



ARIZONA GRANTMAKERS FORUM



2010

Arizona Giving Report



About AGF

Our mission is to increase, enhance, and improve philanthropy in Arizona.

Arizona Grantmakers Forum (AGF) is a statewide association that provides educational resources, research and networking opportunities for grantmakers in Arizona.

Established in 1986, AGF's current membership includes 80 organizations such as public and private foundations, corporations, trusts, donor advised funds and government entities. The common thread among our diverse and numerous members is that they all give grants to nonprofit organizations in Arizona and beyond. The combined assets of our member organizations constitute approximately 60% of all Arizona foundation assets.

Our Vision

Arizona's expanding philanthropic community, working collaboratively, invests their resources wisely to make a profound positive difference for Arizona's communities.

Organizational Values

Collaboration

We support members working together to address community needs.

Excellence

In all of our work we reflect a commitment to excellence.

Inclusiveness

We believe in the rich diversity of the Arizona grantmaking community and Arizona communities in general, and will promote inclusiveness in the way we work.

Integrity

We value and promote ethical grantmaking practices.

Results

We celebrate compassionate and results-driven philanthropy that improves the many communities of Arizona.

Service

We value our members by providing services that are practical, informed, stimulating, and relevant.

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Key Findings In 2008

It is important to note that the significant decline of the U.S. economy which began in 2007, combined with the stock market drop in 2008 of 38.5%, had a large negative impact on foundation assets. The Council on Foundations' survey of 126 of its members indicated that foundation assets shrank by an average of 27.8% from 2007 to 2008¹. Independent foundations were hit hardest, losing 28.9% of their asset value. Public foundations fared better with a loss of 18.9%, while family foundations saw a decline of 27.2%.

From 2006-2008:

- Arizona was home to 1,310 grantmaking organizations with combined assets of just under \$6 billion, representing 0.74% of all U.S. foundation assets.
- Arizona foundation asset totals were essentially flat, growing from \$5.93 billion in 2006 to \$5.97 billion in 2008. This minimal increase in assets is the result of an increase in the number of foundations operating in Arizona in 2008 plus the significant increase in the endowments of a few of the largest foundations. Overall, average assets per foundation decreased.
- A total of 1,078 foundations with combined assets of \$3.72 billion filed as private foundations, and 232 foundations with combined assets of \$2.25 billion filed as public charities.
- Private foundation assets declined 6%, while public foundation assets increased 13%. The growth in public foundation assets was primarily due to the increased number of public foundations in our database. For all foundation types, except corporate public foundations, average assets per foundation actually decreased.
- Maricopa County foundation assets grew 6% (from \$4.7 billion to \$5.0 billion), Pima County assets decreased 24% (from \$941 million to \$713 million), and assets in the remaining counties decreased 2% (from \$263 million to \$258 million).
- Between 2006 and 2008, 154 foundations were created, funded or moved to Arizona, bringing \$156.3 million in new assets. At the same time, 101 foundations spent down or moved out of state, taking with them \$14.7 million in assets, leading to a net increase of 53 foundations and \$141.6 million in assets. Additionally, reports obtained from Foundation Search and GuideStar identified nearly 150 foundations not previously reported.
- With regard to foundation assets per capita, Arizona ranked in the bottom third nationally, with an estimated \$683 in assets per capita. Comparatively, Washington state is ranked #1, with \$10,371 in assets per capita.
- Arizona's private foundations committed grants of \$313 million in 2008, while public foundations granted an estimated \$340 million.
- The amount of Arizona foundation grants from public and private foundations increased by 45%, from \$450 million in 2006 to \$653 million in 2008.
- Education grants continued to represent the majority (23%) of total grants made by Arizona foundations.
- Individual giving declined by 14%, from \$4.5 billion in 2006 to \$3.87 billion in 2008.

¹ Asset Declines and Investment Strategy Changes by Family, Independent, and Public Foundations, Council on Foundations, February 2, 2009. <http://www.cof.org/files/Documents/Conferences/09FamPhilConf/EconSurvey4.pdf>

Methodology

Arizona Grantmakers Forum examined the most complete, recent tax return data available (from 2008) and compared it to data from 2006 to create this profile of private and public foundations in Arizona.

Information on private and public foundations was collected using GuideStar, Metasoft's Foundation Search database, Foundation Center, and the Arizona Grantmakers Forum database. Due to differences in reporting options among foundation data providers, data for 15% of the foundations (representing 67% of total foundation assets) was retrieved directly from IRS tax forms.

Foundations were classified as "private" if they filed an IRS form 990-PF, which includes private operating foundations, private non-operating foundations, private support foundations, and private corporate support foundations.

All foundations that filed a regular IRS form 990 or 990-EZ were classified as "public." Because there is no single source of reliable, comprehensive data on public charities engaged in grantmaking activities, public found-

ation data is based on the assessment of organizations identified as public foundations by the sources listed below. For public charities with large assets, individual 990 forms were analyzed to confirm grantmaking activity.

We analyzed data from 990 or 990-PF forms for the most recent filings available that included six or more months of the 2008 tax year. Wherever possible, asset figures were based on the fair market value of net assets, and grant dollars were drawn from total disbursements for charitable purposes. To maintain a common basis of comparison, data for individually analyzed tax forms was pulled from the same lines used in previous AGF giving reports.

For both private and public foundations, we used the Foundation Search database to determine both grants totals and grants allocations by category. It should be noted that Foundation Search's data excludes grants under \$4,000, meaning actual grant totals may be higher than reported here.

Definitions

Private Foundations are those funded entirely by an individual, family or corporation. They are usually endowed, meaning they have permanent assets. They often make grants out of the interest earned by investing those assets. Private foundations typically focus primarily on grantmaking and generally do not actively raise funds or seek private support. Private foundations are required to pay out a minimum of 5% of their assets each year.

Public Foundations are grantmaking public charities. Many are population or cause-specific. They have a different tax status than private foundations, and they file the 990 tax form, whereas private foundations use the 990-PF. Examples of public foundations include community foundations, United Ways, Jewish federations, and conversion hospital foundations. Public foundations have no minimum payout requirement.

Support Foundations are supporting organizations to community foundations. They have their own charitable status and qualify as a public charity because they have a close relationship with a publicly supported 501(c)(3) community foundation.

phi • lan • thro • py

a desire to improve the
material, social, and
spiritual welfare of
humanity, especially
through charitable activities
[from Greek philos "loving"
+ anthropos "human being"]

Arizona Foundations

In 2008, Arizona had 1,310 grantmaking organizations with combined assets of nearly \$6 billion, representing 0.74% of the approximate \$803 billion for all U.S. foundations. Of these, 1,078 were private foundations with combined assets of over \$3.7 billion, and 232 were public foundations with assets of over \$2.2 billion.

| Foundations | | | |
|-------------------------------|--------------|------------------------|----------------------|
| Private Foundations | # | Assets | Grants |
| Private | 1,065 | \$3,662,643,899 | \$302,290,540 |
| Corporate Private | 13 | \$59,478,949 | \$10,481,641 |
| Total Private Foundations | 1,078 | \$3,722,122,848 | \$312,772,181 |
| Public Foundations | # | Assets | Grants |
| Public | 187 | \$2,052,124,287 | \$311,672,794 |
| Corporate Public | 10 | \$27,020,322 | \$21,013,766 |
| Support Foundations | 35 | \$168,827,457 | \$7,705,716 |
| Total Public Foundations | 232 | \$2,247,972,066 | \$340,392,276 |
| Total, All Foundations | 1,310 | \$5,970,094,914 | \$653,164,457 |

Total Arizona Foundation Assets Showed Little Increase Since 2006

Between 2006 and 2008, total Arizona foundation assets remained essentially flat (\$5,929 million in 2006 vs. \$5,970 million in 2008). Private foundation assets declined by 6%, while public foundation assets increased by 16%.

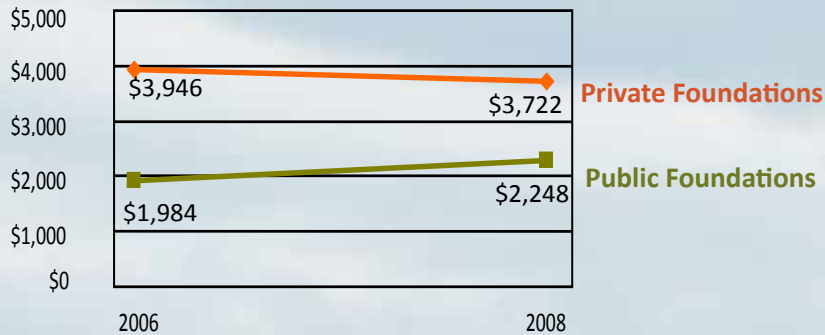
Minimal Growth in Foundation Assets Is Due to an Increase in the Number of Foundations.

A comparison of average assets and grants per foundation between 2006 and 2008 shows that the overall asset increase was primarily due to the greater number of foundations reported in 2008. For all foundation types except corporate public foundations, average assets per foundation actually decreased between 2006 and 2008. At the same time, average giving per foundation increased for private foundations and public corporate foundations².

A total of 101 foundations with assets of \$14.7 million moved out of state, spent down their assets or stopped filing tax returns altogether between the years 2006 and 2008. In contrast, 154 public and private foundations in Arizona were created, moved to Arizona, or first filed 990s between 2006 and 2008, bringing combined assets of \$156.3 million to the state. Another factor contributing to the increase of total assets was foundations receiving sizeable endowment contributions in 2008.

² Most foundations base annual giving on a three year rolling average of their assets, so 2008 giving did not decline as significantly as did assets.

Changes in Total Foundation Assets from 2006-2008 (In \$ Millions)



| Foundation Type | 2006 Average Foundation | | 2008 Average Foundation | |
|---|-------------------------|--------------------|-------------------------|--------------------|
| | Assets | Grants | Assets | Grants |
| Private Foundations | | | | |
| Private Foundations | \$4,076,293 | \$239,454 | \$3,439,102 | \$283,841 |
| Corporate Private Foundations | \$7,106,895 | \$442,860 | \$4,575,304 | \$806,280 |
| Average, All Private Foundations | \$4,114,215 | \$241,999 | \$3,452,804 | \$290,141 |
| Public Foundations | | | | |
| Public Foundations | \$15,999,561 | \$1,771,531 | \$10,973,927 | \$1,666,699 |
| Corporate Public Foundations | \$1,988,463 | \$1,552,185 | \$2,702,032 | \$2,101,377 |
| Support Foundations | \$7,446,871 | \$419,548 | \$4,823,642 | \$408,206 |
| Average, All Public Foundations | \$13,052,141 | \$1,436,893 | \$9,689,535 | \$1,467,208 |
| Average, All Foundations | \$5,337,046 | \$405,477 | \$4,557,324 | \$498,599 |

Maricopa County's Foundation Assets Increased; Pima County's Foundation Assets Decreased

Between 2006 and 2008, foundation assets grew by 6% in Maricopa County, decreased by 24% in Pima County, and decreased 2% for all other counties. The increase in Maricopa County assets is primarily due to a 20% growth in foundation numbers. For both Maricopa and Pima counties, the average assets per foundation decreased between 2006 and 2008.

| County | 2006 Assets | 2008 Assets | % Change | 2006 Fndns | 2008 Fndns | % Change |
|----------|-----------------|-----------------|----------|------------|------------|----------|
| Maricopa | \$4,724,909,139 | \$4,999,035,272 | 6% | 772 | 926 | 20% |
| Pima | \$941,392,429 | \$713,299,076 | -24% | 215 | 241 | 12% |
| Other | \$263,156,515 | \$257,760,566 | -2% | 124 | 143 | 15% |

A Majority of Arizona Foundations Are Located in Maricopa County

Maricopa County is home to 84% of Arizona's foundation assets, followed by Pima County with 12%. Only 4% of all Arizona foundation assets are housed at foundations outside of these two major metropolitan areas.

| County | # | Assets |
|--------------------|--------------|------------------------|
| Maricopa | 926 | \$4,999,035,272 |
| Pima | 241 | \$713,299,076 |
| Yavapai | 40 | \$146,236,650 |
| Coconino | 34 | \$32,036,326 |
| Cochise | 14 | \$23,379,902 |
| Santa Cruz | 12 | \$17,674,318 |
| Yuma | 11 | \$16,865,820 |
| Gila | 7 | \$10,559,802 |
| Other | 25 | \$11,007,748 |
| Grand Total | 1,310 | \$5,970,094,914 |

Most Arizona Foundations Are Small

Seventy-one percent of Arizona foundations (public and private) have assets under \$1 million, while 19% of all Arizona foundations have assets under \$10,000. In contrast, the top 11% of foundations by asset size (\$5 million and above) comprise 88% of all foundation assets in Arizona. Eleven foundations, or less than 1% of all Arizona foundations, hold 48% of the state's foundation assets.

| 2008 Foundation Assets | # | Combined Assets |
|------------------------|--------------|---------------------------|
| \$100M+ | 11 | \$2,858,606,334 |
| \$10M-99M | 71 | \$1,909,475,433 |
| \$5M-9M | 67 | \$469,991,586 |
| \$1M-4M | 236 | \$511,810,417 |
| \$500K-999K | 184 | \$136,726,762 |
| \$100K-499K | 291 | \$75,184,730 |
| \$10K-99K | 195 | \$9,036,313 |
| \$1K-9999 | 84 | \$385,377 |
| Less than \$1K | 171 | -\$1,122,038 ³ |
| Total | 1,310 | \$5,970,094,914 |

³ One foundation posted assets of -\$1,127,486

Many Arizona Foundations Are Young

Forty-seven percent of foundations now operating in Arizona have been established in the past 10 years. However, older foundations – those in existence for 20 years or more – hold 43% of Arizona's total foundation assets. Several foundations have existed for 60-100+ years. Arizona's 10 oldest foundations are listed below.

| Arizona's 10 Oldest Foundations | 2008 Assets | Rule Date |
|--|---------------|-----------|
| Allie W. Clark Charitable Foundation | \$598,825 | 1900 |
| Josephine M. Webber Charitable Trust | \$387,715 | 1900 |
| Associated Charities Of Nogales Inc. | \$34,357 | 1927 |
| Research Corporation | \$116,865,124 | 1934 |
| Marshall Foundation | \$32,741,905 | 1942 |
| Southwestern Clinic and Research Institute | \$653,881 | 1943 |
| Baird Foundation Inc. | \$4,722,520 | 1947 |
| L. C. Jacobson Foundation | \$106,792 | 1947 |
| Lincoln Institute Of Land Policy | \$340,333,873 | 1948 |
| Mishawaka Foundation | \$440,157 | 1949 |

| Rule Date | # | 2008 Assets |
|---------------|--------------|------------------------|
| 5+ Years | 324 | \$497,085,498 |
| 6 - 10 Years | 295 | \$1,501,982,987 |
| 11 - 20 Years | 261 | \$1,288,971,192 |
| 20+ Years | 281 | \$2,526,789,499 |
| Unknown | 149 | \$155,265,738 |
| Total | 1,310 | \$5,970,094,914 |

“In this world it is not what we take up, but what we give up, that makes us rich.”

~ Henry Ward Beecher

| Top 20 Private Foundations by Asset Size | Assets | Grants Paid |
|--|---------------|--------------|
| The Virginia G. Piper Charitable Trust | \$427,600,561 | \$27,055,155 |
| Lincoln Institute of Land Policy | \$340,333,873 | \$16,763,534 |
| Nina Mason Pulliam Charitable Trust ⁴ | \$284,451,353 | \$18,925,264 |
| Flinn Foundation | \$152,744,347 | \$7,919,002 |
| Aurora Foundation | \$144,905,638 | \$5,046,864 |
| Kemper & Ethel Marley Foundation | \$120,870,784 | \$13,038,017 |
| Hickey Family Foundation | \$119,375,652 | \$2,781,983 |
| Research Corporation | \$116,865,124 | \$8,992,995 |
| Paul F. Glenn Foundation for Medical Research Inc. | \$67,856,268 | \$2,830,289 |
| Steele Foundation Inc. | \$63,447,386 | \$3,926,763 |
| Dorrance Family Foundation | \$56,068,546 | \$9,067,613 |
| Stardust Foundation Inc. | \$53,305,055 | \$5,762,049 |
| Nora Eccles Treadwell Charitable Trust | \$50,794,391 | \$4,397,533 |
| Donnell B. & Elizabeth D. Stewart Education Foundation | \$50,360,754 | \$6,419,282 |
| Rodel Foundation | \$47,171,886 | \$3,294,838 |
| Del E. Webb Foundation | \$39,747,154 | \$2,378,978 |
| Thomas R. Brown Family Private Foundation | \$38,979,591 | \$1,260,000 |
| J. W. Kieckhefer Foundation | \$34,966,315 | \$2,541,701 |
| Marshall Foundation | \$32,741,905 | \$1,287,738 |
| Winifred L. Stevens Foundation | \$24,577,635 | \$1,503,411 |

| Top 20 Public Foundations by Asset Size | Assets | Grants Committed ⁵ |
|--|---------------|-------------------------------|
| Helios Education Foundation | \$534,908,285 | \$27,040,197 |
| Mayo Clinic Arizona | \$410,147,839 | \$494,771 |
| Arizona Community Foundation ⁶ | \$351,554,019 | \$39,402,938 |
| BHHS Legacy Foundation | \$96,172,604 | \$4,058,238 |
| Amar Inc. - Infinity Foundation | \$95,117,474 | \$2,478,497 |
| St. Luke's Health Initiatives | \$82,990,068 | \$1,723,467 |
| Muscular Dystrophy Association | \$68,988,744 | \$61,608,239 |
| Community Foundation for Southern Arizona ⁶ | \$69,726,403 | \$3,607,189 |
| Community Partnership of Southern Arizona Inc. | \$44,566,260 | \$620,275 |
| Jewish Community Foundation of Greater Phoenix | \$34,066,884 | \$4,216,800 |
| Alliance Defense Fund Inc. | \$31,980,556 | \$1,830,171 |
| Jewish Community Foundation of Southern Arizona | \$31,688,266 | \$7,043,240 |
| Jewish Federation of Greater Phoenix | \$27,550,991 | \$3,690,383 |
| Science Foundation Arizona | \$26,083,330 | \$41,771,487 |
| Catholic Community Foundation Diocese of Phoenix | \$23,660,255 | \$1,118,920 |
| The American Foundation for Charitable Support Inc. | \$21,217,626 | \$1,125,723 |
| Arizona College Scholarship Foundation | \$17,628,218 | \$801,192 |
| Esperanza Charitable Fund | \$16,853,181 | \$462,951 |
| Jewish Federation of Southern Arizona | \$14,072,577 | \$2,619,415 |
| John C. Lincoln Health Foundation | \$11,080,181 | \$3,128,753 |

⁴ Nina Mason Pulliam Charitable Trust is classified in many databases as an Indiana foundation, as it files its 990-PF from Indiana, but has an office in Phoenix and splits its grantmaking activities between Arizona and Indiana. For this report, all Nina Mason Pulliam Charitable Trust assets and grants are included.

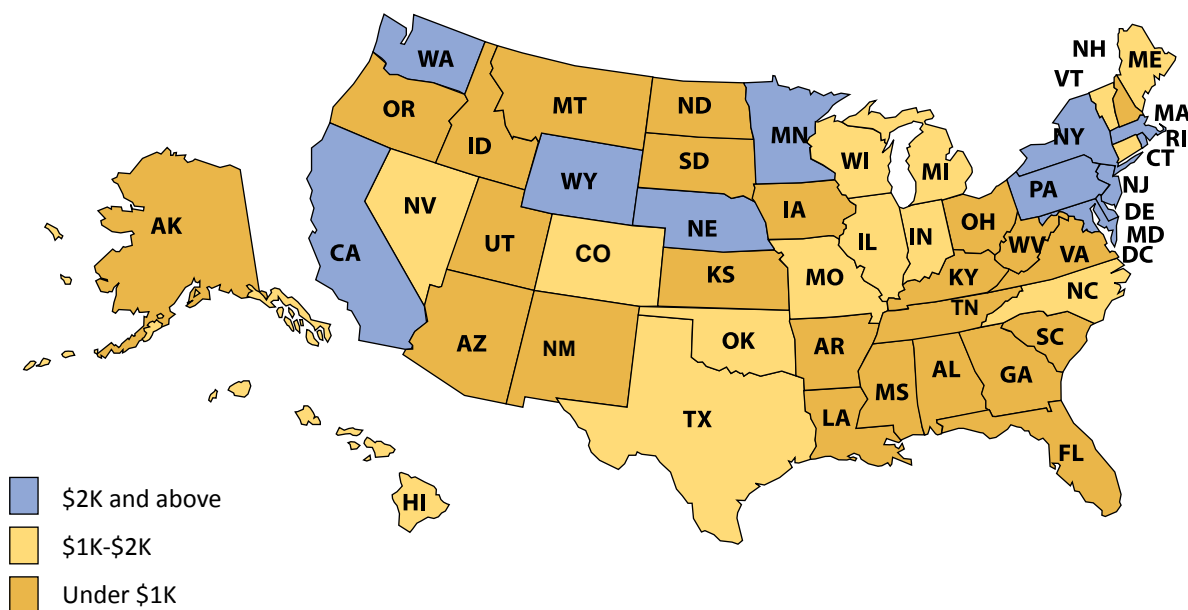
⁵ Most public foundations report their grants figures on an accrual basis (grants committed) rather than cash basis (grants paid). On this list, only the American Foundation For Charitable Support, Arizona School Choice Trust, Inc., Carlton Trust, and Eugene L. Garcia Charitable Trust have reported their grant figures as grants paid during 2008.⁶ The asset and grant figures for Arizona Community Foundation and Community Foundation for Southern Arizona include assets and grants of their support foundations.

Arizona ranks in the bottom third (40th place) of U.S. states in terms of private foundation assets per capita.⁷

Arizona's Top 20 Private Foundations Realize a Decline in Assets

Assets for the top 20 private foundations totaled \$2,290,529,613 in 2008. These same foundations had a total of \$3,150,629,974 assets in 2006 – a 27% decrease in asset size between 2006 and 2008. This decrease is consistent with the 27.8% percent asset decline reported between the end of 2007 and the end of 2008 by members of the Council on Foundations.

U.S. Private Foundation Assets Per Capita



| Top 10 Public Support Foundations by Asset Size ⁸ | Affiliation | Assets | Grants Committed |
|--|-------------|--------------|------------------|
| Wellik Foundation | ACF | \$35,200,490 | \$668,450 |
| Ellis Center For Educational Excellence | ACF | \$27,789,267 | \$55,000 |
| Rodel Charitable Foundation of Arizona | ACF | \$23,871,504 | \$825,179 |
| The Sam And Peggy Grossman Family Foundation | ACF | \$14,819,028 | \$135,000 |
| Melody S. Robidoux Foundation | CFSOAZ | \$11,577,134 | \$663,883 |
| Pakis Family Foundation | ACF | \$8,068,611 | \$460,000 |
| R.S. Hoyt Jr. Family Foundation | ACF | \$7,104,606 | \$308,000 |
| Armstrong Family Foundation | ACF | \$6,347,681 | \$285,000 |
| Thomas R. Brown Family Foundation | CFSOAZ | \$6,020,745 | \$360,000 |
| Edward J. Robson Family Foundation | ACF | \$5,443,439 | \$0 |

ACF - Arizona Community Foundation
 CFSOAZ - Community Foundation For Southern Arizona

⁷ Source: National Center for Charitable Statistics based on number of registered private foundations filing form 990-PF in the past 2 years by state, 2008.

⁸ Support foundations file their own 990. The largest have been highlighted in this report to give a more accurate picture of the sector.

Grantmaking In Arizona

In 2008, Arizona foundations made grants of over \$653 million, representing less than 1.3% of the \$51.7 billion in grants made by all U.S. foundations. Grants by public foundations increased by a greater amount than grants by private foundations (see table below).

The higher grant totals are due to the increased number of foundations reporting, which is in turn due to foundations that were either formed after 2006 or were not identified in our previous report for other reasons. This report includes a 12% increase in the number of private foundations and a 53% increase in the number of public foundations.

| Foundation Grants | 2006 | 2008 | % Increase |
|-------------------|----------------------|----------------------|------------|
| Private | \$232,077,007 | \$312,772,181 | 35% |
| Public | \$218,407,806 | \$340,392,276 | 56% |
| TOTAL | \$450,484,813 | \$653,164,457 | 45% |

United Way Agencies are Key Grantmakers

United Way agencies are public charities that annually raise program and operating capital and then make grants to their nonprofit member agencies. The table below shows the largest of the 11 United Way agencies in Arizona, which make annual grants of \$1 million or more.

Largest United Way Agencies Based on Giving

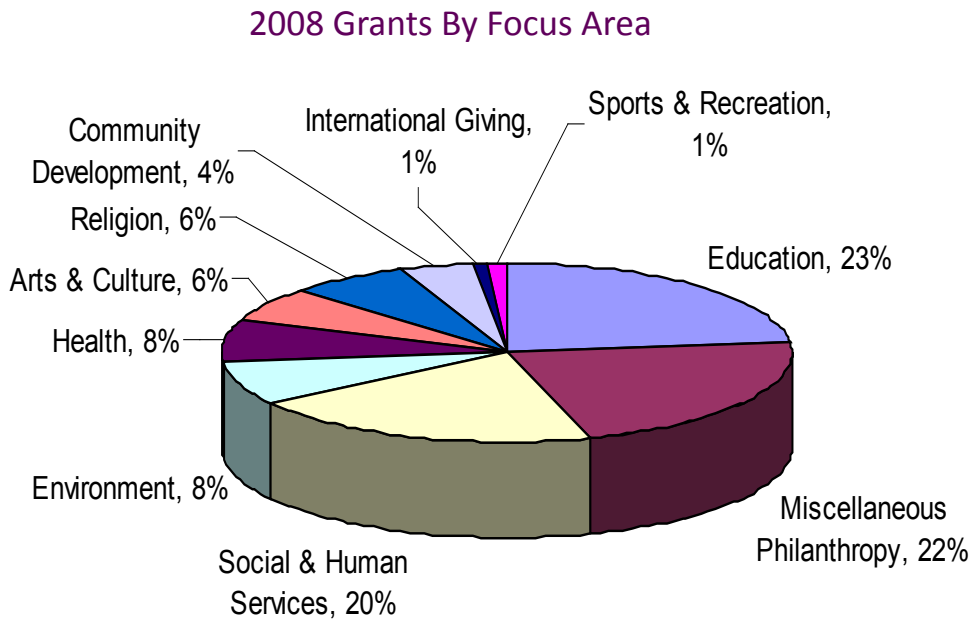
| United Way Agency | Assets | Grants Committed |
|---|--------------|------------------|
| Valley of The Sun United Way ⁹ | \$31,105,030 | \$50,099,507 |
| United Way of Tucson & Southern AZ | \$4,426,068 | \$9,315,110 |
| Mesa United Way | \$1,743,027 | \$3,570,955 |
| United Way of Northern Arizona | \$1,734,989 | \$1,410,800 |



⁹ Valley of the Sun United Way assets and grants include totals from the Valley of the Sun United Way Foundation.

Grants by Focus Area

Arizona foundation grants are directed toward a wide array of causes, and it is often difficult to determine from the tax forms how specific grants should be categorized. Those grants that did not fall clearly into one focus area were labeled by Foundation Search as miscellaneous. An analysis of total grants made by Arizona private foundations indicates the top two focus areas were education (23%) and social and human services (20%).



Most of Arizona's grants were small, with more than two-thirds being less than \$25,000, according to an analysis of over 4,000 grants made by Arizona foundations in 2008.

Arizona nonprofits received 55% of Arizona foundation grants, according to the study. However, these grants accounted for 72% of all Arizona foundation giving, indicating Arizona foundations made larger grants to nonprofits within the state.

| Top 20 Private Foundations by 2008 Giving | Grants Committed |
|--|-------------------------|
| The Virginia G. Piper Charitable Trust | 27,055,155 |
| Nina Mason Pulliam Charitable Trust | 18,925,264 |
| Lincoln Institute Of Land Policy | 16,763,534 |
| Denny Sanford Foundation | 13,087,652 |
| Kemper & Ethel Marley Foundation | 13,038,017 |
| Dorrance Family Foundation | 9,067,613 |
| Research Corporation | 8,992,995 |
| Robert W. Craig Trust | 8,812,998 |
| Flinn Foundation | 7,919,002 |
| Donnell B. & Elizabeth D. Stewart Education Foundation | 6,419,282 |
| Stardust Foundation Inc. | 5,762,049 |
| Aurora Foundation | 5,046,864 |
| Nora Eccles Treadwell Charitable Trust | 4,397,533 |
| Herberger Foundation | 4,117,210 |
| Emerald Foundation | 3,978,508 |
| Steele Foundation Inc. | 3,926,763 |
| Bruce T. Halle Family Foundation | 3,812,095 |
| Rodel Foundation | 3,294,838 |
| Paul F. Glenn Foundation For Medical Research Inc. | 2,830,289 |
| Hickey Family Foundation | 2,781,983 |

| Top 20 Public Foundations by 2008 Giving | Grants Committed |
|---|-------------------------|
| Muscular Dystrophy Association | \$61,608,239 |
| Science Foundation Arizona | \$41,771,487 |
| Arizona Community Foundation | \$39,402,938 |
| Helios Education Foundation | \$27,040,197 |
| Breast Cancer Research & Assistance Fund | \$7,727,815 |
| Jewish Community Foundation of Southern AZ | \$7,043,240 |
| Thunderbirds Charities | \$4,425,196 |
| Jewish Community Foundation of Greater Phoenix | \$4,216,800 |
| BHHS Legacy Foundation | \$4,058,238 |
| Jewish Federation of Greater Phoenix | \$3,690,383 |
| Arizona Foundation for Legal Services & Education | \$3,668,734 |
| Community Foundation for Southern Arizona | \$3,607,189 |
| Institute for Better Education | \$3,344,429 |
| Celebrity Fight Night Foundation | \$3,330,270 |
| John C. Lincoln Health Foundation | \$3,128,753 |
| Diabetes Aid & Research Fund | \$2,622,864 |
| Jewish Federation of Southern AZ | \$2,619,415 |
| Amar Inc. - Infinity Foundation | \$2,478,497 |
| Arizona School Choice Trust Inc. | \$2,247,722 |
| CHW Foundation East Valley | \$2,068,278 |

"Life's most persistent and urgent question is: 'What are you doing for others?'"

-Dr. Martin Luther King, Jr.

Out-of-State Foundations Contribute Significantly to Arizona Grantmaking

Out-of-state foundations continue to be a major source of support for Arizona nonprofits. The top 20 non-Arizona private foundations that made grants to Arizona nonprofits in 2008 are listed below.

| Largest Out-of-State Funders – 2008 ¹⁰ | State | Type of Foundation | 2008 Grants to AZ |
|--|--------------|---------------------------|--------------------------|
| Salus Mundi Foundation | IL | Independent | \$6,000,000 |
| Charles Simonyi Fund for Arts and Sciences | WA | Independent | \$6,000,000 |
| John S. and James L. Knight Foundation | FL | Independent | \$4,875,000 |
| The Philecology Foundation | TX | Independent | \$4,200,000 |
| Donald W. Reynolds Foundation | NV | Independent | \$3,943,359 |
| The Bank of America Charitable Foundation, Inc. | NC | Corporate Support | \$3,474,300 |
| The David and Lucile Packard Foundation | CA | Independent | \$3,380,199 |
| The JPMorgan Chase Foundation | NY | Corporate Support | \$3,028,750 |
| Intel Foundation | OR | Corporate Support | \$3,005,527 |
| Carnegie Corporation of New York | NY | Independent | \$2,925,000 |
| W. P. Carey Foundation | NY | Independent | \$2,510,000 |
| The Andrew W. Mellon Foundation | NY | Independent | \$2,330,000 |
| Wells Fargo Foundation | CA | Corporate Support | \$2,027,772 |
| The Kresge Foundation | MI | Independent | \$2,000,000 |
| Charter School Growth Fund | CO | Operating Foundation | \$1,549,182 |
| Maddie's Fund | CA | Independent | \$1,434,848 |
| Walton Family Foundation, Inc. | AR | Independent | \$1,422,056 |
| Bernard Osher Foundation | CA | Independent | \$1,313,138 |
| Wallace Research Foundation | IA | Independent | \$1,297,847 |
| Dorothy D. and Joseph A. Moller Foundation | MI | Independent | \$1,140,000 |

¹⁰ Source: Foundation Center

Corporate Giving



Corporate giving is a vital part of Arizona's philanthropy. However, researchers generally find it difficult to determine total corporate charitable giving because of the diversity of giving strategies (in-kind donations, employee volunteers, etc.) and because corporations are only required to report giving totals made through formally established foundations.

A minority of corporations have established either a private or public foundation whose grant funds derive primarily from the contributions of profit-making organizations. According to our research, Arizona was home to 23 company-related foundations in 2008, and seven had assets of more than \$1 million.

Many corporations with foundations provide considerable in-kind support to nonprofits through their marketing or community relations departments. The value of these contributions is difficult to assess and thus not included in this report. A number of national corporate foundations also make grants in Arizona, a few of which are listed here.

Largest Out-of-State Corporate Grantmakers – 2008

(Source: Foundation Center)

| Foundation | Total Dollars Awarded in Arizona |
|---|----------------------------------|
| The Bank of America Charitable Foundation, Inc. | \$3,474,300 |
| The JPMorgan Chase Foundation | \$3,028,750 |
| Intel Foundation | \$3,006,627 |
| Wells Fargo Foundation | \$2,027,772 |
| The Medtronic Foundation | \$537,418 |
| Qwest Foundation | \$504,193 |
| TOTALS | \$12,579,060 |

Many smaller companies tend to establish informal giving programs funded on a yearly basis out of current operating funds. A 2008 national survey conducted by American Express revealed that nearly 75% of small businesses (with fewer than 100 employees) make charitable contributions, on average, donating six percent of their profits. The U.S. Census Bureau reports that in 2007, more than 111,604 small businesses (those with fewer than 500 employees) were registered in Arizona. While these companies may track the total value of their charitable contributions, they are not required to disclose this information to the public and many are reluctant to do so. For this reason, it is impossible to estimate the size of total corporate charitable giving in Arizona.

Equally important and vital to the communities and organizations they serve are in-kind donations and employee volunteerism. It is very difficult to develop an accurate picture of the total value of corporate volunteerism in Arizona. However, one example is SRP, where annually employees, friends and family log over 700,000 volunteer hours. In 2008, the estimated value of a volunteer hour was \$20.25, meaning that the total value of SRP's volunteer contributions was nearly \$14.2 million.

Largest Arizona Based Corporate Foundations

(Source: Foundation Center)

| Corporation | County | Assets | Grants |
|--|----------|--------------|--------------|
| Freeport-McMoRan Copper & Gold Foundation | Maricopa | \$24,673,531 | \$7,243,408 |
| PetSmart Charities Inc. | Maricopa | \$23,178,432 | \$16,149,837 |
| APS Foundation Inc. | Maricopa | \$22,346,219 | \$1,753,836 |
| U.S. Airways Community Foundation | Maricopa | \$7,117,614 | \$505,000 |
| Phoenix Suns Charities Inc. | Maricopa | \$1,392,327 | \$997,184 |
| TRICO Foundation | Pima | \$1,303,403 | \$70,755 |
| Snell & Wilmer Charitable Foundation | Maricopa | \$1,150,243 | \$212,499 |
| First National Bank Charitable Foundation | Maricopa | \$988,356 | \$227,861 |
| Delta Dental of Arizona Foundation | Maricopa | \$929,227 | \$287,144 |
| Sulphur Springs Valley Electric Cooperative Foundation | Cochise | \$822,318 | \$120,013 |
| U.S. Airways Education Foundation | Maricopa | \$640,727 | \$329,757 |
| Arizona Diamondbacks Foundation Inc. | Maricopa | \$577,487 | \$1,937,546 |
| Cardinals Charities Inc. | Maricopa | \$433,547 | \$591,140 |
| Sundt Foundation | Pima | \$246,741 | \$479,692 |
| Coyotes Charities | Maricopa | \$209,195 | \$337,912 |
| Phoenix Greyhound Racing Foundation Inc. | Maricopa | \$187,771 | \$146,275 |
| Drivetime Foundation Inc. | Maricopa | \$131,543 | \$7,816 |
| Shamrock Foods Foundation | Maricopa | \$127,703 | \$12,000 |
| Fennemore Craig Foundation | Maricopa | \$22,552 | \$36,607 |
| Southwestern Medical Foundation | Maricopa | \$15,573 | \$0 |

National Focus of Corporate Giving – 2008 Data

(Source: Foundation Center)

| Area of Focus | Percentage |
|---|------------|
| Education | 23% |
| Human Services | 20% |
| Public Affairs/Society Benefit | 19% |
| Health | 14% |
| Arts & Culture | 13% |
| Environment and Animals | 4% |
| Science and Technology | 3% |
| International Affairs, Development, and Peace | 3% |
| Other | 1% |

Focus of Corporate Grantmaking

We do not have data on the specific allocation of corporate grants in Arizona. However, a look at the national trends for corporate foundation grantmaking in 2008 may provide some useful insights.

Tribal Grantmaking



Native American officials often say that giving is woven into the fabric of their culture, but that tribes are reluctant to draw attention to their community involvement or to publicize their charitable giving. For some tribes, however, recent economic success, often from gaming activities, has spurred increases in philanthropic endeavors. In Arizona, at least three Native philanthropic entities have been established—The Hopi Foundation, The Hopi Education Endowment Fund, and the Tuba City Community Foundation.

In 2008, a total of 15 Arizona tribes operated gambling facilities and several others leased their gaming device allocation rights to those tribes. Proposition 202 required that these tribes contribute a portion of their gaming revenues to the State. Some portion of the gaming revenues contributed by the tribes to the State and local governments is often viewed as philanthropic contributions, particularly since they support basic community services like education and healthcare.

In 2008, total shared tribal gaming revenues exceeded \$96 million. Of that total, \$15.2 million was contributed directly to local governments, often to support nonprofits.



Individual Giving

How Much Do Arizonans Give To Charity?

According to IRS data, the 37.14% of Arizonans who file itemized tax returns made an estimated \$2.91 billion in charitable contributions in 2008, a decrease of 14% from 2006. Using the Urban Institute Charitable Giving Model, we estimate that charitable giving by non-itemizers amounted to another \$963.1 million. The total individual giving amount of nearly \$3.87 billion clearly dwarfs the \$670 million made by Arizona's private and public foundations and corporations.

To What Causes Do Arizonans Give?

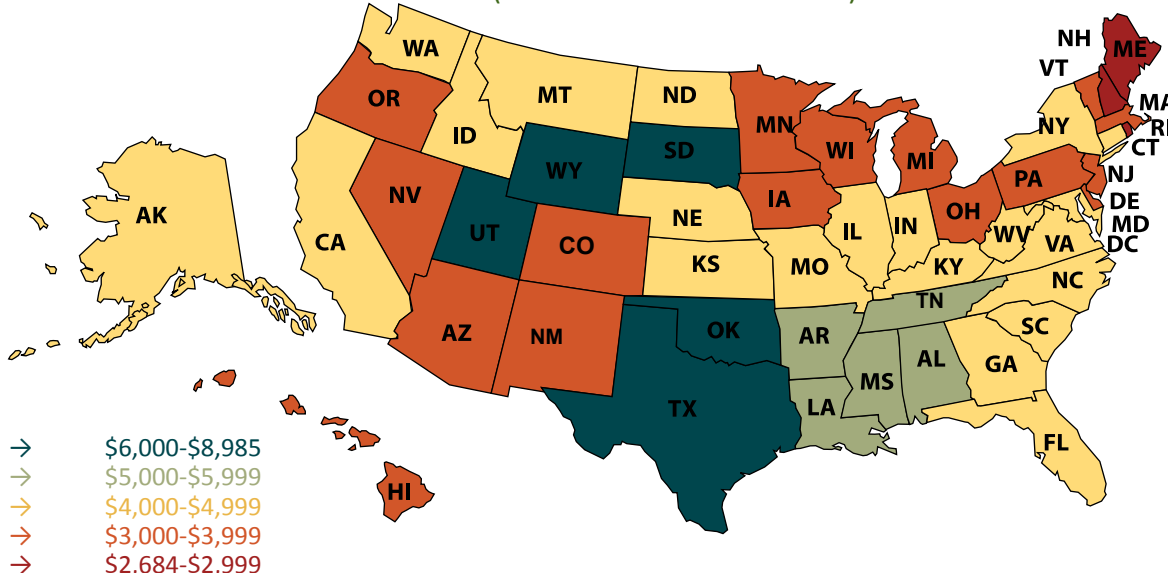
While it is impossible to determine exactly how individuals chose to allocate their \$3.87 billion in charitable giving, a recent report issued by the ASU Lodestar Center, *Arizona Giving and Volunteering 2010*, provides some clues. The table to the right shows the distribution of charitable contributions in 2008, according to data from ASU Lodestar Center's 2009 web-based survey of 687 Arizona residents.

| Types of Causes Donated to by AZ Residents | % |
|--|-------|
| Religious Purposes/Spiritual Development | 42.1% |
| Basic Necessities | 35.4% |
| Youth & Family | 27.9% |
| Combination of Purposes | 27.4% |
| Education | 25.9% |
| Health | 21.4% |
| Environment | 15.7% |
| Neighborhood | 12.7% |
| Arts, Culture, and Ethnic Awareness | 8.5% |
| International | 8.0% |
| Other Purposes | 15.2% |

How Does Giving by Arizonans Compare to Other States?

Nationally, Arizona ranks 26th in percentage of contributions relative to Adjusted Gross Income (2.05%), and 40th in average charitable contributions (\$3,621). Arizona's total individual itemized contributions in 2008 were \$2.91 billion, representing 1.71% of the \$170.4 billion contributed nationally.

Average Individual Giving by State in 2008
(Source: Foundation Center)



Individual Giving

While Arizona is blessed with a substantial number of wealthy households (ranking 18th-19th nationally in households with incomes above \$200,000) their average charitable contributions have consistently ranked low (between 29th and 36th). One exception was in 2005, when Arizonans contributed \$3.37 billion, ranking it 20th in the nation. The sharp increase was likely a response to the multiple natural disasters that occurred in 2005 (e.g., the Asian tsunamis and Hurricane Katrina).

The chart below highlights how Arizona ranked relative to other states, in terms of income and charitable contributions for the period 2003-2008. Note that IRS data does not account for differences in cost of living and tax burden, nor does it distinguish between secular and religious giving. However, a 2006 national study designed to account for some of these variables ranked Arizona as 40th in overall individual charitable giving.

| Arizona's National Ranking | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------------------|------|------|------|------|------|------|
| Average AGI (Adjusted Gross Income) | 22 | 19 | 18 | 17 | 21 | 26 |
| Total dollars contributed as % of AGI | 23 | 24 | 19 | 27 | 29 | 26 |
| Average contribution (Giving Rank) | 38 | 39 | 26 | 34 | 40 | 40 |
| Avg. contribution \$200,000+ income | 36 | 34 | 20 | 29 | 40 | 34 |
| # Households w/incomes > \$200,000 | 19 | 19 | 18 | 19 | 19 | 18 |
| Avg. contribution \$100-200K income | 27 | 28 | 27 | 29 | 30 | 30 |

Individual Giving Often Occurs Through Charitable Bequests (Gifts to Charity Through a Person's Will)

Below are some quick facts on charitable bequests made through estates over \$2 million in Arizona in 2008.

*Arizona Estate Information- Fast Facts from 2008:*¹¹

- 581 Arizona residents left total estates of over \$2.42 billion or 1.06% of the \$228.9 billion total estates left in the U.S. This represents an 8% increase over 2006.
- 108 Arizona residents made charitable bequests totaling nearly \$526 million or 1.8% of the \$29 billion dollars bequeathed to charity nationally.
- The average Arizona estate was \$5.87 million compared to the U.S. average of \$5.96 million.
- Arizona's charitable bequests averaged nearly \$4.82 million compared to the U.S. average of \$4.02 million.
- 18.6% of Arizona estates included a charitable bequest, which is slightly lower than the U.S. average of 18.8%.
- Of those who left charitable bequests, Arizona residents bequeathed 56% of their estates to charity compared to 39% of the estates for the average of those in the U.S.
- 15.2% of the assets of all estates settled in Arizona were distributed in charitable bequests compared to the 12.7% U.S. average.

Again, we remind the reader that the data for this report reflects foundation assets and giving at the end of 2008, when the bottom fell out of the financial markets. We know the stock market has recovered significantly. A recent study by the Foundation Center suggests that after several years of cost cutting, foundation operations have stabilized and that “giving by U.S. foundations is poised for modest overall growth in 2011.”

If you would like more information about these and other issues in the philanthropic sector, please visit our website, www.arizonagrantsmakersforum.org, where you will find a wealth of useful information and resources for foundations, nonprofits, corporations, the public sector, and any individual interested in the world of philanthropy. We also encourage you to connect with us through any of the communication channels listed below:

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ARIZONA GRANTMAKERS FORUM

Thank You

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