

Caution Is the Watchword As Big Foundations Keep a Rein on Giving Despite Growing Assets

By Ben Gose and Emma Carew Grovum

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The stock market may be roaring to new highs, but the nation's biggest foundations expect to be cautious with their grant making for the rest of the year, according to a new *Chronicle* survey based on data from 192 funds.

Only 28 of the 81 foundations that provided *The Chronicle* with grant-making estimates plan to lift their spending during 2013.

... Cutting Multiyear Support

Aaron Dorfman, executive director of the National Committee for Responsive Philanthropy, warns that excess caution may hurt foundations' effectiveness.

A report released by the watchdog organization in November found that foundations cut their multiyear grant making by more than 20 percent in 2009 and 2010, while keeping the proportion of grants going to general operating support flat.

Some charity advocates have called on foundations to increase both types of giving as the economy continues to sputter to help nonprofits hit by increasing demand and declining government support.

"Foundations are nervous about fluctuations in the market," Mr. Dorfman says. "But when they make the decision to reduce multiyear giving, they're prioritizing the needs of the foundation over the needs of the grantees."

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