

# Children and Youth Funding Update

by Steven Lawrence

For nearly three decades, the Foundation Center has sought to enhance understanding of the philanthropic sector by gathering comprehensive data on U.S. grantmaking foundations and preparing analyses of the size, scope, and giving patterns of the foundation community. This *Children and Youth Funding Update* continues that tradition with a brief examination of the growth and distribution of foundation funding to improve the lives of children and youth<sup>1</sup> from the mid-1990s through the beginning years of the new millennium.

## Estimated Children and Youth Funding, 1996 to 2001

U.S. grantmaking foundations directed an estimated \$4.46 billion specifically to benefit children and youth in 2001, more than double the \$2.09 billion reported for 1996.<sup>2</sup> Growth in support for children and youth exceeded overall gains in giving in the last five years (113.0 percent vs. 109.3 percent). Adjusted for inflation, giving for children and youth rose by close to nine-tenths since 1996—up 87.7 percent or 13.4 percent per year. A strong economy, a booming stock market, and record levels of foundation creation contributed to dramatic growth in foundation giving overall between 1996 and 2000. Despite the stock market decline in late 2000, the onset of a recession in early 2001, and the 9/11 attacks, support for children and youth continued to grow through 2001. While grantmakers steadily increased the share of giving they provided to serve children and youth throughout the 1990s, funding by a few new and newly large foundations, such as the Bill & Melinda Gates Foundation (WA), David and Lucile Packard Foundation (CA), California Endowment (CA), and

Ford Foundation (NY) helped to further boost giving in the first two years of the new century.

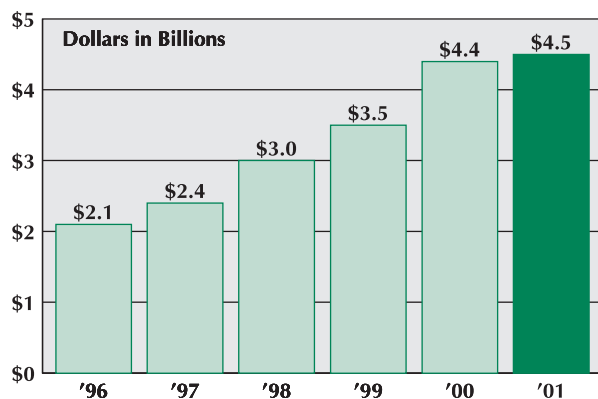
## Children and Youth Funding Trends through 2000

The following analysis shifts from estimates of total foundation giving to improve the lives of children and youth to an examination of funding trends based on actual grant records of \$10,000 or more reported by an annual sample of just over 1,000 larger foundations. Grants are coded for children and youth whenever population groups ranging in age from infants to 19-year-olds are named in the grant description or when the recipient organization's mission includes serving or representing the interests of children and youth. If the organization or program serves more than one population group, e.g., economically disadvantaged youth, the grant is added to the total amount reported for each applicable category. Because grants may be counted more than once, each category is analyzed as a percentage of the total grant dollars and number of grants reported in the sample.

Grants for the general support of institutions that serve broad public interests (e.g., community centers) are not included as support for special population groups, although multiple target audiences may derive a benefit. Additionally, the category of children and youth does not include grants for the general support of elementary and secondary schools, college scholarships, and general recreational agencies, such as YMCAs and YWCAs, since these grants serve a broader audience than children and youth. For more information on the grants sample, see "2000 Sampling Base."

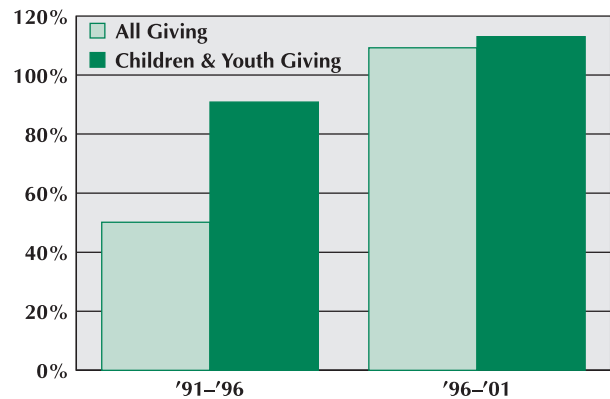
U.S. foundation support for children and youth grew steadily throughout most of the 1990s and into 2000, and this

## Estimated foundation giving for children and youth more than doubled between 1996 and 2001\*



Source: *Children & Youth Funding Update*, The Foundation Center, 2002.  
\*All figures based on unadjusted dollars. Figures on giving for children and youth do not include grants serving the general population, which may provide a benefit to this group.

## Estimated foundation giving for children and youth surpassed growth in overall giving between 1991 and 2001\*



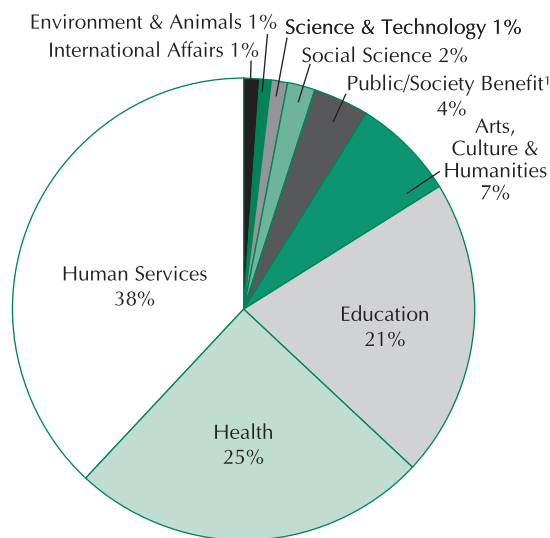
Source: *Children & Youth Funding Update*, The Foundation Center, 2002.  
\*Based on estimated "All Giving" figure for 2001 and estimated "Children & Youth Giving" figures for 1991 to 2001. All figures based on unadjusted dollars. Figures on giving for children and youth do not include grants serving the general population, which may provide a benefit to this group.

population group has consistently benefited from the largest share of foundation support for specific groups. In 2000, funders in the Foundation Center's grants sample directed a record-high 16.6 percent of their grant dollars and 21.0 percent of their grants to benefit children and youth. In terms of actual dollars, foundations included in the latest sample awarded nearly \$2.5 billion for children and youth, up by more than two and one-fifth times (121.8 percent) from \$1.1 billion in 1996. Over the same period, sampled funders increased the number of grants targeting children and youth to 25,162, up by more than two-thirds (67.7 percent) from the 15,008 grants reported four years earlier.

The Bill & Melinda Gates Foundation—the nation's largest private foundation—far surpassed all other grantmakers in terms of giving benefiting children and youth. The Gates Foundation directed \$227.1 million for children and youth in 2000 or one-in-eleven grant dollars specifically serving this group. Four years earlier, the foundation's predecessor—the William H. Gates Foundation (established in 1994)—awarded no grants for the specific benefit of children and youth. In the latest year, the Gates Foundation's support represented more than one and one-half times the funding provided by the second-ranked David and Lucile Packard Foundation. Since receiving its principal endowment in the mid-1990s, giving by the Packard Foundation to improve the lives of children and youth grew rapidly. In the 2000 sample, the foundation targeted \$148.5 million for children and youth, more than four-times the \$34.6 million it reported in 1996.

Other top ten children and youth funders reporting at least a tripling in giving serving this population group between 1996 and 2000 included the California-based California Endowment, which was established in 1996 and reported giving for children and youth totaling \$60.0 million in the latest year; the Nevada-based Donald W. Reynolds Foundation, which increased its support for children and youth from \$676,500 to \$35.0 million during this period; the Illinois-based Robert R. McCormick Tribune Foundation, which raised its grant dollars for children and youth from \$6.4 million to \$34.8 million; and the Michigan-based Charles Stewart Mott Foundation, which increased funding

### Human Services accounted for largest share of foundation grant dollars for children and youth in 2000\*



Percent of Grant Dollars

Source: *Children & Youth Funding Update*, The Foundation Center, 2002. Based on a sample of 1,015 larger foundations.

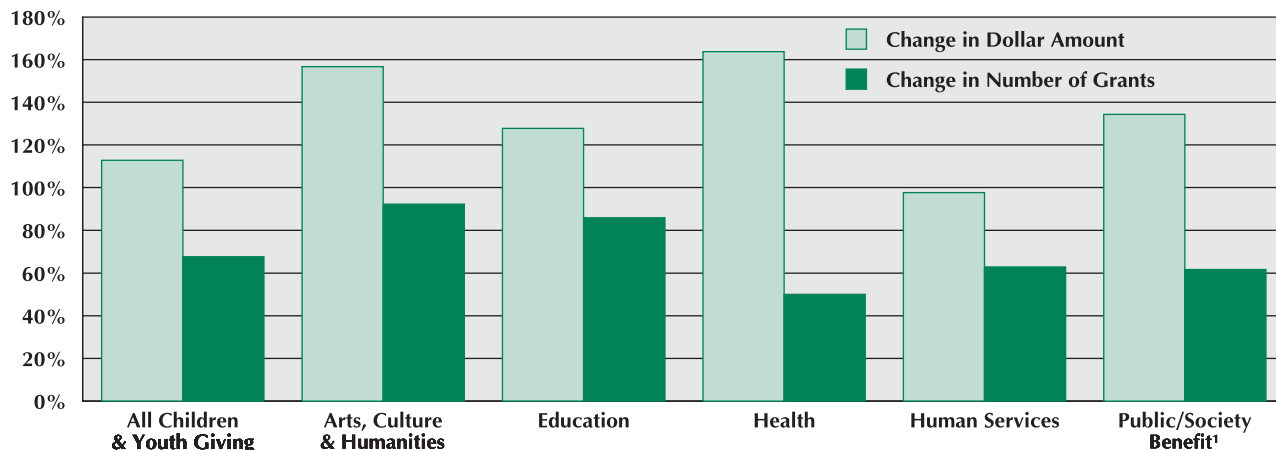
\*Figures on giving for children and youth do not include grants serving the general population, which may provide a benefit to this group.

<sup>1</sup>Includes civil rights and social action, community improvement, philanthropy and voluntarism, and public affairs.

for children and youth from \$10.5 million to \$33.1 million. Interestingly, three of the top fifteen children and youth funders in the 2000 sample were based in Michigan.

Finally, while a handful of foundations accounted for a large share of overall grantmaking for children and youth, this population group enjoyed very broad support, with more than nine out of ten foundations in the 2000 sample awarding grants that could be coded as providing a benefit to this group.

### Foundation grant dollars for children and youth increased fastest in the areas of Health and the Arts between 1996 and 2000\*

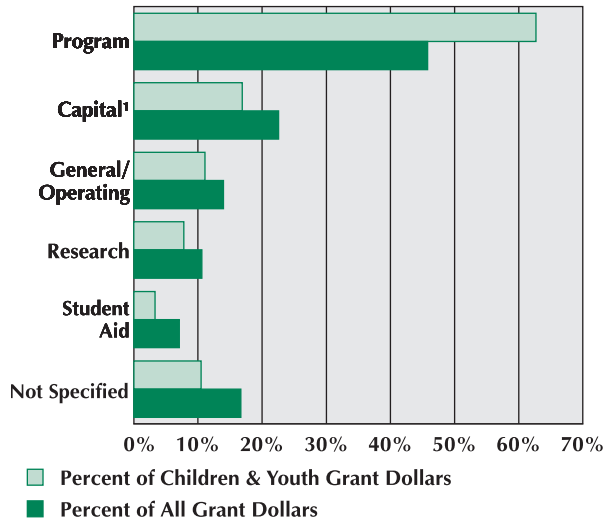


Source: *Children & Youth Funding Update*, The Foundation Center, 2002. Based on a sample of 1,015 larger foundations.

\*Includes subcategories accounting for at least 4.1 percent of grant dollars in 2000. Figures on giving for children and youth do not include grants serving the general population, which may provide a benefit to this group.

<sup>1</sup>Includes civil rights and social action, community improvement, philanthropy and voluntarism, and public affairs.

**Close to two-thirds of foundation grant dollars for children and youth targeted specific projects in 2000\***



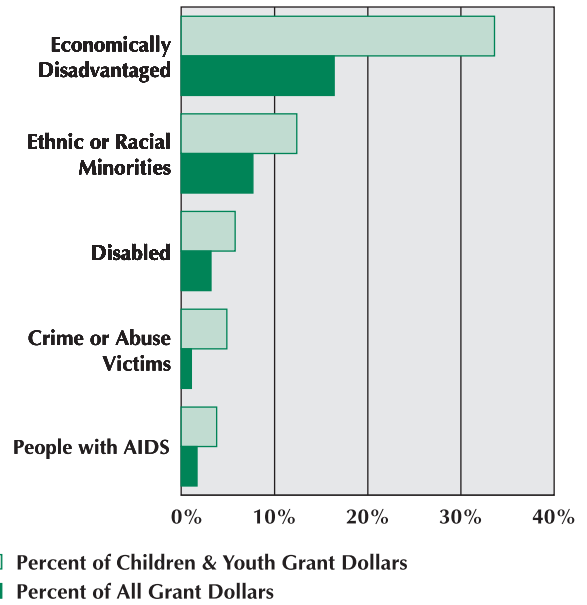
Source: *Children & Youth Funding Update*, The Foundation Center, 2002. Based on a sample of 1,015 larger foundations.  
 \*Includes types of support representing at least 3 percent of grant dollars for children and youth. Figures on giving for children and youth do not include grants serving the general population, which may provide a benefit to this group.  
<sup>1</sup>Capital support includes endowment funds.

**Giving by Purpose.** Of the nearly \$2.5 billion allocated by sampled foundations for organizations and programs specifically serving children and youth in 2000, by far the largest share (38.0 percent) funded human service activities. Among human service subcategories, multipurpose human services (18.2 percent) and youth development (11.1 percent) accounted for the biggest shares of overall support, followed by crime, justice, and legal services (3.5 percent)—which includes funding for child abuse prevention—and recreation and sports (3.1 percent). Another one-quarter (25.1 percent) of grant dollars targeting children and youth funded health activities, especially neonatal healthcare and adolescent reproductive healthcare and family planning (6.4 percent), hospitals and medical care (6.0 percent), public health (4.9 percent), and mental health (3.2 percent).

The Bill and Melinda Gates Foundation, which ranked as the top supporter of children and youth in the 2000 sample, also ranked as the top health funder overall in the sample. In fact, six of the top ten children and youth funders ranked among the top ten health funders. In addition to Gates, these grantmakers included the David and Lucile Packard, Robert Wood Johnson (NJ), and Ford foundations, and the Lilly (IN) and California endowments. Finally, more than one-in-five grant dollars (20.9 percent) targeted to children and youth provided funding for educational purposes in 2000, followed by arts and culture (6.8 percent). No other program area accounted for at least 5 percent of grant dollars.

Spurred by the many leading health funders, health-related giving serving children and youth jumped close to two and two-thirds times (163.8 percent) between 1996 and 2000. Among health subfields, neonatal health care and public health showed the fastest increases in support. Overall, eight of the ten largest grants benefiting children and youth in the 2000 sample funded health. Six of these ten grants were awarded by the Gates Foundation for international

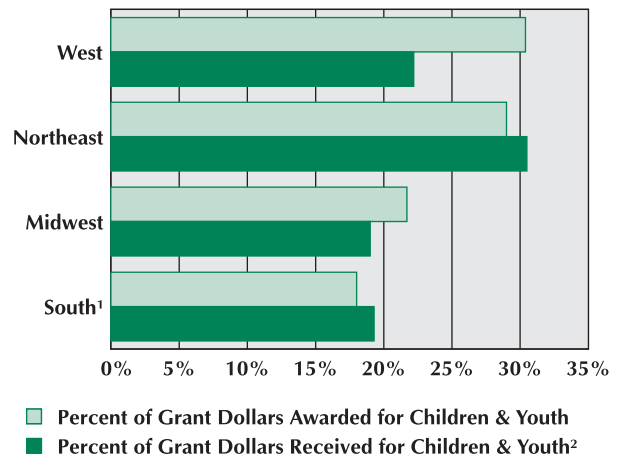
**One-third of grant dollars for children and youth specified support for poor children\***



Source: *Children & Youth Funding Update*, The Foundation Center, 2002. Based on a sample of 1,015 larger foundations.  
 \*Includes selected beneficiary groups representing at least 3.8 percent of grant dollars for children and youth. Grants may benefit multiple population groups. Figures on giving for children and youth do not include grants serving the general population, which may provide a benefit to this group.

efforts to strengthen adolescent reproductive healthcare and reduce HIV/AIDS, reduce child mortality, improve children's nutrition and reduce iodine deficiencies, and reduce HIV/AIDS transmission from mothers to children. Arts-related giving for children and youth followed, with grant dollars climbing by roughly two and two-fifths times

**Western foundations awarded three-tenths of grant dollars for children and youth in 2000; organizations in the Northeast accounted for close to one-third of dollars received\***



Source: *Children & Youth Funding Update*, The Foundation Center, 2002. Based on a sample of 1,015 larger foundations.  
 \*Figures on giving for children and youth do not include grants serving the general population, which may provide a benefit to this group.  
<sup>1</sup>Figures for the South exclude the District of Columbia, which represented 1 percent of grant dollars awarded for children and youth but close to 7 percent of grant dollars received.  
<sup>2</sup>Excludes 496 grants totaling \$60.9 million awarded outside the U.S.

## Top Ten U.S. Foundations by Grant Dollars for Children & Youth, 2000\*

Foundation Name	Fdn. Type <sup>1</sup>	State	Dollar Amount	No. of Grants	Primary Children & Youth Focus Areas
1. Bill & Melinda Gates Foundation	IN	WA	\$227,059,271	94	Supports efforts to improve children's health, primarily in less developed countries.
2. David and Lucile Packard Foundation	IN	CA	148,532,311	361	Supports access to healthcare through insurance, child and youth development, and violence reduction in homes.
3. Lilly Endowment	IN	IN	85,555,711	103	Supports youth development in Indiana.
4. Robert Wood Johnson Foundation	IN	NJ	77,402,416	168	Supports efforts to increase children's access to healthcare and to reduce substance abuse.
5. Annie E. Casey Foundation	IN	MD	75,145,240	657	Supports public policies, human service reforms, and community programs that improve the lives of children and families.
6. Ford Foundation	IN	NY	68,024,547	238	Supports efforts to help families overcome poverty and discrimination.
7. California Endowment	IN	CA	60,028,670	250	Seeks to improve the health of underserved Californians, including children.
8. Donald W. Reynolds Foundation	IN	NV	35,033,492	23	Provides capital support to education, social service, and other nonprofit organizations in AR, NV, and OK, including those serving children and youth.
9. Robert R. McCormick Tribune Foundation	IN	IL	34,804,630	493	Supports early care and education for low-income children in Chicago.
10. Charles Stewart Mott Foundation	IN	MI	33,143,146	126	Supports efforts to improve the outcomes for impoverished children and youth.

Source: *Children & Youth Funding Update*, The Foundation Center, 2002. Based on a sample of 1,015 larger foundations.

\*Figures on giving for children and youth do not include grants serving the general population, which may provide a benefit to this group.

<sup>1</sup>IN = Independent.

(156.8 percent) in the latest four-year period. Among arts subdisciplines, the humanities realized the fastest increase in grant dollars. Finally, public/society benefit—which includes civil rights and social action, community improvement and development, public affairs, and philanthropy and voluntarism—and education also showed above-average growth in grant dollars.

**Giving by Types of Support.** Grant dollars directed to children and youth in the 2000 sample were much more likely to fund specific programs and projects, compared to giving overall in the sample (62.7 percent versus 45.8 percent). In contrast, foundation funding for children and youth was less likely to provide for capital support, general or operating support, research, or scholarship and fellowship funds to institutions.

**Giving for Subsets of Children and Youth.** Grants directed to children and youth often target subsets of this population group. For example, just over one-in-three grant dollars for children and youth in the 2000 sample focused specifically on economically disadvantaged children. One-in-eight children and youth grant dollars were also coded for ethnic or racial minorities. Other population groups accounting for at least 3 percent of children and youth grant dollars included the disabled, crime or abuse victims, and children with AIDS.

**Giving by Funder Location.** Foundations in the West provided just over three-tenths (30.4 percent) of all grant dollars for the specific benefit of children and youth in 2000, just surpassing funders in the Northeast (29.0 percent). Overall, four Western foundations ranked among the top ten children and youth funders in the latest sample, including the Gates, Packard, and Donald W. Reynolds foundations and the California Endowment. Yet, the Northeast led by share of number of grants awarded for children and youth (29.2 percent). In addition, recipient organizations in the Northeast accounted for three-tenths (30.5 percent) of grant dollars targeting children and youth in the 2000 sample, followed by recipients in the West (22.2 percent), South (19.3 percent), and Midwest (19.0 percent). Still, a portion of these

funds, especially those going to the Northeast, supported U.S.-based international agencies serving children and youth around the world.

**Giving by Geographic Focus.** Most grant dollars serving children and youth (87.8 percent) were awarded to organizations located in the United States and its territories for projects with a domestic focus. Still, children and youth funders in the 2000 sample nearly matched the overall share of grant dollars awarded to domestic recipients for international projects (9.7 percent vs. 10.3 percent). In fact, six of the ten largest children and youth grants in the 2000 sample provided funding for international organizations based in the U.S. By comparison, grantmakers in the sample directed a much smaller share of children and youth funding to overseas recipients, compared to overall giving (2.4 percent vs. 6.0 percent).

### Endnotes

1. See "Children and Youth Funding Trends through 2000" for an explanation of Foundation Center policy for coding grants for children and youth.
2. Estimates are based on a weighted percentage of giving targeting children and youth of a sample of larger foundations as a proportion of the total giving reported by all foundations.

### 2000 Sampling Base

The Foundation Center's circa 2000 grants sample includes 119,778 grants of \$10,000 or more awarded by 1,015 leading foundations and reported to the Center between June 2000 and July 2001. Grants were awarded primarily in 2000 or 1999. These grants totaled \$15.0 billion and represented more than half of total grant dollars awarded by all U.S. independent, corporate, community, and grantmaking operating foundations. See Appendix A in *Foundation Giving Trends*, 2002 Edition, for complete sampling information.