

Big Grant Makers Don't Expect to Increase Giving in 2012

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Chronicle of Philanthropy

March 18, 2012

Most of the nation's biggest foundations aren't increasing their grant making in 2012, a new *Chronicle* study finds. That's tough news for grant seekers since most foundations didn't expand their giving in 2011, either. Of the 96 foundations in the survey that offered grant-making projections for 2012, 68 said they plan to give the same amount this year or less than in 2011.

The flat grant-making budgets are a direct result of the slow recovery of foundation assets from the stock market crash that caused steep losses in 2008.

After modest increases in 2009 and 2010, assets slipped last year and have yet to recover to pre-recession levels. For the 100 foundations that reported asset figures for 2010 and 2011, endowments dropped 3.5 percent. Those foundations represent about 30 percent of the nation's foundation wealth.

In perhaps a more telling sign of how much grant makers are still smarting from the 2008 crisis, the assets of the 10 richest foundations dropped by more than \$25-billion from 2007 to 2011 after inflation, or about \$1 in \$4 of their holdings that has yet to be recovered.

... A Slow Rebound

Foundation leaders and other experts caution that while a foundation's assets are obviously important, in tough times, the size of its assets shouldn't be the sole focus.

Aaron Dorfman, executive director of the National Committee for Responsive Philanthropy, says that too often foundations take a "default position of needing to protect or grow the [endowment]

without regard to any other factors.”

Mr. Dorfman says foundations need to decide first what they are trying to accomplish before they make any decision about how much of their assets to give in times of economic uncertainty.

New Sources of Support

For grant seekers, one thing is quite certain: Foundation giving is unlikely to rebound anytime soon.

“We’re not expecting giving by foundations to get back to pre-recession levels for another few years,” said Mr. Dorfman. “We’ll see individual giving rebound quicker than we’ll see foundation giving rebound. Foundation giving is behind individual giving by 12 to 36 months in terms of rebounding.”

The most important steps charities seeking foundation money can take right now, grant makers say, is to be able to articulate to program officers and others exactly why their work matters—and not to rely too heavily on the same old sources of money.

“We’re moving in the right direction, but it’s going to be a much slower journey than I think Americans are accustomed to,” said Ms. Mohraz. “We are going to have to learn a different rhythm to economic recovery.”

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