April 2020 Candid.

# Key Facts on U.S. Nonprofits and Foundations

1,729,101

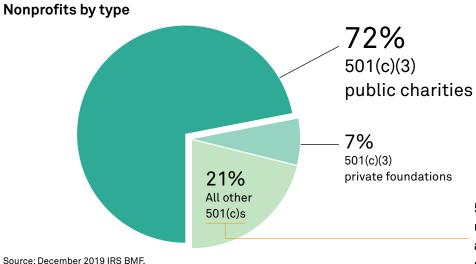
nonprofits are registered with the IRS

Some nonprofits are not required to register. How many is unknown.

Source: December 2019 IRS Business Master File (BMF)



# The most common type of nonprofit is the 501(c)(3) public charity



## What are public charities?

- Primarily administer programs; occasionally make grants
- What most people think of when they hear the word *nonprofit*
- Small and local (e.g., an animal shelter) or large and national or international (e.g., Save the Children)

## What are private foundations?

- Primarily grantmaking institutions; occasionally administer programs
- Examples include the Bill & Melinda Gates Foundation and the W.K. Kellogg Foundation
- Typically are founded by and receive support from a small number of individuals or corporations

There are more than 30 other types of 501(c) nonprofits in the U.S., including social welfare groups, business associations, veterans' organizations, labor unions, and federal credit unions.

501(c) refers to the section of the Internal Revenue Code under which these nonprofits are tax exempt. Public charities and private foundations are grouped under the same section—501(c)(3).

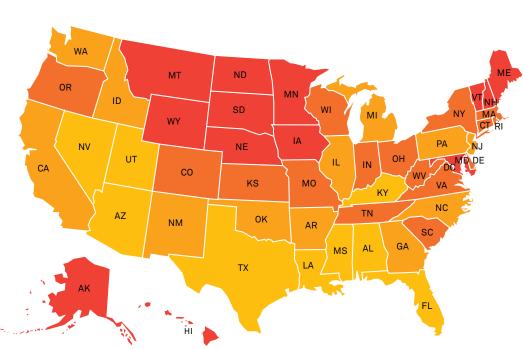
## **Public Charities**

## Public charities are everywhere

You can find them in every state, and in U.S. territories.

#### Public charities per capita by U.S. state

Number of public charities for every 10,000 residents <35  $\bigcirc$  35-39  $\bigcirc$  40-44  $\bigcirc$  45+



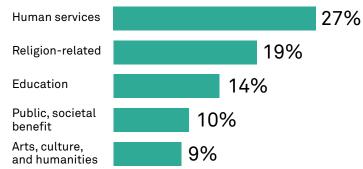
Sources: December 2019 IRS BMF; U.S. Census Bureau, Population Division, December 2019

# They raise money from a variety of sources

Program services account for 72% of public charity revenue. They also raise money from contributions, including government funding, individual donations, and foundation grants.

## They reflect every aspect of life

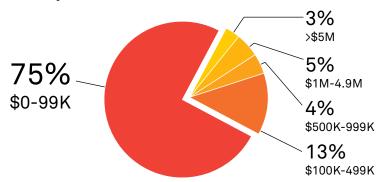
### Top 5 public charity subject areas



Source: December 2019 IRS BMF. Only includes 501(c)(3) public charities in the 50 U.S. states and D.C. Based on National Taxonomy of Exempt Entities.

## Most are small

#### Public charities by annual revenue



Source (above and left): Based on the most recent IRS filing available, 2015 or later, available for organizations appearing in the December 2019 IRS BMF. Only includes 501(c)(3) public charities in the 50 U.S. states and D.C. Does not include organizations that aren't registered with the IRS or did not report revenue figures, with the exception of the chart above where organizations filing form 990-N are included in the lowest tier.

In 2017, at least 18% of U.S. public charities had received a grant from a U.S. grantmaker.

## **Foundations**

## Private foundations

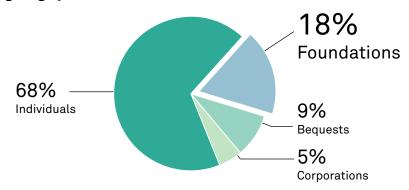
- Independent: Include most of the nation's largest foundations. Generally established by individual donors or donor families.
- Operating: Primarily run their own programs, but some also make grants. Generally established by individuals or families.
- Corporate: Established by large or small businesses, although legally separate entities.

Community foundations raise funds from the public and engage in grantmaking primarily within a defined geographic area.

### Total foundations = 119,791 107,889 7.947 2,888 Independent Operating 1,067 Corporate Community Total assets = \$1.2 trillion \$948B \$82B \$36B \$98B Total giving = \$82 billion \$57B \$8B \$7B \$10B

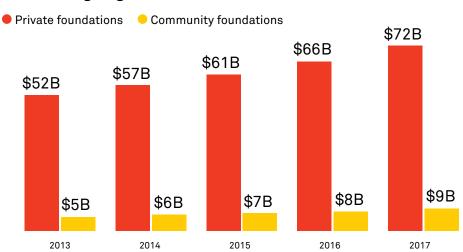
# Foundation giving is a modest but growing slice of overall giving in the U.S.

#### Private giving by source



Source: Figures for 2018 from Giving USA Foundation, Giving USA, 2019. Per Giving USA criteria, corporate foundations are included under 'Corporations' and community foundations are excluded.

#### Foundation giving over time



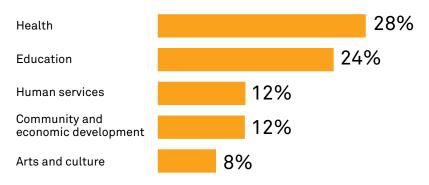
Source: Based on a historical view of the IRS BMF for the given fiscal year end. Limited to organizations with a filing address in the 50 U.S. states and D.C.

Source (left): Based on most recent IRS filing, 2015 or later, available for organizations appearing in the December 2019 IRS BMF.

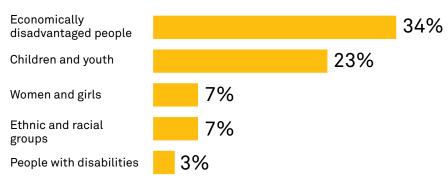
# **Grantmaking priorities**

## What do foundations fund most?

### Top 5 subject areas by dollar amount



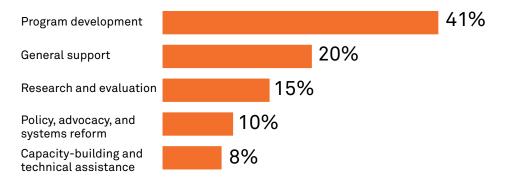
#### Top 5 populations served by dollar amount



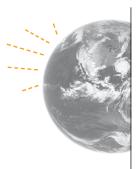
Source (for all figures on this page): 2017. Subject, population, and support strategy categories are based on the Philanthropy Classification System. The full value of each grant is counted toward each applicable category.

In order to analyze grantmaking priorities by U.S. funders, Candid examines all grants of \$10,000 or more awarded by 1,000 of the largest U.S.-based private and community foundations. These funders account for about half of all grantmaking dollars awarded by private and community foundations.

#### Top 5 support strategies by dollar amount



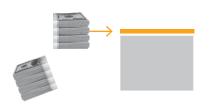
Over 26% of grant dollars from U.S. funders were awarded for international purposes



The median grant amount was \$35,000



1% of recipient organizations captured half of grant dollars



**Stanford** University received the highest number of grants. Seven of the top 10 grant recipients were elite universities.



About Candid data: candid.org/about-our-data For more information contact: researchteam@candid.org



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