P40)
Human Service Organizations — Multipurpose (P20)
Independence of Specific Populations (P80)
Personal Social Services (P50)
Residential/Custodial Care (Group Home) (P70)

Q. INTERNATIONAL, FOREIGN AFFAIRS, AND NATIONAL SECURITY
Foreign Policy Research, Analysis (Q50)
International Development/Relief (Q30)
International Human Rights (Q70)
International Peace & Security (Q40)
Promotion of International Understanding (Q20)

R. CIVIL RIGHTS/SOCIAL ACTION, ADVOCACY
Civil Liberties Advocacy (R60)
Civil Rights, Advocacy for Specific Groups (R20)
Intergroup/Race Relations (R30)
Voter Education/Registration (R40)

S. COMMUNITY IMPROVEMENT/CAPACITY BUILDING
Business & Industry (S40)
Community Service Clubs (S80)
Community/Neighborhood Development/Improvement (S20)
Economic Development (S30)
Nonprofit Management (S50)

T. PHILANTHROPY, VOLUNTARISM & GRANTMAKING FOUNDATIONS
Community Funds & Federated Giving Programs (T70)
Named Trusts (T90)
Non-Grantmaking, Non-Operating Foundations (T60)
Philanthropy/Charity/Voluntarism Promotion (T50)
Private Grantmaking Foundations (T20)
Public Foundations (T30)
Voluntarism Promotion & Assistance Services (T40)

U. SCIENCE/TECHNOLOGY RESEARCH INSTITUTES, SERVICES
Biological/Life Science Research (U50)
Engineering and Technology Research/Services (U40)
Physical Sciences/Earth Sciences (U30)
Science, General (U20)

V. SOCIAL SCIENCES
Interdisciplinary Research (V30)
Mystic/Paranormal Studies (V40)
Social Science Research (V20)

W. PUBLIC AFFAIRS & SOCIETY BENEFIT
Consumer Protection & Safety Services (W90)
Financial Institutions/Services (Non-Government Related) (W60)
Government and Public Administration (W20)
Leadership Development/Training (W70)
Appendix 5: NTEE Coding System for Subject Area

Military/Veterans' Organizations (W30)
Public Transportation Systems, Services (W40)
Public Utilities (W80)
Telephone, Telegraph, Telecommunications Services (W50)

X. RELIGION, SPIRITUAL DEVELOPMENT
Bahai (X80)
Buddhist Temples & Religious Organizations (X50)
Christian (X20)
Confucian Temples & Related Services (X60)
Hindu (X70)
Interfaith Issues/Organizations (X90)
Islamic (X40)
Jewish (X30)

Y. MUTUAL/MEMBERSHIP BENEFIT ORGANIZATIONS
Cemeteries & Burial Services (Y50)
Fraternal Beneficiary Societies (Y40)
Insurance Providers/Services (Other Than Health) (Y20)
Pension and Retirement Funds (Y30)

Z. UNKNOWN, UNCLASSIFIED
Appendix 6: Intended Beneficiary Codes – Grants Classification System

The intended beneficiary/population group codes describe the characteristics (age, sex, race/ethnic heritage, and other characteristics) of the population that is intended to benefit from the grant activity.

Codes A1 through A6 are used for grants that benefit both males and females within particular age categories. Multiple codes may be assigned when the intended beneficiary group is identified by multiple characteristics (e.g., disabled children, African American women, Hispanic refugees) or when a grant program benefits more than one population group (e.g., a program to build housing for the disabled as well as low-income senior citizens) or two specified minority groups (e.g., Asian/Pacific Islander and Hispanic youth).

**Multiple codes are not assigned when the intended beneficiary group is identified by the general characteristic of the group.** For example, a grant to increase educational opportunities for minorities should be classified E0 (minorities general); multiple codes should not then be assigned for each specific minority group. Additionally, double-coding is not used for children's grants serving more than one children's age group; instead the general children's code A2 is sufficient.

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Infants/Babies (Under Age 5)</td>
</tr>
<tr>
<td>A2</td>
<td>Children and Youth (Infants - 19 Years.)</td>
</tr>
<tr>
<td>A3</td>
<td>Children Only (5 - 14 Years)</td>
</tr>
<tr>
<td>A4</td>
<td>Youth/Adolescents Only (14 - 19 Years)</td>
</tr>
<tr>
<td>A6</td>
<td>Aging/Elderly/Senior Citizens</td>
</tr>
<tr>
<td>M0</td>
<td>Males, All Ages or Age Unspecified</td>
</tr>
<tr>
<td>M1</td>
<td>Male Infants/Babies (Under Age 5)</td>
</tr>
<tr>
<td>M2</td>
<td>Male Children and Youth (Infants - 19 Years)</td>
</tr>
<tr>
<td>M3</td>
<td>Male Children (5 - 14 Years)</td>
</tr>
<tr>
<td>M4</td>
<td>Male Youth/Adolescents (14 - 19 Years)</td>
</tr>
<tr>
<td>M6</td>
<td>Male Aging/Elderly/Senior Citizens</td>
</tr>
<tr>
<td>F0</td>
<td>Females, All Ages Or Age Unspecified</td>
</tr>
<tr>
<td>F1</td>
<td>Female Infants/Babies (Under Age 5)</td>
</tr>
<tr>
<td>F2</td>
<td>Female Children and Youth (Infants - 19 Years)</td>
</tr>
<tr>
<td>F3</td>
<td>Female Children (5 - 14 Years)</td>
</tr>
<tr>
<td>F4</td>
<td>Female Youth/Adolescents (14 - 19 Years)</td>
</tr>
<tr>
<td>F6</td>
<td>Female Aging/Elderly/Senior Citizens</td>
</tr>
<tr>
<td>D0</td>
<td>Disabled, General or Disability Unspecified</td>
</tr>
<tr>
<td>D1</td>
<td>Physically Disabled Other</td>
</tr>
</tbody>
</table>
Appendix 6: Intended Beneficiary Codes – Grants Classification System

D2  Blind & Vision Impaired
D3  Deaf & Hearing Impaired
D4  Mentally/Emotionally Disabled
E0  Ethnic/Racial Minorities — General
E1  Asian/Pacific Islander
E2  Blacks
E3  Hispanics
E4  Native Americans/American Indians
E9  Ethnic/Racial Minorities — Other Specified Group
O0  Other Minorities
O1  Gays/Lesbians
O2  Immigrants/Newcomers/Refugees
P0  Poor/Economically Disadvantaged, Indigent, General
P1  Homeless
P2  Migrant Workers
N0  Other Named Groups
N1  Military/Veterans
N2  Offenders/Ex-Offenders
N3  Substance Abusers (Drug/Alcohol Abusers)
N4  People With Aids (PWAs)
N5  Single Parents
N6  Crime/Abuse Victims
Appendix 7: Support Type Codes – Grants Classifications System

The Foundation Center’s grants classification identifies 42 support type categories within nine major categories:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>GENERAL/OPERATING SUPPORT grants for the day-to-day operating costs of an existing program or organization or to further the general purpose or work of an organization; also called unrestricted grants.</td>
</tr>
<tr>
<td>12</td>
<td>INCOME DEVELOPMENT grants for fundraising, marketing and to expand audience base.</td>
</tr>
<tr>
<td>13</td>
<td>MANAGEMENT DEVELOPMENT grants for salaries, staff support, staff training, strategic and long-range planning, budgeting and accounting.</td>
</tr>
<tr>
<td>15</td>
<td>ANNUAL CAMPAIGN any organized effort by a nonprofit to secure gifts on an annual basis; also called annual appeals.</td>
</tr>
<tr>
<td>20</td>
<td>CAPITAL CAMPAIGN a campaign to raise funds for a variety of long-term purposes such as building construction or acquisition, endowments, land acquisition, etc.</td>
</tr>
<tr>
<td>21</td>
<td>BUILDING/RENOVATION grants for constructing, renovating, remodeling, or rehabilitating property. Includes general or unspecified capital support awards.</td>
</tr>
<tr>
<td>22</td>
<td>EQUIPMENT grants to purchase equipment, furnishings or other materials.</td>
</tr>
<tr>
<td>23</td>
<td>COMPUTER SYSTEMS &amp; EQUIPMENT grants to purchase or develop automated systems.</td>
</tr>
<tr>
<td>24</td>
<td>LAND ACQUISITION grants to purchase real estate property.</td>
</tr>
<tr>
<td>25</td>
<td>ENDOWMENT FUNDS a bequest or gift intended to be kept permanently and invested to provide income for continued support of an organization.</td>
</tr>
<tr>
<td>26</td>
<td>DEBT REDUCTION a grant to reduce a recipient organization’s indebtedness; also referred to as deficit financing. Frequently refers to mortgage payments.</td>
</tr>
<tr>
<td>27</td>
<td>COLLECTIONS ACQUISITION grants to libraries or museums to acquire permanent materials as part of a collection, usually books or art.</td>
</tr>
</tbody>
</table>
Appendix 7: Support Type Codes – Grants Classifications System

EMERGENCY FUNDS

30  EMERGENCY FUNDS
a one-time grant to cover the immediate short-term funding needs of a recipient organization on an emergency basis.

PROGRAM SUPPORT

40  PROGRAM DEVELOPMENT
grants to support specific projects or programs as opposed to general purpose grants.

41  CONFERENCES/SEMINARS
includes workshops.

42  FACULTY/STAFF DEVELOPMENT

43  PROFESSORSHIPS
grants to educational institutions to endow a professorship or chair.

44  FILM/VIDEO/RADIO PRODUCTION
a grant to fund a specific film, video, or radio production, often named in the grant text. (Do not use for general support of TV/radio stations.)

45  PUBLICATION
a grant to fund reports or other publications issued by a nonprofit resulting from research or projects of interest to the funder.

46  SEED MONEY
a grant to start, establish or initiate a new project or organization; may cover salaries and other operating expenses of a new project. Also called start-up funds.

47  CURRICULUM DEVELOPMENT
awards to schools, colleges, universities and educational support organizations to develop general or discipline-specific curricular.

48  PERFORMANCE/PRODUCTION COSTS
a grant to cover costs specifically associated with mounting a performing arts production, often named in the grant text.

49  EXHIBITIONS
awards to institutions such as museums, libraries or historical societies specifically to mount an exhibit or to support the installation of a touring exhibit.

4A  COLLECTIONS MANAGEMENT/PRESERVATION
grants for maintenance, preservation and conservation of materials.

4B  COMMISSIONING NEW WORKS
grants to support the creation of new artistic works.

4C  ELECTRONIC MEDIA/ONLINE SERVICES
grants for support of projects on the Internet, including online publications and databases, development of websites, electronic networking and messaging services, CD-ROM products, and interactive educational programs.
Appendix 7: Support Type Codes – Grants Classifications System

STUDENT AID FUNDS

50 STUDENT AID
assistance in the form of educational grants, loans or scholarships. NOTE: codes 50 through 54
are for grants to institutions. Use 90, 91, or 92 for grants directly to individuals.

51 FELLOWSHIP FUNDS
- use 92 for research fellowships to individuals.

52 INTERNSHIP FUNDS

53 SCHOLARSHIP FUNDS
- use 91 for scholarships to individuals.

54 AWARDS/PRIZES/COMPETITIONS
grants for artists’ awards, prizes, competitions, housing, living space and work space.

RESEARCH

60 RESEARCH
funds to cover the costs of investigations and clinical trials, including demonstration and pilot
projects. (Research grants for individuals are usually referred to as fellowships.)

TECHNICAL ASSISTANCE

70 TECHNICAL ASSISTANCE
operational or management assistance given to nonprofit organizations, including fundraising
assistance, budgeting and financial planning, program planning, legal advice, marketing and
other aids to management.

PROGRAM EVALUATION

78 PROGRAM EVALUATION
grants to evaluate a specific project or program; includes awards both to agencies to pay for
evaluation costs and to research institutes and other program evaluators.

OTHER

80 PROGRAM-RELATED INVESTMENT/LOANS
a loan to an organization for a project related to the foundation’s stated purpose and interests.
Student loans are classified under 50-STUDENT AID.

83 OFFICERS & TRUSTEES DISCRETIONARY GRANTS

85 EMPLOYEE MATCHING GIFTS
usually made by corporate foundations to match gifts made by corporate employees.

86 EMPLOYEE-RELATED SCHOLARSHIPS
scholarship program funded by a company-sponsored foundation usually for children of
employees; programs are frequently administered by the National Merit Scholarship Corp.,
which is responsible for selection of scholars.

87 FOUNDATION-ADMINISTERED PROGRAMS

90 GRANTS TO INDIVIDUALS — OTHER
Appendix 7: Support Type Codes – Grants Classifications System

91 SCHOLARSHIPS — TO INDIVIDUALS
92 FELLOWSHIPS — TO INDIVIDUALS
Appendix 8: Outlook Reports & Outlook Survey Samples

Recent Regional Giving Outlook Reports

- **In Perspective**  

- **Minnesota Grantmaking 2005 Outlook Report**  
  www.mcf.org/MCF/giving/outlook.htm

- **Ohio Grantmaking Outlook: 2004**  
Sample Regional Giving Outlook Surveys & Cover Letters

2005 Ohio Grantmaking Outlook Survey
(Ohio Grantmakers Forum)

(cover letter)

For the third year, Ohio Grantmakers Forum is conducting a survey of members to assess the impact of economic conditions on Ohio foundations and corporate giving programs. As you may recall, last year’s survey found that 33 percent of Ohio grantmakers expected to increase their grants budgets in 2004, compared to only 11 percent in 2003. The survey also showed that most Ohio foundations weathered the recent economic downturn without resorting to extreme cuts in giving.

Looking ahead, despite the continued unevenness in the country’s economic recovery, foundations nationally are expected to see modest gains in giving for the next several years. How are Ohio foundations faring? Your responses to the 2005 Ohio Grantmaking Outlook Survey will help us to present as accurate a picture as possible of the private sector funding outlook across our state and within our regions.

We appreciate your time in responding to these brief questions. In order to share the results of the survey in a timely manner, we ask that you return your responses by Friday, January 28. All responses will remain confidential and reported only in aggregate. We will issue a report summarizing the aggregate data in early 2005. If you have questions or would prefer to complete the survey

(survey)

Ohio Grantmakers Forum
2005 Ohio Grantmaking Outlook Survey

We appreciate your time in answering the brief questions below. Your responses will assist our efforts to assess the impact of the economic climate on Ohio foundations and corporate giving programs. In order to share the results of the survey in a timely manner, we need your responses by Friday, January 28. Surveys may be mailed to 37 West Broad Street, Suite 800, Columbus, OH 43215 or faxed to 614-224-1388. Questions may be directed to Janet Kasler at 614-224-1344 or jkasler@ohiograntmakers.org.

1. Name of Organization
2. Name of Person Completing Survey
3. Which of the following best describes your organization's current estimated assets? We understand that this may fluctuate daily. Please provide a reasonable estimate. (CORPORATE GRANTMAKERS: Please provide the assets of your corporate foundation and/or corporate contributions program - rather than total company assets.)
   ___$1,000,000 or less
   ___$1,000,001 to $5,000,000
   ___$5,000,001 to $15,000,000
   ___$15,000,001 to $30,000,000
Appendix 8: Outlook Reports & Outlook Survey Samples

___$30,000,001 to $50,000,000
___$50,000,001 to $75,000,000
___$75,000,001 to $100,000,000
___$100,000,001 or more

4. For purposes of summing the assets of all those that respond, please provide a specific dollar figure for your organization's assets.

$______________________________

5. Which of the following best describes your organization's change in assets over the past 12 months?
___No change in assets
___1 to 10 percent decrease
___11 to 20 percent decrease
___21 to 30 percent decrease
___31 to 40 percent decrease
___41 to 50 percent decrease
___51 or greater percent decrease
___1 to 10 percent increase
___11 to 20 percent increase
___21 percent or greater increase

6. If there has been a change in assets over the past 12 months, what factor(s) contributed most?
___Improved economy
___Change in asset allocation
___Major gift
___Grant payout
___Return on investments
___Other (please specify)

7. How does your organization's 2004 grants budget compare to your 2003 grants budget?
___About the same
___Budget is reduced by 5% to 15%
___Budget is reduced by 16% to 45%
___Budget is reduced by 46% or more
___Budget is 5% to 15% larger
Appendix 8: Outlook Reports & Outlook Survey Samples

___ Budget is 16 to 45% larger
___ Budget is 46% or more larger
___ Other (please specify)

8. What do you anticipate your organization’s 2005 grants budget will be in comparison to the 2004 budget?
   ___ About the same
   ___ Budget will be reduced by 5% to 15%
   ___ Budget will be reduced by 16% to 45%
   ___ Budget will be reduced by 46% or more
   ___ Budget will be 5% to 15% larger
   ___ Budget will be 16% to 45% larger
   ___ Budget will be 46% or more larger

9. Compared to 2004, what do you anticipate the NUMBER of grants awarded will be in 2005?
   ___ About the same
   ___ Fewer
   ___ More
   ___ Not considering grants until further notice
   ___ Other (please specify)

10. Compared to 2004, what do you anticipate the SIZE of grants awarded will be in 2005?
    ___ About the same
    ___ Smaller
    ___ Larger
    ___ Not considering grants until further notice
    ___ Other (please specify)

11. Which of the following changes have you made or are you considering making to GRANT PAYMENTS for existing commitments? Please check all that apply.
    ___ No change
    ___ Lengthening the time period over which payments are made
    ___ Delaying payments until the organization needs the money
    ___ Decreasing the amount to be paid
    ___ Retracting grants or pledges
    ___ Other (please specify)
12. What types of support will your organization offer in 2005? Check all that apply.

___ General support
___ Deficit funding
___ Project support
___ Loans and/or program related investments (PRIs)
___ Technical assistance support
___ Challenge and/or matching grants
___ Multi-year support
___ Capital support
___ Scholarships
___ Other (please specify)

13. Please use the space below to further explain any anticipated changes in your organization’s giving for 2005, whether related to the economy or other factors.

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

14. How would you describe the volume of requests (letters of inquiry and/or full proposals) that your organization is currently receiving, compared to this time last year?

___ Inquiries/requests have increased
___ Inquiries/requests have stayed the same
___ Inquiries/requests have decreased
___ Unsure

15. Use the space below to describe any changes you have noticed among requests for support (i.e. more requests from start-up organizations, more requests for operating support, getting requests from different types of organizations than usual, etc.).

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
16. Which of the following changes, if any, do you anticipate making or have you made related to economic or other conditions?

___ None
___ Delay hiring new personnel
___ Reduce staff size
___ Reduce staff/board training and conference budget
___ Delay technology purchases
___ Other (please specify)

17. Please identify your organization type.

___ Corporate giving program/corporate foundation
___ Community foundation
___ Private or family foundation
___ Public grantmaking charity
___ Other (please specify)

18. Please indicate your organization's location.

___ Akron MSA (Portage, Summit)
___ Canton-Massillon MSA (Carroll, Stark)
___ Cincinnati MSA (Brown, Clermont, Hamilton, Warren)
___ Cleveland-Lorain-Elyria MSA (Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina)
___ Columbus MSA (Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway, Union)
___ Dayton-Springfield MSA (Clark, Greene, Miami, Montgomery, Preble)
___ Toledo MSA (Fulton, Lucas, Ottawa, Wood)
___ Youngstown-Warren MSA (Mahoning, Trumbull)
___ Other Southeast (Athens, Belmont, Coshocton, Gallia, Guernsey, Harrison, Hocking, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton, Washington)
___ Other Northeast (Ashland, Columbiana, Holmes, Wayne)
___ Other Central (Knox, Marion)
___ Other Northwest (Allen, Auglaize, Champaign, Crawford, Defiance, Erie, Hancock, Hardin, Henry, Huron, Logan, Mercer, Paulding, Putnam, Richland, Sandusky, Seneca, Shelby, Van Wert, Williams, Wyandot)
___ Other Southwest (Adams, Butler, Clinton, Darke, Fayette, Highland)
2005 Minnesota Grantmaking Outlook Survey
(Minnesota Council on Foundations)

(cover letter)

To help the Minnesota Council on Foundations represent you well in the coming year, please take a few minutes to complete this brief, seven-question 2005 Outlook Survey. You can complete the survey online at www.mcf.org/outlooksurvey.htm, or by returning the enclosed paper survey via fax at 612/337-5089. Please respond by Friday, December 17, 2004.

The Outlook Survey provides the Council's ONLY source of information for estimating the outlook for Minnesota's overall grantmaking activity in 2005. This information is invaluable to the Council in representing your interests in our interactions with legislators, the media and the broader nonprofit sector throughout the year, and can be helpful to your own planning as well. To respect our members' time, we have designed the survey to be as brief and easy-to-use as possible.

The Council will share the summarized results of this survey with our members. No individual responses will be shared without your direct permission.

Thank you for your participation and input. If you have any questions or concerns about the survey, please contact Wai Wong-Lai, Research and Information Services Manager at the Council, at 612/335-3559, wwong-lai@mcf.org, or me at 612/335-3557, bking@mcf.org.

(survey)

Minnesota Council on Foundations
2005 Minnesota Grantmaking Outlook Survey

Thank you for taking this important survey. The survey results provide the Council's ONLY source of information for estimating the outlook for Minnesota's overall grantmaking activity in 2005. This information is invaluable to the Council in representing your interests in our interactions with legislators, the media and the broader nonprofit sector throughout the year, and can be helpful to your own planning as well. You can complete the survey online at www.mcf.org/outlooksurvey.htm, or by returning this paper survey via fax to: 612/337-5089.

The Council will share the summarized results of this survey with our members. No individual responses will be shared without your direct permission.

Please respond by Friday, December 17, 2004

1. Between 2004 and 2005, our total grants are likely to (choose one):

- [ ] Increase 20% or more.
- [ ] Increase about 15-19%.
- [ ] Increase about 10-14%.
- [ ] Increase about 5-9%.
- [ ] Increase about 0-4%.
- [ ] Decrease about 0-4%.
- [ ] Decrease about 5-9%.
Appendix 8: Outlook Reports & Outlook Survey Samples

☐ Decrease about 10-14%.
☐ Decrease about 15-19%.
☐ Decrease 20% or more, please give approximate percentage: _______________.

2. Our estimated change in total grants between 2004 and 2005 (either up or down) is due primarily to (choose all that apply):

☐ Increase in the total value of our foundation’s assets.
☐ Decrease in the total value of our foundation’s assets.
☐ Increase in our company’s profits.
☐ Decrease in our company’s profits.
☐ Increase in total gifts received from individual donors.
☐ Decrease in total gifts received from individual donors.
☐ Other, please specify:

____________________________________________________________.

3. Over the past year, our foundation’s assets have (choose one):

☐ Increased 20% or more.
☐ Increased about 15-19%.
☐ Increased about 10-14%.
☐ Increased about 5-9%.
☐ Increased about 0-4%.
☐ Decreased about 0-4%.
☐ Decreased about 5-9%.
☐ Decreased about 10-14%.
☐ Decreased about 15-19%.
☐ Decreased 20% or more, please give approximate percentage: _______________.

☐ Not applicable.

4. With the economy recovering but still unstable and government funding continuing to decline, in 2005 we are likely to make the following changes to our grantmaking program (choose one):

☐ A. Continue with our current giving priorities and programs with no changes.

☐ B. Continue with our current giving priorities or programs, but think about ways to respond to some specific circumstances resulting from the unstable economy and/or reduced government funding.

☐ C. Consider making temporary changes to our giving priorities or programs in order to respond to the impact of the unstable economy and/or reduced government funding.

☐ D. Consider making permanent changes in our giving priorities or programs to address long-term problems resulting from the economic slowdown over the past few years and/or government funding cuts.

☐ E. Don’t know/not sure.
5. Our organization is a:

- [ ] Private foundation (non-corporate).
- [ ] Corporate foundation and/or giving program.
- [ ] Community/public foundation.

6. Please share any major issues or concerns you have regarding the outlook for your organization’s grantmaking in 2005:

7. Because we are asking for only one response per member organization, please provide your name and organization below. Responses will be kept confidential and reported in aggregate only:

Your Name: __________________________________________________

Member Organization: __________________________________________

Please Fax Your Completed Survey by **Friday, December 17, 2004** to: 612/337-5089.

Or Complete the Survey Online at [www.mcf.org/outlooksurvey.htm](http://www.mcf.org/outlooksurvey.htm)

Questions? Contact Wai Wong-Lai, Research and Information Services Manager at MCF, at 612/335-3559, or wwong-lai@mcf.org.
Appendix 9: Grantmaker Rankings Survey Sample

The Minnesota Council on Foundations compiles annual rankings of the state’s top grantmakers, including rankings of the 50 largest grantmakers by grants paid, 50 largest foundations by asset size, 25 largest private foundations, 25 largest corporate grantmakers and 10 largest community/public foundations. The Council’s latest rankings are on its website at www.mcf.org/mcf/giving/top50.htm. Below is a sample cover letter and survey used by the Council in its research to prepare the rankings:

(cover letter)

Dear:

I am asking for your help with the Minnesota Council on Foundations’ annual research on Minnesota grantmaking. Since the early 1970s, the Council has documented trends in the field through its research reports, provided information on the field through directories, and much more. This research allows the Council to effectively represent your interests to state and local legislators, the media and the general public, and to provide information that is useful to both funders and nonprofits for planning, research, public presentations and much more.

To help us in this effort, I am asking your foundation for the following information:

**Your actual or estimated grants** and program-related investments paid for the “2003” research year (fiscal years ending between June 1, 2003 and May 31, 2004) and the fair market value of your **foundation assets** at the end of that fiscal year. Include just *cash* grants *paid* — not grants allocated or approved. Please use the enclosed Fax Back Survey. If you already provided MCF with 2003 figures, they are on the survey form; please verify or correct.

**Your complete grants list** for the same “2003” research year. We realize that you already prepare a grants list that is publicly available through your tax return. However, you can help us provide more timely research and information by sending us a grants list at this time. For each grant, we would like to receive as much of the following information as possible:

- **Required:**
  - Recipient organization name.
  - Recipient organization state.
  - Dollar amount of grant.

- **Optional:**
  - One-sentence description of grant.
  - Support type (gen. op., program, capital, etc.).
  - Intended beneficiaries of grant.

You can send us a list of all grants, or just grants of $2,000 or more if that is more convenient for you. You can send the list as an electronic file in Microsoft Excel (preferred) or Microsoft Word format, or fax or mail us a printed list. If you provide an Excel or Word file, please include each field (Name, State, Amount, etc.) in a separate column, if possible. Send electronic files as an e-mail attachment to Shannon Gahagan at sgahagan@mcf.org.

We will use this information for the Council’s annual *Giving in Minnesota* research report, the *Minnesota Grantmakers Online* database service, our annual Top 50 Grantmaker rankings, and in other ways. Please complete the Fax Back Survey and send your grants lists by **August 27, 2004** if possible. If you have any questions, please contact Wai Wong-Lai, our Research and Information Services Manager, at 612/335-3559, wwong-lai@mcf.org. Thank you in advance for your valuable assistance.

Regards,
William R. King
President
### Minnesota Council on Foundations

**FAX BACK SURVEY**

**2003 Grants/PRIs Paid & Assets**

**Fax To:** (612) 337-5089

Mail: 100 Portland Avenue South, Suite 225, Minneapolis, MN 55401-2575

Attention: Shannon Gahagan, (612) 338-1989, sgahagan@mcf.org

---

**Please fax back by August 20, 2004**

Person completing this survey: __________________________ Phone: __________________________

Organization: __________________________ Date: __________________________

**2003 Fiscal Year End (mm/dd/yy):** __________________________ (FYE Between 6/1/03 and 5/31/04)

<table>
<thead>
<tr>
<th>2003 actual/estimated cash grants paid by foundation*</th>
<th>$ __________________________</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003 actual/estimated cash grants paid by corporate giving program*</td>
<td>$ __________________________</td>
</tr>
<tr>
<td>2003 actual/estimated program-related investments paid</td>
<td>$ __________________________</td>
</tr>
</tbody>
</table>

the figures above are: ___ actual    ___ estimated

| 2003 fair market value of foundation assets at fiscal year end: | $ __________________________ |

| 2004 anticipated grants/PRIs paid: | $ __________________________ |

| 2003 total number of grants paid: | __________________________ |
| 2003 largest grant paid: | $ __________________________ |
| 2003 smallest grant paid: | $ __________________________ |

*Please do not include in-kind donations, volunteer hours nor grants approved for future payment.*

---

Please provide any additional information that MCF should know about your grant or asset totals:

Comments/Questions:

---

Thank You for Your Assistance!
Appendix 10: Sample Giving Report News Releases

Samples of news releases issued by regional associations of grantmakers to announce the release of a new regional giving report:

(Minnesota Council on Foundations)

Minnesota’s Charitable Giving Declines for Second Straight Year

New Report Provides Latest Data and Trends on the State’s Philanthropy

MINNEAPOLIS (November 30, 2004) Total charitable giving by individuals, foundations and corporations in Minnesota declined for the second year in a row in 2002, reflecting the impact of an economic recession that was exacerbated by the tragic events of September 11, 2001, according to the Minnesota Council on Foundations’ latest “Giving in Minnesota” report. The state’s charitable giving totaled $4.18 billion in 2002, a decline of less than 1 percent from the previous year, which follows a similar small decline in 2001.

Individuals in Minnesota gave $3.28 billion to charity in 2002, an increase of less than 1 percent from 2001. The state’s foundations and corporations awarded $893 million in grants in 2002, which is a 5 percent decline from 2001 (adjusted for inflation). This drop in grants is slightly higher than the 2 percent decline nationwide and is the first such decrease recorded by the Council since 1984.

“The weak economy in 2001 and 2002 has clearly taken its toll on Minnesota’s charitable giving, as it has on other sectors in our state and across the country,” said Council president Bill King. “Fortunately, the declines in giving have not been severe, and we expect to see an upturn in the near future.” The Council expects that giving was flat in 2003 but increased modestly in 2004, according to the latest estimates from grantmakers.

The weakening economy in 2002 had a dampening effect on Minnesota foundation assets, which grew just 2 percent between 2001 and 2002 (a decline of less than 1 percent when adjusted for inflation). This is the second year in a row that the Council has recorded an inflation-adjusted decline in the state’s total foundation assets.

In some good news for Minnesota nonprofits, the state’s foundations and corporate grantmakers increased their support for organizations that serve the state. Minnesota grantmakers gave 61 percent of their 2002 grants to Minnesota-serving organizations — the highest level since 1990.

Health organizations saw the biggest growth in funding in 2002, according to the report, with a 7 percent increase in grant dollars received. Arts groups, on the other hand, experienced the biggest drop in grants, with a 22 percent decline.

The “Giving in Minnesota” Report, 2004 Edition is available for $20. For an order form, visit the Council’s Web site at www.mcf.org (select “Resources”), where you can also download a free report summary. Or contact the Council at 612.338.1989, info@mcf.org.

Founded in 1969, the Minnesota Council on Foundations’ mission is to strengthen and expand philanthropy. The Council is a regional membership association of grantmakers working to improve the vitality and health of our communities. Council members include private foundations, community and other public foundations, and corporate foundations and business giving programs.
(Donors Forum of Chicago)

Nonprofits, Foundations Feel Money Crunch

Two new reports illustrate struggles of nonprofit sector during economic downturn

June 23, 2003 - After a wave of unprecedented growth in the philanthropic sector in the 1990s, foundations, corporate giving programs and charities are now struggling in an environment of increased competition for fewer funds. Two new reports from the Donors Forum of Chicago offer the first concrete evidence on how the economic downturn, and the subsequent drop in giving from foundation, corporate and government sources, has affected the sector.

In Perspective, based on a survey conducted in March 2003, tracks how Chicago-area grantmakers and nonprofits have reacted to the challenges of the economic downturn. Giving in Illinois 2003 is a comprehensive analysis of foundation, corporate and individual giving trends by region, type and subject area based on fiscal year 2001 data (the most recent available).

The results of the In Perspective survey show that local foundations and corporate giving programs have less to give and therefore are changing the way they make grants. The grantmakers responding to the survey account for 22 percent all Illinois foundation assets. These foundations reported an average decline in assets of 15 percent and they expected to give $11 million less in grants this year than last. As a result, many grantmakers have shifted to a strategy of giving a fewer number of larger grants. Many of these grants emphasize general operating support, which the grantmakers hope will increase the flexibility of nonprofits.

"The reality of the recession is starting to take hold," said Valerie S. Lies, president and CEO of the Donors Forum of Chicago. "Both grantmakers and nonprofits have fewer resources, yet they still have work to perform in the community. The way they work will start to change as they adjust their operations and act more strategically."

In Perspective also found that nonprofits are struggling with the triple effect of drops in funding from foundations, corporate giving programs and state government. Of the nonprofits that responded to the survey, 35 percent said their current budget was lower than last year, 48 percent said foundation and corporate giving had dropped and 31 percent reported a decrease in government funding.

Almost half (48 percent) of nonprofit respondents reported a drop in their operating reserves, indicating that many had to tap into these reserves to make up for lost resources. Another 53 percent expected to have cash flow problems again this year. Along with smaller budgets, nonprofits must also cope with more demand for their services. Nonprofits in the survey sample reported a 62 percent increase in demand for services.

Many nonprofits reported that they are more aggressively seeking funding. For example, 74 percent said they submitted more proposals to private funders. This was reinforced in the grantmaker survey, where 52 percent of funders reported increased requests by nonprofits they had not granted to before. However, in light of the reported decreases in grants made by foundations, a diversified approach to funding seems to be the most successful. Nonprofits responded to this challenge by increasing individual donor strategies (52 percent), holding more fundraising events (29 percent) and heightening direct-mail appeal efforts (42 percent). Many nonprofits reported that they were in the midst of a strategic planning process, with a focus on strengthening the organization, evaluating operations and diversifying funding.
Appendix 10: Sample Giving Report News Releases

Nonprofits outside the city of Chicago have felt the effects of the downturn more readily than those in the city, as they reported greater decreases across all funding sources. For example, while 23 percent of Chicago organizations reported decreases in individual giving, 40 percent of nonprofits outside of Chicago reported a decrease.

Giving by foundations, corporations and individuals totaled $8.9 billion in 2001, according to Giving in Illinois 2003. Individual giving accounted for $7.2 billion. Foundation and corporate giving increased 27 percent from 1999 to 2000; however, giving from these sectors increased only 4 percent from 2000 to 2001. This much smaller growth rate illustrates the beginning of the economic decline. In addition, results from In Perspectives suggest that giving across all sectors has fallen since then.

Other key findings of Giving in Illinois 2003:

- Total grantmaking by Illinois foundations and giving programs grew to $1.64 billion in 2001.
- The number of foundations and corporate giving programs increased by 13 percent.
- Foundation and giving programs in Cook and Lake counties saw a decrease in asset size of 1 percent and 6 percent respectively.
- Human services grants made up the largest share of local grant dollars (27 percent).
- Local funding for health and education programs was notably lower than funding on the national level.
- Fifty-two percent of grant dollars went to program support, while 22 percent went to general operating support.
- The average Illinois individual reported $1,019 in charitable contributions on tax returns, about 3 percent less than the national average. Illinois ranks fifth in the nation in the total amount of itemized charitable deductions.

Growth in the foundation sector was evident in the suburban Chicago counties between 1999 and 2001. McHenry and Will counties saw an increase in the number of foundations. Grantmaking in Kane County grew by 27 percent, in McHenry County by 60 percent and in Will County by 46 percent. While foundations in Lake County saw a 6 percent decrease in asset size, grantmaking increased by 26 percent.

Giving in Illinois 2003 is available for sale from the Donors Forum. In Perspective is a free report included with copies of Giving in Illinois 2003 and is available for download as a PDF file.

For more information or to receive a copy of the reports, contact Jelene Britten at (312) 327-8942 or jelene@donorsforum.org.
Appendix 10: Sample Giving Report News Releases

(Association of Baltimore Area Grantmakers)

Maryland Experiences Dramatic Growth in New Foundations

BALTIMORE, MD (December 8, 2004) – The number of new charitable foundations has grown in recent years and Maryland’s grantmaking foundations continue to be extremely generous, despite decreasing assets, according to a report released today by the Association of Baltimore Area Grantmakers.

These foundations support human services more than any other cause, and more than one-third of their donations benefited Maryland-based groups.

The report, State of Foundation Giving in Maryland – 2004, is the first of a series documenting the status of charitable giving in the state. The report covers the year 2002, the most recent year for which government data is available.

Today’s report highlights a number of trends:

• **While the assets of the 1,376 Maryland foundations declined, giving rose.** Although assets declined by $565 million (5.9%), giving rose by $22.6 million (3.6%) between 2001 and 2002. Assets were declining, but foundations were increasing their giving because many foundations made multiple-year commitments in the economically flush times of the late 1990’s, which they continued to pay out through 2002. Also, much of the special giving related to September 11, 2001 was actually paid out in 2002.

• **More foundation dollars in Maryland go to human services than to any other category.** 28% of foundation dollars in 2002 supported human services; 17% went to educational causes and institutions; and 14% went to health.

• **Maryland foundation money stayed in Maryland.** A good deal of Maryland foundation grants in 2002 went to Maryland-based organization — approximately 39%. The bulk of these went to organizations in Central Maryland ($195 million out of $238 million). Although it may be surprising that more foundation dollars don’t stay in the state, it’s important to note that millions of dollars come into Maryland nonprofit organizations from foundations based in the other 49 states.

In other findings:

• **The pool of foundations is growing.** Nearly half of Maryland’s foundations are less than 10 years old. Since 1996, 570 new foundations have been created in Maryland, bringing the total number of foundations in the state to 1376. The state’s population centers saw the greatest growth in the number of new foundations. Montgomery County has 229 of them; Baltimore City has 94; and Baltimore County has 83.

• **Central Maryland is the state’s foundation center.** Baltimore and the 5 surrounding counties are home to 47% of the state’s foundations. These Central Maryland foundations accounted for 74% of the state’s foundation assets and 67% of the state’s foundation giving in 2002.

In this explosive foundation growth, Maryland is keeping pace with the rest of the country. According to the Foundation Center, the number of active grantmaking foundations in the country doubled between 1990 and 2002. This may reflect the economic boom in the late 1980's and 1990's, and it also may be
indicative of a greater level of awareness about the option of creating a foundation to meet charitable and estate planning needs.

Foundation giving is just one portion of total charitable giving. In the U.S. in 2002, foundations gave about 11% of total charitable dollars. Individual giving accounts for the lion’s share of giving: about 76%. The remainder is made up of corporate giving (5%) and individual bequests (7.5%).

“Foundations fill several special roles” said Betsy Nelson, ABAG Executive Director. “They provide seed money for experimental ideas or innovative projects that government and individuals might not fund and they help strengthen organizations by providing capacity building funds” said Nelson. Some foundations try to fill gaps, focusing on historically underserved populations. “Foundation grants are often used in ways that other funding isn’t and this makes a big difference to the recipient groups and those they serve,” explained Nelson.

ABAG will soon release the second in this series of reports, focusing on individual charitable giving in Maryland. To read the entire State of Foundation Giving in Maryland – 2004 report, visit www.abagmd.org.

###

ABAG is the Baltimore region's premier resource on philanthropy, dedicated to informing grantmakers and improving our community. ABAG's members include representatives of more than 125 private foundations and corporations in Central Maryland with strategic, ongoing grantmaking programs. www.abagmd.org
Appendix 11: Foundation Center FAQs

Creating Reports on Foundations and Their Funding Trends in Your Area: Frequently Asked Questions

Prepared by The Forum of Regional Associations of Grantmakers & the Foundation Center

The Forum of Regional Associations of Grantmakers and the Foundation Center have worked to develop models and pricing for regional data packages that you can use to create reports on the foundations and funding trends in your area. The following FAQs provide a starting place for learning about these options.

1. What should a report on foundation giving in my area include?
   
   Some of you already prepare reports or updates on foundations in your area, which provide good models of the two principal types of data you will ideally want to include. First, your reports should include information on the overall size and composition of the foundation community in your area—e.g., statistics on number of foundations, assets, and giving—breakdowns of these statistics by foundation type, and ranked lists of top funders by assets and giving. Second, your reports should ideally include information on the giving patterns of area grantmakers, based on grants awarded by a sample of foundations.

2. Why has the Forum selected the Foundation Center as our “preferred provider” of data on foundations?

   Over the past decade, regional associations and New Ventures coalitions have worked with a number of different providers to obtain data on foundation giving. These providers have included the Foundation Center, Jankowski Associates, Guidestar, Indiana University, and the Urban Institute. Unfortunately, the use of so many different providers has meant that regional data presented by our various organizations is often not comparable. In an effort to bring greater consistency to the foundation data our organizations present at a reasonable cost, the Regional Giving Studies Taskforce developed an RFP outlining the needs of our members. After reviewing the various proposals, the Taskforce selected the Foundation Center as our “preferred provider” because its extensive data on foundations, willingness to work with our members to develop custom regional data, and overall pricing were the best match for the needs articulated by our network.

3. What types of data are available from the Foundation Center?

   The Foundation Center collects comprehensive fiscal information on the universe of independent, corporate, community, and operating foundations, and this information is updated annually. The Center also collects information on foundation giving patterns based on grants awarded by a sample of the largest U.S. foundations nationally. All of these data can be provided to members at the regional, state, metropolitan area, or county level in a variety of standard and custom data table and list formats, or even as raw data.

4. How up-to-date is the data I receive from the Foundation Center?

   The Foundation Center updates grantmaker and grants data on a daily basis using the latest information available and delivers refreshed data weekly through its online databases. For research purposes, the Center creates annual updates of all grantmaker and grants sample data. The updated grants sample data set is available for custom data runs beginning in February of each year, while the annual grantmaker data set is available beginning in April of each year. Given the lag time between...
the completion of a foundation’s fiscal year, the filing of its annual information return with the IRS, the processing of that return by the IRS, and the receipt and processing of the return by the Foundation Center, there is generally a two-year lag between the year of foundation fiscal and grants information available and the calendar year—e.g., “circa 2003” data is being released by the Center in 2005. In addition, differences in reporting cycles by foundations mean that data included in a single set may span multiple years. For example, while more than three-quarters of foundations included in the “circa 2003” grantmaker data set were represented with 2003 or early 2004 fiscal data, the remaining foundations were represented with 2002 or 2001 data. Similarly, close to three-quarters of grant dollars included in the “circa 2003” grants sample data set reflected 2003 grants, while the balance reflected 2002 grants.

5. You’ve said that the Foundation Center has comprehensive fiscal information on foundations, but what about its grants sample—how much giving does it capture?

Each year the Foundation Center collects and indexes all of the grants of $10,000 or more awarded by a sample of just over 1,000 of the largest U.S. foundation nationally. Because the sample includes most of the biggest foundations, it typically accounts for half of giving reported by the universe of more than 65,000 grantmaking foundations. However, this does not mean that the sample consistently captures half of giving in all states or localities. In fact, in some states, the proportion is much higher, while in others it is lower. In areas where the Center’s grants sample data does not currently represent an adequate share of overall giving, they can work with you to collect the additional grants information needed to form a more complete picture of giving.

6. How much grants information will I need to create an adequate picture of giving in my region?

The grants sample should ideally account for at least half of all giving in an area, although 40 percent or more may be reasonable. However, this will have to be determined on a case-by-case basis. For example, a state with a single exceptionally larger funder may pass the 50 percent threshold, but giving patterns would principally reflect the priorities of that very large grantmaker. In this instance, or in cases where the sample reflects less than 40 percent of overall giving, you may choose to commission the Foundation Center to sample additional foundations to get a more complete snapshot of where giving flows.

7. Can the Foundation Center report on grants that are smaller than $10,000?

Since 1990, the Foundation Center’s annual grants sample data set has included only grants of $10,000 or more. If you are interested in including grants of $5,000 or more in an analysis of giving patterns in your area, you may explore commissioning the Foundation Center to identify, code, and key these smaller grants.

8. How are community foundations reported?

The Foundation Center collects comprehensive fiscal information on community foundations in its grantmaker data set. For the grants sample data set, however, only grants of $10,000 or more from unrestricted funds are consistently included. Grants provided through field-of-interest and other donor-advised funds are included if that information is provided by the foundation. Giving through restricted funds has traditionally been excluded because grantseekers are not able to apply for this support and because detailed information on restricted grants and their recipients is often not available. For these reasons, and because community foundations often give mostly small grants (i.e., less than $10,000), they may be underrepresented in a region’s grants sample. In such cases, you may choose to commission the Center to work with you to ensure that the grantmaking patterns of community foundations are sufficiently represented for your region.
Appendix 11: Foundation Center FAQs

9. What other types of data are available from the Foundation Center?

Beyond the standard information collected in the grantmaker and grants sample data sets on the size, scope, and giving patterns of U.S. foundations, the Foundation Center collects data on other aspects of institutional philanthropy. For example, the Center can provide you with selected information on health care conversion foundations, public foundations (grantmaking public charities), and corporate giving programs in your area. The Center also has information available on foundation staffing patterns and public reporting among larger foundations.

10. How much will a “data package” for my area cost?

The fee for providing custom data for your area will vary based on the number and types of output tables and lists you request. A set of basic data created using existing information on foundations in your area could cost as little as $1,000, while detailed information on foundations and their giving patterns could top $9,000. (This figure does not include the cost of commissioning the Center to index additional grants, if you decide that will be necessary.) The Center will work with you to develop a data package that will provide you with the greatest amount of possible information while keeping within your budget.

11. What does the fee for the Foundation Center’s data include? What are the restrictions on use (do I own it)?

Foundation Center data are generally provided for one-time use (e.g., for a research report) and may not be repackaged or disseminated to the public in other formats (e.g., on the Web) without explicit prior agreement. Any reports you prepare must include citations to the Foundation Center within the text and on all tables and graphics that include Center data. For those of you interested in using the data for several projects, multiple-use licensing is available.

12. How can I be certain that my interpretations of Foundation Center data are correct?

The Foundation Center’s Research Department can provide you with a detailed review of manuscripts, data tables, and graphics that were prepared using Center data. These are fee-based services, and you should contact the Center’s Research Department if interested. (The Center can also partner with you to produce a report.)

13. I'm reading to get started on a report. Who should I talk to?

You should begin by contacting:

Steven Lawrence
Director of Research
The Foundation Center
(212) 807-2410
sal@fdncenter.org

Steven can work with you to define the types of data you’ll need, establish timeframes and pricing for creating output, and help you with interpreting findings.
Appendix 12: Sample Regional Giving Study Grant Proposal

Donors Forum of Chicago
Proposal to Polk Bros. Foundation

December 2002

Giving in Illinois - What We Know Now

The Donors Forum of Chicago (DFC) is requesting support from the Polk Bros. Foundation to research, publish and disseminate two important and related reports: a new edition of Giving in Illinois, a major biennial report on the region’s foundation and giving trends, and What We Know Now: Eighteen Months After September 11, a one year update to Six Months Later. When first released in April of 2002, Six Months Later provided a snapshot of what foundations and nonprofit organizations were experiencing as it related to fundraising, budget, staffing, demands for services, and requests for grants six months after September 11. What We Know Now will update and expand this research.

Over the past year, the challenges facing nonprofits – and their funders – have become clearer and more pronounced. Among the factors confronting the nonprofit community are state government funding cuts, soft corporate giving budgets, growing needs for social and human services, expectations for efficiency and results, smaller assets and grants budgets, staff layoffs and more broadly, the economy. Among nonprofits there is a growing perception that they are receiving less information about funding priorities and foundation changes, that foundation and corporate dollars will be harder to raise, and expectations of greater competition between nonprofits. There is a pressing need for accurate, reliable and current research that can inform nonprofit fundraising and expectations, surface challenges, and strengthen nonprofit decision making.

Making available research and information that can inform and strengthen nonprofits and philanthropy is central to the Donors Forum’s mission. DFC uniquely collects information on foundations, grants and individual giving. We reach thousands of nonprofits and funders, who inform and use our research. The Donors Forum is seeking a grant of $25,000 to fund the research undertaking and to support a broad communication strategy to disseminate the reports and engage funders, nonprofits, government and media in dialogue about the current state of philanthropy and nonprofits in the region.

Need

In addition to the immediate economic concerns and issues facing nonprofits, as noted above, there are other important reasons for the Donors Forum to undertake this research. The near term indicators suggest flat growth, and perhaps even declines, in overall giving as a result of the economy, in individual giving based on current wealth, and in foundation and corporate giving linked to declining asset bases and more vulnerable corporate finances. The most recent figures from the Foundation Center (2001) reveal that giving nationally grew by 5.1%, compared to an 18.2 % rise in the prior year.

At the same time, data suggests a longer term scenario of steady growth in philanthropy, fueled by an intergenerational transfer of wealth, demographic trends, and the influx of new philanthropic capital, and a diversification of the vehicles (e.g., Donor Advised Funds) for philanthropic giving. Particularly now, it is important to gather and analyze data to help the sector understand both of these dynamics and integrate them into funding plans.

Research on the regional giving picture can be a useful guide for navigating funding trends and developing appropriate strategies. Previous Giving in Illinois studies, for example, have highlighted the
growth of donor advised funds, individual giving and planned giving trends. Other data includes the level of new foundation creation and where foundation growth and creation is occurring throughout the state. This information provides important context for developing a rationale and tactics to diversify funding streams. Understanding the shorter-term economic environment, where and how funders may be changing priorities and grants, and how nonprofits may be adapting is also important knowledge to help nonprofits make decisions in the current turbulent times.

While nonprofits and, secondarily, grantmakers are key users of this information, there are other communities and other needs served by this research. The Donors Forum actively uses its research with media and policy makers to broaden and deepen their understanding of philanthropy: how it occurs in the region, the various forms of philanthropy, what funding priorities are, and the diversity of giving and trends. These strategies are particularly important given the recent and ongoing media and policy attention to giving and the economic health of the nonprofit sector.

Another important audience served by this research is the general public. For them, the reports provide an accessible and accurate picture of philanthropy, helping individuals to better understand the variety of philanthropy and how giving affects communities and institutions in tangible ways. Informing and encouraging individual giving is a particularly important goal now, when nonprofit institutions are seeking to tap into different funding sources and as wealth transfers from one generation to the next.

Proposal

The Donors Forum proposal includes the research, publication and dissemination of two related reports: a new edition of *Giving in Illinois*, a biennial report on the region’s foundation and giving trends, and *What We Know Now: Eighteen Months After September 11*, a one year update to *Six Months Later*. Our proposal includes an aggressive communication strategy to disseminate the reports and engage funders, nonprofits, government and media in dialogue about the current state of philanthropy and nonprofits in the region.

*Giving in Illinois, 2003*

Over the past four years, this report has become one of the core information sources on giving in the region and is the only report of its type available that details Illinois philanthropic activity. With the introduction of *Giving in Illinois* in 1999, DFC made available for the first time information about the practice and reach of local giving. The report detailed the sources of philanthropic capital, such as individual giving, corporate giving and foundations; the types of issues, demographic groups and organizations receiving philanthropic support; and the types of available support – for capital campaigns, programs, general operating support and other needs. The report draws from a number of sources, primarily the Donors Forum’s foundation and grant databases which have grown substantially over the last few years as the information has become more visible, more accessible through multiple technologies, and as grantmakers become more comfortable and confident sharing their grants information.

With the second edition of the report, *Giving in Illinois 2001*, the Donors Forum expanded this research framework to add several new elements. Importantly, collecting and analyzing over time allows DFC to measure against the 1999 baselines and track changes in giving amounts and recipients and to identify trends in philanthropic growth. The 2001 report also included expanded information about individual giving. In partnership with Giving Greater Chicago (a special project of the Donors Forum), we contracted with the National Center for Charitable Statistics to analyze tax data and develop a statewide giving index to help pinpoint individual giving patterns and track their relationship to wealth, income and geography. The report also, for the first time, tracked and quantified information about donor advised funds.
Appendix 12: Sample Regional Giving Study Grant Proposal

_Giving in Illinois 2003_ will update this research. We expect to complete the data collection and research phase for _Giving in Illinois 2003_ in February 2003. We are collecting information about foundation giving, assets and grants details on an ongoing basis and we are accelerating the collection and coding of grants information to capture as much information as possible about 2001 and 2002 foundation grants. The design and printing of the report will occur in early spring with a release date in April 2003.

Polk Bros. Foundation support for this aspect of the project would fund the design, production and printing of the report.

_What We Know Now: Eighteen Months After September 11_

The second piece of our research proposal includes an update of survey research designed to capture the current and prospective shifts in grantmaking activity and priorities and to document the scope and nature of challenges facing funders and nonprofits. Whereas _Giving in Illinois_ is a trend report, presenting a retrospective snapshot of activity as reported in the last fiscal year, _What We Know Now_ uses survey research to capture the current and future outlook of funders and nonprofits. The two research pieces supplement each other to frame both the long-term trends and the more imminent issues, strategies and needs.

_What We Know Now_ updates a research report first produced in April 2002. This report, _Six Months Later_ was based on surveys conducted six months after the September 11 attacks. It was clear that the attacks, and more importantly, the economic downturn that followed, had multiple impacts on philanthropy and nonprofits nationally and regionally. As news of declining grants, closing corporate giving programs, failed fundraising events, state budget cuts and staff layoffs swirled through local organizations, the community turned to the Donors Forum for information. Detailing, verifying and quantifying those impacts were pressing needs for our local community.

To produce the report, DFC conducted a survey of over 200 grantmakers and nonprofits. The questions were designed to gather information on changes in grantmaking and nonprofit budgets, planned changes in programs, fundraising challenges, new demands for services, and mapped changes across different types of grantmakers (e.g., corporate) and nonprofits (e.g., arts, human services). A copy of the _Six Months Later_ report is attached to this proposal.

This report was well received and broadly circulated, garnering attention and interest from local nonprofits, funders, federal and state elected officials, as well as a significant level of media interest.

The outlook for 2002 was mixed: nonprofits were beginning to hear from funders that less grants or dollars may be forthcoming, but that sweeping changes were not imminent; there was great concern about reductions in corporate giving and the kinds of organizations that would be most affected; individual giving declined as donors’ stock portfolios suffered and because some had given generously post 9/11. Some of the biggest challenges nonprofits revealed were related to severe state budget cuts and, as the economy faltered, a 50% increase in the demand for services (e.g., human services, food and shelter). For the most part, grantmakers were staying the course: some noted declines in their assets, many expected giving to remain the same – because of previous funding commitments, the payout rules and rolling average, and because they wanted to help nonprofits at a time when demands were greatest. Half of the funders also reported an increase in grant requests. Corporate funders reported the worst overall philanthropic outlook. The report concluded that there would be tough times and tough choices; many wondered whether the full force of the economic impact was still ahead.

In the eight months since the report was released, we have received anecdotal indications from the community of additional changes and challenges. As the economy turned officially towards a recession, the implications have begun to settle in across the sector. As foundation board meetings, payout
Appendix 12: Sample Regional Giving Study Grant Proposal

averaging, and budgets unfold over time, some expect a shift in funding patterns – perhaps less grants in bigger amounts, or smaller grants to the same number of grantees, or less opportunities for nonprofits to approach foundations where there is not an existing relationship or grant. Nonprofits are facing many choices: laying off staff, merging, closing, finding ways of achieving greater efficiency, sustaining programs with fewer resources. Some nonprofits plan to simply fundraise more aggressively. At the same time, the state budget deficit is shrinking the pool of resources available for nonprofits to deliver services.

We believe that it is critical to measure and report on the effects that are manifesting in our region. We propose to survey foundations and nonprofits again in February and March of 2003 to document budget changes and projections, increases in demands and requests for service and grants, changes in staffing, priorities, key challenges, changes in all revenue and donated income streams, and strategies implemented by nonprofits and funders to guide their organizations at this rapidly changing time. The survey development and analysis will be conducted by the same team of outside consultants, Deb Hass and Rachel Morrissey, who researched the first Six Months Later report. Polk Bros. Foundation funding would be used to fund the research consultant costs. Our goal is to research, design, produce and publish the two reports, Giving in Illinois and What We Know Now simultaneously in April 2003.

Distribution

The reports will be broadly distributed to leaders and organizations in the philanthropic, civic, media and government sectors. As is our standard practice, the Members and Associate Members of the Donors Forum, media and elected officials are provided a copy of Giving in Illinois at no cost; other audiences are able to purchase Giving in Illinois for a moderate fee. Our experience is that the report will be well disseminated through these channels; nearly one thousand copies of each of the previous editions have circulated.

What We Know Now will be broadly and freely available; printed copies will circulate with Giving in Illinois and the report will also be available on the Donors Forum’s website. Over one thousand copies of the initial Six Months Later report were downloaded after it was released in April 2002.

There are two other important aspects to the distribution strategy. First, the reports will become part of the tools that are used in meetings, visits and other outreach conducted with state and federal officials. Particularly as public funding streams are also shrinking, it is important to use research as a tool to educate government on the challenges, roles and capacities of private philanthropy and the nonprofit sector. State and federal policy makers are interested and grateful to receive these details on the issues facing their districts. Donors Forum staff will also implement a media relations strategy to publicize the reports and its findings about Illinois philanthropy and nonprofits.

A second element of outreach is programming. The Donors Forum is planning a dialogue for July 2003 to share the research findings and its implications with nonprofits from throughout the region. The program, to occur at Spertus Institute, will create an important opportunity for nonprofits, funders and others to share information on what they are experiencing, learn more about the research, and hear from a panel of local leaders on how nonprofits are coping, what strategies organizations are deploying, and what nonprofits should know about approaching foundations at this time. Typically, between 75 – 100 organizations attend these briefings. A small portion of the Polk Bros. Foundation grant would be used to support this convening.

The objectives of our research endeavor is to create useful, accurate and timely sources of information on philanthropy, document the challenges and changes occurring in nonprofit and funding organizations, and
Appendix 12: Sample Regional Giving Study Grant Proposal

to inform the nonprofit sector and the public of these trends in a way that helps the community make informed decisions and develop appropriate fundraising and management strategies. The distribution and use of this information, in addition to media hits, are important indicators toward our accomplishment of these objectives.

Personnel

Resumes are attached for key personnel involved in this project: Suzannah Cowell, Research Coordinator, Donors Forum of Chicago (lead staff), and Deb Hass and Rachel Morrissey, the research consultants.
Appendix 12: Sample Regional Giving Study Grant Proposal

Donors Forum of Chicago
Proposal to Polk Bros. Foundation

December 2002

Proposal to Polk Bros. Foundation

Giving in Illinois - What We Know Now

Project Budget

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<th>Research Expense</th>
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<td>Consultants Hass and Morrissey</td>
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<td>What We Know Now</td>
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<td>Research Intern</td>
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<td>Coding grants data 150 – 170 hours @ $15 hour</td>
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<td>Research Coordinator</td>
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<td>Management of research project, consultant, interns, editorial @ 1 month</td>
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<td>Facility, marketing, materials</td>
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<td>Postage, Delivery</td>
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| TOTAL | $25,000 |
Connecticut Estate Information
Quick facts on charitable bequests made through estates over $1,000,000 settled in Connecticut in 2002

- 2,124 Connecticut residents left total estates of nearly $4.6 billion or 2.2% of the $211.8 billion total estates left in the U.S.
- 410 Connecticut residents made charitable bequests (gifts to charity through a person’s will) totaling over $383 million or 2.1% of the $18.5 billion dollars bequeathed to charity.
- The average Connecticut estate was nearly $2.2 million, compared to the U.S. average of $2.1 million.
- The average of Connecticut charitable bequests was $936,000, compared to the U.S. average of $1,135,000.
- 19% of Connecticut estates included a charitable bequest, compared to the U.S. average of 16%.
- Of those who left charitable bequests, Connecticut residents bequeathed 28% of their estates to charity compared to 33% of the estates for the average of those in the U.S.
- 8.3% of the assets of all estates settled in Connecticut were distributed in charitable bequests compared to the 8.7% U.S. average.

Please see “Facts on Connecticut Estates” for a five-year comparison of the above information.

Notes
1. The total amount bequeathed to charity in Connecticut does not reflect planned gifts such as charitable remainder trusts, charitable lead trusts, foundations, etc. whose creation often results from estate planning.
2. Estate Tax Legislation
   In 2001, Congress passed legislation that gradually raises the estate tax threshold and ultimately repeals the estate tax in 2010. In 2011, the whole tax bill will expire unless Congress votes to renew it. In 2001, estate tax was assessed on those who died leaving a taxable estate of more than $675,000.

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<th>Year</th>
<th>2002</th>
<th>2004</th>
<th>2006</th>
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<th>2010</th>
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<td>Estate Tax Exemption:</td>
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<td>$1.5 million</td>
<td>$2 million</td>
<td>$3.5 million</td>
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**Facts on Connecticut Estates (Over $1,000,000)***

IRS Estate Tax Return Information: Five-Year Comparison 1998-2002

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<th>Year</th>
<th>CT’s National Rank</th>
<th>CT Average / U.S. Average</th>
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<tr>
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<td>12</td>
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<tr>
<td>2001</td>
<td>5</td>
<td>$2.5 million / $2 million</td>
</tr>
<tr>
<td>2000</td>
<td>10</td>
<td>$2 million / $2 million</td>
</tr>
<tr>
<td>1999</td>
<td>10</td>
<td>$2 million / $1.9 million</td>
</tr>
<tr>
<td>1998</td>
<td>3</td>
<td>$2.2 million / $1.8 million</td>
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<tr>
<th>Year</th>
<th>CT Returns / U.S. Returns</th>
<th>CT Total Bequeathed / U.S. Total Bequeathed</th>
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<tr>
<td>2002</td>
<td>410 / 16,272</td>
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<tr>
<td>2001</td>
<td>440 / 18,711</td>
<td>$239.3 million / $16.6 billion</td>
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<tr>
<td>2000</td>
<td>245 / 18,011</td>
<td>$139.7 million / $16.8 billion</td>
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<td>1999</td>
<td>339 / 17,558</td>
<td>$197.2 million / $16 billion</td>
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<tr>
<td>1998</td>
<td>245 / 16,986</td>
<td>$200.9 million / $11.2 billion</td>
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<td>$936,000 / $1,135,000</td>
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<td>32</td>
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<td>36</td>
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<td>1998</td>
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<td>19% / 16%</td>
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<td>17% / 17%</td>
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<td>1998</td>
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<td>28% / 33%</td>
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<tr>
<td>2001</td>
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<td>17% / 28%</td>
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<td>1998</td>
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<td>21% / 23%</td>
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<td>8.3% / 8.7%</td>
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<td>1998</td>
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* A federal estate tax return must be filed when the deceased's estate exceeds a certain amount; this amount is determined by the year in which he or she died. For deaths occurring between 1995-97, returns had to be filed for estates exceeding $600,000; the amount went up to $625,000 in 1998, to $650,000 in 1999, to $675,000 in 2000-2001, and to $1,000,000 in 2002.

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Tel. (860) 525-5585  Fax: (860) 525-0436  Email: ccp@CTphilanthropy.org  www.CTphilanthropy.org

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