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Foundations in the Washington, DC Region:

The Puzzle of a Modest-Size Foundation Sector in a Wealthy Area

The level of foundation activity in the Washington, DC region presents a puzzle. Ordinarily, a wealthy region like the Washington area would be expected to have a large foundation community, with high levels of foundation assets and grantmaking. However, surprisingly the Washington area's foundation sector is only of moderate size. What accounts for the relatively modest size of the Washington area's foundation community? How does Washington's status as a national and international capital affect foundation activity? How can foundations make best use of their modest resources? This paper will address these and other related questions in the pages that follow.

To deepen understanding of foundations in the Washington region, this paper relies heavily on a broad range of data from the Foundation Center and official U.S. government sources, and interviews with leaders of Washington's foundation community. Unfortunately, there are few previous studies of Washington foundations to draw on, so this paper is an early analysis that others will want to build on.

What the analysis in this paper suggests is that the Washington area's foundation sector has been significantly shaped by the region's status as the nation's capital. The federal government has been a major engine of growth for the region's economy, with many of the area's residents working either directly or indirectly with the federal government.¹ Correspondingly, the Washington region has not been home to large numbers of jobs in manufacturing and other industries that are not closely related to government.

The upshot of this pattern of economic development is that the Washington area has been a region with a sizeable middle class, anchored by significant number of federal employees, and a substantial wealthier class, made up of lawyers, consultants, and other professionals engaged in government-related work but employed in the private sector. However, historically and today, the region's economy has supported relatively few of the mega-wealthy who are especially likely to establish large foundations. Thus, reflecting its government-dominated economy and as detailed below, the Washington area has a moderate-size foundation sector and none of the large, mega-foundations found elsewhere.

¹ Overall, in 2007, 18.9 percent of all employees in the Washington metro area worked for all levels of government, which is 75 percent higher than the mean of 11.3 percent of employees that work for government in the 25 largest metro areas. *State and Metropolitan Data Book*, 2010, "Metropolitan Areas – Employees and Earnings by Selected Major Industries: 2007, Table B-12, available at: http://www.census.gov/compendia/databooks/2010/tables/sma_B-12.xls

Overall, in the U.S. foundations account for only a small portion, roughly three percent, of total nonprofit revenue.² As a consequence of the Washington-area foundation sector's moderate size and its interest in supporting out-of-area nonprofits and national and international organizations in Washington, the region's foundations provide exceptionally modest funding for nonprofits serving Washington residents. At the same time, foundations based outside Washington send money to the region mostly to support Washington's many national and international nonprofit organizations rather than the region's locally-oriented nonprofits. The overall reality is that Washington is more a conduit for foundation funds headed elsewhere than a final destination.

Looking to the future, local leaders who want to strengthen the role of foundations in the Washington area should step up efforts to capture the area's significant wealth for philanthropy, including foundation philanthropy. Without a more intensive effort to increase the share of wealth that goes to philanthropy, the wealth is likely to be consumed, willed to future generations, or lost to other purposes. In addition, foundations should redouble their monitoring of community needs and their tracking of the efforts of government, nonprofits, and business to address these needs so that foundations can determine where they can add the most value. Foundations can also pool their funds in collaborative initiatives, like the existing Washington AIDS Partnership, to stretch the modest resources that individual foundations have available.

As should be clear, the subject of this paper is foundations in the Washington region. The paper focuses largely on grantmaking foundations that have their own endowments. Not counted as foundations are those nonprofits that have "foundation" in their name but which are largely grantseeking rather than grantmaking institutions. Generally, we use the U.S. Government definition of the Washington metropolitan area as our geographic area of interest. This definition, which has changed somewhat over time, currently includes 22 counties and cities in the District of Columbia, Maryland, Virginia, and West Virginia.³

² According to the Urban Institute, 2011 revenues for reporting public charities breakdown as follows: 47% from fees for service; 33% from government fees and grants; 13% from private contributions, including individual, foundation, and corporate donations; and 7% from other sources. According to Giving USA, the components of 2011 private contributions are: 73% from individuals; 14% from foundations; 8% from bequests; and 5% from corporations. Thus, private foundations account for about 3% of total revenue of reporting public charities. "Reporting public charities" include organizations that filed IRS Forms 990 and had \$25,000 or more in gross receipts; excluded are small organizations and most religious organizations which do not file tax returns. Sarah L. Pettijohn, "The Nonprofit Sector in Brief: Public Charities, Giving, and Volunteering, 2013," Washington: Urban Institute, available at: <http://www.urban.org/UploadedPDF/412923-The-Nonprofit-Sector-in-Brief.pdf> [February 7, 2014]; *Giving USA: The Annual Report on Philanthropy for the Year 2011, Executive Summary*. Chicago: Giving USA Foundation, 2012.

³ The 22 jurisdictions currently included in the Washington-Arlington-Alexandria Metropolitan Statistical Area are: the District of Columbia; Calvert, Charles, Frederick, Montgomery, and Prince George's Counties in Maryland; Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, and Warren Counties in Virginia; Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park cities in Virginia; and Jefferson County in West Virginia. U.S. Executive Office of the President, Office of Management and Budget, OMB Bulletin No. 10-02, December 1, 2009; available at: <http://www.whitehouse.gov/sites/default/files/omb/assets/bulletins/b10-02.pdf> [January 23, 2013].

I. Portrait of the Washington-Area Foundation Sector

No Mega Foundations

In addition to the overall modest size of Washington's foundation sector, it is also the case, as noted above, that there are no exceptionally large foundation in the Washington area. No Washington foundations appear in the list of the 50 largest foundations nationally, and only two area foundations – the Freedom Forum at number 80 and the Jack Kent Cooke Foundation at number 98 – are currently among the nation's 100 largest foundations.⁴ Lacking a marquee funder with national name recognition - such as Ford or Rockefeller in New York, Gates in Seattle, or Getty in Los Angeles - the Washington, DC metro area is home to a broad and interesting mix of more moderate-size foundations.

Two of the most locally-active, independent foundations are the Morris and Gwendolyn Cafritz and Eugene and Agnes E. Meyer Foundations. Some of the more significant foundations based in the Washington area make grants nationally in specific program areas: for example, the Public Welfare Foundation focuses on criminal and juvenile justice and workers' rights, and the Jack Kent Cooke Foundation on scholarships for needy high school, college, and graduate students. Among the most important corporate funders in recent decades have been the Fannie Mae and Freddie Mac Foundations, although their grantmaking programs have declined significantly and been restructured in recent years because of the financial problems of their parent companies. The World Bank also operates a relatively large local giving program, but not an independent foundation. The Case Foundation represents the area's technology wealth, as does Venture Philanthropy Partners, which employs a "venture philanthropy" approach in which VPP is highly engaged with its grantees.⁵ The region's most significant operating foundations are the Freedom Forum, which provides funding for the Washington-based Newseum, and the nationally-oriented Howard Hughes Medical Institute, which is a foundation in all but its tax designation.

These foundations are part of a Washington area foundation community which in 2010 consisted of 1,512 foundations with some \$13 billion in assets and grantmaking of \$878 million.⁶ In terms of assets, as shown in Table 1, as of 2010 the largest area foundations were the Freedom Forum (\$867 million), the Morris and Gwendolyn Cafritz Foundation (\$649 million), the Diana Davis Spencer Foundation (\$609 million), the Jack Kent Cooke Foundation (\$554 million), and the J. Willard and Alice S. Marriott Foundation (\$524 million). In terms of giving, the largest Washington area foundation

⁴ Ranking is based on financial data in the Foundation Center's database as of January 28, 2013, see Foundation Center, "Top Funders: Top 100 Foundations by Asset Size." Available at: <http://foundationcenter.org/findfunders/topfunders/top100assets.html> [February 22, 2013].

⁵ For more on the venture philanthropy approach, see: Christine Letts, William Ryan, and Allen Grossman, "Virtuous Capital: What Foundations Can Learn from Venture Capitalists," *Harvard Business Review* (March-April 1997), pp. 36-44.

⁶ Washington Grantmakers, *Our Region, Our Giving: Philanthropy in the Greater Washington Region*. Washington, July 2012, p. 2.

by far is the Community Foundation for the National Capital Region. With grants of \$63 million in 2010, its giving was more than 50 percent greater than that of the next two foundations, the Freedom Forum (\$41 million) and Ellison Medical Foundation (\$39 million). Other top local givers include: the Arthur S. DeMoss Foundation (\$35 million), New Mighty Foundation (\$29 million), and Public Welfare Foundation (\$23 million).

Table 1: Largest DC foundations by assets and giving, 2010

In some ways, the structure of the Washington, DC foundation field resembles the structure of the foundation community nationally. For example, foundation assets are heavily concentrated both nationally and in the Washington region. As shown in Table 1, in 2010 the twenty largest Washington-based foundations controlled assets of \$7 billion or over half of all local foundation assets. Likewise, with \$437 million in grants, the twenty largest foundation givers accounted for half of all grantmaking by foundations located in the DC metro area.

The composition of Washington-area foundations by type – independent, corporate, community, and operating – also parallels the composition for the nation as a whole. Nationally, nine out of ten foundations are independent foundations that, in 2009, controlled more than 80 percent of all foundation assets and a little less than three-quarters of total foundation giving. Though small in numbers, corporate and community foundations each accounted for 9 percent of giving nationally. Community foundations held eight percent of all foundation assets; corporate foundations three percent, and operating foundations that also make grants held the remaining six percent.⁷

As shown in Table 2, a similar pattern holds in the Washington area as far as the breakdown of foundation activity by foundation type. In 2009, independent foundations in the DC area accounted for about 90 percent of all foundations, nearly three-quarters of all giving, and a little less than 80 percent of assets. Assets held by Washington area corporate foundations matched the national figure of three percent, but corporate giving was six percent compared to the national level of 10 percent. Washington area community foundations held less than half the share of assets that community foundations control nationally, but had higher levels of giving with over ten percent. Operating foundations, reflecting the size of the Freedom Forum, accounted for a disproportionately high share of regional foundation assets.

Table 2:
DC Metro Foundation Financials, by Foundation Type, 1999-2009, in thousands

⁷ Foundation Center. “Aggregate Fiscal Data by Foundation Type, 2009 (Dollars in thousands).” http://foundationcenter.org/findfunders/statistics/gm_agg.html > January 23, 2013.

Rapid Growth

While still of moderate size, the Washington foundation sector grew at a rapid pace between 1999 and 2009, as reflected in Table 2. According to Foundation Center data, the number of foundations grew from 957 to 1,471; assets rose from \$8.5 billion to \$11.8 billion; and giving increased from \$520 million to \$905 million. Foundation giving by Washington-area foundations thus increased by an average of 7.4% per year from 1999 through 2009, or by 3.7% per year after adjusting for inflation.

Especially noteworthy was the growth in giving by independent foundations which increased from approximately two-thirds of all local foundation giving in 1999 to nearly three-quarters of foundation giving in 2009. With assets increasing by 28 percent over this period, community foundation giving grew even more strongly. Community foundations more than tripled their giving in five years from \$34 million in 1999 to \$72 million in 2004; and then grew to \$97 million in 2009. Corporate foundation giving, by contrast, fared less well. Although this type of giving increased from \$94 million to \$99 million between 1999 and 2004, its share of all local foundation giving dropped from 18 percent to 12.7 percent during these five years. By 2009, corporate foundations' share of total giving had halved again - to a 6 percent share - with a decline in giving to \$55 million.⁸ Much of the recent decline in corporate foundation assets and giving was due to the dissolution of the Fannie Mae Foundation in early 2007.⁹

Modest, Relative Size of Foundation Sector

As suggested above, in light of the significant wealth in the Washington area, we might expect the area's foundation sector to be larger than the foundation communities in many other areas. However, while Washington ranked second among twenty-five large areas in per capita income in 2009, Washington ranked fifteenth among twenty-five large areas in foundation assets per capita and thirteenth in foundation giving per capita, as shown in Table 3.

Table 3:
DC Foundation Assets and Grants Per Capita Compared to Other MSAs, 2009

Consistent with the observation that Washington is a wealthy area with a modest-size foundation sector is the finding that Washington's wealth does not translate into foundation giving as much as it does in other areas. As shown in Table 4, among twenty-five large areas, DC ranked nineteenth in terms of foundation giving relative to income. Especially for a wealthy area, the DC foundation community is not very large.

⁸ FC Stats: The Foundation Center's Statistical Information Service (foundationcenter.org/findfunders/statistics/), Aggregate Financial Information for Foundations in the Washington, DC, Metropolitan Area, circa 1999, 2004, and 2009

⁹ When Fannie Mae shut down its separate corporate foundation, it continued some of its charitable giving from within the corporation so there was not a complete loss of philanthropic activity. See, David S. Hilzenrath and Amy Joyce, "Fannie Mae Shuts Down Foundation: Big Local Donor to Move In-House," *Washington Post*, February 24, 2007.

Table 4: Index of Foundation Giving Relative to Income

The region's major community foundation, the Community Foundation for the National Capital Region (CFNCR), is large relative to other area foundations. Total giving of \$90 million by CFNCR in 2009 was more than double the giving of any other local foundation. However, compared to other community foundations around the U.S., the DC area community foundation is only of moderate size, as shown in Table 5.

Table 5: CFNCR Giving Compared to Giving By Other Community Foundations

Besides being small relative to income, Washington's foundation community is also small relative to the size of the region's nonprofit and governmental sector and its overall economy (see Table 6). Thus, the assets of Washington foundations are 22.8 percent of the region's nonprofit sector expenses, which puts the region twelfth among the nation's fifteen largest areas. Similarly, total foundation assets in the region amount to 13.2 percent of the region's government GDP, with the region ranking twenty-third of twenty-five on this measure. And finally, foundation assets are 2.9 percent of the region's overall GDP, placing the region twenty-first of twenty-five regions on this measure.

Table 6:
DC Foundation Assets Relative to Size of Nonprofit and Governmental Sectors and Overall Economy, Compared to Other Regions

II. Context: Factors Shaping Foundation Activity in the National Capital Region

Why does the Washington-area foundation sector take the form it does? What explains the modest overall size of Washington's foundation community? What are the major contextual factors influencing the activities, strategies, and impacts of Washington foundations? In particular, the development of the region's foundation community has been shaped by: the pattern of local economic development; the area's status as the nation's capital; the fact that the Washington region is a large, growing, and wealthy area; and the diversity and divisions the region.

However, before turning to consider the factors behind the surprisingly moderate dimensions of Washington's foundation community, it is important to note that its smaller than expected size should not be attributed to a lack of generosity on the part of the area's residents, at least according to the *Chronicle of Philanthropy's* 2012 study of generosity in America. This study found that persons living in the DC Metro area contributed 5.5% of their income to charities, after excluding taxes, housing, and other necessary expenses from income. In fact, Washington ranked as the second most

generous of 25 large MSAs after Atlanta.¹⁰ The median charitable contribution in the Washington, DC metro area was \$3,006 compared to a national median of \$2,564.¹¹

Economic Development Driven by Government

The Washington area is wealthy and its residents are comparatively generous, but, as we have seen, the region's foundation community is underdeveloped. Regional economic development patterns produced many wealthy residents, but few with the huge, mega-fortunes that endow large foundations. How did this happen?

Washington's prosperity has developed around its major industry, the federal government.¹² Today, government accounts for 22 percent of the area's economy, a much larger percentage than in all other large metropolitan areas except San Diego (18 percent), as shown in Table 7. The region benefits from the presence of a large government-employed middle class as well as a sizeable group of professionals – lawyers, consultants, lobbyists, contractors, and others – whose income also derives from government-related work

Table 7: Government Percentage Share of Metropolitan Area GDP, 2009

Going back in time, the Washington region did not have the significant manufacturing and other industries that helped some individuals amass great fortunes in other areas. Before Washington's selection as the nation's capital, the area had only a modest level of economic activity. In fact, in many ways Washington – especially the central governmental area – is a “created” city, carved out of the banks of the Potomac River when the city was chosen as the new home of the federal government.¹³

Early hopes that Washington would be a commercial center were dashed when the silting of the Potomac River made shipping difficult, and the port of Georgetown lost out to the emerging port of Baltimore, 40 miles to the North.¹⁴ Thus, rather than a national commercial center, in the 1800s Washington's economy was locally-oriented with real estate, flour mills, breweries, cotton companies, and utilities joining the federal government as the major industries.¹⁵

¹⁰ *Chronicle of Philanthropy*. “Generosity in America's 50 Biggest Cities: A Ranking.” *The Chronicle of Philanthropy*, August 23, 2012, p. B6.

¹¹ *Chronicle of Philanthropy*. “How America Gives: Exploring Philanthropy in Your State, City, and Neighborhood.” August 20, 2012. September 26, 2012 <<http://philanthropy.com/>>.

¹² Thus, on the East Coast, the federal government is concentrated in Washington; academic, defense, and medical research is focused in Boston; and foundations are strongest in New York and to a lesser extent in Connecticut and Pennsylvania. The authors are grateful to David Hammack for pointing out these different regional foci.

¹³ James Sterling Young, *The Washington Community, 1800-1828*. New York: Harcourt, Brace, and World, 1966, p. 17.

¹⁴ Keith E. Melder, *City of Magnificent Intentions: A History of Washington, District of Columbia* (Washington: Intac, 1997), pp. 91-95

¹⁵ Constance McLaughlin Green, *Washington: A History of the Capital, 1800-1950* (Princeton, NJ: Princeton University Press, 1962), Volume II, pp. 9-34.

The region's economy grew with the expansion of the federal government. The "City Beautiful" movement in the early 1900s, which brought parks and other amenities to Washington, furthered the region's attraction as a place of learning and culture and helped fuel the population growth and the real estate and tourism industries. However, many of the new Washingtonians were not well-connected to the community. Washington's Bishop Satterlee articulated the difference in 1905: "A new type of residents are [*sic*] gathering in Washington, who, while they bring wealth, magnificence and luxury to the capital of the country, are, as a rule, actuated by no sense of civic, moral or religious obligation regarding the welfare of the community, and it is a very serious question whether the material advantages that they bring are any compensation for the atmosphere of careless irresponsibility which they create."¹⁶ In the late 1900s, the Washington area became a hub of digital communication, information technology, and Internet commerce, although the region's high-tech industry has had its up's and down's since it was established, as reflected in the changing fortunes of AOL.

The upshot of this pattern of economic development is that Washington has large numbers of moderately wealthy residents. Specifically, compared to national patterns, Washington's wealth is concentrated in the moderately-high income classes. 9.7 percent of the region's households have net worth between \$1 million and \$10 million, compared to 6.4 percent of households nationally, as shown in Table 8.

Table 8 – Wealth Patterns, Washington vs. National

Interestingly, Washington's very wealthy are relatively young compared to the very wealthy nationally. Households with \$20 million or more in net worth are on average seven years younger in Washington than in the U.S. overall, as also shown in Table 8.

National and International Capital

The fact that Washington is the nation's capital has therefore had much to do with the growth of the regional economy and the development, over time, of significant wealth – but not huge, mega-wealth – in the area. This pattern of regional wealth has yielded a modest-sized foundation sector.

To be sure, Washington's status as a national and international hub has probably attracted some foundations – like the Howard Hughes Medical Institute – to the area so they could be close to federal policymakers and important national facilities, like the National Institutes of Health.

However, that Washington is the nation's capital has affected foundation activity in some negative ways as well. Because of the peculiarities of the U.S. Constitution, citizens of the District of Columbia have incomplete control of their own, local, political affairs and also do not have representatives with full voting power in either the U.S. House or Senate. The city won limited Home Rule in the early 1970s, when District

¹⁶ Ibid, p. 193.

residents gained the right to elect their own mayor, but checks on local authority remain in place. For example, even today Congress retains the right to overturn any law passed by the District government.

The shackles on local leaders have contributed to the disengagement of local elites from local issues. Why should wealthy Washingtonians get involved in addressing local problems if federal officials can step in at any time and negate their efforts? Wealthy residents do not focus their foundation dollars on local needs in part because they are not engaged in local issues. District residents have often had to look beyond City Hall, Washington-based foundations, and other local institutions toward Congress and the President for help in addressing local problems.

The disengagement of local elites has also been fostered by the perceived incompetence of the District government and some other important area organizations, including the local United Way. Even though the District government has control of significant resources to address social needs, local elites and their foundations have been reluctant to partner with the District government because it has often been seen as ineffective or even corrupt. Thankfully, the performance levels of the District government and the local United Way seem to have improved in the last decade.

Perhaps especially relevant for the region's foundation community is the fact that, as the nation's capital, the Washington area is populated not only by the usual array of local nonprofits serving local residents but also by a broad range of national and international nonprofits with far-flung clients. In fact, national and internationally-oriented nonprofits make up a larger portion of the Washington-area nonprofit sector than locally-focused nonprofits. As shown in Table 9, total expenses of Washington area nonprofits were \$28.8 billion in 2000, with nonprofits serving local residents accounting for 44 percent of total expenditures, and nonprofits predominantly engaged in national and international activities making up 56 percent of overall expenses.

Table 9: Composition of DC Metropolitan Nonprofit Sector as Compared to the US, 2000, selected fields

Washington's locally-oriented nonprofit sector is dominated by health, education, and human service organizations, which is generally similar to the profile of the national nonprofit sector. Local, private nonprofit hospitals – including the teaching hospitals at Georgetown and George Washington universities, the nationally-recognized Children's National Medical Center, and local community hospitals, such as Sibley Memorial in the District, Maryland's Suburban Hospital, and Northern Virginia's Inova System – are the largest type of locally-oriented nonprofits in the Washington area. Universities and other higher education institutions – including Georgetown, George Washington, American, Howard, Catholic, and Gallaudet universities – are in second place.

In some contrast, Washington's large, national and internationally-oriented nonprofit sector is dominated by public/societal benefit, human services, and "other health" organizations, as shown in Table 9. For the most part, the distinctive composition

of this portion of Washington’s nonprofit sector reflects the heavy presence of national umbrella and advocacy organizations in the nation’s capital. As discussed further below, Washington’s large national and international sector is a magnet for both local and national foundation dollars and contributes to the reality that the region is a significant conduit – rather than a final destination – for foundation dollars, and runs a net philanthropic deficit.

Finally, Washington’s status as a national and international hub may attract some foundations to locate in the area.

Large, Growing, Wealthy, and Diverse Region

Also important for the Washington foundation community is the fact that it is situated in a large, growing, wealthy, and diverse area. In 2010 the Washington, DC metropolitan area was the seventh largest MSA in the country, with a population of 5.6 million people.¹⁷ Among the fifteen largest MSAs, Washington was the sixth fastest growing MSA in the U.S. over the period 2000 to 2010, with a population increase of 16.4 percent. The Washington region had a per capita income of \$57,000 in 2009, the second highest among the 20 largest metropolitan areas. In 2011, Washington was home to six of the top ten U.S. counties in terms of median household income.¹⁸

However, the Washington area is by no means uniformly wealthy, and, in fact, the region is divided on a variety of dimensions. Like many but not all metro area foundation communities, an important part of the “context” for Washington area foundations is the fragmentation of the region into multiple state and county jurisdictions. The District, Maryland, and Virginia – DMV in the local vernacular – all have their own particular governance structures and very different political cultures. And within Maryland and Virginia, counties are critical political subdivisions.

Wealth is distributed very unevenly throughout the area. Western counties within the region are especially prosperous, while the eastern part of the area has a relatively high poverty rate. These divisions result in a mismatch between available resources and needs. In the west, Loudon, Fairfax, Arlington, Prince William, and Fauquier counties in Virginia, and Montgomery County in Maryland are among the wealthiest U.S. counties, all with median household incomes above \$90,000 in 2011.¹⁹ In contrast, as of the 2010 Census, 30 percent of the children in the District of Columbia lived in poverty, mostly in the eastern portions of the city.²⁰

¹⁷ United States Census Bureau. “Table 20. Large Metropolitan Statistical Areas—Population: 1990 to 2010.” January 28, 2013 <<http://www.census.gov/compendia/statab/cats/population.html>>.

¹⁸ Washington Post. “Highest Income Counties in 2011.” January 28, 2013

<<http://www.washingtonpost.com/wp-srv/special/local/highest-income-counties/>>.

¹⁹ Ibid.

²⁰ U.S. Census Bureau. “Child Poverty in the United States 2009 and 2010: Selected Race Groups and Hispanic Origin.” American Community Survey Briefs, November 2011, p. 9. Available at: www.census.gov/prod/2011pubs/acsbr10-05.pdf [February 23, 2012]; and U.S. Census Bureau, “Areas with Concentrated Poverty: 2006-2010,” American Community Survey Briefs, December 2011, p. 8. Available at: www.census.gov/prod/2011pubs/acsbr10-17.pdf [February 23, 2012].

Besides great differences of wealth within the Washington region, there is diversity on other dimensions as well. The region has large African-American, Latino, and immigrant populations. Washington ranks seventh among metro areas in the size of its Asian population and the region had the fifth largest growth in black population during 2000-2007.²¹ Washington is also home to many immigrants from a broad range of countries. One study stated that the impressive population growth of 1.6 million people that took place between 1985 and 2007 through migration was entirely the result of international migration.²²

III. Impacts on Foundation Activities

How have these important contextual factors shaped the activities of Washington area foundations?

Limited Foundation Support for Local Nonprofits

With local foundation assets of relatively modest size to begin with, there has been longstanding concern that limited local foundation resources have been stretched even further by the presence in the Washington area of numerous national and international organizations that provide additional funding choices for foundations. Reflecting these concerns, the Meyer Foundation commissioned the Foundation Center to examine more closely the funding patterns of local foundations.²³ As shown in Table 10, the Foundation Center's study confirmed that the vast majority of local foundation resources do not benefit nonprofit service providers that focus on local residents. In fact, the area's large foundations devoted only one-third (33.2 percent) of their grant allocations to locally-focused organizations and a little over one-quarter (25.9 percent) to national or international organizations, while 41 percent of grant dollars went outside the local area.

Table 10: Geographic and Programmatic Foci of Local Foundation Giving, 2006

While it is common for large foundations to allocate funding outside their home regions, generally smaller foundations with their more limited resources practice charity at home. However, just like Washington's larger funders, the area's smaller foundations devoted only one-third (33.4 percent) of their grant dollars to strictly local purposes. National and international organizations received slightly less than one-fifth (18.2 percent) of grant allocations of smaller foundations, and about half, or 48.3 percent, of grants went to out-of-area recipients.²⁴ A possible explanation for this finding is that

²¹ Frey, William H, Alan Berube, Audrey Singer, and Jill H. Wilson "Getting Current: Recent Demographic Trends in Metropolitan America." Brookings Institution: Washington, DC, 2009, p. 12.

²² Sturtevant, Lisa A. and Yu Jin Jung. "Domestic Migration To and From the Washington DC Metropolitan Area: 1985 - 2007." Technical Report No. 4. George Mason University Center for Regional Analysis.

²³ Foundation Center, "Giving by Foundations in the National Capital Region: How Much Stays Local?," March 2009 revised edition.

²⁴ Ibid

giving by small foundations reflects family philanthropy which incorporates a broader set of motivations (e.g., alumni giving to universities outside the area) than just a commitment to local charity. Unfortunately, a breakdown of the purposes of out-of-area giving that could provide more clues on this issue is not available.

However, the Foundation Center study did provide information about the programmatic focus of locally-oriented nonprofits that received grants from larger local foundations.²⁵ Of the local purpose grants, the largest amount of grant dollars – one-third – went to the human services field. This was followed by education and health (17.3 percent and 16.9 percent, respectively), arts and culture (14.1 percent), public and societal benefit (10.1 percent), and the environment (5.4 percent). As these local funding foci indicate, in their local grantmaking large Washington-area foundations emphasized service to economically disadvantaged and ethnic and racial minority populations, reflecting the Washington area’s racial diversity as well as its emergence as a major immigration hub in recent years.²⁶

The national and internationally-oriented giving by these large local foundations had a significantly different pattern than their local giving. Compared to their local giving, large local foundations devoted a much larger portion of their national and international funding to arts and culture, international, and environmental activities, and a much smaller percentage of their funding to human services, as shown in Table 10.

The high percentage of local foundation funding going to national arts organizations is a reflection of the presence in Washington of large-scale, national, cultural institutions, including the Smithsonian Institution, the National Gallery of Art, and the John F. Kennedy Center for the Performing Arts, all of which are government organizations. Some national organizations, such as these cultural institutions, may well provide direct benefits to local residents, and foundation grants supporting such organizations may thus well be intended for local as well as national purposes. However, the overall findings suggest that a large share of the relatively modest local philanthropic resources are not primarily geared towards addressing local community needs. Whether, and if so to what extent, the Washington region with its dual nonprofit sectors constitutes an outlier in this respect, however, cannot be established for certain in the absence of comparable data for other metro areas.

Net Philanthropic Deficit

As it turns out, local foundation funding is actually the smallest part of total foundation funding flowing into the region. In fact, the Washington area is a major importer of philanthropic funds. As shown in Table 11, grant recipients in the Washington metro area attracted close to \$1.7 billion in grant support from the nation’s largest foundations in 2005. Of this amount, only \$166 million, or one out of every ten grant dollars, came from local, Washington-area foundations. A much greater amount, \$1.5 billion, came from foundations outside the Washington metro area. To put this in

²⁵ Ibid

²⁶ Foundation Center, 2007.

further perspective, the Washington region attracted more than 10 percent of the \$16.4 billion dollars that the nation's largest foundations distributed in grants in 2005.

Table 11: Non-local Foundation Funding to DC MSA Recipients, 2005

Table 12 provides a breakdown of the geographic focus of Washington area recipients for grants of \$50,000 or more from foundations based outside Washington. More than \$1 billion or three-quarters of the incoming foundation grants went to national organizations, another 20 percent to organizations with international purposes, and a mere three percent to locally-oriented organizations. Thus, despite the large overall flow of foundation funding into the Washington area, like some other areas the Washington region generates a net philanthropic deficit, with more local foundation dollars going to out-of-area purposes than out-of-area foundation dollars flowing into the region for local uses. The major funding flows coming into the Washington region have little if any impact on local residents, and the Washington area serves more as a conduit or gateway for philanthropic flows to national and international destinations rather than an end destination itself.

Table 12: Non-Local Foundation Funding in Washington, By Geographic Programming Focus of Recipients, 2001

IV. Recommendations for Strengthening Washington's Foundation Sector

What to do? A major goal of this paper is to stimulate further thinking about the future course of foundation philanthropy in the Washington region. In light of the area's great wealth but modest foundation resources, what strategies should Washington's foundation leaders pursue to maximize the impact of existing foundation resources and expand the funds that will be available in future years?²⁷

Capture New, Young Wealth for Philanthropy

As described above, the Washington region has an abundance of young, wealthy residents. There is the potential for significant increases in regional philanthropy, including foundation giving, in the years ahead if this wealth can be captured for philanthropy. However, for this potential to be realized, there should be a concerted, intentional effort to guide the abundant regional wealth to local philanthropy, or it is apt to be spent elsewhere, on consumption, on bequests to heirs, for government taxes, or even perhaps for philanthropy in other regions, where Washington's wealthy have vacation or retirement homes.

²⁷ While the authors of this paper are generally sympathetic to the goal of growing foundation resources in the years ahead, this paper is not the venue for exploring the pro's and con's of expanding the Washington area foundation sector. We include our thoughts about growing foundation resources for the sake of those who believe this is an important objective.

There is a role for leaders of Washington’s foundation and philanthropic community in reaching out to the young and middle-aged wealthy to give in Washington. Several organizations – the Washington Regional Association of Grantmakers, the Community Foundation of the National Capital Region and other regional community foundations, Venture Philanthropy Partners, and numerous donor advisor groups – seem especially well-positioned to lead the effort to expand local philanthropy. However, these organizations may need to reallocate existing resources – or raise additional support – in order to prioritize this kind of outreach.

Educate Foundation Donors, Boards, and Staff Around Foundation Strategy

Foundation resources are precious, and they must be used strategically to ensure they achieve the maximum good. With foundation funds in relatively short supply in the Washington area, the need for thoughtfulness in the use of local foundation resources is especially great. While many Washington foundations are led by experienced, skilled grantmakers, the Washington foundation community should ensure that local foundation donors, board members, and staff who are newer to the field have access to – and use – high-quality information regarding best practices in foundation grantmaking and other practices. This education can draw on both local and national resources, such as the programs of the Washington Regional Association of Grantmakers, the GrantCraft initiative of the Foundation Center, and the Grantmaking School at Grand Valley State University.

Identify Strategic Niches

For Washington foundations, developing a strategic approach to grantmaking may mean identifying special “niches” where they can address emerging social needs and make a contribution – even with limited resources – in program areas that are receiving limited attention from government and other funders. Adopting this kind of strategic approach may lead, for example, to more foundation support for nonprofit advocacy that can influence public policy and thereby leverage even larger amounts of government funding. Strategic philanthropy may also lead to increased support for small and medium-sized human service organizations and less funding for large, established nonprofit institutions, such as hospitals, universities, and museums, that have other large funding sources.

Of course, some Washington foundations are already practicing this kind of strategic philanthropy: the Consumer Health Foundation focuses on racial and social equity in the health field; the Meyer Foundation helps to strengthen the leadership capacity of nonprofit executives; and the Moriah Fund seeks to advance social justice. In fact, it is interesting to note that Washington area foundations have allocated the largest portion of their funding to education and human services, while nationally it is education and health, rather than human services that receive the bulk of foundation funding.²⁸

²⁸ Foundation Center – Washington DC, “Key Facts on Washington, DC, Area Foundations,” June 2007, p. 4. Available at: http://foundationcenter.org/gainknowledge/research/pdf/keyfacts_dc_2007.pdf [February 23, 2013].

Collaboration Among Foundations

Strategic Washington-area foundations should also look for opportunities to collaborate with one another to maximize their impact. In fact, Washington foundations already have a track record in this area. The Washington AIDS Partnership is an initiative of the Washington Regional Association of Grantmakers through which foundations pool their funds in order to award more than \$1 million annually to local organizations involved with HIV/AIDS prevention and care. Similarly, the Community Development Support Collaborative was a consortium of local and national funders that allocated more than \$17 million over 15 years to neighborhood revitalization in Washington, DC before it closed in December 2011.²⁹ The Partnership for Prince George's County is a geographic-focused collaborative to address limited knowledge about and limited giving in the county. The Partnership was incubated at the Washington Regional Association of Grantmakers and now lives at the Community Foundation for Prince George's County. Washington funders will want to explore other opportunities for collaborative initiatives.

Expand Partnerships with Government and Corporations

Washington-area foundations should consider collaborations not only with each other, but with government agencies and corporations as well. Government in the District of Columbia now seems like a more reliable partner than it used to be, and local foundations should explore opportunities to expand their partnerships with local government. Some local governments have now established offices within government to liaison with foundations and other nonprofits and facilitate expanded partnerships (e.g., Fairfax County's Office of Public Private Partnerships and the District's Office of Partnerships and Grant Services).

Washington foundations can also play a role in deepening the engagement of the strong local business community in addressing regional social problems. With the weakening of the United Way in recent decades, the business community seems somewhat less engaged than it previously was, and there may be a role for foundations in reaching out to corporations for collaborative initiatives that have the benefit for foundations of leveraging their own modest resources. The Washington Regional Association of Grantmakers recently established an Institute for Corporate Social Responsibility in conjunction with Johns Hopkins University to deepen the connection between philanthropy and the business community and facilitate more successful partnerships to address community needs.

Expand Foundation Intelligence-Gathering

More generally, with their limited resources Washington foundations need the best possible information about where their resources are most needed and can make the

²⁹ For background on the Community Development Support Collaborative, see <http://www.cdsc.org/>. The Washington Regional Association of Grantmakers is continuing some of the work of the Collaborative through its Affordable Housing Action Team, which seeks to grow the number of funders who are knowledgeable about and committed to supporting the growth of affordable housing in the Washington region.

most difference. Foundations should keep careful track of emerging social problems – like the suburbanization of poverty – and be mindful of where government is – and is not – addressing social needs. This kind of information should then guide foundation funding decisions.³⁰

Increase National and Local Foundation Funding for Local Work

Local foundation leaders concerned about local problems have long recognized that many of their local and national foundation colleagues devote much of their Washington funding to organizations with national or international – rather than local – focus. Figuring out how to get more foundation funding to address local needs is a difficult but important challenge that deserves continuing attention. Local leaders may need to do more to emphasize to both locals and outsiders that the region is an area not only of tremendous wealth but of significant need and that it has the capacity to make good use of philanthropic resources.

Some national funders have been and will continue to be attracted to “local” Washington in order to mount demonstration programs that get the attention of national policymakers. Local leaders will obviously want to track these kinds of projects and do what they can to ensure that the initiatives provide maximum benefit to local residents and institutions.

Make Full Use of Foundation Assets

Finally, foundations should be encouraged to make full use of all of their financial and other assets to support their missions. Traditionally, foundations in Washington and around the country have been content to advance their social objectives by paying out the legally-required five percent of their assets in grants every year. In recent years, there has been growing interest in having foundations take an expanded view of their assets and encouraging them to use their assets to make loans as well as grants and, more generally, to invest their assets in ways that will advance their missions. Foundations should also make use of their non-financial resources – including their convening power – to advance their missions.

V. Concluding Thoughts

As described in the pages above, the Washington area is a region of great wealth but limited foundation activity. The region’s status as a national and international capital has helped to fuel significant economic growth but not the amassing of great, mega-fortunes, especially going back in history. What in current-day Washington seems like a large foundation would only qualify as a small or medium-size grantmaking institution in many other big cities. Reflecting their modest size, Washington foundations have had only limited impact on the region’s many social problems. Foundations based outside the

³⁰ For example, the Washington Regional Association of Grantmakers currently reaches out to a broad range of experts to educate its member foundations.

region have sent grant money to Washington more to support national and international organizations and causes than nonprofits serving local residents.

For those who care about Washington's foundation sector, the challenge for the years ahead is to make the best use of existing foundation assets and capture additional resources for these important institutions. This paper offers some suggestions about possible strategies for the future that others may want to add to. There is great potential for Washington foundations to play an expanded role in the years to come in addressing important regional issues. Whether this potential is realized remains to be seen.

Table 1 -- Largest Washington-Area Foundations by Assets and Giving, 2010

Rank	Foundation	Assets	Rank	Foundation	Giving
1	The Freedom Forum, Inc. (DC)	\$867,021,671	1	The Community Foundation for the National Capital Region (DC)	\$62,969,894
2	The Morris and Gwendolyn Cafritz Foundation (DC)	649,238,051	2	The Freedom Forum, Inc. (DC)	41,126,918
3	Diana Davis Spencer Foundation (MD)	609,202,819	3	The Ellison Medical Foundation (MD)	38,964,726
4	Jack Kent Cooke Foundation (VA)	554,365,737	4	Arthur S. DeMoss Foundation (DC)	35,271,848
5	The J. Willard and Alice S. Marriott Foundation (MD)	523,637,528	5	New Mighty Foundation (DC)	29,177,945
6	The Sherman Fairchild Foundation, Inc. (MD)	486,855,838	6	Public Welfare Foundation, Inc. (DC)	23,476,197
7	Public Welfare Foundation, Inc. (DC)	468,558,354	7	The Morris and Gwendolyn Cafritz Foundation (DC)	23,041,084
8	The Community Foundation for the National Capital Region (DC)	368,358,325	8	The Sherman Fairchild Foundation, Inc. (MD)	22,935,740
9	Glenstone Foundation (DC)	351,452,960	9	Jack Kent Cooke Foundation (VA)	19,020,073
10	The Gottesman Fund (DC)	258,945,062	10	The Mitchell P. Rales Family Foundation (VA)	18,602,779
11	Arthur S. DeMoss Foundation (DC)	238,121,792	11	Robert H. Smith Family Foundation (VA)	16,667,520
12	Charles G. Koch Charitable Foundation (VA)	206,497,763	12	Freddie Mac Foundation (VA)	14,052,127
13	The Claude Moore Charitable Foundation (VA)	196,055,172	13	The Gottesman Fund (DC)	13,921,375
14	Eugene B. Casey Foundation (MD)	192,976,735	14	The Wyss Foundation (DC)	13,237,330
15	Eugene and Agnes E. Meyer Foundation (DC)	179,496,020	15	Searle Freedom Trust (DC)	12,365,616
16	The Laszlo N. Tauber Family Foundation (MD)	169,104,893	16	The J. Willard and Alice S. Marriott Foundation (MD)	12,303,959
17	Wallace Genetic Foundation, Inc. (DC)	167,962,024	17	Charles G. Koch Charitable Foundation (VA)	12,257,639
18	Wallace Global Fund II (DC)	163,297,650	18	Wallace Global Fund II (DC)	10,835,023
19	Freddie Mac Foundation (VA)	130,155,024	19	Sheila C. Johnson Foundation, Inc. (VA)	8,910,805
20	Searle Freedom Trust (DC)	121,297,567	20	Eugene and Agnes E. Meyer Foundation (DC)	8,489,825
	Total	\$6,902,600,985		Total	\$437,628,423

Source: Washington Regional Association of Grantmakers. "Our Region, Our Giving: Philanthropy in the Greater Washington Region." Foundation Center: Washington, 2012.

Table 2: DC Metro Foundation Financials, by Foundation type, 1999, 2004, and 2009 thousands

	1999	Numbers	%	Assets	%	Giving	%
Independent Foundations		830	86.7%	\$6,425,124,450	75.5%	\$358,987,332	69%
Corporate Foundations		36	3.8%	\$661,231,148	7.8%	\$93,752,389	18%
Community Foundations		6	0.6%	\$146,127,915	1.7%	\$33,661,638	6.5%
Operating Foundations		85	8.9%	\$1,281,753,780	15.1%	\$33,810,108	6.5%
Total		957		\$8,514,237,293		\$520,211,467	
	2004	Numbers	%	Assets	%	Giving	%
Independent Foundations		1216	88.9%	\$8,072,672,363	72.9%	\$536,731,074	68.8%
Corporate Foundations		36	2.6%	\$703,107,863	6.4%	\$99,131,483	12.7%
Community Foundations		4	0.3%	\$819,530,913	7.4%	\$71,747,528	9.2%
Operating Foundations		112	8.2%	\$1,474,842,646	13.3%	\$72,661,157	9.3%
Total		1368		\$11,070,153,785		\$780,271,242	
	2009	Numbers	%	Assets	%	Giving	%
Independent Foundations		1,312	89.2%	\$9,254,491,281	78.3%	\$665,460,626	73.6%
Corporate Foundations		44	3.0%	\$367,843,493	3.1%	\$54,701,719	6.0%
Community Foundations		6	0.4%	\$393,102,222	3.3%	\$97,118,645	10.7%
Operating Foundations		109	7.4%	\$1,804,809,508	15.3%	\$87,443,588	9.7%
Total		1,471		\$11,820,246,504		\$904,724,578	

Source: FC Stats: The Foundation Center's Statistical Information Service (foundationcenter.org/findfunders/statistics/), Aggregate Financial Information for Foundations in the Washington, DC, Metropolitan Area, circa 1999, 2004, and 2009

Table 3 -- Foundation Assets and Grants Per Capita, 2009

	Income, Per Capita*	Ranking	Foundation Assets, Per Capita**	Ranking	Foundation Giving, Per Capita***	Ranking
Atlanta	\$37,101	24	\$1648	20	133	17
Boston	53,553	3	3145	8	262	5
Chicago	44,379	11	2491	14	218	9
Cincinnati	37,967	21	1376	22	126	19
Cleveland	39,451	20	3111	9	213	10
Dallas	41,764	16	1704	19	126	20
Denver	46,611	6	2610	13	149	16
Detroit	37,927	22	1751	18	130	18
Houston	46,570	7	1878	17	124	22
Kansas City	40,438	18	2713	12	198	11
Los Angeles	42,784	12	3096	10	178	12
Miami	42,764	13	1645	21	125	21
Milwaukee	42,303	14	3208	7	258	6
Minneapolis	45,811	9	3940	6	243	7
New York	52,037	4	4898	4	449	3
Philadelphia	46,075	8	3001	11	298	4
Phoenix	34,452	25	8264	2	52	24
Pittsburgh	42,298	15	4398	5	242	8
Portland, OR	39,568	19	2086	16	161	14
San Diego	45,706	10	877	24	61	23
San Francisco	59,993	1	6297	3	503	2
Seattle	50,378	5	12177	1	1021	1
St. Louis	40,728	17	1167	23	161	15
Tampa	37,632	23	365	25	30	25
Washington, DC	56,984	2	2158	15	165	13

* Bureau of Economic Analysis. US Department of Commerce. 2009

** Population Estimates. US Census Bureau and Foundation Center's Statistical Information Service. Foundation Assets: The Foundation Center's Statistical Information Service

*** Population Estimates. US Census Bureau and Foundation Center's Statistical Information Service. Foundation Giving: The Foundation Center's Statistical Information Service

Table 4 – Index of Foundation Giving Relative to Income

MSA	
Seattle	20.3
New York	8.6
San Francisco	8.4
Philadelphia	6.5
Milwaukee	6.1
Pittsburgh	5.7
Cleveland	5.4
Minneapolis	5.3
Boston	4.9
Chicago	4.9
Kansas City	4.9
Los Angeles	4.2
Portland, OR	4.1
St. Louis	4.0
Atlanta	3.6
Detroit	3.4
Cincinnati	3.3
Denver	3.2
Washington, DC	3.1
Dallas	3.0
Miami	2.9
Houston	2.7
Phoenix	1.5
San Diego	1.3
Tampa	0.8

Sources: Bureau of Economic Analysis. US Department of Commerce. 2009, Population Estimates. US Census Bureau and Foundation Center's Statistical Information Service. Foundation Assets: The Foundation Center's Statistical Information Service

Table 5 -- CFNCR Giving Compared to Other Community Foundations

Rank	Foundation	Total Giving (\$millions)
1	Greater Kansas City CF	\$183.5
2	Silicon Valley CF	\$154.3
3	Tulsa CF	\$153.0
4	The CF for Greater Atlanta	\$142.1
5	California CF	\$129.2
6	The NY Community Trust	\$123.4
7	The Chicago Community Trust	\$110.6
8	Foundation for the Carolinas	\$89.9
9	The CF for the National Capital Region	\$89.8
10	Boston Foundation	\$82.5
11	The Columbus Foundation	\$79.8
12	CF of Texas	\$76.1
13	The San Francisco Foundation	\$75.6
14	The Cleveland Foundation	\$75.0
15	CF for Southeast Michigan	\$67.3
16	The Greater Cincinnati Foundation	\$65.1
17	The Oregon CF	\$60.7
18	Greater Houston CF	\$55.5
19	Marin CF	\$54.8
20	The East Bay CF	\$50.7
21	The Seattle Foundation	\$48.0
22	CF of Middle Tennessee	\$46.9
23	The San Diego Foundation	\$40.3
24	CF of Greater Memphis	\$40.0
25	The CF Serving Richmond & Central The Denver Foundation	\$38.6

Source: The Foundation Center’s Statistical Information Services, “25 Largest Community Foundations by Total Giving, 2009.”

Table 6 -- DC Foundation Assets Relative to Size of Nonprofit and Governmental Sectors and Overall Economy, Compared to Other Regions

Foundation Assets as % of MSA's GDP*			Foundation Assets as % of MSA's Govt GDP*			Fdn Assets as % of MSA's NP Sector Expenses**		
Rank	MSA	%	Rank	MSA	%	Rank	MSA	%
1	Seattle	18.1%	1	Seattle	153%	1	Seattle	216.3
2	Pittsburgh	9.3%	2	Pittsburgh	111.2%	2	Los Angeles	105.4
3	San Francisco	8.1%	3	San Francisco	93.4%	3	New York	93.2
4	New York	7.7%	4	New York	82.1%	4	Denver	66.8
5	Minneapolis	6.8%	5	Minneapolis	71.4%	5	Kansas City	57.1
6	Cleveland	6.3%	6	Milwaukee	70.8%	6	Minneapolis	54.8
7	Milwaukee	6.1%	7	Los Angeles	62.1%	7	Chicago	50.1
8	Kansas City	5.4%	8	Cleveland	60.8%	8	Philadelphia	43.1
9	Los Angeles	5.4%	9	Philadelphia	59.4%	9	Atlanta	40.5
10	Philadelphia	5.3%	10	Boston	58.9%	10	Cleveland	34.6
11	Boston	4.8%	11	Chicago	52.1%	11	Phoenix	25.4
12	Chicago	4.7%	12	Kansas City	46.5%	12	Washington, DC	22.8
13	Denver	4.4%	13	Denver	45.4%	13	San Francisco	12.8
14	Detroit	4.2%	14	Detroit	42.7%	14	Tampa	9.5
15	Portland, OR	4.0%	15	Portland, OR	40.2%	15	Portland	6.8
16	Miami	3.6%	16	Houston	40.1%			
17	Atlanta	3.4%	17	Dallas	37.6%			
18	Dallas	3.1%	18	Atlanta	34.9%			
19	Cincinnati	3.0%	19	Cincinnati	32.4%			
20	Houston	3.0%	20	Miami	32.3%			
21	Washington, DC	2.9%	21	St. Louis	25.2%			
22	St. Louis	2.6%	22	Phoenix	18.4%			
23	Phoenix	1.9%	23	Washington, DC	13.2%			
24	San Diego	1.6%	24	San Diego	8.6%			
25	Tampa	1.0%	25	Tampa	7.9%			

*Nonprofit data: National Center for Charitable Statistics, Geographic Summary; US Census Bureau; Bureau of Economic Analysis, Department of Commerce; and Foundation Center's Statistical Information Service.

**National Center for Charitable Statistics, 2010 nonprofit expenses data. Foundation Search, 2009 Foundation Asset data.

Table 7 - Government Percentage Share of Metropolitan Area GDP, 2009

Washington, DC	21.9
San Diego	18.1
Seattle	11.9
Kansas City	11.7
Tampa	11.3
Miami	11.2
St. Louis	10.5
Cleveland	10.4
Phoenix	10.2
Portland	9.9
Atlanta	9.8
Detroit	9.7
Denver	9.6
Minneapolis	9.5
New York	9.4
Cincinnati	9.3
Chicago	9.0
Philadelphia	9.0
Los Angeles	8.8
San Francisco	8.7
Milwaukee	8.5
Pittsburgh	8.3
Boston	8.2
Dallas	8.2
Houston	7.6
U.S. Metropolitan Portion	12.5

Source: Bureau of Economic Analysis. US Department of Commerce. 2009

Household (HH) Net Worth	Percentage of Households		Average HH Net Worth (thous.)		Average Age Head of HH	
	Washington, DC	Nation	Washington, DC	Nation	Washington, DC	Nation
\$1,000,000 - \$4,999,999	8.53%	5.77%	\$1,966.9	\$1,915.1	55.2	57.5
\$5,000,000 - \$9,999,999	1.19%	0.61%	\$7,085.6	\$7,153.2	55.9	56.5
\$10,000,000 - \$19,999,999	0.42%	0.27%	\$14,022.9	\$13,484.9	57.4	58.1
\$20,000,000 or more	0.12%	0.12%	\$36,521.2	\$39,579.0	53.6	60.5

Source: Havens, John and Paul Schervish, "Wealth Transfer Estimates: 2001 to 2055 Washington D.C. Metropolitan Area," Center on Wealth and Philanthropy, Boston College. July 26, 2006.

Table 9: Composition of DC Metropolitan Nonprofit Sector as Compared to the US, 2000, selected fields

	US Total		DC Total		DC Local Nonprofits			DC National/Int'l Nonprofits		
	Expenses	%	Expenses	%	Number	Expenses	%	Number	Expenses	%
Arts & Culture	\$19,004	2.6%	\$2,490	8.6%	540	\$934	7.3%	320	\$1,556	9.7%
Higher Education	\$75,957	10.4%	\$2,909	10.1%	13	\$2,546	19.9%	4	\$363	2.3%
Other Education	\$33,216	4.5%	\$1,967	6.8%	891	\$909	7.1%	374	\$1,058	6.6%
Hospitals	\$320,225	43.8%	\$3,985	13.8%	34	\$3,647	28.5%	1	\$338	2.1%
Other Health	\$122,947	16.8%	\$3,338	11.6%	424	\$1,694	13.2%	517	\$1,644	10.3%
Environment	\$6,736	0.9%	\$1,269	4.4%	121	\$579	4.5%	194	\$690	4.3%
Human Services	\$100,258	13.7%	\$6,062	21.0%	1318	\$1,792	14.0%	579	\$4,270	26.6%
International	\$10,661	1.5%	\$909	3.2%	0	\$0	0.0%	385	\$909	5.7%
Public/Societal Benefit	\$35,571	4.9%	\$5,660	19.6%	517	\$572	4.5%	1032	\$5,088	31.7%
Religion	\$6,181	0.8%	\$137	0.5%	210	\$92	0.7%	101	\$45	0.3%
Mutual Benefit	n/a	-	\$119	0.4%	14	\$40	0.3%	19	\$79	0.5%
Total	\$730,756	100.0%	\$28,845	100.0%	4082	\$12,806	100.0%	3526	\$16,040	100.0%

in millions

Sources: Nonprofit Roundtable 2005, Table 2.3; Wing et al, 2008, Table 5.9

Table 10: Geographic and Programmatic Foci of Local Foundation Giving, 2006

	Local Recipients' Focus		Non-Local Recipients
	Local	National/International	
Large Funders	\$114,292,292	\$89,014,640	\$141,028,739
%	33.2%	25.9%	41.0%
Small Funders	\$71,705,207	\$39,109,868	\$103,589,626
%	33.4%	18.2%	48.3%
Large Funders:			
Arts & Culture	14.1%	36.7%	n/a
Education	17.3%	19.4%	n/a
Health	16.9%	3.9%	n/a
Environment	5.4%	11.2%	n/a
Human Services	33.3%	11.3%	n/a
International	-	7.9%	n/a
Public/Societal Benefit	10.1%	8.3%	n/a
Religion	2.7%	0.6%	n/a

Source: Foundation Center 2009

Table 11: Foundation Funding to DC MSA Recipients, 2005

	Non-local Foundations	%	Local Foundations	%	total	%
DC	\$1,069,987,338	71.2%	\$104,189,765	62.7%	\$1,174,177,103	70.4%
MD	\$78,682,069	5.2%	\$22,818,082	13.7%	\$101,500,151	6.1%
VA/WV	\$354,283,593	23.6%	\$39,050,334	23.5%	\$393,333,927	23.6%
Total	\$1,502,953,000		\$166,058,181		\$1,669,011,181	

Table 12: Non-local Foundation Funding Flows, by Geographic Programming Focus of Recipients, 2001

	# of grants	%		%
Local Focus			\$48,746,080	3%
National Focus			\$1,091,091,857	77%
International Focus			\$284,398,876	20%
			\$1,424,236,813	