

“Finding New Potential with a Regional Lens”

**The Foundation Enterprise in New England:
Ten Key Features**

Data presentation prepared for
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About this Presentation

This presentation summarizes and updates information pertinent to characterizing the regional nature of the New England foundation enterprise from a longer report “**Foundation Giving in the New England Region,**” sponsored by the Nellie Mae Education Foundation and published in 2003. The full report is available on the Foundation’s web site: www.nmefdn.org.

The presentation has been developed as a companion to the plenary session on “Finding New Potential with a Regional Lens” at the New England Funders Conference in November 2004.

The intent is to create a context for group discussion that explores the potential for grantmakers to come together...

- to seek regional or cross boundary solutions,
- to rethink geographic funding footprints in the effort to make a difference on issues of regional or global importance, or
- to pool ideas and learn from each other about how to solve larger problems.

Note on data sources:

All data in this publication are from The Foundation Center. In general, there are two broad sets of data available from FC, and both have been used in this report. 1) The Foundation Center database on foundations, which provides information on numbers and types of foundations, nationally and within states and regions, on the volume and growth/decline of assets, grantmaking, and gifts received. This database covers all foundations of record, however small, that have made grants of at least \$1 in their most recent fiscal year. 2) The Foundation Center’s grants sample database, which tracks all grants of \$10,000 or more that have been awarded by a group of approximately 1000 large US foundations. Nationally, the grants in this sample cover more than half of all grant dollars awarded in any given year. In New England, however, where there are relatively few large foundations, the sample covers only about 30% of grant dollars awarded. Depending on the year, there are about 50 New England foundations included in the sample. Therefore, information in this report on grantmaking patterns – relative amounts to education, health, etc – is based on the grantmaking of these approximately 50 foundations, rather than the total pool of 5884 foundations. There is at this time no way to track and analyze the grantmaking of the vast majority of New England foundations, which are small.

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The Foundation Enterprise in New England: Ten Key Features

1. New England has nearly 6000 foundations.

Out of a total of 5884 foundations in 2002, 212 are corporate foundations, 36 are community foundations, and the vast majority of the rest are private independent or family foundations.

2. The current giving power of New England foundations is \$1.5B annually.

Total grantmaking in 2000:	\$1.3B
...in 2001:	\$1.7B
...in 2002:	\$1.5B

('03 shows a slight drop; '04 is expected to reflect a modest turnaround.)

3. New England foundations are small.

In 2002:

- NE had 9% of all the foundations in the country, but only 5% of foundation giving or foundation assets.
- Only one NE foundation is in the country's top 50 (Barr).

In 2000:

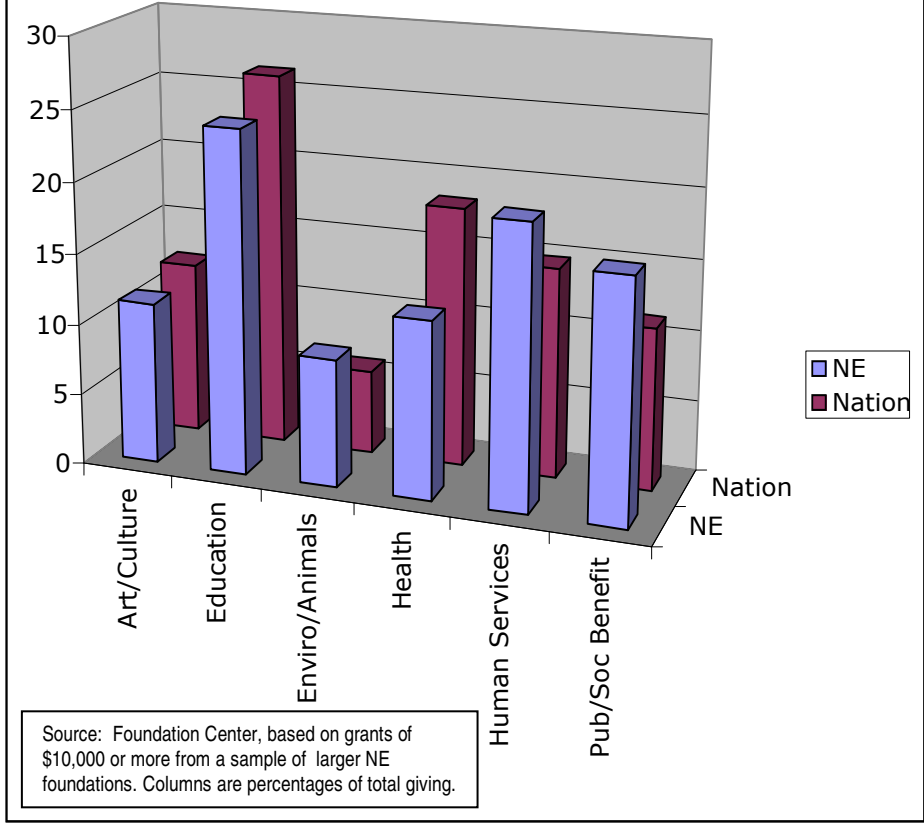
- More than 40% of NE foundations (2288) had annual grantmaking of less than \$25,000.
- There were only about 200 NE foundations that had annual grantmaking of more than \$1M in 2000.

4. NE foundation giving patterns are somewhat different from the rest of the country.

Based on the giving of large foundations, NE foundations have displayed somewhat different giving patterns from the rest of the country... **giving more to: education, human services, and environment** than is true nationally; **giving less to health.**

Most recent data (2002) show **a drop in NE foundation funding of education** (from 34% to 24%, and now below national figures), and a **spike up in funding for public affairs and societal benefit** (from 10% to 17%, well above the national figure of 11%).

NE Grantmaking in 2002, By Subject, Compared to Nat



NE Grantmaking Larger Foundations 2002	
Art/Culture	11% -- \$54M
Education	24% -- \$114M
Enviro/Animals	9% -- \$42M
Health	13% -- \$59 M
Human Service	20% -- \$93M
Pub/Societal Ben	17% -- \$80M

5. There is marked north-south disparity in giving potential of NE foundations.

- Measured by either assets or giving, Massachusetts, Connecticut and Rhode Island have more than 90% of the action; less than 10% for Maine, Vermont and New Hampshire.
- In foundation giving per capita, New Hampshire, Maine and Vermont rank 36th, 38th and 42nd in the nation; CT, RI and MA rank 7th, 8th, and 14th. □
- Said another way, Massachusetts has 28 times the assets of Maine, 14 times those of NH.
- A Nellie Mae Education Foundation analysis of grantmaking in 2000 by larger NE foundations for elementary, secondary and community-based education in

New England showed a total of 535 grants – with only 4 in New Hampshire, 5 in Vermont, 21 in Maine.

Comparative Distribution of Foundations, Assets and Grantmaking, by State

State	Number Foundations	Assets (in billions)	Grants (in millions)
Connecticut	1337	\$5.586	\$484
Maine	268	.772	48
Massachusetts	2695	11.123	775
New Hampshire	272	.890	58
Rhode Island	1091	2.255	147
Vermont	221	.391	20
Total NE	5884	\$21.018	\$1,531

Source: Foundation Center, 2002

6. There are also significant disparities within states.

When analyzing grants by larger foundations, southern tier capitol cities attract very large percentages of grant dollars awarded in their states; smaller cities, rural areas, almost none. Because of the paucity of data on small foundation giving, the full extent of this disparity cannot be documented.

7. Community foundations are a stronger presence in NE than nationally.

In 2002:

- CF's represent 12% of assets and 11% of giving in NE, compared to 7% and 8% nationally.
- There are five NE community foundations in the top 50, ranked by assets: Hartford, Boston, Rhode Island, New Hampshire and New Haven.
- And (a different) five in the top 50 for gifts received, with Berkshire Taconic and Maine joining New Hampshire, Boston and Rhode Island.

8. Measured by large grants, NE imports far more dollars than it exports.

In 2002, the larger NE funders tracked by the Foundation Center gave \$179M (or 38% of their giving) to grantees outside the NE states. But NE grantees were awarded more than \$800 million from major funders located outside NE.

9. Most New England foundations do not belong to organizations that brings funders together.

- Total foundations: **5884**
- Total membership in
 - ...regional associations: **333**
 - ...Grantmakers for Effective Organizations (GEO) **52**
 - ...Council on Foundations (COF) **160**
 - ...Association of Small Foundations (ASF) **211**
- Total number of NE funder nets identified in the recent study of Grantmakers for Effective Organizations, with the assistance of the Forum of Regional Associations of Grantmakers, and the Council on Foundations: **22**

10. The data on NE foundations and their work are scanty.

- The only large scale tracking of where grant dollars go is the FC grants index, which tracks grants of more than \$10,000 made by 1000 + large foundations. Nationally, this data captures more than half of all foundation giving. In NE, because of the absence of large foundations, FC grants data capture less than 30%. There are fewer than 50 NE foundations in the Grants Index; no Vermont foundation.
- Even in the aggregate, it is difficult to see what is happening in New England. The Foundation Center uses “Northeast” as its regional unit of analysis – which includes New England and the three Middle Atlantic states of New York, New Jersey and Pennsylvania. These three states dwarf NE (NE has \$21B in assets, for example, while Middle Atlantic, \$112B) and make it hard to get a New England- accurate picture of trends in the region compared to what is happening elsewhere.

Resources

Some useful material on foundation collaborations, networks and regional grantmaking strategies:

1. “Strategies for Impact: Increasing Resource Flows for and Focusing Attention On Issues Funder Networks Care About.” Available from GEO: www.geofunders.org
2. “Funder Nets in Action: Understanding their Potential for Philanthropy.” Available from GEO: www.geofunders.org
3. “Metropolitan Regional Grantmaking: Promising Practices for Better Communities.” Available from The Funders Network for Smart Growth and Livable Communities: www.fundersnetwork.org
4. “Collaborative Philanthropies: What Groups of Foundations Can do That Individual Foundations Cannot.” Monograph by Elwood Hopkins. Available (fall 2004) from GEO: www.geofunders.org
5. “Boston Unbound: Tapping Greater Boston’s Assets and Talents to Create a World-leading Citistate.” Report of the Citistates Group. Available from the Boston Foundation: www.tbf.org

See also the GEO website (www.geofunders.org) for a searchable database of funder networks in New England and across the country.