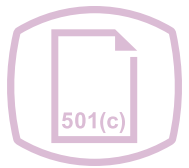
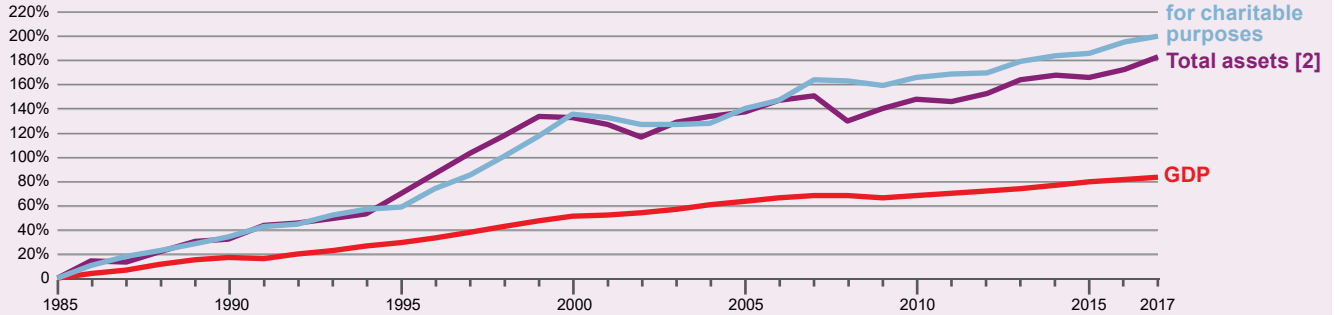


Domestic Private Foundations, Tax Year 2017



Private foundations 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 and 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 Forms 990-PF filed by private foundations tax-exempt under IRC section 501(c)(3).

Cumulative Growth in Gross Domestic Product (GDP), Private Foundation Total Assets and Charitable Disbursements, Tax Years 1985–2017 [1]

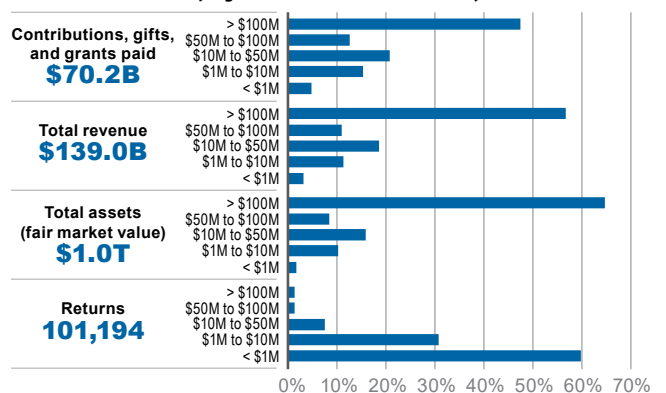


[1] All data are adjusted for inflation using the chain-type price index as reported by the U.S. Department of Commerce, Bureau of Economic Analysis.
 [2] Based on the end of year fair market value of total assets.

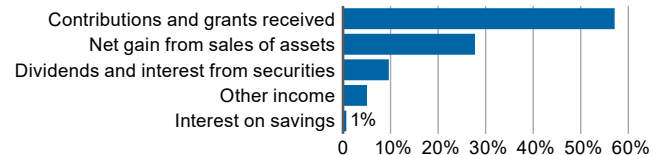
Highlights of the Data

- In real terms, private foundations’ total assets and charitable disbursements increased by more than double the rate of GDP between Tax Years (TYs) 1985 and 2017.
- The largest foundations, those with \$100 million or more of total assets, represented 1 percent of all returns filed for TY 2017. These organizations accounted for 65 percent of total assets, 57 percent of total revenue, and 47 percent of contributions, gifts, and grants paid.
- Nonoperating foundations accounted for over 90 percent of the returns filed and most financial activity for TY 2017. 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 from contributions and grants received.
- 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 2017, the median payout rate was 5.5 percent.

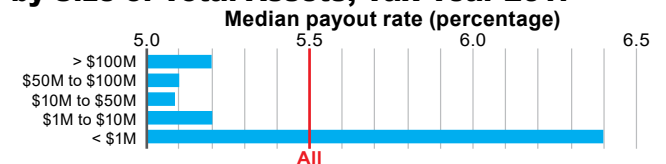
Percentage of Private Foundation Returns Filed, Total Assets, Total Revenue, and Contributions, Gifts, and Grants Paid, by Size of Total Assets, Tax Year 2017



Sources of Private Foundation Revenue, Tax Year 2017



Private Foundations: Median Payout Rates, by Size of Total Assets, Tax Year 2017



Exempt Organization
Tax Statistics