Table 17 shows some percentage calculations based on the calculation of ratios between grants to net worth and ordinary income to net worth for those foundations receiving no current contributions in 1962. As would be expected, a higher percentage of these foundations would be affected by a requirement that grants be a certain percentage of net worth than was true when this requirement was tested against all foundations. In this case about 40 percent of these foundations would be affected by a 3½ percent payout requirement while the percentage was about 25 percent for all foundations. It might be noted also that the earnings experience is somewhat better when one looks at foundations without contributions because, by and large, less of the assets tend to be invested in highly liquid forms as might be appropriate where the foundation is serving only as a conduit. Most likely about 40 percent of these foundations have a current earnings rate in terms of ordinary income in excess of 3½ percent of market net worth. It would be expected that those foundations whose rate of return on net worth was relatively high should pretty much correspond to those foundations whose ratio of grants to net worth was also high. Nevertheless there would be some of the foundations whose rate of return was in excess of 3½ percent who would not have made a correspondingly high ratio of grants to net worth. The combined test of a volume of grants equal to the higher of 3½ percent of market net worth or ordinary income might affect about 50 percent of these foundations.

TABLE 17.—*Percent of foundations receiving no current contributions whose total grants and ordinary income were less than certain percentages of net worth*

	Foundations whose grants were less than—				Foundations whose ordinary income was less than—				
	1 percent—	3 percent—	6 percent—	10 percent—	0	1 percent—	3 percent—	6 percent—	10 percent—
	of market net worth				of market net worth				
All foundations receiving no current contributions	19	35	59	69	2	24	49	87	92
Foundations with no contributions received whose donor related influence was—									
over 50 percent	17	29	49	61	2	29	53	88	92
33 percent to 50 percent	27	39	67	82	6	20	40	88	94
0 to 33 percent	24	49	84	98	1	11	41	84	92
Foundations with assets over $100,000 with no contributions received whose donor related influence was—									
over 50 percent	8	24	62	77	3	10	36	91	94
33 percent to 50 percent	5	38	74	79	0	5	42	99	100
0 to 33 peacent	10	33	78	87	2	5	25	87	94

Source: 1964 Treasury Department Survey of Private Foundations.

Even in this group of foundations with no contributions received in 1962, it is likely that some conduit foundations are included, that is, foundations which were distributing contributions received in 1961. Including these in the tabulations continues to distort the relationship between capital and payout. (Nearly half of the small foundations with donor influence over 50 percent distributed over 10