

# **Profile of Charitable Foundations in Arizona**

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## Foundations in Arizona

Foundations in Arizona have shown steady growth over the years. This report details the number and location of Arizona's private and public foundations and provides financial and descriptive information.

**Private foundations** are those funded entirely by an individual, family, or corporation. They are usually endowed, meaning they have permanent assets. They often make their grants out of the interest earned by investing those assets. Private foundations are typically focused primarily on grantmaking, and generally do not actively raise funds or seek private support.

Operating foundations are private foundations that use their funds to operate their own programs, rather than make outside grants. They are a relatively small part of the foundation universe.

**Public foundations** are actually grantmaking public charities. Many are population or cause specific. They have a different tax status than private foundations. They file the 990 tax form, whereas private foundations use the 990PF. Examples of public foundations included in this report include community foundations, united ways, Jewish federations, conversion hospital foundations, etc.

**Corporate Giving.** Except for the two corporate foundations incorporated in Arizona (APS and Phelps Dodge), this report does not include data on corporate giving. Corporate philanthropy takes many forms, including direct grants, employee release time for volunteering, matching employees' donations to charitable organizations, and donating valuable goods and services. In 2002, nationally, corporate giving accounted for 5.1% of all giving (institutional and individual). In the future, AGF hopes to gather information about the impact of corporate giving in Arizona.

### Sources of Data

The primary sources of financial information were IRS tax return forms 990 and 990PF. Aggregated data from these sources were provided by the National Center for Charitable Statistics (NCCS). All private foundations are required to file form 990PF. The data contained in this report are from 990PF forms filed in 2002, the most recent year for which the data has been compiled. Due to differences in accounting practices (e.g., fiscal years) this generally reflects financial information for 2001, but variations do exist. Public foundations file IRS 990 forms, and only those with incomes greater than \$25,000 are required to file. For this reason, some small public foundations are not represented.

In addition, individual 990 and 990PF forms were gathered from some of the largest foundations for the year 2002. That information is reported separately. That information also reflects the Arizona grantmaking of the Nina Mason Pulliam Charitable Trust, which files as an Indianapolis based foundation, but also has an office in Phoenix, Arizona and divides grants equally between the states of Indiana and Arizona.

A number of organizations typically described as foundations (e.g., Arizona State University Foundation and University of Arizona Foundation) are actually classified as 'single organization support' entities. These organizations exist to support the work of a specific organization, which could be a state entity, a nonprofit or even a for-profit corporation. They do not make public

disbursements (i.e., grants), but function as a fiscal agent to collect and manage donations for one organization. These organizations are not included in the analyses of private and public foundations contained in this report. There is a separate section containing information on these organizations at the end of this report.

## Number of Foundations

The two-year growth rate in public and private foundations from 2000 to 2002 was 46 percent and 19 percent, respectively, for an overall growth rate in foundations of 25 percent. The nine-year growth rate of public and private foundations between 1993 and 2002 was 317 percent and 66 percent, respectively, for an overall growth rate in foundations of 96 percent (see Table 1 Number of Foundations by Type). Public foundations have shown significantly more growth than private foundations.

**Table 1 Number of Foundations by Type**

Foundation Type	1993	2000	2002	% Change 2000-2002	% Change 1993-2002
<b>Public</b>	53	151	221	46%	317%
<b>Private</b>	383*	535**	634***	19%	66%
<b>Total</b>	<b>436</b>	<b>686</b>	<b>855</b>	<b>25%</b>	<b>96%</b>

\*29 operating foundations, 13 other, 341 non-operating (1993)

\*\*35 operating foundations, 37 other, 463 non-operating (2000)

\*\*\*48 operating foundation, 8 other, 578 non-operating (2002)

The majority of foundations are located in Maricopa County. The two-year growth rate in foundations for Maricopa County and Pima County was 24 percent and 28 percent, respectively. Between 1993 and 2002, Maricopa County and Pima County showed significant growth in the total number of foundations (131% and 111% respectively), while the total in all other counties increased by only 5% (see Table 2 Number of Foundations per County by Type).

**Table 2 Number of Foundations per County by Type**

County/Type	1993	2000	2002	% Change 2000-2002	% Change 1993-2002
<b>Maricopa Total</b>	<b>239</b>	<b>445</b>	<b>553</b>	<b>24%</b>	<b>131%</b>
<b>Public</b>	31	100	151	51%	387%
<b>Private</b>	208	345	402	17%	93%
<b>Pima Total</b>	<b>90</b>	<b>148</b>	<b>190</b>	<b>28%</b>	<b>111%</b>
<b>Public</b>	11	23	42	83%	282%
<b>Private</b>	79	125	148	18%	87%
<b>Other Total</b>	<b>107</b>	<b>93</b>	<b>112</b>	<b>20%</b>	<b>5%</b>
<b>Public</b>	11	28	28	0%	155%
<b>Private</b>	96	65	84	29%	-13%
<b>Overall Total</b>	<b>436</b>	<b>686</b>	<b>855</b>	<b>25%</b>	<b>96%</b>

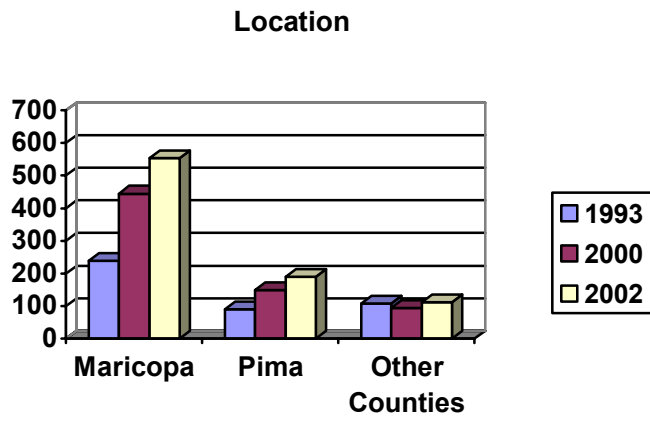


Figure 1 Number of Foundations by County

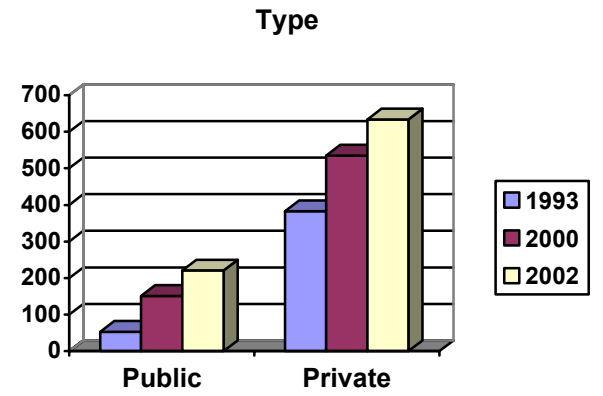


Figure 2 Number of Foundations by Type

## Foundation Assets

As of 2002, the 634 private foundations in Arizona maintained assets of almost \$2.2 billion, which is less than one percent of the total assets held by private foundations in the United States (see Table 3 Total Foundation Assets: Arizona and US in 2002). As of 2002, there were 221 public foundations in Arizona whose total assets equaled \$873,107,907. The 2002 data do not include some of the newest private foundations that have been established or those which have acquired significant assets since 2001.

**Table 3 Total Foundation Assets: Arizona and US in 2002**

Location	Number of Private Foundations	Total Assets	Number of Public Foundations	Total Assets
<b>Arizona</b>	<b>634</b>	<b>\$2,190,157,003</b>	<b>221</b>	<b>\$873,107,907</b>
<b>United States*</b>	<b>64,842</b>	<b>\$435,190,000,000</b>	<b>n/a</b>	<b>n/a</b>

\*Information obtained from The Foundation Center

Table 4 shows private and public foundation assets in Arizona by foundation type. Total assets for both public and private foundations have steadily risen between 1993 and 2002. Public foundation assets have increased from \$74,619,502 in 1993 to \$873,107,907 in 2002. Private foundations also show an increase in total assets from \$642,933,205 in 1993 to \$2,190,157,003 in 2002. “Mean top ten assets” lists the average assets of the top ten largest foundations in Arizona by assets.

**Table 4 Total Foundation Assets by Type**

	Mean Assets	Median Assets	Mean ‘Top Ten’ Assets	Total Assets
<b>2002</b>				
Public	\$3,950,715	\$317,143	\$63,182,812	<b>\$873,107,907</b>
Private	\$3,454,054	\$213,558	\$135,521,847	<b>\$2,190,157,003</b>
<i>Total</i>				<b>\$3,063,264,910</b>
 <b>2000</b>				
Public	\$3,239,271	\$185,205	\$36,974,731	<b>\$489,129,895</b>
Private	\$2,796,354	\$248,994	\$70,967,636	<b>\$1,496,049,580</b>
<i>Total</i>				<b>\$1,985,179,475</b>
 <b>1993</b>				
Public	\$1,407,915	\$75,586	\$6,831,395	<b>\$74,619,502</b>
Private	\$1,678,677	\$102,596	\$39,797,789	<b>\$642,933,205</b>
<i>Total</i>				<b>\$717,552,707</b>

In the years 2002 and 2000, just over half (51%) of all foundations in Arizona had \$250,000 or less in assets, down from 64% in 1993 (see Table 5 Foundation Asset Categories).

**Table 5 Foundation Asset Categories**

<b>2002</b> (in thousands)	<b>\$0-250</b>	<b>\$251- 500</b>	<b>\$501- \$1,000</b>	<b>\$1,001- \$5,000</b>	<b>\$5,001- \$10,000</b>	<b>\$10,001- \$50,000</b>	<b>\$50,001 +</b>	<b>Total</b>
<b>Private</b>	335	66	79	100	25	22	7	634
<b>Public</b>	105	20	28	46	8	10	4	221
<b>Total</b>	440	86	107	146	33	32	11	855
<b>% of Total Foundations</b>	51%	10%	13%	17%	4%	4%	1%	100%

<b>2000</b> (in thousands)	<b>\$0-250</b>	<b>\$251- 500</b>	<b>\$500- \$1,000</b>	<b>\$1,001- \$5,000</b>	<b>\$5,001- \$10,000</b>	<b>\$10,001- \$50,000</b>	<b>\$50,001 +</b>	<b>Total</b>
<b>Private</b>	267	50	64	110	13	25	6	535
<b>Public</b>	80	12	16	28	4	9	2	151
<b>Total</b>	347	62	80	138	17	34	8	686
<b>% of Total Foundations</b>	51%	9%	12%	20%	2%	5%	1%	100%

<b>1993</b>	<b>\$0-250</b>	<b>\$251- 500</b>	<b>\$501- \$1,000</b>	<b>\$1,001- \$5,000</b>	<b>\$5,001- \$10,000</b>	<b>\$10,001- \$50,000</b>	<b>\$50,001 +</b>	<b>Total</b>
<b>Private</b>	244	44	24	48	12	9	2	383
<b>Public</b>	34	6	2	8	2	1	0	53
<b>Total</b>	278	50	26	56	14	10	2	436
<b>% of Total Foundations</b>	64%	11%	6%	13%	3%	2%	<1%	100%

## Giving by Private Foundations

The following tables report private foundation disbursements for charitable purposes. This information is reported on the 990PF part 1, line 26, column (d). It includes charitable disbursements and associated charitable expenses. Comparable information is not available for public foundations.

**Total private foundation giving in 2002 was \$141,450,038. This is an increase of 65% from 2000 when private foundations granted \$85,737,596.** The vast majority of foundations (about 81%), across the three years discussed in this report (1993, 2000, and 2002), had total disbursements of less than \$100,000 (see Table 6 Foundation Giving by Category).

**Table 6 Foundation Giving by Category**

	\$0- 100,000	\$100,001- 250,000	\$251,001- 500,000	\$500,001- 1,000,000	\$1,000,001- 5,000,000	\$5,000,001 +	Total Number
<b>2002</b>	513	55	28	16	18	4	<b>634</b>
<b>2000</b>	414	56	26	20	16	3	<b>535</b>
<b>1993</b>	319	30	16	11	7	0	<b>383</b>

## Private Foundation Giving by County

Maricopa County foundations had the highest total giving over the three years discussed in this report. For example, in 2002, Maricopa County total foundation giving was over four times that of Pima County and over 12 times the total giving in 'other' counties (see Table 7 Giving by County).

**Table 7 Giving by County**

	Mean Giving	Median Giving	Mean 'Top Ten' Giving	Total Giving
<b>2002</b>				
<b>Maricopa</b>	\$265,070	\$20,344	\$6,124,753	<b>\$106,558,341</b>
<b>Pima</b>	\$178,838	\$26,513	\$1,937,488	<b>\$26,468,018</b>
<b>Other</b>	\$100,282	\$17,204	\$651,951	<b>\$8,423,679</b>
			<b>Total</b>	<b>\$141,450,038</b>
<b>2000</b>				
<b>Maricopa</b>	\$186,544	\$25,762	\$2,943,622	<b>\$59,134,515</b>
<b>Pima</b>	\$155,250	\$21,288	\$1,340,907	<b>\$18,474,696</b>
<b>Other</b>	\$131,103	\$16,124	\$659,097	<b>\$8,128,385</b>
			<b>Total</b>	<b>\$85,737,596</b>
<b>1993</b>				
<b>Maricopa</b>	\$119,467	\$12,596	\$1,481,456	<b>\$23,654,551</b>
<b>Pima</b>	\$111,707	\$18,932	\$673,410	<b>\$8,713,174</b>
<b>Other</b>	\$79,857	\$7,034	\$593,664	<b>\$7,506,533</b>
			<b>Total</b>	<b>\$39,874,258</b>

## Information on Major Foundations

The following information is based on individual 990 and 990PF forms collected from the ten largest private and five largest public foundations operating in Arizona. These foundations were identified by looking at end of year assets.

Assets of the largest private foundations grew from just under \$400 million in 1993 to approximately \$1.5 billion in 2002. Similarly, assets of the largest five public foundations also realized tremendous growth, from just over \$50 million in 1993 to approximately \$488 million in 2002. Growth in assets was fueled by aggressive returns on investments and the establishment of new foundations (see Table 8 & 9).

Giving by the top 10 private foundations in the state rose substantially, from almost \$41 million in 2000 to almost \$70 million in 2002. In 2002, giving by the ten largest private foundations accounted for 51% of the total private foundation giving (\$141,450,038). Over a 9-year period beginning in 1993, giving by private foundations has more than tripled.

**Table 8 Major Private Foundation Assets & Giving 2002**

Private Foundations	Location	Total Assets	Total Giving
Virginia G. Piper Charitable Trust	Scottsdale	\$525,995,447	\$22,071,216
Nina Mason Pulliam Charitable Trust*	Phoenix	\$147,991,231	\$7,949,547
Flinn Foundation	Phoenix	\$147,889,650	\$7,648,461
Nina Mason Pulliam Charitable Trust*	Phoenix	\$147,704,371	\$7,949,547
Research Corporation	Tucson	\$131,961,562	\$11,635,929
Aurora Foundation	Phoenix	\$114,946,710	\$4,531,705
The Kemper & Ethel Marley Foundation	Phoenix	\$80,499,079	\$5,229,084
The Steele Foundation	Phoenix	\$72,784,781	\$3,582,552
Rodel Foundation	Scottsdale	\$47,527,172	\$2,983,122
Del E. Webb Foundation	Wickenburg	\$46,898,359	\$2,487,930
Dorrance Family Foundation	Scottsdale	\$38,724,483	\$3,795,436
<i>Total</i>		<i>\$1,355,218,474</i>	<i>\$71,914,982</i>

\* This represents actual grants disbursed only in Arizona and 50 percent of total assets

**Table 9 Major Public Foundation Assets & Giving 2002**

Public Foundations	Location	Total Net Assets	Total Giving
Arizona Community Foundation*	Phoenix	\$315,337,225	\$20,413,691
St. Luke's Health Initiatives	Phoenix	\$91,847,800	\$4,231,499
BHHS Legacy Foundation	Phoenix	\$79,001,065	\$3,312,288
The Jewish Federation of Greater Phoenix	Phoenix	\$70,234,111	\$8,314,885
Community Foundation for Southern Arizona*	Tucson	\$56,470,439	\$7,050,351
<i>Total</i>		<i>\$612,890,640</i>	<i>\$43,322,714</i>

\* Values include the assets and disbursements of support foundations

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## Major Foundation Giving by Issue Area

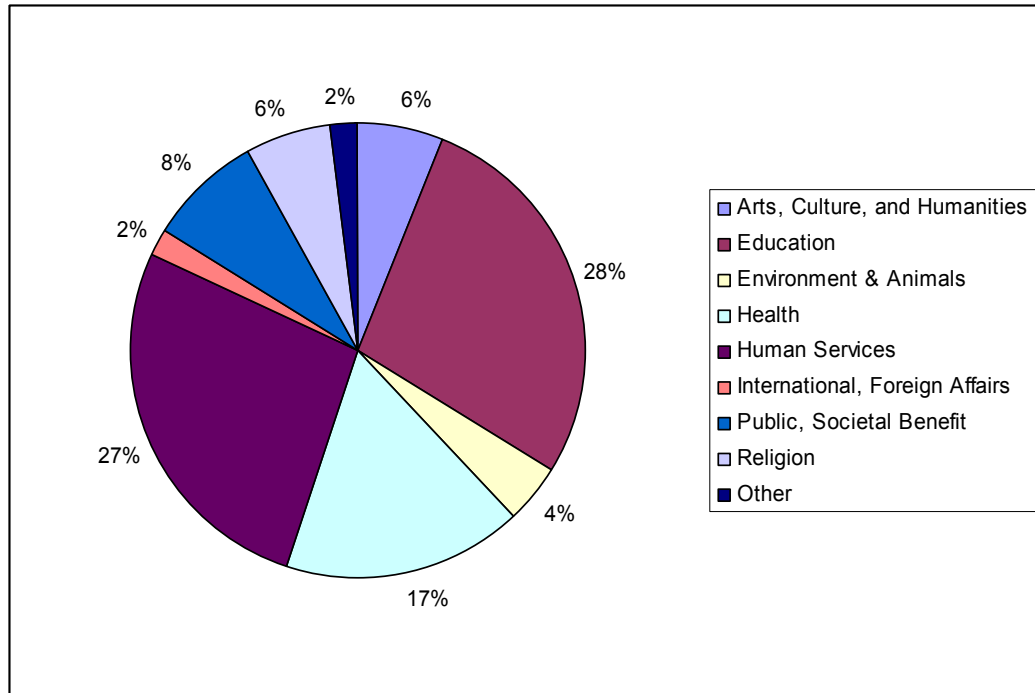
Disbursement records of the ten largest private foundations and five largest public foundations (including their support foundations) were categorized according to the recipient organization (e.g., educational institution) and the issues they address. One limitation with this procedure is that the specific purposes of the grant are not always reflective of the recipient organization. An additional limitation is that the value of disbursements analyzed does not equal total giving reported in Tables 8 & 9. The two main reasons were 1) disbursement records provided by foundations did not always equal the amounts indicated on their tax returns, and 2) giving totals reported in Tables 8 & 9 included some foundation expenses associated with grant disbursement and these expenses were not included in Table 10. This analysis does provide a general summary of the disbursement patterns of the major foundations in the state by issue area. The grants, although predominately given to organizations in the state, are distributed worldwide.

**Table 10 Giving by Issue Area 2002**

Recipient Type	Amount Given	Percent of Total
Arts, Culture, and Humanities	\$5,524,378	6%
Education	\$25,290,085	28%
Environment & Animals	\$3,248,924	4%
Health	\$15,293,824	17%
Human Services	\$24,741,287	27%
International, Foreign Affairs	\$1,714,972	2%
Public, Societal Benefit	\$7,320,288	8%
Religion	\$5,187,891	6%
Other	\$2,082,447	2%
<i>Total</i>	\$90,404,096	100%

Based giving of top 15 foundations in the state

**Figure 3 Giving by Issue Area 2002**



Human services and educational institutions received over half the disbursements in 2002 (27% and 28% respectively). Human service organizations, which received \$24.7 million in 2002, support activities such as child and youth services, family services, emergency assistance, and residential care. Education, which received about \$25 million, includes research dollars allocated to institutions of higher education, individual student scholarships, endowments, and disbursements to K-12 schools.

## Other Major Givers

Several other entities distribute significant grants each year. Some of these entities function as pass through organizations (e.g., United Way), while others, although they don't maintain assets as large as the biggest foundations, distributed over \$2 million each in 2002 (see Table 11 Disbursement of Other Major Givers 2002).

**Table 11 Disbursement of Other Major Givers 2002**

	<u>Type</u>	<u>Location</u>	<u>Total Giving</u>
Valley of the Sun United Way	Public	Phoenix	\$43,228,988
United Way of Tucson and Southern Arizona	Public	Tucson	\$8,212,089
Stardust Foundation, Inc.	Private	Scottsdale	\$6,167,464
Mesa United Way	Public	Mesa	\$4,183,805
Celebrity Fight Night Foundation Inc.	Public	Phoenix	\$3,808,205
Jewish Federation of Southern Arizona	Public	Tucson	\$3,461,257
Jewish Community Foundation of Southern Arizona	Public	Tucson	\$3,316,315
Margaret T Morris Foundation	Private	Prescott	\$2,558,307
Frederick Gardner Cottrell Foundation	Private	Tucson	\$2,505,170
Rodel Charitable Foundation AZ	Public	Phoenix	\$2,166,851
		<i>Total</i>	<i>\$79,608,451</i>

The following table lists the top 10 US foundations based outside of Arizona that have awarded significant grants in the state. This is based upon data from the Foundation Center, which collects information from over 1000 of the largest private foundations in the country.

**Table 12 Major US Foundations Giving in Arizona 2002**

	<u>State</u>	<u>Total Giving</u>
Robert R. McCormick Tribune Foundation	IL	\$4,324,900
The Robert Wood Johnson Foundation	NJ	\$2,995,090
BANK ONE Foundation	IL	\$2,193,850
The Milken Family Foundation	CA	\$1,513,636
Lund Foundation	CA	\$1,445,000
Bank of America Foundation	NC	\$1,297,074
The Wallace Research Foundation	IA	\$1,285,924
The William and Flora Hewlett Foundation	CA	\$1,280,000
Oberkotter Foundation	PA	\$1,233,726
Citigroup Foundation	NY	\$1,160,000
	<i>Total</i>	<i>\$18,729,200</i>

Source: Foundation Center (<http://fdncenter.org/>)

## Single Organization Support Entities

Some non-granting public charities provide support to a single organization and therefore fall under a different NTEE (National Taxonomy of Exempt Entities) classification than private or public foundations. These organizations are classified as “Single Support Entities.” Some examples include the organizations that provide support to hospitals and health foundations, boys and girls clubs, educational institutions, arts and museum-related organizations, and rodeo councils. Many of the organizations have significant revenue and assets. For example, both the University of Arizona Foundation and the Arizona State University Foundation are classified within this category because of the functions they serve to support those institutions.

While data on Single Support Organizations is not included elsewhere in this report, we felt it would be helpful to identify the types of Single Support Organizations that exist in Arizona and the extent of their assets. The table below indicates there are a total of 115 Single Support Organizations in Arizona, representing over \$871 million in assets that are used to support nonprofits in this state (see Table 13 Assets of Single Support Organizations by Category).

**Table 13 Assets of Single Support Organizations by Category**

NTEE Category	Number	Assets
A Arts	18	\$22,347,780
B Education	46	\$603,299,175
C Environment	2	\$25,579,246
E Health	18	\$174,438,425
F Mental health	3	\$5,615,172
H Medical research	2	\$8,039,657
I Crime/Legal	4	\$1,120,895
J Employment	2	\$3,312,659
N Recreation/Sports	5	\$195,378
O Youth Development	2	\$5,419,245
P Human Services	8	\$18,757,683
S Community Development	1	\$655,553
X Religion	4	\$3,567,296
<i>Total</i>	<i>115</i>	<i>\$872,692,611</i>