

# Community Foundations

## FACT SHEET



**What are community foundations?** Community foundations are independent, public charities that steward philanthropic resources from institutional and individual donors to community-based organizations. Community foundations strengthen communities by enabling people to create charitable funds that address a wide range of interests. Through visionary, diverse, and inclusive philanthropy, community foundations have become catalysts for significant community change.

**Where do community foundations operate?** More than 700 community foundations operate in urban and rural areas throughout the United States. More than 425 community foundations in the United States (including the Community Foundation of Northern Illinois) have earned the National Standards Seal from the Council on Foundations for attaining the highest standards for grantmaking integrity and accountability. The community foundation model has also taken hold across the world, from the Americas to Europe to Australia, and is expanding rapidly across Africa. The Worldwide Initiatives for Grantmaker Support estimates that 1,175 community foundations work in 46 countries, with many more forming around the world.

**How do community foundations acquire charitable assets?** Nearly every type of asset—including cash, real estate, stock, and artwork—can be contributed to a community foundation. Gifts come from living donors and bequests through various types of funds and giving vehicles. In the U.S., community foundations nationwide hold nearly \$44.8 billion in assets. In 2005, they received an estimated \$5.6 billion in donations from individuals, corporations, government agencies, and other foundations. Community foundations range in size, from those with more than \$2.3 billion in assets to those with \$100,000 or less. Community foundations invest in diverse and soundly managed portfolios.

**How do community foundations serve their communities?** Community foundations play a key role in identifying and solving community problems. In 2006, they awarded an estimated \$3.6 billion to a variety of nonprofit activities in fields that included the arts and education, health and human services, and the environment and disaster relief.

**How do community foundations serve their donors?** Community foundations offer donors many advantages. They work with individuals, families, attorneys, and estate and financial planners to design gift plans tailored to meet diverse economic situations, maximizing the benefit donors receive from their contributions as well as the impact of their philanthropic dollars. Community foundations' in-depth knowledge of local issues enables donors to invest in issues they care about.

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