Big Data and Philanthropy

In today’s world, industries are quickly learning how to harness big data in near-real-time to reap big return on investment. Meanwhile, philanthropy, an industry with $640 billion in assets, lags behind in terms of generating value from data in a timely and comprehensive way. A new initiative by the Foundation Center aims to change this, in a way that some say will transform the practice of philanthropy.

For years, the Foundation Center has been the authority on foundation data in the U.S., but in many cases, the industry has relied on two-year old data to understand its own grant trends. Last month, the Foundation Center announced the "Reporting Commitment," in which fifteen of America’s largest foundations (including Carnegie, Gates, Hewlett, MacArthur, and others) will electronically report their current grants data to the Foundation Center on at least a quarterly basis. In this way, perhaps some of the largest players will inspire change across the field, making philanthropy increasingly open and strategic.

Here is a snapshot of how the Reporting Commitment will work:

- Participating foundations will submit their data quarterly, weekly, or even daily so that it can be used by developers to create apps, dashboards, visualizations, and other tools that go well beyond resources currently developed;
- GeoCoding tools will allow foundations to compare their grants data with others’ in new ways to make grantmaking more strategic by identifying gaps and areas of overlap in their giving.

For more information, see this article by Bradford Smith, president of the Foundation Center. As he states, “while philanthropy may have been slow to get there, it is finally entering the era of Big Data.”

The American Society of Nephrology (ASN) has announced the formation of a new foundation—the ASN Foundation for Kidney Research—to support research endeavors to advance the treatment and cure of kidney disease, a leading cause of death in America. The ASN Foundation for Kidney Research seeks to propel basic, translational, and clinical research in kidney disease to improve patient outcomes and promote the careers of the next generation of physician scientists.

The Foundation was established in October 2012 with a leading gift of $10 million from Fresenius Medical Care to fund the Ben J. Lipps Research Fellowship Program, which seeks to foster the training of ten new and ten continuing fellows annually who are highly motivated to make contributions to the understanding of kidney biology and disease.

The ASN Foundation for Kidney Research has had early success with $4 million of additional support from Amgen, Baxter International, and the American Society of Nephrology. The Foundation has a five-year fundraising goal of $20 million. For more information, please visit the Foundation’s website at: http://www.asn-online.org/foundation/.


There is no surprise that general operating support continues to be one of the preferred types of support sought by nonprofit organizations. Unfortunately, many foundations favor restricted support—a fact that has not significantly changed over the past few decades despite efforts by foundations to work more closely with nonprofit entities to achieve common ground. According to a new analysis done by the National Committee for Responsive Philanthropy, Foundations collectively gave 16% of grant dollars as general operating support from 2008-2010, the same amount reported from 2004-2006. Furthermore, the analysis found that 54% of foundations provided less than 10% of their grant dollars as unrestricted support, and only 14% of foundations provided more than half of their grant dollars as unrestricted support. It is clear that grantmakers overwhelmingly prefer to give restricted support—often forcing nonprofits to come up with additional money to support the costs associated with a grant. The NCRP and other nonprofit organizations are advocating for the importance of unrestricted support to allow nonprofits to be more impactful, to build more capacity, and to develop stronger leadership. Click here to access NCRP’s analysis on the state of general operating support.

The nonprofit sector has been growing steadily, both in size and financial impact for more than a decade. For the purpose of this infographic, “nonprofits” are defined as entities exempted from income taxation under Section 501(c)3 of the Internal Revenue Code.

**GIVING ON THE RISE**
After two consecutive years of drops in charitable giving in 2008 and 2009, giving is once again on the rise. Giving is expected to increase to $360 billion in 2012.

**WHY?**
**ONE REASON: MOBILE AND ONLINE DONATIONS ARE INCREASING**

**WHERE DID THE MONEY COME FROM IN 2011?**
- Bequests: 7%
- Corporations: 8%
- Foundations: 13%
- Individuals: 75%
- Other: 12%

**TOP CORPORATE DONORS IN 2011**
1. Walmart Stores - $342.4 million (cash)
2. Goldman Sachs Group - $337.1 million (cash)
3. ExxonMobil Corporation - $292.7 million (cash)
4. Wells Fargo & Company - $213.5 million (cash)
5. Chevron Corporation - $206.3 million (cash)

**TOP INDIVIDUAL DONORS IN 2011**
1. Margaret A. Cargill - $6 billion
2. William S. Dietrich II - $500 million
3. Paul G. Allen - $372.6 million
4. George Soros - $335 million
5. Michael R. Bloomberg - $311.3 million

**NONPROFIT EMPLOYMENT**
From 2000-2010, nonprofit employment increased in all 48 states reporting data, a total of 2.1 percent overall. During that same time frame, for-profit employment decreased by 0.9 percent. The largest change was in Nevada, with nonprofit employment increasing 6.8 percent. New York is the state with the most nonprofit jobs, with more than 1.3 million.

**CHANGES IN NONPROFIT EMPLOYMENT, 2000-2010**
- 1.3 million jobs

**NONPROFIT EMPLOYEES VS. OTHER INDUSTRIES, 2010**

**Key**
- 0% increase
- 1-2% increase
- 3-5% increase
- 6-9% increase
- 10% or more increase
- States not reporting data

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