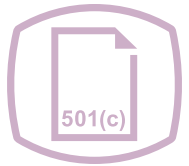
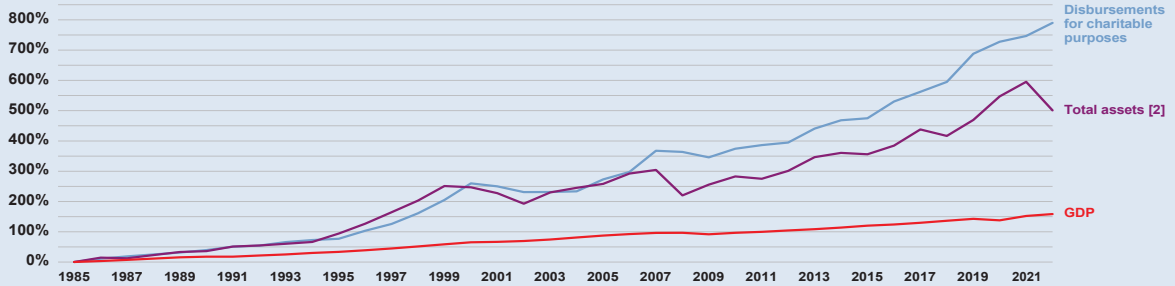


Domestic Private Foundations, Tax Year 2022



Private foundations that were organized for charitable purposes are exempt from income taxes. Because of their narrow bases of support and control, they are subject to stricter rules than public charities. Private foundations are required to pay an excise tax on “net investment income”—the amount of gross investment income and capital gain net income in excess of allowable deductions. Most foundations are also required to distribute annually a minimum amount for charitable purposes. These requirements, and other private foundation rules, are defined under Internal Revenue Code (IRC) Sections 4940–4945. SOI collects data from a sample of any Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation, that were filed by private foundations that are tax-exempt under IRC Section 501(c)(3).

Cumulative Growth in Gross Domestic Product (GDP), Private Foundation Total Assets and Charitable Disbursements, Tax Years 1985-2022 [1]

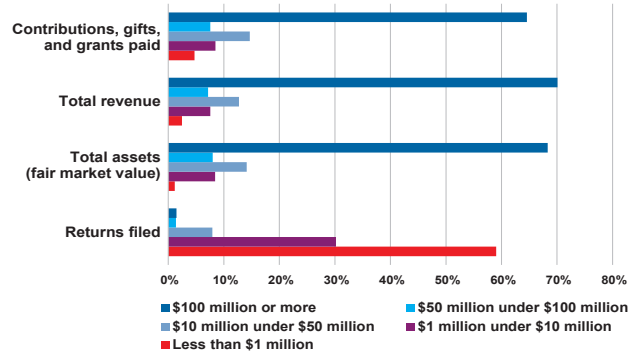


[1] All data are adjusted for inflation using the chain-type price index as reported by the U.S. Department of Commerce, Bureau of Economic Analysis, and percentages shown are calculated in constant 2022 dollars
[2] Based on the end of year fair market value of total assets.

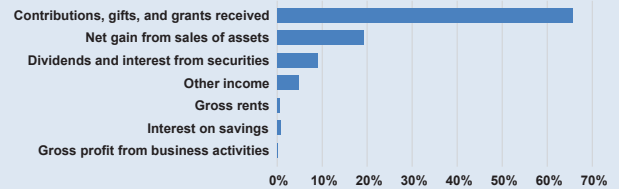
Highlights of the Data

- In real terms, private foundations’ total assets and charitable disbursements increased at rates 3 and 5 times that of GDP, respectively, between Tax Years (TY) 1985 and 2022.
- The largest foundations, those with \$100 million or more of total assets, represented 1.5% of all returns that were filed for TY 2022. These organizations accounted for 68.3% of total assets, 70.1% of total revenue, and 64.6% of contributions, gifts, and grants paid.
- Nonoperating foundations accounted for 91.2% of the returns that were filed and most financial activity for TY 2022. These foundations primarily support charitable activities through grants and distributions. In contrast, operating foundations spend their income or assets on direct involvement in a tax-exempt, charitable activity.
- Foundations derived the largest share of revenue (65.74%) from contributions and grants that were received and their second largest from sales of assets (19.19%).
- A private foundation’s payout rate—the ratio of qualifying distributions to noncharitable-use assets—provides insight into the degree that nonoperating foundations exceed the required 5-percent minimum distribution. For TY 2022, the median payout rate increased to 5.71%.
- Effective for TY 2020 onwards, a flat excise tax rate of 1.39% on investment income became the rule for domestic entities, replacing the previous system of either a standard 2% or 1% for those meeting certain standards.

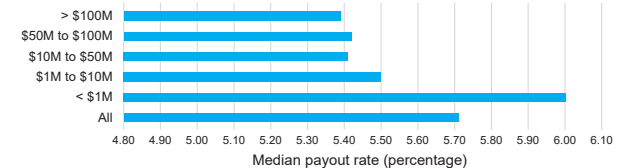
Percentage of Private Foundation Returns Filed, Total Assets, Total Revenue, and Contributions, Gifts, and Grants Paid, by Foundation Size, Tax Year 2022



Percentage of Private Foundation Revenue by Source, Tax Year 2022



Private Foundations: Median Payout Rates, by Size of Total Assets, Tax Year 2022



Exempt Organization Tax Statistics