KEEPING IT IN THE FAMILY:

Do Family Foundations Spend More On Overhead Expenses Than Nonfamily Foundations?

BY

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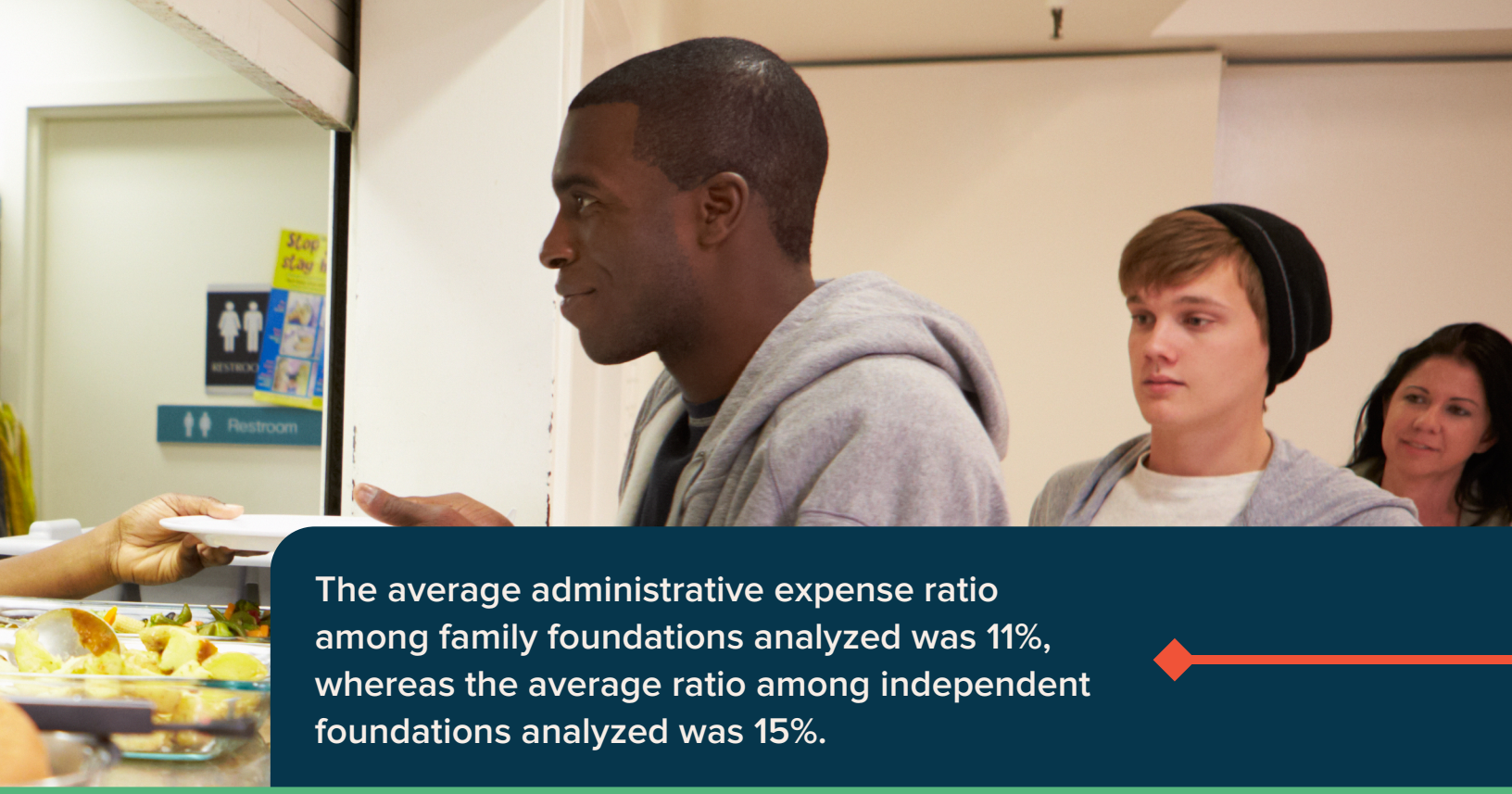
Executive Summary

OVERVIEW

In recent months, there have been policy conversations percolating on Capitol Hill that call into question the expenditures of private family foundations. Specifically, there have been questions about (and subsequent policy proposals to address) a possible abuse in family foundation expenditures as it relates to administrative expenses (i.e., salaries, travel expenses, etc.) that are incurred by employed family members or descendants of the original donor(s). To investigate this, data on private foundation spending was collected and analyzed to assess whether there were significant differences between overhead expenses of family versus non-family foundations.

This study examines the ratio of charitable administrative expenses to qualifying distributions for private family foundations versus private independent (nonfamily) foundations. This ratio measures a foundation's expenditures for charitable administrative expenses relative to its total expenditures for directly carrying out a charitable purpose ("qualifying distributions," which include grants plus charitable administrative expenses). This paints a picture of how much a given foundation spends on salaries and benefits, office space, etc., as a percentage of total charitable expenditures. For example, if in a given year a foundation made $1,000,000 in qualifying distributions and spent $100,000 on charitable administrative expenses, its ratio would be 10%.

Further, this study assesses the difference in this ratio between private family foundations and private independent foundations. A private family foundation ("family foundation") is defined, for the purposes of this study, as a private, non-operating foundation in which at least 20% of total board trustees are related to the original donor(s). Conversely, this study defines private independent foundations ("independent foundations") as private, non-operating foundations where less than 20% of total board trustees—if any at all—are related to the original donor(s).



The average administrative expense ratio among family foundations analyzed was 11%, whereas the average ratio among independent foundations analyzed was 15%.

METHODOLOGY

The data set used in this study is comprised of information independently collected from the publicly available 2018 Form 990-PFs of 40 foundations: 20 family foundations and 20 independent foundations. The year 2018 was selected because it is the most recent year in which Form 990-PFs were available for all 40 foundations.

Classification as a family foundation versus an independent foundation is based on the composition of the board of trustees of each foundation in 2018. The investigation of familial relation between those board members and the original donor(s) is based on publicly available information from the foundation's website, news articles and public biographies of the individuals.

Furthermore, with the intent of capturing the best representation of private, non-operating foundations, all instances involving outlier operating circumstances (i.e., the execution of a "spend down" plan or other situations that may significantly alter typical spending practices) were excluded from the data set.

FINDINGS

The average administrative expense ratio among family foundations analyzed was 11%, whereas the average ratio among independent foundations analyzed was 15%. Thus, the family foundations analyzed in this study spend, on average, a smaller share of their total expenditures on administrative expenses compared to qualifying distributions than the independent foundations in this study.

The family foundation data set further illustrated a downward trend in the distribution of ratios — meaning that more of these foundations had lower expense ratios. The ratios among independent foundations were less evenly distributed and demonstrated no clear trend (see Figures 3 and 4 in the full report).

Ultimately, the data in this study do not suggest widespread misuse of foundation funds by family foundations for administrative expenses.

ANALYSIS OF THE RATIO OF CHARITABLE ADMINISTRATIVE EXPENSES TO QUALIFYING DISTRIBUTIONS:

Family Foundations vs. Independent Foundations

OVERVIEW

This study examines the ratio of charitable administrative expenses to qualifying distributions for private family foundations versus private independent (nonfamily) foundations—with qualifying distributions representing the expenditures spent directly on mission-related activities. Further, this study assesses whether there are significant differences in this ratio between private family foundations and private independent foundations.

This question of whether there are significant differences in administrative expenditures between family and nonfamily foundations has been a topic of conversation on Capitol Hill in recent months, as well as a focal point in policy proposals. Specifically, there have been questions about possible abuse in family foundation expenditures as it relates to administrative expenses (i.e., salaries, travel expenses etc.) that are incurred by employed family members or descendants of the original donor(s). Without an investigation into the matter, it was impossible to know whether these concerns were well-founded—whether there is a valid basis for change to warrant legislative action.

As such, this study seeks to answer this question. If there was widespread misuse of foundation funds for administrative expenditures among foundations on the basis of familial association, it should be reflected in a trend of higher administrative expense ratios among those foundations as compared to others (i.e., independent, nonfamily foundations). These administrative expenditures are compared to qualifying distributions in the form of a ratio to discern the proportion of expenditures that are used for foundation operations as compared to those used to carry out the foundation's mission. In this scenario, a higher ratio indicates a larger share of expenditures for administration as compared to qualifying distributions.

This question of whether there are significant differences in administrative expenditures between family and nonfamily foundations has been a topic of conversation on Capitol Hill in recent months, as well as a focal point in policy proposals.

DEFINITIONS

There are a number of terms used in this study that provide context for the analysis of the data. As such, the definitions used in this study for each of these terms are important to understand.

◆ CHARITABLE ADMINISTRATIVE EXPENSES

Private foundations, like other charitable organizations, incur expenses related to conducting the business that furthers their charitable purpose.[1] Generally speaking, these expenses "may include employee salaries and benefits, compensation of officers and board members, legal and accounting fees, travel, rent, utilities and other expenses related to grantmaking and related activities."[2] These expenses are reported annually by foundations and are further enumerated on lines 13-25 (column d) of Part I on the IRS Form 990-PF. As they are considered to be for the purpose of furthering a foundation's charitable purpose, these expenses may be included in a private foundation's 5% annual payout requirement.[3]

Expenses that are excluded from characterization as "charitable administrative expenses," and are subsequently not counted toward the 5% payout requirement, are a foundation's investment-related expenses (except program-related investments; those are considered qualifying distributions). These are not deemed to further a foundation's mission, nor are they considered to be related to grants administration.

For the purposes of this study, "charitable administrative expenses" will reflect only those expenses related to furthering a foundation's charitable purpose, as reported in Part I, line 24, column (d) of the Form 990-PF.

◆ QUALIFYING DISTRIBUTIONS

As defined in §4942(g) of the Internal Revenue Code (IRC), a "qualifying distribution" is any amount (including program-related investments) paid to accomplish a foundation's charitable mission. This includes grants, the purchase of an asset used to directly carry out a charitable purpose, or a qualifying amount set aside[4] for a specific project.

The total amount spent on qualifying distributions is used to calculate whether a foundation has met the 5% payout requirement. Charitable administrative expenses, as defined in the previous entry, are considered qualifying distributions "when a distribution is for an administrative expense that is for public charitable purposes or is part of another public charitable expenditure that cannot reasonably be separately accounted for."[5]

For the purposes of this study, "qualifying distributions" will reflect all expenditures made in the form of grants, charitable administrative expenses, or other allowable distributions that are made to directly

1 Internal Revenue Code §501(c)(3) defines "charitable purpose" as operating "exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals."

2 Boris, Elizabeth T., Loren Renz, Mark A. Hager, Rachel Elias, and Mahesh Somashekhar. "What Drives Foundation Expenses & Compensation?: Results of a Three-Year Study," Urban Institute. February 7, 2008. https://www.urban.org/research/publication/what-drives-foundation-expenses-and-compensation/view/full_report.

3 Generally speaking, private foundations "must make eligible charitable expenditure that equal or exceed approximately 5% of the value of its endowment…" or otherwise face a penalty tax of 30% of the shortfall. https://www.ncfp.org/wp-content/uploads/2018/09/The-Five-Percent-Minimum-Payout-Requirement-COF-2000-the-five-percent-minimum-payout-requirement.pdf.

4 "Set Asides," Internal Revenue Service, last modified August 18, 2021. https://www.irs.gov/charities-non-profits/private-foundations/set-asides.

5 "Qualifying distributions to controlled exempt organizations," Internal Revenue Service, last modified September 23, 2021. https://www.irs.gov/charities-non-profits/private-foundations/qualifying-distributions-to-organizations-controlled-by-private-foundation-or-disqualified-persons.

carry out a foundation's charitable purpose, as reported in Part XII, line 4 of the Form 990-PF.

◆ FAMILY FOUNDATION

The term "family foundation" is not explicitly defined in the IRC. Colloquially, it is generally accepted that family foundations are private foundations[6] that "have at least one family member (from the original donor family) serving as an officer or board member of the foundation and, as the donor, that individual (or a relative) must play a significant role in governing and/or managing the foundation."[7]

Additionally, we can surmise some degree of congressional intent in governing these organizations from other statutes, including those which provide that "disqualified persons" and their family members are prohibited from benefiting from the transactions of a charitable organization. The Internal Revenue Service (IRS) interprets the IRC §4946(a) definition of a "disqualified person" as "any person who was in a position to exercise substantial influence over the affairs of the applicable tax-exempt organization at any time during the lookback period. It is not necessary that the person actually exercise substantial influence, only that the person be in a position to do so. … Family members of the disqualified person and entities controlled by the disqualified person are also disqualified persons."[8]

"Foundation managers" are also included in the definition of "disqualified person" and are defined by the IRS—as interpreted from §4946(b)—as "a person who is specifically designated as an officer under the incorporation certificate, bylaws or other documents of the foundation, or who regularly exercises general authority to make administrative and policy decisions for a foundation is considered an officer of the foundation. For any act or failure to act, any foundation employee who has authority merely to recommend particular administrative or policy decisions, but not to implement them without approval of a superior, is not an officer. Independent contractors, such as accountants, lawyers and investment managers or advisors, acting in their capacity as such, are not considered officers of the foundation."[9]

Proposed legislation in the 117th Congress (S. 1981[10]) would provide additional context for the definition of a "family foundation," as it proposes to amend the definition of a "qualifying distribution" made by a charitable organization to exclude funds from being used to pay the expenses (i.e., salary, business

6 A private foundation is a type of §501(c)(3) organization that is deemed "charitable" under §170(b)(1)(A) of the IRC—but that is not publicly supported within the meaning of §509(a). Private foundations are typically endowed by one or more individual or institutional funders. They are primarily grantmaking vehicles that support the charitable programs of other organizations, and they operate under slightly different rules than public charities.

7 "Family Foundations," Council on Foundations, accessed September 27, 2021. https://www.cof.org/foundation-type/family-foundations.

8 "Disqualified Person – Intermediate Sanctions," Internal Revenue Service, last modified September 23, 2021. https://www.irs.gov/charities-non-profits/charitable-organizations/disqualified-person-intermediate-sanctions.

9 "Foundation Manager," Internal Revenue Service, last modified September 3, 2021. https://www.irs.gov/charities-non-profits/private-foundations/foundation-manager.

10 "S. 1981 – ACE Act," 117th Congress (2021 – 2022), Congress.gov, accessed September 27, 2021. https://www.congress.gov/bill/117th-congress/senate-bill/1981/text.

travel expenses) of "disqualified persons"—defined as family members[11] of either "a substantial contributor to the foundation"[12] (i.e., the family foundation donor(s)) or someone with "more than 20% of ... the total combined voting power"[13] (i.e., a family foundation trustee who is one of no more than five board members).

Notwithstanding the additional context this bill would provide, its text also raises several questions with respect to defining a family foundation. For example:

- What if more than one trustee, separately related to the original donor, combined, comprise more than 20% of the board? Do each of their individual votes count as "combined voting power" under §4946(a)(1)(C)(i) (i.e., two of six trustees are related to the original donor)? Each trustee, individually, holds only 1/5 (or approximately 17%) voting power. Together, however, they hold a combined 1/3 (or approximately 33%) voting power. Each trustee is entitled to his or her own, unique vote. Which standard is applied for calculating 20% voting power?
- Where is the line drawn for the allowance of relation?[14] What if a foundation manager is related to a foundation trustee, who is related to the original donor—but the relation between the manager and the trustee is along different lineage than what the trustee shares with the original donor (perhaps a niece or nephew through marriage)? What if there was a relation by marriage, but a divorce has since been finalized? What about the line between a foundation manager and a foundation employee?

Without certain answers to these questions, this study will define a family foundation as meeting the following conditions:

- Must be a private, non-operating foundation; and
- At least 20% of the total number of board trustees must be related—under the definition provided in IRC §4946(d)—to original donor(s).

INDEPENDENT FOUNDATION

Similar to a family foundation, an independent foundation is generally accepted as a private foundation. The key difference between a family and an independent foundation is the composition of its board—where familial relation to the original donor(s) is not prevalent (if existent at all) among foundation managers.

For the purposes of this study, a private independent foundation must meet the following conditions:

- Must be a private, non-operating foundation; and
- The total number of board trustees who are related to the original donor(s)—under the definition provided in IRC §4946(d)—must be less than 20%.

"Disqualified persons" and their family members are prohibited from benefitting from the transactions of a charitable organization.

11 IRC §4946(d) defines family members as a "spouse, ancestors, children, grandchildren, great grandchildren, and the spouses of children, grandchildren, and great grandchildren."
12 IRC §4946(a)(1)(A)
13 IRC §4946(a)(1)(C)(i)
14 As stated in footnote 11, the Internal Revenue Code does define the allowance of relation to some degree. The regulations (Treas. Reg. § 53.4946-1) provide some further guidance about the boundaries of lineage (particularly as it relates to sibling relationships), but there is still murky area around some questions of relation.

DATA SET & METHODOLOGY

The data set used in this study is comprised of information independently collected from the publicly available 2018 Form 990-PFs of 40 foundations—20 family foundations and 20 independent foundations.[15] The year 2018 was selected because it is the most recent year in which Form 990-PFs were available for all 40 foundations.

To build these data sets, lists of the 50 largest family foundations (by assets—from 2015, the most recent data available) and 50 largest independent foundations (by assets—from 2015, the most recent data available) were pulled from the Foundation Center's "Foundation Stats" online database as a starting point. From there, they were pared down according to the criteria set forth in the previous section.

FIGURE 1: FAMILY FOUNDATION DATA SET OVERVIEW

FAMILY FOUNDATION DATA (2018)	
Sample Size	20
Asset Range	$ 864,715,660 – 47,850,466,255
GEOGRAPHIC REPRESENTATION	
Northeast	7 – (35%)
Southeast	2 – (10%)
Midwest	2 – (10%)
Southwest	2 – (10%)
West	7 – (35%)

The total assets of the 20 foundations in the family foundation data set range from $864,715,660 to $47,850,466,255. Additionally, to capture the cultural and economic diversity of the United States, the data set was created with geographic representation in mind. The geographic distribution of this data set includes data points (foundations) from all five U.S. geographic regions as outlined by the National Geographic Society[16]: seven foundations (35%) located in the Northeast, two foundations (10%) in the Southeast, two foundations (10%) in the Midwest, two foundations (10%) in the Southwest, and seven foundations (35%) in the West.

FIGURE 2: INDEPENDENT FOUNDATION DATA SET OVERVIEW

INDEPENDENT FOUNDATION DATA (2018)	
Sample Size	20
Asset Range	$ 389,091,835 – 15,099,444,583
GEOGRAPHIC REPRESENTATION	
Northeast	6 – (30%)
Southeast	6 – (30%)
Midwest	5 – (25%)
Southwest	1 – (5%)
West	2 – (10%)

As for the independent foundation data set, the total assets of the 20 foundations range from $389,091,835 to 15,099,444,583. Similar to the family foundation data set, the foundations in this data set represent a diverse geographic cross-section of the country with six (30%) located in the Northeast, six (30%) in the Southeast, five (25%) in the Midwest, one (5%) in the Southwest, and two (10%) in the West.

In building these data sets, determination of whether a foundation should be included and how it should be classified (as a family foundation or an independent foundation) was dependent on two primary factors:

- Are there any atypical circumstances involving the foundation that would qualify it as an outlier among the other data points?
- What was the composition of the board of trustees in 2018?

15 The Form 990-PF is an annual information return that all private foundations are required to file with the U.S. Internal Revenue Service. Members of the public can access these returns via several methods, including: GuideStar.org; Candid.org; an individual foundation's website (if available); or by request of the foundation.

16 "United States Regions," Resource Library, National Geographic Society, accessed September 27, 2021. https://www.nationalgeographic.org/maps/united-states-regions/.

As it relates to the first point, these data sets are intended to capture the best representation of a private, non-operating foundation. Therefore, any instances of foundations involving outlier operating circumstances (i.e. the execution of a "spend down" plan or other situations that may significantly alter typical spending practices) were excluded from the data set. This allows for the most consistent comparison across the data points and data sets.

As it relates to board composition and classification, a foundation was determined to be a family foundation (and included in the family foundation data set) or an independent foundation (and included in the independent foundation data set) according to the definitions outlined in the previous section. The investigation of familial relation between those board members and the original donor(s) is based on publicly available information from the foundation's website, news articles and public biographies of the individuals. Although publicly available information may not disclose all familial relationships with complete transparency, the selected data points in both data sets carry a high degree of confidence that they meet the outlined criteria for classification.

The geographic distribution of this data set includes data points (foundations) from all five U.S. geographic regions as outlined by the National Geographic Society.

Considerations

This study seeks to control for external factors —such as atypical operating circumstances—to ensure the consistent comparison across and between data sets. Additionally, great care was taken to ensure that the data is geographically representative. However, the sample size of each data set (20 foundations) is small relative to the total number of private foundations in the United States.[17]

Additionally, this study only accounts for the proportion of board members related to the original donor(s). It does not control for proportion relative to board or staff size, which varies across the foundations in the data sets. Board and staff size are certainly factors in total administrative expenses, where foundations with a large staff would be expected to have higher expenditures on such items.

Furthermore, this study used lists of the 50 largest family foundations and 50 largest independent foundations as a starting point for building the data sets. As such, the data samples may skew toward illustrating ratio trends among larger foundations. In other words, as many of the smaller family and independent foundations were not considered for inclusion in the data set used, these data paint only a partial picture of the private foundation field. In recognition of this, readers should take care in drawing overly-broad conclusions from these findings.

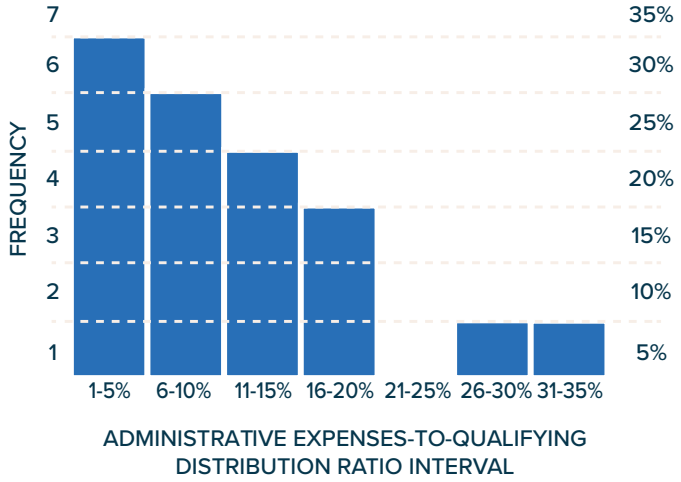
17 A report from Candid.org, citing the December 2019 IRS Business Master File as a source, reports that there were 1,729,101 charities registered with the IRS—of which, 7% were private foundations. A simple calculation would deduce that, as of December 2019, there were roughly 121,037 private foundations in the United States. (https://www.issuelab.org/resources/36381/36381.pdf).

Analysis & Findings

In calculating the ratio of charitable administrative expenses to qualifying distributions, this study examines a foundation's expenditures on items such as salaries, benefits and office space ("charitable administrative expenses") relative to a foundation's total expenditures on activities for directly carrying out its charitable purpose ("qualifying distributions"). For example, if in a given year a foundation made $1,000,000 in qualifying distributions and spent $100,000 on charitable administrative expenses, its ratio would be 10%.

Of the 20 family foundations examined, the average ratio was 11%. The highest ratio of these foundations was 34% and the lowest was 1%.

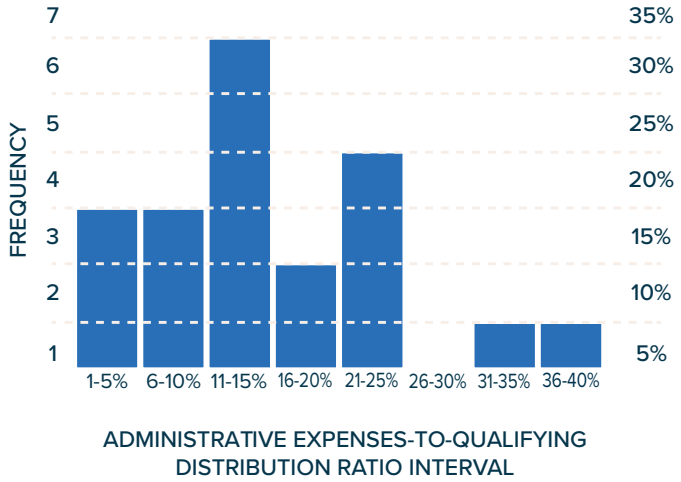
FIGURE 3: DISTRIBUTION OF RATIOS FOR FAMILY FOUNDATION DATA SET



The distribution of the expense-to-qualifying distribution ratio is illustrated in Figure 3. Of the 20 family foundations in the data set, 15 of them (or 75%) had ratios of 15% or less. The largest share of these foundations (6 of them, or 30%) had a ratio between 1-5%. Only two foundations had ratios of 26% or greater.

As for the independent foundation data set, of the 20 independent foundations examined, the average ratio was 15%. The highest ratio of these foundations was 39% and the lowest was 1%.

FIGURE 4: DISTRIBUTION OF RATIOS FOR INDEPENDENT FOUNDATION DATA SET



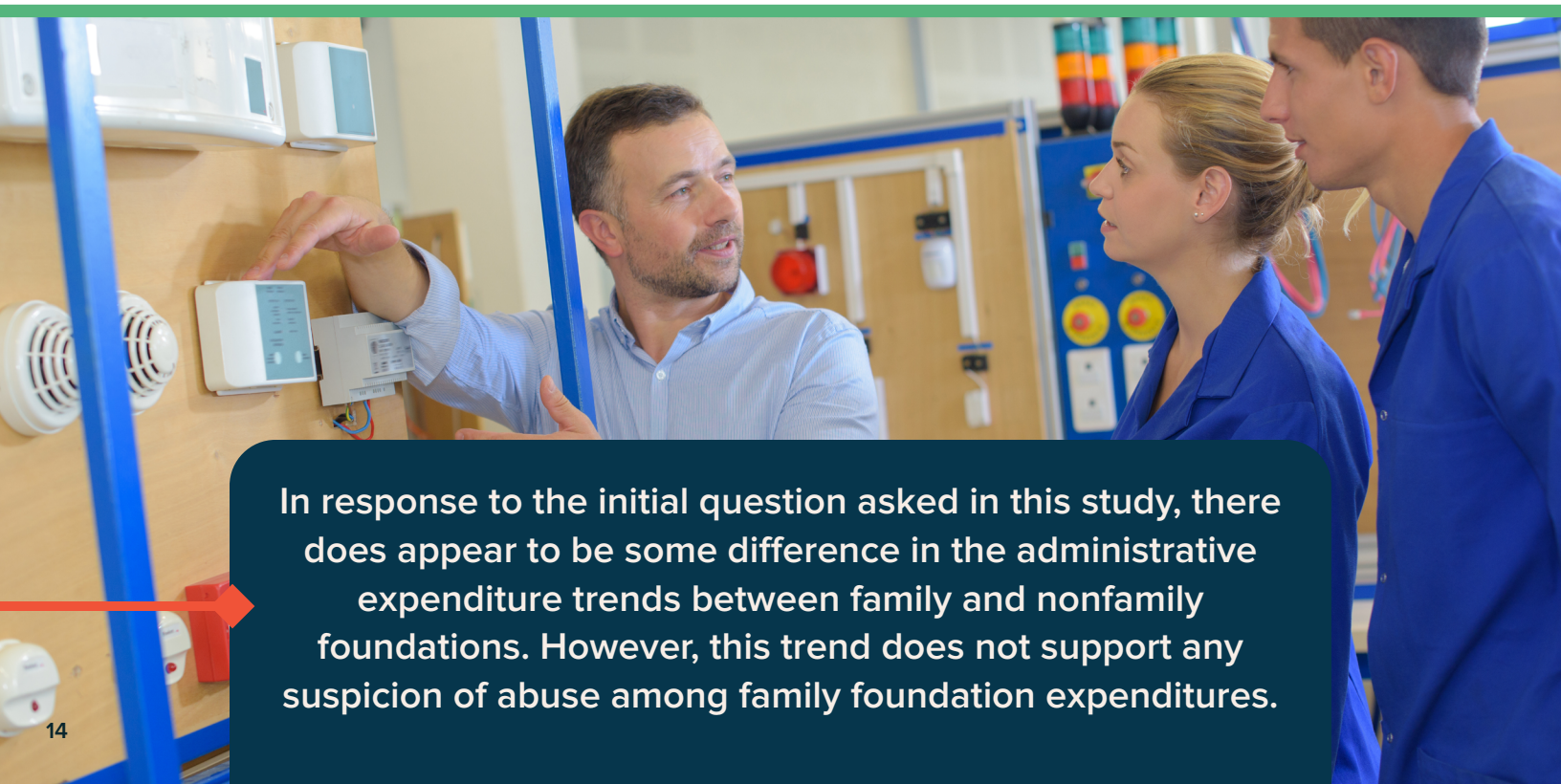
The distribution of the expense-to-qualifying distribution ratio is illustrated in Figure 4. Of the 20 independent foundations in the data set, 12 of them (or 60%) have ratios of 15% or less. The largest share of these foundations (six of them, or 30%) have a ratio between 11-15%. Only two foundations have ratios of 31% or greater.

The difference in average ratio between the two data sets is four percentage points, with independent foundations averaging a higher ratio than family foundations. Overall, the ratios among family foundations were more evenly distributed in a downward trend—with the proportion of foundations in the set decreasing as the ratio increased. However, the ratios among independent foundations were less evenly distributed—with the proportion of foundations in the set jumping up and down as the ratio increased.

In response to the initial question asked in this study, there does appear to be some difference in the administrative expenditure trends between family and nonfamily foundations. However, this trend does not support any suspicion of abuse among family foundation expenditures. If such widespread abuse was present to benefit employees through salaries and benefits on a familial basis, the average administrative ratio among family foundations should be higher compared to that of independent foundations. On the contrary, the data demonstrate a lower average administrative expense ratio among family foundations (11%) than among independent foundations (15%).[18]

Further—though the range of expense ratios is similar between the two data sets (min: 1%, max: 34% for family foundations / min: 1%, max: 39% for independent foundations)—the distribution trends of the administrative expense ratios show a clear downward trend among family foundations, whereas the distribution is more varied among independent foundations.

18 This study does not investigate why family foundations may have a lower average administrative expense ratio than nonfamily foundations. Analysis from a 2008 report by the Urban Institute, Foundation Center, and GuideStar suggests: "The lower median expense–to–qualifying distribution ratios for family foundations compared to nonfamily foundations suggests that family members hold staff-related costs down by providing no- or low-cost labor for administering grants and other programs. Some family members also contribute office space and administrative services, such as legal and accounting, thereby lowering expenses." (https://www.urban.org/research/publication/what-drives-foundation-expenses-and-compensation/view/full_report)



In response to the initial question asked in this study, there does appear to be some difference in the administrative expenditure trends between family and nonfamily foundations. However, this trend does not support any suspicion of abuse among family foundation expenditures.

Appendix A

FAMILY FOUNDATIONS DATA SET

Foundation Name	Board Ratio of Family Members (at least)	State	Region	Assets (2018)	Charitable Administrative Expenses (2018) Form 990; Part I; Line 24; column (d)	Qualifying Distributions (2018) Form 990; Part XII; Line 4	Expense-to-Qualifying Distribution Ratio (2018)
Bill & Melinda Gates Foundation	75%	WA	West	$47,850,466,255	$1,003,362,117	$5,702,137,385	18%
Foundation to Promote Open Society	27%	NY	Northeast	10,358,650,756	$3,834,904	$497,519,226	1%
The David and Lucile Packard Foundation	36%	CA	West	$7,423,383,781	$40,767,364	$443,157,778	9%
Gordon and Betty Moore Foundation	33%	CA	West	$6,464,453,607	$31,177,437	$332,854,918	9%
Walton Family Foundation, Inc.	100%	AR	Southeast	$4,777,150,625	$44,482,145	$587,727,219	8%
Conrad N. Hilton Foundation	42%	CA	West	$2,808,284,451	$19,961,523	$175,293,657	11%
Richard King Mellon Foundation	64%	PA	Northeast	$2,453,031,404	$4,784,426	$131,041,783	4%
Charles and Lynn Schusterman Family Foundation	40%	OK	Southwest	$2,398,698,688	$16,408,836	$139,502,622	12%
The Susan Thompson Buffett Foundation	29%	NE	Midwest	$2,364,881,506	$38,595,443	$667,378,701	6%
The McKnight Foundation	45%	MN	Midwest	$2,262,271,111	$14,917,937	$107,378,741	14%
The William Penn Foundation	39%	PA	Northeast	$2,198,300,439	$6,292,571	$119,334,674	5%
Barr Foundation	43%	MA	Northeast	$1,806,028,494	$11,907,755	$93,817,056	13%
Eli & Edythe Broad Foundation	67%	CA	West	$1,797,812,814	$3,545,209	$155,309,071	2%
The Moody Foundation	100%	TX	Southwest	$1,769,859,506	$3,511,818	$68,187,783	5%
The Heinz Endowments	27%	PA	Northeast	$1,634,663,959	$12,364,433	$73,542,695	17%
Annenberg Foundation	100%	PA	West	$1,402,322,765	$38,951,932	$114,881,358	34%
Diana Davis Spencer Foundation	60%	MD	Southeast	$1,344,108,027	$3,431,061	$49,726,881	7%
The Ahmanson Foundation	20%	CA	West	$1,232,304,375	$2,781,917	$57,209,902	5%
Surdna Foundation, Inc.	50%	NY	Northeast	$1,028,564,578	$8,859,121	$50,867,351	17%
The Ford Family Foundation	29%	OR	West	$864,715,660	$10,894,866	$42,291,769	26%

AVERAGE:	11%
MIN:	1%
MAX:	34%

Appendix B

INDEPENDENT FOUNDATIONS DATA SET

Foundation Name	State	Region	Assets (2018)	Charitable Administrative Expenses (2018) Form 990; Part I; Line 24; column (d)	Qualifying Distributions (2018) Form 990; Part XII; Line 4	Expense-to-Qualifying Distribution Ratio (2018)
Lilly Endowment Inc.	IN	Midwest	$15,099,444,583	$15,187,423	$527,040,135	3%
Ford Foundation	NY	Northeast	$13,081,240,242	$136,072,620	$762,184,143	18%
The Robert Wood Johnson Foundation	NJ	Northeast	$11,143,011,446	$107,458,756	$523,798,459	21%
The Andrew W. Mellon Foundation	NY	Northeast	$6,556,606,822	$28,706,388	$346,126,658	8%
The John D. and Catherine T. MacArthur Foundation	IL	Midwest	$6,513,367,921	$51,932,894	$393,262,904	13%
The Rockefeller Foundation	NY	Northeast	$4,443,874,342	$51,273,294	$225,755,374	23%
The California Endowment	CA	West	$3,809,575,079	$45,517,268	$197,722,282	23%
The Kresge Foundation	MI	Midwest	$3,724,612,362	$26,535,597	$192,217,533	14%
The Duke Endowment	NC	Southeast	$3,612,795,810	$17,801,126	$178,167,648	10%
Carnegie Corporation of New York	NY	Northeast	$3,444,166,743	$24,792,950	$181,575,426	14%
Robert Woodruff Foundation	GA	Southeast	$3,281,308,618	$1,092,644	$180,776,671	1%
The Harry and Jeanette Weinberg Foundation, Inc.	MD	Southeast	$2,764,876,819	$9,241,104	$108,896,434	8%
The Annie E. Casey Foundation	MD	Southeast	$2,632,674,925	$66,598,138	$172,227,033	39%
The James Irvine Foundation	CA	West	$2,336,700,185	$15,631,057	$106,533,686	15%
Ewing Marion Kauffman Foundation	MO	Midwest	$2,302,112,486	$40,977,979	$120,324,223	34%
John S. and James L. Knight Foundation	FL	Southeast	$2,115,429,411	$27,403,508	$121,447,494	23%
Houston Endowment Inc.	TX	Southwest	$1,760,109,040	$9,011,849	$85,131,792	11%
Alfred P. Sloan Foundation	NY	Northeast	$1,754,284,643	$12,239,057	$92,596,714	13%
Joseph B. Whitehead Foundation	GA	Southeast	$1,530,189,362	$518,180	$92,296,524	1%
W. K. Kellogg Foundation[19]	MI	Midwest	$389,091,835	$70,729,727	$364,944,255	19%

AVERAGE:	15%
MIN:	1%
MAX:	39%

19 It should be noted that the reported assets for W.K. Kellogg Foundation in 2018 seem lower than one might expect. However, there was no publicly available information or evidence pointing to atypical operating circumstances for this foundation. Given W.K. Kellogg Foundation's prominence and recognition in the private foundation space, it was included as a data point in this set.

About the Author

Serena Jezior is a consulting professional with over 10 years of experience in the nonprofit space. She holds expertise in charitable tax policy issues, foundation and nonprofit management and strategic initiatives.

Over the course of her career, Jezior has led advocacy campaigns, advised senior nonprofit leaders on organizational strategy, organized fundraising initiatives and served as a trusted friend and colleague to many. Prior to pursuing consulting, she served as the deputy director of an organization supporting public-interest litigation to combat white supremacy. There she oversaw a multi-million dollar fundraising effort and coordinated the accompanying public messaging campaign. Before that, she spent years as a national advocate for the charitable sector—engaging with federal policymakers to preserve the integrity and spirit of charitable giving in the United States and enable a landscape that allows nonprofit organizations, and the people they serve, to thrive.

Jezior holds a Bachelor of Arts from The Ohio State University and a Master of Public Administration from Indiana University, where she split her coursework between the O'Neill School of Public and Environmental Affairs and the Lilly Family School of Philanthropy.

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Philanthropy Roundtable is a nonprofit organization dedicated to building and sustaining a vibrant American philanthropic movement that strengthens our free society. To achieve this vision, the Roundtable pursues a mission to foster excellence in philanthropy, protect philanthropic freedom and help donors to advance liberty, opportunity and personal responsibility.

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