

# The Value of Philanthropy

Grantmakers' impact in Alabama



Foundations are 501(c)(3) nonprofit organizations that form a core component of a robust American charitable sector. They have become trusted partners for local governments, community organizations, and other 501(c)(3) nonprofits.

There are different types of foundations supporting different communities with different missions, funding sources, and operational requirements, but the two most common are **community foundations** and **private foundations**.

## Philanthropy in Alabama\*

Total Grants Awarded in State: **\$1.8 billion**

Foundations, Public Charities in State: **1,543**

No. of Grants Awarded: **36,305**

No. of Orgs. in State Receiving Funding: **9,203**

### Top-Funded Initiatives:

Education: **\$798.4 million**

Health: **\$289.5 million**

Human Services: **\$240.1 million**

Sports and Recreation: **\$136.6 million**

\* Source: [maps.foundationcenter.org](https://maps.foundationcenter.org); data from 2021-2024

## Community Foundations

**Community foundations** are supported by local donors and other charitable funders. They invest these gifts and commit a portion of their gradually growing endowments to strengthening their communities. Foundation activities can include providing **scholarships**, awarding **grants**, and **supporting nonprofits** working in the community.

By understanding their donors' goals and their neighbors' needs, the more than 900 community foundations in the U.S. work every day to channel the generosity of their communities into a **powerful force for good**. At a time when conflict can be an obstacle to collaboration, these crucial community organizations can quickly build and mobilize residents, marshal resources, and provide a consistent and stable lifeline during times of uncertainty, all to advance their charitable missions and serve their local constituents.

## Private Foundations

**Private foundations** receive financial support from limited sources like an individual, family, or corporation. Most are established to operate in perpetuity, but some devote their endowments to challenges in a set timeline. This **flexibility**, to choose perpetuity or sunset, allows foundations to **honor the intent** of their donors while responding to ever-changing economic, cultural, and social environments.

The missions of private foundations are as varied as the American experience, and these organizations can be found supporting Native American communities, rural workforces, health initiatives, national parks, and much more.



## Community Foundations National Standards

As part of their commitment to sector-driven best practices, more than **450 community foundations** – around **half** of all community foundations in the U.S. – voluntarily earn accreditation through **Community Foundations National Standards**. The National Standards program requires that foundations demonstrate operational excellence in six key areas:

1. Mission, structure, and governance;
2. Resource development;
3. Stewardship and accountability;
4. Grantmaking and community leadership;
5. Donor relations; and
6. Communications

## About Us

The **Council on Foundations** is a nonprofit membership association that serves as a guide for philanthropies to advance the greater good. Building on our 75-year history, the Council supports **over 950 member organizations**, those large and small, urban and rural, community and global-focused, in **all 50 states** and **around the world**.

## Learn More

For more information, visit **cof.org** or contact the Council's Government Affairs team at **govt@cof.org**.

## From Alms to Impact: The Timeless Journey of American Philanthropy



The history of philanthropy spans centuries, evolving from ancient religious and cultural giving traditions to organized efforts addressing modern needs. From early settlers pooling resources to support neighbors to the transformative giving of industrial titans like Carnegie and Rockefeller, philanthropy has shaped the American landscape.

Today, it encompasses a broad spectrum of altruism ranging from local charities offering local aid to large-scale foundations tackling persistent national and global challenges. Moreover, philanthropy reflects a nuanced interplay of cultural values, and technological advancements.

